support are getting to our troops, and fiscal responsibility has been restored to the Federal budget after the White House and Republican-led Congress reversed President Clinton's budget surplus and replaced it with the biggest budget deficit in American history.

This is only the beginning. This House has also passed legislation that will better protect our Nation by fully implementing the recommendations of the nonpartisan 9/11 Commission. Let's continue to move forward in this positive direction.

□ 1030

KOREAN WAR BILL CHARTER

(Mr. SAM JOHNSON of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SAM JOHNSON of Texas. Madam Speaker, this past Monday on the 57th anniversary of the start of the Korean War, Majority Leader STENY HOYER and I introduced legislation to rightfully honor Korean War veterans with a national charter. The charter pays no money but gives veterans leverage when dealing with the VA.

It is about time those who served in the Korean War enjoy the same mark of distinction and national recognition as those who came home from World War II. Some have dubbed the Korean War the ''forgotten war'' or even ''the war that America forgot to remember.''

You know, I was in that war, and so were at least two of our colleagues, CHARLIE RANGEL and JOHN CONYERS, and I think that it is kind of ridiculous that we haven't given them the recognition they deserve. I flew over 62 combat missions in Korea, and I can't think of a better way to honor our patriots who served in Korea.

I urge my colleagues to cosponsor our bill, H.R. 2852, to give the Korean War Veterans Association a national charter.

FIRST HIGHER EDUCATION EXTENSION ACT OF 2007

Mr. BISHOP of New York. Madam Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1704) to temporarily extend the programs under the Higher Education Act of 1965, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1704

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''First Higher Education Extension Act of 2007''.

SEC. 2. EXTENSION OF PROGRAMS.

Section 2(a) of the Higher Education Extension Act of 2005 (Public Law 109–81; 20 U.S.C. 1001 note) is amended by striking ''June 30, 2007'' and inserting ''July 31, 2007''.

SEC. 3. RULE OF CONSTRUCTION.

Nothing in this Act, or in the Higher Education Extension Act of 2005 as amended by this Act, shall be construed to limit or otherwise alter the authorizations of appropriations for, or the durations of, programs contained in the amendments made by the Higher Education Reconciliation Act of 2005 (Public Law 109–171) to the provisions of the Higher Education Act of 1965 and the Taxpayer-Teacher Protection Act of 2004.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FINANCIAL SERVICES AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 2008

The SPEAKER pro tempore. Pursuant to House Resolution 517 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 bill, H.R. 2829.

□ 1034

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 bill (H.R. 2829) making appropriations for financial services and general government for the fiscal year ending September 30, 2008, and for other purposes, with Mr. HASTINGS of Florida in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on the legislative day of Wednesday, June 27, 2007, a request for a recorded vote on the amendment by the gentleman from Indiana (Mr. SOUDER) had been postponed and the bill had been read through page 146, line 22.

AMENDMENT OFFERED BY MR. MORAN OF KANSAS

Mr. MORAN of Kansas. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. MORAN of Kansas:

Page 146, insert the following after line 22:

TITLE IX—ADDITIONAL GENERAL PROVISIONS

SEC. 901. None of the funds made available in this Act may be used to administer, implement, or enforce the amendment made to section 515.533 of title 31, Code of Federal Regulations, that was published in the Federal Register on February 25, 2005.

The CHAIRMAN. Pursuant to the order of the House of Wednesday, June 27, 2007, the gentleman from Kansas (Mr. MORAN) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Kansas.

Mr. MORAN of Kansas. Mr. Chairman, I have an amendment today that I would like the Committee to consider, which is a prohibition against the expenditure of funds.

In the year 2000, this Congress passed legislation that altered our trading relationship with Cuba. That legislation, the Trade Sanctions Reform Act of 2000, was put in place that would allow for the sale of agricultural commodities, food, and medicine to Cuba for cash in advance. That legislation was signed into law and was operational; and from that period of time, we have sold nearly $1.5 billion of agriculture commodities, food, and medicine to Cuba for cash in advance.

In the year 2005, the administration published a final rule clarifying the definition of cash payments in advance; and by that rule, it disrupted the sale of agriculture commodities, food, and medicine to Cuba. The change being that rather than payments in advance at the time the goods were delivered, the commodities were delivered in Cuba, the administration's rule requires that the payment be made before the commodities leave a United States port, a matter of days or weeks by advancing the payment.

This is contrary to our normal trading relationships, the norms within the international community, and has been disruptive and is an indication of our unwillingness to be a reliable provider of agriculture commodities to Cuba.

This amendment that I offer today prohibits the funding of the implementation or the enforcement of that rule promulgated by the administration in the year 2005, and so it would return us to the days following the passage of the original legislation, the Trade Sanctions Reform Act of 2000, that would once again say that cash in advance is payment when the commodity arrives in port in Cuba. And this change in rules has had an effect upon our ability of American farmers and agriculture producers to supply, to sell, for cash the things we produce in this country, a detrimental effect upon the farm economy. It is estimated that exports fell approximately 10 percent in value from 2004 to 2005. Wheat, which is important in my home State of Kansas, was decreased by 18 percent; rice by 38 percent; cotton by 87 percent; lumber by 100 percent; dairy products by 55 percent; seafood by 100 percent; course grains by 74 percent; and poultry decreased by 27 percent. And the goal is to try to restore those markets, once again be a more reliable supplier of food to the Cuban people, and to make certain that American agriculture is not harmed by our policy or is harmed less by our policy.

These are unilateral sanctions, Mr. Chairman, as you know. And unilateral sanctions are probably not effective in and of themselves when it is only the United States that fails to trade with Cuba. So, again, a rather modest modification in our policy, changing it to the days of the policies enacted by Congress before the administration changed the rules.

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

Mr. LINCOLN DIAZ-BALART of Florida. Mr. Chairman, I rise to claim the time in opposition to the amendment.

The CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. LINCOLN DIAZ-BALART of Florida. Mr. Chairman and colleagues, this OFAC, Office of Foreign Assets Control, regulation clarifying the Trade Sanctions Reform and Export Enhancement Act of 2000, this regulation that the amendment before us seeks to prohibit enforcement of, stemmed from requests by U.S. financial institutions that were becoming concerned by the increasingly slow rate of payment for agricultural sales by the Cuban regime. The financial institutions requested OFAC to clarify the legislative intent of cash in advance, which is in the law, in order to protect the interests of those financial institutions on their claims.

The Cuban regime's entity in charge of agricultural purchases has an abysmal record of not paying its creditors and has been known to extort or seek to extort agricultural associations in order to increase the regime's lobbying pressure in favor of the unconditional lifting of sanctions, which is sought by the regime. The regime promises more agriculture purchases if agriculture interests lobby Congress for what the regime seeks, an end to sanctions. In effect, the opening of mass U.S. tourism and trade finance.

Currently, Mr. Chairman, the Cuban regime's foreign debt represents close to 800 percent of its GDP, and it is ranked by international credit agencies as the second worst, if not the worst, credit risk in the world. Countries throughout the world are taking extreme measures to obtain restitution for billions of dollars they are owed, which the Cuban regime refuses to pay.

In one example, a 15,000-ton Cuban regime-owned ship was held in the port of Conakry in Guinea, while a Canadian company armed with legal judgments pursued partial payment for the Cuban Government's defaulted debt.

And those are the types of actions, Mr. Chairman, that U.S. companies and ultimately U.S. taxpayers would inevitably have to resort to if Congress were to authorize credit for sales to the Cuban regime. The Congress, Mr. Chairman, must not allow the American taxpayer to become another victim of the Cuban regime's nonpayment to its creditors.

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

Mr. MORAN of Kansas. Mr. Chairman, again I would point out that this amendment today does not change the law and that all sales to Cuba must be for cash in advance. There is no agricultural credit through the United States Government that can be offered to Cuba to assist in the sale of purchases by Cuba nor can any U.S. financial institution be engaged in the activity leading up to the sale of these commodities to Cuba.

So we do not change the law. It is simply a matter of definition. And at least in my estimation, the definition was changed for purposes of making those sales less likely to Cuba, thereby harming farmers, ranchers, and producers across the United States.

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

Mr. LINCOLN DIAZ-BALART of Florida. Mr. Chairman, I would ask my friend from Kansas if he has any further speakers.

Mr. MORAN of Kansas. I have no further speakers.

Mr. SERRANO. Mr. Chairman, I move to strike the last word.

I rise in strong support of the gentleman's amendment. And under different circumstances, I would simply say I accept it and that would be the end of it, but that is not going to be the end of it.

I rise in support because I think there are a couple of things we have to know and we have to remember. First of all, there is a law in place since 2000, the Trade Sanctions Reform and Export Enhancement Act, which allowed agricultural products to be sold to Cuba.

Now, here is where the irony comes in. In 2005 the Treasury Department issued regulations requiring that the payments for exports to Cuba must be either received by the U.S. exporter or by a third-country bank prior to the goods leaving the port in the United States rather than upon arrival in Cuba. Now, that is the only country we do that with.

Now, what is the irony here? The part of the argument that has always been made is that we should work in this Congress to help or to force Cuba into a political change, a political change which would mirror our democratic system, our electoral process, and also, I am sure, our capitalist system. Well, the irony of this is that it is capitalism at its best to allow credit to take place between two nations. It is anti-capitalism to suggest that the only way that we can sell products to you is if you pay ahead of time prior to looking at the product. I mean, we wouldn't do that. Picture going into a store and their saying you can't look at the product, you can't test the product, you can't do anything: you have to pay ahead of time.

□ 1045

So there is a contradiction here that doesn't make sense. What the gentleman wants to do is simply put Cuba on par with every other country.

Now, if we were here for the first time, as we were in 2000, creating a new way to trade with Cuba, then all these arguments, I think, would be in place, whether we want to do that or not, what kind of government they have. But we already have that in place. We already have that in place. And we should note that the reason we have this in place is not because anti-embargo people like me ruled the day in 2000, it's because farmers in this country and business people in this country, but especially the farming community, felt that it was important for American business to be able to sell some products to Cuba. That has not changed our political stance on Cuba. Cuba still has an embargo imposed by the U.S. We still do not have relations with Cuba. Nothing has really changed since 2000 except the ability to sell products.

Now the gentleman wants to put Cuba on an even keel with the rest of the world. I think it's a proper way to go. I think it's good for our business community. I think it's good for trade with Cuba. And I support the gentleman's amendment.

I will be asking Members on this side and on both sides to vote for his amendment if it comes to a vote.

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

Mr. MORAN of Kansas. I would ask the gentleman from Florida if he has additional speakers or wishes to allow me to close.

Mr. LINCOLN DIAZ-BALART of Florida. I would inquire of the chairman as to how much time I have remaining.

The CHAIRMAN. The gentleman from Florida has 2 minutes remaining. The gentleman from Kansas has 45 seconds.

Mr. LINCOLN DIAZ-BALART of Florida. Mr. Chairman, I would simply reiterate that this clarifying regulation by OFAC stems from concerns and requests of U.S. financial institutions that were concerned because of a pattern they were noticing of delays in payment. So this regulation is precisely to carry out the legislation and implement the legislation of the year 2000 as, again, is a consequence and pursuant to the request of U.S. financial institutions that sought protection, and through clarification.

So with that in mind, I oppose the amendment by the gentleman from Kansas.

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

The CHAIRMAN. The gentleman from Kansas is recognized for 45 seconds.

Mr. MORAN of Kansas. Mr. Chairman, thank you for your courtesies.

Again, I would ask for adoption of this amendment. I offered the amendment on the House floor in July of 2000 that ultimately resulted in the passage of the Trade Sanctions Reform Act.

I admit that I came here in support of farmers in Kansas who thought it was useful to them and beneficial to them economically to be able to sell to Cuba. And over time, I have tried to examine this issue, and it has become something broader. I think there is a greater benefit in the efforts to change the nature of Cuba and to enhance the opportunities that Cubans have for greater personal freedom by an economic relationship between our two countries.

And so, although it was initially an economic issue with me and it remains important to the agriculture community, I think it also benefits the opportunity that we can enhance Cubans for greater freedom and personal liberty within their own country.

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

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas (Mr. MORAN).

The amendment was agreed to.

AMENDMENT NO. 34 OFFERED BY MR. LUCAS

Mr. LUCAS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 34 offered by Mr. LUCAS:

At the end of the bill (before the short title), insert the following:

TITLE IX—ADDITIONAL GENERAL PROVISIONS

SEC. 901. None of the funds made available in this Act may be used by the United States Government to seize or otherwise take possession of, other than for value given in a sale or exchange, any coin, medal or numismatic item made or issued by the United States Government before January 1, 1933, that, as of the date of the enactment of this Act, is not already in the possession of the United States Government.

Mr. SERRANO. Mr. Chairman, I reserve a point of order on the gentleman's amendment.

The CHAIRMAN. The point of order is reserved.

Pursuant to the order of the House of Wednesday, June 27, 2007, the gentleman from Oklahoma (Mr. LUCAS) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Oklahoma.

Mr. LUCAS. Mr. Chairman, I yield myself as much time as I might consume.

Mr. Chairman, I am introducing this amendment in an effort to provide legal certainty for coin collectors who own certain coinage minted before January 1, 1933.

My amendment would prohibit funds in the bill from being used to seize or take possession of any coin, medal or numismatic item made or issued by the United States Mint before January 1, 1933, that is not already in the possession of the United States Government.

Under current law, the Mint has the authority to seize coins created during this period if it believes that they are unauthorized coins. These unauthorized coins were never properly issued, but were created by people at the Mint or working with the Mint more than 75 years ago.

A classic example is the case of the 1913 Liberty Head nickels. And now these items are a part of our numismatic heritage. These coins have likely been publicly bought and sold several times over without the Mint ever attempting to confiscate them.

My amendment seeks, therefore, to provide legal certainty for coin collectors that they may buy, own or sell these coins without the threat of government seizure. Again, this amendment will only apply to any coin, medal or numismatic item made or issued before January 1, 1933.

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

POINT OF ORDER

Mr. SERRANO. Mr. Chairman, I make a point of order against the amendment because it proposes to change existing law and constitutes legislation in an appropriation bill and therefore violates clause 2 of rule XXI. And that states, ''An amendment to a general appropriation bill shall not be in order if changing existing law.'' And it does impose additional duties.

I ask for a ruling from the Chair.

The CHAIRMAN. Does any Member wish to be heard on the point of order?

Mr. LUCAS. Mr. Chairman, I would just simply like to note that in the way this amendment is constructed, it would not require the additional expenditure funds, I believe. I believe in the way that it is crafted, it simply would prevent the Federal Government from using existing funds to take an action against numismatic collectors who have these pre-1933 items. And I believe this is crafted well within the rules of the House.

The CHAIRMAN. The Chair finds that this amendment includes language requiring a new determination by all entities funded in the bill, namely, the date of issuance of certain items before taking possession of them. The amendment therefore constitutes legislation in violation of clause 2 of rule XXI.

The point of order is sustained and the amendment is not in order.

AMENDMENT NO. 18 OFFERED BY MR. FLAKE

Mr. FLAKE. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 18 offered by Mr. FLAKE:

At the end of the bill (before the short title), insert the following:

TITLE IX

ADDITIONAL GENERAL PROVISIONS

SEC. 901. None of the funds made available in this Act to the Small Business Administration may be used for the Grace Johnstown Area Regional Industries Incubator and Workforce Development program.

The CHAIRMAN. Pursuant to the order of the House of Wednesday, June 27, 2007, the gentleman from Arizona (Mr. FLAKE) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Arizona.

Mr. FLAKE. Mr. Chairman, I appreciate the opportunity we have. For a while it looked like we might not have this opportunity, so I do appreciate being able to challenge these earmarks on the House floor.

As rank-and-file Members, we are able to see certification letters that have been submitted by the requesting Member to the Appropriations Committee. I should point out again, as I did yesterday, we were unable to see the actual request letter, so there is limited information that we have available on these earmarks and what they're for, but there are some that we're able to glean.

Let me just talk about this one a little. This one I actually challenged last year. That's part of the reason I'm coming again is this seems to be an earmark that just keeps coming up again and again for an organization that seems to exist only on earmarks.

This particular amendment would prohibit funding for the Johnstown Area Regional Industries, or JARI, Incubator and Workforce Development Program. Now, I don't know the specifics of the history of JARI, how it was started, I do know, however, that it has received several earmarks over the years.

I also know, among other things, JARI helps companies obtain government funding. Its Web site says, ''JARI's Procurement Technical Assistance Center provides an array of services to assist companies in securing Federal, State and local government contracts and subcontracts.''

So, in essence, what we're doing is sending Federal money to an organization, who then turns around with that money and seeks additional Federal money. I'm just wondering where this stops. How many of these organizations can we fund?

This is not the only organization of its kind, and that's partly what worries me here. We're finding dozens and dozens of organizations like this increasingly over the past couple of years that have been organized and created to secure additional Federal funding. These are earmarks that beget earmarks. These are earmarks incubators. And I don't know how much we can stand of this because the more we have out there, the more it seems to simply spawn other earmarks.

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

Mr. SERRANO. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. SERRANO. Mr. Chairman, the gentleman starts off as we suspected by assuming that Members of Congress have no ability and no understanding and no knowledge, enough certainly to make an appropriation called an earmark. That assumes that only Federal agencies and the folks who work in those agencies know what a good program is.

I think every so often we have to remind ourselves what a so-called earmark is. An earmark is when a Member of Congress determines that in his or her district there is a program worthy of Federal support. But on so many occasions, as certainly has been the occasion in my district in the Bronx, those Federal agencies, for one reason or another, don't pay the attention they should, so a Member gets involved in directing some dollars. And it is some dollars compared to the total budget.

In this particular case, we're talking about an organization in the Youngstown area that was originally set up to deal with the fact that in the southwestern Pennsylvania region, there has been a mass exodus of people between 25 and 30 years of age. Furthermore, with the demise of the steel and coal industry, the region has seen very high levels of unemployment. New and small businesses are necessary to the economic well-being of the citizens of this area.

Now, JARI's efforts have directly led to an increase in small businesses formed in the region and jobs created and retained in the region. There has been an increase in longevity and sustainable efforts for small businesses. Business folks have been given the ability to grow. And yes, while the gentleman seems to think that it is a bad thing to have Federal dollars go in and then assist in reaching other dollars, well, that just shows that they know how to work the system and work it properly. There is nothing wrong with that. But the whole notion that only people and Federal agencies know how to direct dollars, and that only they know what a good program is is really a misconception.

Now, the gentleman from Arizona will be here for quite a while, we see he's setting up his presentation. And it will be a good, strong presentation, but it is only based on the belief that Members of Congress are not intelligent enough to know a good program, to know a good use of Federal dollars.

Interestingly enough, the same folks who will get up today and attack earmarks will not attack the fact that there are large number of earmarks that come directly out of the White House directing Congress to spend money on something; and that most have voted for the largest earmark of them all, the war in Iraq, which has earmarked hundreds of billions of dollars with very little, incidentally, accountability in many, many cases.

So, I stand in opposition to the gentleman's amendment. He knows that he and I have a friendship, a personal friendship and respect. But on this one, as last time, he is totally wrong. I stand in opposition to his amendment and in support of this particular earmark.

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

□ 1100

Mr. FLAKE. Mr. Chairman, I always enjoy debating my good friend from New York. My good friend from New York made a point when I challenged one of his earmarks last year that his district has one of the highest poverty rates, or it is number one in the country.

Here I have a map. The red areas show those counties in the country that have experienced persistent poverty over the past 30 years. I should note that virtually all of the earmarks I will be challenging today are not in areas that are covered in the red, certainly not the one in western Pennsylvania today. This is not an area of persistent poverty. This is not an area where we are going in and helping the truly less fortunate.

The gentleman is correct that Members of Congress are, by and large, intelligent. They know how to work the system. I would submit that that is exactly what this is about. When you get an earmark that begets other earmarks, when you are funding organizations set up with the express purpose of getting other Federal moneys or other earmarks, there is something wrong with that picture. There is something wrong with that. Where does that end? That is simply not right.

I would ask the gentleman, this is not the gentleman's earmark. Is the sponsor of the earmark not here to defend the earmark today?

Mr. SERRANO. I am sorry?

Mr. FLAKE. The sponsor of the earmark is not here to defend the earmark today?

Mr. SERRANO. The sponsor is not on the floor, but his trusted companion is on the floor.

Mr. FLAKE. That sponsor is Mr. MURTHA?

Mr. SERRANO. You have said that.

Mr. FLAKE. According to the certification letter released, it is Mr. MURTHA of Pennsylvania. As I mentioned, this is the second year that I have challenged the same earmark. This is an earmark that begets earmarks. This is going to a business organization whose job it is to receive other Federal moneys. There have been many stories written over the past several weeks about organizations like this that exist to draw other Federal moneys. I don't think that you can put it in terms of this Member knows that district and is trying to alleviate poverty or a situation like that.

This is a situation, it seems to me, where earmarks are begetting more earmarks. We simply can't sustain that. With the deficit that we have, with the situation we are in with the Federal Government, we can't sustain doing this for much longer.

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

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arizona (Mr. FLAKE).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. FLAKE. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Arizona will be postponed.

AMENDMENT OFFERED BY MR. FLAKE

Mr. FLAKE. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. FLAKE:

At the end of the bill (before the short title), insert the following:

TITLE IX—ADDITIONAL GENERAL PROVISIONS

SEC. 901. None of the funds made available in this Act (including funds made available in title IV or VIII) may be used for a project for Barracks Row Main Street, Inc.

The CHAIRMAN. Pursuant to the order of the House of Wednesday, June 27, 2007, the gentleman from Arizona (Mr. FLAKE) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Arizona.

Mr. FLAKE. Thank you, Mr. Chairman.

This amendment would prevent the Barracks Row Main Street Organization from receiving $.5 million. The certification letter provided by the sponsor of this earmark indicates that these funds will be used to redevelop the Eastern Market Metro Plaza and the triangle park adjacent to it. This is in Washington, D.C., not far from us here on Capitol Hill.

According to its Web site: ''The mission of Barracks Row Main Street is to revitalize 8th Street Southeast as a vibrant commercial corridor reconnecting Capitol Hill to the Anacostia River using historic preservation and the arts and economic development tools.''

In case you weren't aware, Mr. Chairman, Barracks Row was the first commercial center in Washington, D.C. In 1801, Thomas Jefferson selected the site of 8th and I Streets as the first post for the Marine Corps because of its close proximity to the Navy Yard and the U.S. Capitol in case it needed protection. I sometimes wish those marines were around to protect the taxpayer here or funds from flowing from this institution.

Also, according to the Barracks Row Web site, since 1999 there have been more than 50 facades restored, 40 signs replaced, 40 new businesses opened, three new buildings constructed and one streetscape reconstruction completed. All told, the total amount of public and private funds reinvested has been some $19 million. At least a portion of that $19 million has come through Federal earmarks.

The 2006 Transportation appropriation bill included a $750,000 earmark for the redevelopment of Barracks Row Main Street, Inc. That was apparently the same project included in the earmark that I seek to limit today, the redevelopment of the Eastern Market Metro Plaza.

I would submit that the redevelopment of the Metro Plaza would be more appropriately addressed by the authorizers. If the project were authorized, then we should allow the Transportation appropriators to do this bill.

I also note that this Metro Plaza may be about to receive at least its second earmark. How many more will be required? How much longer will we be doing this? I certainly hope that we are not approving a redevelopment earmark today to redevelop last year's redevelopment earmark.

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

Mr. LEWIS of California. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. LEWIS of California. Mr. Chairman, I am the named sponsor of this amendment that Mr. FLAKE refers to. Before I continue with any comments about the amendment per se, I would like to, if I could, have a brief colloquy with the gentleman from Arizona.

Has the gentleman from Arizona spent very much time on Barracks Row, this new commercial center that you refer to?

Mr. FLAKE. No, I have not.

Mr. LEWIS of California. Have you been to Barracks Row, had a meal there perhaps?

Mr. FLAKE. I may have. I don't recall.

Mr. LEWIS of California. Have you been to the Marine barracks which are located on Barracks Row?

Mr. FLAKE. I believe I have.

Mr. LEWIS of California. Have you ever attended the Silent March that takes place on Friday evenings at the Marine barracks?

Mr. FLAKE. I have not.

Mr. LEWIS of California. You have not. I would suggest to the gentleman that probably one of the most important things that a Member of Congress should do is to go to the Marine barracks. On 13 Friday evenings annually, approximately 45,000 people enjoy absolutely the best of our Armed Forces displayed by the marches that take place on the Marine barracks on those Friday evenings, a phenomenal, phenomenal experience for those people who care about our Armed Forces, but also know the historic role that Washington, D.C. has played in terms of supporting and building our military.

8th Street is known as Barracks Row because of the Marine barracks. But over a number of years, indeed generations, Barracks Row, 8th Street, had deteriorated very, very significantly. The commercial values had all but been eliminated. And right in the heart of it was this fabulous headquarters of the National Marine Corps known as the Marine barracks.

It seemed to some of us some time ago that it was very logical to take advantage of that location and the Naval Yard's distance just to the south of it and indeed perhaps even create a Georgetown on Capitol Hill.

Over a number of years, with help on both sides of the aisle, the Congress has re-established Barracks Row as a phenomenal spot on Capitol Hill. Today, its commercial value has skyrocketed. It is having a phenomenal impact on the community. The allocation this year for continuing that process is approximately $500,000. We spend in this bill something like $650 million in our Capital Support funds overall. This is a minor piece of all of that.

Indeed, Georgetown on Capitol Hill is a very, very worthwhile project. It has been immensely successful. The return on the Federal investment that has taken place over the years is difficult to measure. But it is truly immeasurable in my mind's eye. The contribution it has made to the capital is a very significant one.

This amendment essentially would rifle shot at that very project. It is a project we all should, Members of the House, along with our staffs who work and live here, should be very proud as a result of this Federal expenditure.

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

Mr. SERRANO. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in opposition to the gentleman's amendment. I would like to direct my comments more on the sponsor than on the project, although I will speak about the project.

□ 1115

The gentleman is one of the most distinguished Members of the House, certainly a Member who knows the appropriations process, knows the pitfalls of this process called earmarks, and would not knowingly put forth a foolish or unworthy member-item before the House. So I take that very seriously. He is not a rookie who is trying to find his way around the House, as many do every day, but he is one who knows what is acceptable and what is proper and what is dignified, and that is what he is doing.

Secondly, and very important to note, we all have so-called earmarks for our district. This is for the Nation's Capital. This is not something he is bringing back to his district to score points with his constituents, which is proper. There is nothing wrong with that, letting your constituents know you are working in Washington on their behalf. But here he takes time, and, if I may say, dollars that he probably could have asked for his own district, to make sure that something in the Nation's Capital happens and happens properly.

I take that very seriously, because, as I said last night, Mr. REGULA and I are committed in this committee to making life and conditions in D.C. much better than they are.

So I commend the gentleman from California for thinking of a place outside his own district, and I am here in opposition.

I yield to the gentleman from North Carolina.

Mr. WATT. I thank the gentleman for yielding.

I wanted to make the point too that when I am in Washington, I live just across the line between Northeast and Southeast. On a number of occasions on Friday evenings, I have had the occasion to be just on the Southeast side of that line down in the area where these maneuvers are taking place.

I doubt that the gentleman could imagine the number of visitors that come into Washington for these events, for these maneuvers, along with the families of these service people. We regularly, as Members of Congress, get invited, though we are seldom here on Friday evenings to take advantage.

But if you look at the benefit that is probably coming out of these maneuvers and the participation of the public and the support it builds up for our military and for the economy in this area, it is just a dramatic illustration. I just wanted to make that point.

Mr. Chairman, this is not my earmark. I wouldn't even be the stereotypical supporter of this. But it is an illustration of the national value that this earmark would play.

Mr. SERRANO. Mr. Chairman, I yield back my time.

Mr. REGULA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, just as the chairman said, this is consistent with our goal in this committee to enhance this city and make it a capital that we can be proud of, and I congratulate the Member from California for putting in something that, while not affecting his area, will add great value to the city and to the people who live here.

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

Mr. FLAKE. To hear this discussion, one would think we were funding the Marines somehow here. We are not. We are not. We are funding, according to the certification letter, ''Funding is to be used for enhancing the Barracks Row Corridor by redeveloping the Eastern Market Metro Plaza.''

This is a commercial development, a commercial venture. Home and retail properties in this area have skyrocketed in the past couple of years. The American way is to leverage the equity you have, either in your business or your home, and redevelop the area. That is how every other area in the country does it, almost all without Federal help.

Just because it is here, and I would like to get there and watch the Marines march, but let me say again, this has nothing to do with the Marines marching in Barracks Row. This has to do with subsidizing a commercial enterprise, one that could do just fine on its own, and particularly in this area. I couldn't think of buying in that area. It is far too expensive.

I appreciate the notion of helping out and the sentimentality of Marines marching, and all of us want to help the armed services, but that is not what this is about. This is about subsidizing a commercial venture, and it is not something we should be involved in in this instance.

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

Mr. LEWIS of California. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, let me say that the Marine barracks are only a small piece of Barracks Row, as the gentleman has suggested. The plaza at the end of Plaza Row is one of the pieces that

needed to go together to make this truly a very successful venture on Capitol Hill on behalf of our responsibility to make certain that Capitol Hill, beyond just our presence here, is a successful and vibrant community.

There is absolutely no question that what has happened on 8th Street has been a phenomenal change in the region. It goes beyond the Marine barracks, all the way to the Naval base. I think Members know that not very far away, a new baseball stadium is in the process of being developed. It is going to be a phenomenal region, and this is only one small piece of it.

I know the gentleman spends most of his time in commercial ventures in Arizona. I would suggest he might want to go to 8th Street and take a look at the restaurants. I might even buy you a meal there. It would be a wonderful exposure to a fabulous piece of our Nation's capital, and the Congress can be proud of the contribution they have made here.

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

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arizona (Mr. FLAKE).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. FLAKE. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Arizona will be postponed.

POINT OF ORDER

Mr. MCCRERY. Mr. Chairman, I make a point of order against section 106 of this bill.

The CHAIRMAN. The gentleman will state his point of order.

Mr. MCCRERY. Mr. Chairman, Clause 5(a) of rule XXI states that, ''A bill or joint resolution carrying a tax or tariff measure may not be reported by a committee not having jurisdiction to report tax or tariff measures.''

H.R. 2829 is a general appropriation bill, reported by the Appropriations Committee, which, of course, does not have jurisdiction over tax or tariff measures.

Precedent under Clause 5 of rule XXI found in the most recent edition of the House Rules and Manual states, ''A limitation on the use of funds contained in a general appropriation bill was held to violate this paragraph.''

Further, the Manual refers to at least three rulings during consideration of a general appropriation bill where, ''It was shown that the imposition of the restriction on IRS funding for the fiscal year would effectively and inevitably preclude the IRS or the Customs Service from collecting revenues.''

In other words, there is ample and clear precedent, Mr. Chairman, that a limitation on funding on the IRS is a revenue measure when it inevitably leads to a reduction in tax revenues, and is therefore subject to a point of order under Clause 5.

Congress authorized the Qualified Tax Collection Contracts Program found in Section 6306 of the Internal Revenue Code to give the IRS additional tools to collect specified amounts of tax, not debt, and the program is thus distinguishable from other debt collection programs in the Federal Government.

To quote from the Internal Revenue Code, Section 6306(b)(1)(B) defines a qualified tax collection contract as one in which the contractor requests a ''full payment from such taxpayer of an amount of Federal tax specified by the Secretary.''

Legislative history of the American Jobs Creation Act of 2004 further bears this out. Citing the Joint Committee on Taxation's general explanation of tax legislation enacted in the 108th Congress, the provision's intent is to ''locate and contact taxpayers owing outstanding tax liabilities of any type and to arrange payment of those taxes by the taxpayers. There must be an assessment pursuant to Section 6201 in order for there to be an outstanding tax liability. An assessment is the formal recording the taxpayer's tax liability that fixes the amount payable.''

When authorizing the program, the Congress was specifically attempting to address a category of uncollected taxes, taxes that Congress believed could be more efficiently collected through the use of qualified tax collection contracts. To put it simply, the Congress felt that the IRS's existing authority should be augmented in order to increase tax compliance and tax collection.

Current estimates by the Joint Committee on Taxation, direct correspondence in both writing and recent congressional testimony from the IRS, and even the CBO baseline, indicate that the program is succeeding in collecting additional tax revenues, just as Congress had anticipated, and in excess of the tax revenues collected prior to enactment of Section 6306 of the Internal Revenue Code. Empirical evidence is clear: Enactment of section 106 would inevitably lead to a reduction in the collection of taxes.

The Congressional Budget Office estimates that the IRS plans to spend $15 million to administer this program in 2007. This has already led to the collection of $20 million in tax revenue in this fiscal year. For fiscal year 2008, the IRS requested $7.35 million in discretionary appropriations to administer the program. In addition, the Secretary of the Treasury, by the authority granted in Section 6306 of the Internal Revenue Code, is allowed to retain 25 percent of the taxes collected under the qualified tax collection contract. In fiscal year 2008, the IRS expects to retain $15 million with this authority.

Clearly, if section 106 of this bill is enacted, the broad reference to ''any other Act'' will eliminate the Secretary's authority to retain the taxes collected by the program that are necessary to run the program and collect additional taxes. In addition, a more than 95 percent decrease in funding would occur as a result of the limitation in section 106, and that would have the same effect as reducing the funding to zero. The CBO estimates that it expects the program to collect $80 million in fiscal year 2008, and the Joint Committee on Taxation expects section 106 to reduce revenues in 2008 by $69 million.

To substantiate this point and to illustrate that section 106 of H.R. 2829 restricts the ability of the IRS to collect taxes, I refer to a letter I received from the Joint Committee on Taxation: ''Section 6306 of the Internal Revenue Code enacted in the American Jobs Creation Act of 2004, authorizes the IRS to enter into qualified tax collection contracts with private debt collection companies to locate and contact taxpayers owing outstanding tax liabilities and to arrange for the payment of those tax liabilities.''

The letter goes on to say, ''Under section 106 of H.R. 2829, not more than $1 million of the funds made available in this or any other Act may be used to enter into, renew, extend, administer, implement, enforce, provide oversight of or make any payment related to any qualified tax collection contract. We interpreted this language as a broad restriction on the use of any funds available to the IRS for administering the private debt collection program, including not only appropriated funds but also funds the IRS is permitted to retain under Section 6306.

''Because section 106 of H.R. 2829 prohibits the IRS from using any more than $1 million to operate the private debt collection program, which is significantly less than the projected amount of expenditures required by the IRS to operate the program, we expect that operation of the program would cease if the provision were enacted.''

The Joint Committee goes on to provide a revenue estimate that details the annual loss of revenue to the Treasury. They estimate that H.R. 2829 would reduce revenues by $69 million in 2008, $507 million over the fiscal years 2008 through 2012, and by $1.086 billion over the fiscal years 2008 through 2017.

Mr. Chairman, I make a point of order against Section 106 of this bill.

Mr. SERRANO. Mr. Chairman, I concede to the point of order.

The CHAIRMAN. The gentleman concedes the point of order. The point of order is sustained. Section 106 is stricken from the bill.

Mr. SERRANO. Mr. Chairman, I move to strike the last word.

Mr. Chairman, as we already know, I conceded that point of order so that issue is not before us. But I think it is important, nevertheless, to speak somewhat to the issue so that people fully understand what it was that this subcommittee was attempting to do.

The whole notion of having private debt collectors collecting taxes throughout this country does not sit well with a lot of people. It is not one

of the most popular programs. In fact, it is a very unpopular program.

No one traditionally has liked the idea of somebody knocking on your door to collect your taxes in a dispute with the government. But at least historically we have had a situation where we knew that the person knocking at our door or on the phone was a member of the government, an employee of the government, who had been trained in how to deal with the public and who fully understood what was within the law allowed in that conversation and in that approach.

We now, in this wild desire to turn our backs on Federal employees and outsource, go out and get private employees to handle much of government's work, we decided to go and set up a system which is really very sad. We now say to a private debt collector, go and collect those taxes; and for doing that, we will give you 24 cents on the dollar.

The American people need to know that. They need to know that for every dollar that is owed to the government, the government is now saying we will hire an outside agency that will go after you, and we will let them keep 24 cents on the dollar. What a waste of government money. What a waste of the taxpayers' money.

It is interesting that we hear folks here get up and tell us we are wasting taxpayer dollars. In fact, in a few minutes the gentleman from Arizona will go back to that issue, although he was not involved in this other one and I don't want to bring him into it. But you talk about a waste of money. Rather than use government employees to go find these dollars, you are going to give away 24 cents on every dollar.

The point of order was based on a belief that this would lose revenue for the government because we would not hire these folks to go find the money, to go collect the money. The whole purpose of our bill was to go back to the day when the employees of the Federal Government would collect the dollars. Nowhere in this bill did it say that by not allowing outsourcing of these jobs, by not allowing private debt collectors, we are giving up on our hope to collect the dollars. That was not the purpose.

So, technically, the point of order was correct, and that is why we conceded it. But when you really analyze this, it would have been and it was a bad decision, because that was not the intent.

Lastly, the very famous hit show ''The Sopranos'' ended a couple of weeks ago. But had they known that this program was going to continue, they could have had another episode, because I predict that years from now we are going to be back here telling you horror stories about how private debt collectors are collecting those debts. They don't have to answer to the public or to the government, the way we have to, the way Federal employees have to. What they are going to start doing is using all kinds of tactics that we will live to regret. So there might yet be another Sopranos episode.

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

AMENDMENT NO. 21 OFFERED BY MR. FLAKE

Mr. FLAKE. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 21 offered by Mr. FLAKE:

At the end of the bill (before the short title), insert the following:

TITLE IX

ADDITIONAL GENERAL PROVISIONS

SEC. 901. None of the funds made available in this Act to the Small Business Administration may be used for the San Francisco Planning and Urban Research Association, SPUR Urban Center.

The CHAIRMAN. Pursuant to the order of the House of Wednesday, June 27, 2007, the gentleman from Arizona (Mr. FLAKE) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Arizona.

□ 1130

Mr. FLAKE. Mr. Chairman, this amendment would prohibit $231,000 from going to the San Francisco Planning and Urban Research Association, otherwise known as SPUR. This organization claims to be San Francisco's preeminent public-policy think tank and claims that through research analysis, public education and advocacy, SPUR promotes good planning and good government.

The question we are asked today: Is it good government for the Federal taxpayer to be funding think tanks around the country? You can debate all day long, we only have a couple of minutes here, the merits or demerits of government planning, whether it is a good thing that the suburbs expand or that the policies that this organization promotes are better.

But the question is: Should we be sending Federal taxpayer dollars to an organization with policies that run counter to what some people across the country might think?

I think we should let think tanks think and produce ideas that they want, but let's not support them with Federal funds and take sides in this issue.

As for the specifics of this earmark, according to the sponsor's certification letter, the funding would go towards construction costs associated with a new resource center for small business and community groups in San Francisco. The new resource center will be called the SPUR Urban Center.

SPUR's Web site says, ''As we head into the next 50 years of service to San Francisco, SPUR is proposing its most innovative solution yet: Constructing an urban center, the first of its kind in any city west of Chicago. To reach this goal, SPUR is embarking on a $10 million SPUR Campaign for the Urban Center.''

I suppose this funding is meant to help that campaign to raise the $10 million necessary to build that urban center. The list of donors to this campaign is about four pages long. It includes very sizable donations from some very well-known corporations and organizations. It appears to me and to anyone who reads or looks at the Web site that this fundraising campaign is going fairly well.

Why again are we putting taxpayers on the hook to help with this effort? The organization and center look to have a local focus and policy approaches that too many taxpayers from across the country might have reservations about.

Now, I am familiar with the think tank world. Before coming to Congress, I spent 7 years at the Goldwater Institute in Phoenix. I suppose that there are a lot of people here who would be uncomfortable with the positions that the Goldwater Institute took. I would not presume to get Federal funding for the think tank that I used to work for or any other conservative think tank. That wouldn't be right. I don't think it is right here for any Member to seek money for a think tank at home that might or might not produce ideas that run counter or might be supported by Members here. Think tanks should think on their own without support from the Federal Government in this instance.

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

Mr. SERRANO. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from New York is recognized for 5 minutes.

Mr. SERRANO. Since 1959, the San Francisco Planning and Urban Research Association, SPUR, has been one of California's preeminent public policy think tanks providing research, analysis and public education related to planning and good government.

It was originally formed to revitalize downtown San Francisco by channeling growth away from suburban sprawl and back into the urban core. SPUR provides a neutral educational forum to promote civic engagement, particularly among disadvantaged citizens, businesses operating in areas of high employment, and firms operated by low-income individuals.

SPUR is a widely sought-out resource for small businesses, concerned individuals, local government agencies and other nonprofits, offering educational programs, publishing a monthly journal with the latest information on urban planning and best practices, and convening 20 active policy committees where small business people and community members can become involved in local and regional public policy.

The funds included in the Financial Services appropriations bill are for construction costs associated with the new urban center. The center will allow SPUR to expand its educational

and research programs related to key issues impacting urban businesses and communities.

You know, as I listen to the gentleman, I always know where he is going with his argument because his argument continues to be that only people in agencies know how to spend Federal dollars and that we, Members of Congress, do not. Obviously a program that has been around since 1959 in the City of San Francisco that has played a role in revitalizing the city and its growth, a city we are all proud of, is one that merits our support.

As I am reading what I have in front of me, I am thinking how in private industry we always hold up private industry and corporate America as the ones that do it on their own, and we don't want to do anything for community groups that may be trying to get some government help. But, you know, we have all kind of tax breaks and tax subsidies that we give corporate America to grow and invest. They have their think tanks, except we are talking about billions of dollars, so their think tanks are composed of people they deal with on a daily business.

Local folks, local small business people every so often need government to step in and give them a helping hand, not to carry them on their shoulders, but to help them grow. I think this is a fine example of a program that merits our support. For that reason, not only do I support it, but I respectfully rise in opposition to the gentleman's amendment.

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

Mr. FLAKE. Mr. Chairman, may I ask the gentleman from New York, is this his earmark?

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

Mr. FLAKE. I yield to the gentleman from New York.

Mr. SERRANO. This is not my earmark. But you know something, as chairman of the committee that carries the earmarks, I respect the fact that every Member has a right to put them forth, and we looked at all of them, as did Mr. REGULA, and the earmarks that are here are earmarks that we feel are proper.

Mr. FLAKE. For the record, I believe this is the Speaker's earmark. It would have been nice to have a colloquy like we were having on this earmark with the sponsor of the earmark. That is what would be nice about this process, if we could actually have the sponsor of the earmark come and explain it.

I would like to know, for example, taking the example that the gentleman gave that I seem to be willing to let the Federal Government, the agencies, go ahead and spend this money, I would be upset if the Federal agencies designated this themselves. They shouldn't give out money like this.

If the Federal agencies responsible for disbursing this kind of money gave money to the Goldwater Institute, I would expect the gentleman and everybody else to say that is not a proper use of money. I would do that if it was put in by a Member as well. It is not who spends the money; it is whether this money should be spent by the Federal Government.

I am not defending the Bush administration's spending of money that is earmarked. I have noted many times that much of the money in the Homeland Security bill that is spent in my district is not a wise use of Federal taxpayer dollars. It shouldn't be spent.

The question is not who spends it. We shouldn't use that as an excuse saying that the Federal agencies will misspend the money, so we have a right to do that as well. We have a right to misspend that money and designate think tanks who should receive it just because they might do the same thing over there.

Our role is to authorize, appropriate, and conduct oversight. My issue is that we have done far too little authorizing, far too much appropriating, and far too little oversight. Oversight needs to be done.

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

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arizona (Mr. FLAKE).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. FLAKE. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Arizona will be postponed.

AMENDMENT NO. 19 OFFERED BY MR. FLAKE

Mr. FLAKE. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 19 offered by Mr. FLAKE:

At the end of the bill (before the short title), insert the following:

TITLE IX

ADDITIONAL GENERAL PROVISIONS

SEC. 901. None of the funds made available in this Act to the Small Business Administration may be used for the Mitchell County Development Foundation, Inc. for the Home of the Perfect Christmas Tree project.

The CHAIRMAN. Pursuant to the order of the House of Wednesday, June 27, 2007, the gentleman from Arizona (Mr. FLAKE) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Arizona.

Mr. FLAKE. Mr. Chairman, I can assure you that I have been called many things during this effort to shine the light on some Federal earmarks and to try to promote a little accountability. I am prepared after this amendment to answer to the name ''Grinch'' and head back up to my mountain just north of Who-ville.

This amendment would prevent $129,000 from being used by the Mitchell County Development Foundation for the Home for the Perfect Christmas Tree Project.

The Mitchell County Development Foundation is a nonprofit dedicated to creating jobs and strengthening the educational system, as well as promoting tourism in Mitchell County.

It has been reported that the Home of the Perfect Christmas Tree Project is an economic development initiative in economically distressed Mitchell County.

According to the project's Web site, author Gloria Houston gave the rights to her award-winning children's book, ''The Year of the Perfect Christmas Tree,'' to the town of Spruce Pine, North Carolina, in 2003.

To help with the economic challenges facing the region following the loss of manufacturing jobs, the Home of the Perfect Christmas Tree Project was created to assist entrepreneurs selling handmade crafts and products based on the book.

The money included in this earmark would go towards doubling the retail space available for the gift shop selling products like Christmas tree ornaments, lanterns, handmade soaps, et cetera.

I have no doubt that Mitchell County is having tough times economically. I don't belittle that fact. It sounds like they are. And I don't dispute the fact that they may be home to the perfect Christmas tree either, although Arizona has some very nice ones.

What I do doubt is that there is a Federal role here in doling out funds to the Mitchell County Development Foundation.

First, from the sponsor's certification letter, we learn that these funds are requested because the project is expected to double to include 60 licensed product makers in 2007. If this project is successful, does it still need taxpayer assistance?

Additionally, according to the USDA's Economic Research Service, there are nearly 400 persistently poor counties in the U.S. These are counties with 20 percent or more of their populations living in poverty for the last 30 years. These counties comprise 12 percent of U.S. counties and 4 percent of the population.

Are we to assume that the taxpayers should dig into their wallets and find ways of providing hundreds of thousands of dollars for each of these counties as a means of dealing with economic hardship? We simply can't do that. We simply can't cure every ill out there.

I would submit it is often said that this bill has become a Christmas tree. Unfortunately, this bill has a Christmas tree. I would think it is simply not a good use of taxpayer dollars.

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

Mr. MCHENRY. Mr. Chairman, I rise to claim the time in opposition.

The CHAIRMAN. The gentleman from North Carolina is recognized for 5 minutes.

Mr. MCHENRY. Mr. Chairman, I thank my colleague and friend from Arizona for offering this amendment. It gives me an opportunity to explain the importance of this project and this funding to the Members of this body.

I am actually very much in favor of transparency through the appropriations process. I have spoken a number of times here on the House floor about that. I think it is important that Members can judge for themselves the funds that we are spending as the Federal Government. It is a very serious business we are in of spending taxpayer dollars, and I don't take that lightly.

I am thankful for the opportunity to talk about the Mitchell County Development Foundation and the problems and challenges that Mitchell County is going through, but their hope and the solution they are putting forward.

Mitchell County, as the amendment sponsor mentions, is a very hard-hit county. If you look at this graph of manufacturing jobs in North Carolina, we have been hard hit over the last 20 years in the loss of manufacturing jobs due to Federal trade agreements, to a large degree. We are going through a transition period of manufacturing jobs in North Carolina.

Furthermore, in Mitchell County, which was a manufacturing county, you can look at this listing of the job losses they have had over the last 10 years. In the last 5 years, Mitchell County has lost 2,500 jobs. Now, that may not seem like much to big city folks, but to a small, rural Appalachian county with a workforce of 7,500 people, it is devastating. It is absolutely devastating.

When you are in a rural community, you have to figure out ways to innovate, to actually keep your people making a living. What Mitchell County has done through their development foundation is come up with a way to do that, to take these craftsmen who worked in textiles and furniture, to actually help them create a small business. And through this project, 51 small businesses have been created, two-thirds in my district.

But this is a small, rural county, and they are trying to do the best they can through an innovative process. This small amount of Federal money will help them in a number of ways, such as access other grants and bring in more knowledge about this process and about what is happening in this county, to bring more funding and resources to bear for this county.

□ 1145

Mitchell County has the third highest unemployment rate in the State of North Carolina. It has a 38 percent dropout rate in their high schools. And what they're trying to do through this business incubator is create small businesses so that those unemployed can find employment. Beyond that, they are also trying to use the resources that they gain from selling their products to provide scholarships for these high school students, to encourage them to stay in school. This is a good project and is a worthy use of Federal taxpayer dollars and I'm proud to stand in the well of this House and to defend this and tell my colleagues that it's worthwhile for the taxpayers to spend this money.

With that, Mr. Chairman, I retain the balance of my time.

Mr. FLAKE. May I inquire as to the time remaining.

The CHAIRMAN. Both sides have 2 minutes.

Mr. FLAKE. May I yield 1 minute to the gentleman from Texas.

Mr. HENSARLING. I thank my friend from Arizona for yielding. I want to thank him for his amendment.

What we have before us is an earmark that is in a family of earmarks, where somehow we in Congress think it is advisable to take money out of local communities, give it a big haircut, and then send it back as local economic development. I question what does the Federal Government know about economic development to begin with. I am going to support the gentleman from Arizona's amendment, but I did want to say something about the gentleman from North Carolina. But for his leadership in coming to the floor to fight for transparency and accountability, he wouldn't have to be here today defending the earmark, and I wanted to congratulate the gentleman for being willing to submit his earmark to this process. Now, I don't think his earmark meets the taxpayer test of efficiency or accountability, but I did want to applaud his leadership in improving the process and bringing transparency and accountability to the floor.

Mr. MCHENRY. Mr. Chairman, how much time do I have remaining?

The CHAIRMAN. The gentleman has 2 minutes.

Mr. REGULA. Would the gentleman yield for a question?

Mr. MCHENRY. Absolutely.

Mr. REGULA. How much private investment in your judgment will this generate locally, knowing they're getting some assistance?

Mr. MCHENRY. There's already been a real influx of interest in giving grants to this. Right now there's about three or $400,000 that is contingent upon this to a large degree.

Mr. REGULA. Thank you.

Mr. SERRANO. Mr. Chairman, I move to strike the last word.

The CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. SERRANO. I suggest to my colleagues that they pay close attention to their TV sets because I rise in opposition to the gentleman's amendment and in support of the gentleman's program. Now, I'm going to do that and try to remain serious, because I'm supporting an earmark by the gentleman who spent over 3 days beating the heck out of all the earmarks on the House floor and telling us that he had never seen an earmark that he liked. I obviously saw an earmark that I like, his earmark, and he saw an earmark that he liked.

Granted that it's got a pretty bad title because people think it's a Christmas tree and Christmas tree opens up a discussion for loading up and all kinds of other things, but we actually looked at it and it's a worthy project.

My point in diplomatically somewhat embarrassing him is the point that I can see in him an ability and a desire to help his community, and he could not see in us for 3½ torturous days our desire to help our community. And so I am rising as chairman of the committee asking both sides to go against Mr. FLAKE and support the gentleman's earmark because it indeed is one that helps his community and that's what it's all about.

But in the process of doing that, we also have to be careful what we say. The gentleman from Texas said that he supported Mr. FLAKE but opposed your amendment but thanked you for making this process possible. I have a surprise for you. Even if you had said nothing against earmarks, Mr. FLAKE was going to say something about earmarks for as long as he could because he's known for that.

So this is a very convoluted situation that I find myself in. But I support your earmark, I want you to take full credit for it, I want you to put a press release out and if you don't, I will put a press release out naming your program because I think it's a wonderful program and you should be proud of it.

I yield to the gentleman from North Carolina.

Mr. WATT. I thank the gentleman for yielding.

I'm going to make it more convoluted, because I've actually read the book that this earmark is titled after. It is a wonderful, wonderful children's book, and I say that with all sincerity. It's unfortunate that the earmark was named after the Perfect Christmas Tree, but the book itself, written by a local author, has produced a substantial amount of employment and funds for this area of North Carolina.

And for us to demean the notion of a perfect Christmas tree, which is the title to the book, a children's book, further convolutes this. I find myself kind of defending the Perfect Christmas Tree.

Mr. SERRANO. And reclaiming my time, with all due respect to both gentlemen from North Carolina and Arizona, we know that the perfect Christmas tree only grows in upstate New York and that's a fact of life.

Mr. MCHENRY. If the gentleman will yield, I just wanted to correct the chairman on what I said over those torturous 3 days, in your words, on this House floor. I was simply asking for earmarks to be public.

Mr. SERRANO. Reclaiming my time, English is a second language to me, but I assure you that I know what you said and you were not saying that you just wanted information. You were saying

these were bad things. Except that you found a good one and I support you on it. So as they say in the south Bronx, quit while you're ahead. Just take the earmark and publicize it.

I yield back the balance of my time.

Mr. MCHENRY. Mr. Chairman, how much time do I have remaining?

The CHAIRMAN. The gentleman has 2 minutes.

Mr. MCHENRY. I thank the chairman.

To close on this matter, Laura Bush, the First Lady, decides what the theme is for the White House Christmas, and she decided this last Christmas it would be the Year of the Perfect Christmas Tree, the Gloria Houston book that we're discussing here. Gloria Houston, who grew up in the mountains of western North Carolina, my district, who gave her book to this community for their business incubator, and it's unfortunate that there's so much discussion here on the House floor about this business incubator, but it does bring to light what is important for this community.

Laura Bush, the First Lady, said at the time: ''This is a very wonderful American story. They all worked together, the people in the town, to figure out a new industry for themselves.''

I'm trying to assist in that and I think the taxpayers should assist in that. And I'll tell you why. Mitchell County has been broken by trade agreements made here by the Federal Government. And when the Federal Government breaks it, they should help fix it. And that's all we're trying to do. This small amount of taxpayer dollars can help enormously.

I submit for the RECORD the USA Today story about Mitchell County and their recovery.

[From USA Today, Dec. 5, 2006]

TOWN HANGS HOPE ON HOLIDAY TREES

PROJECT SPRUCES UP MORALE AFTER LAYOFFS

(By Kathy Kiely)

WASHINGTON.—In Gloria Houston's 1988 children's classic, The Year of the Perfect Christmas Tree, a combination of pluck, tenacity and never-say-die optimism salvages the holidays for an impoverished little girl.

This year, residents of a small town in the same Appalachian hills that inspired Houston's story are hoping to reproduce its magic for their hard-luck community.

During the past four years, closings and layoffs at local textile and furniture mills have eliminated more than 2,500 jobs in western North Carolina's Mitchell County. ''We have lost one-third of our manufacturing base,'' says Shirley Hise, director of the local Chamber of Commerce. ''It has been devastating for our county.''

Even so, the people of Mitchell County are experiencing what local congressman Patrick McHenry calls ''a glimmer of hope.'' Houston's generosity and Hise's hard work are helping county residents tap a vein of creativity and find new ways to make a living. And this holiday season, Americans can help them out—and, at the same time, decorate their homes in presidential style.

Last week, when she hosted the annual unveiling of holiday decorations at the White House, first lady Laura Bush went out of her way to give a plug to the handmade ornaments provided by Mitchell County artists. ''This is a very wonderful American story,'' she said. ''They all worked together, the people in the town, to figure out a new industry for themselves, and they came up with making these wonderful ornaments.''

The media-savvy first lady even provided some direction for the TV crews on hand: ''When you're in the west reception hall or in the visitors' reception room on the east side, I hope you'll be able to get there to get some B-roll of those trees and see these beautiful, handmade ornaments.''

Mitchell County's contribution to the White House holiday decor is the result of a brainstorm Houston had in 2003 after being invited to be grand marshal of the Christmas parade in Spruce Pine, Mitchell's county seat.

After hearing about the community's problems, Houston donated the rights of her book to Spruce Pine and suggested local officials market the town as ''the home of the perfect Christmas tree.'' Last year, the community cut the ribbon on a retail store featuring handcrafted items inspired by the book. They're all made by local artisans.

These aren't amateur holiday fair items: The curvilinear red, green and walnut Carolina ''snowflakes'' hanging at the White House are the creations of Billie Ruth Sudduth, a basket weaver whose work is displayed at the juried Smithsonian craft show. The White House trees also feature handblown glass ornaments by Virgil Jones, whose work is on display in galleries in Asheville, N.C.

Sudduth taught several local women how to make the snowflakes so they could help her keep up with demand. At a basket-weaving class she taught to raise money for the local homeless shelter, ''I saw some talent,'' she says.

No one is suggesting a few cottage industries will replace the thousands of manufacturing jobs that once powered Mitchell County's economy. McHenry, who called the project a glimmer of hope, also notes it's not a light at the end of the tunnel.

But project participants say it has helped lift the gloom that enveloped Mitchell County after all the layoffs. ''This project has really turned the county upside down with excitement,'' Sudduth says.

Patti Jensen, who manages the retail outlet in Spruce Pine, says her biggest problem initially was persuading local craftspeople to provide her with enough inventory to keep pace with sales.

''They were so skeptical . . . that anyone would want to buy what they make,'' Jensen says.

After one of Marquitta Holdsclaw's art glass plates sold for $600 at a local silent auction, Jensen says she found the artist in the parking lot in tears. ''It just blew her away that anyone valued what she was doing,'' Jensen says. Holdsclaw's plates are available for as little as $39.50 through the Home of the Perfect Christmas Tree store. An online catalog can be found at homeoftheperfectchristmastree.org.

Working on their own poses challenges that employees of big companies never face, the artisans concede, especially ''the very real problem of health insurance,'' says Sudduth, 61. She says it costs $700 a month to maintain her coverage.

Jim Buchanan, a woodworker who built the interior of the Perfect Christmas Tree shop and designs items for the catalog, estimates he's making half of what he did before the Henredon furniture plant where he worked was shuttered in 2004. But there are other compensations. ''I'm making the type of furniture I like to make, so it's more enjoyable,'' Buchanan says.

Mike Queen, a local metal worker who is trying to grow his artisanal blacksmithing business, agrees. ''I'm enthused about it,'' says Queen, who employs several people laid off from local plants. ''It's good for the community. There's so many small towns in the country that seem like they're dying.''

THE IDEA WENT BY THE BOOK

Gloria Houston, whose book inspired the Home of the Perfect Christmas Tree store in Spruce Pine, N.C., says research she did as a graduate student prompted her to suggest the project.

Houston, a former Marjorie Kinnan Rawlings scholar at the University of South Florida, says she was researching the namesake of her fellowship when it struck her that Rawlings had inadvertently thrown a lifeline to her tiny Florida hometown, the setting for her classic novel, The Yearling. ''I realized Cross Creek would have long since disappeared had it not been for The Yearling,'' Houston says. ''Everything there had something to do with it.''

Years later, she decided to see whether her 1988 children's book, The Home of the Perfect Christmas Tree, could do the same for her North Carolina Appalachian home.

Houston's parents operated a country store in western North Carolina for more than 50 years. In writing the book, she was inspired by stories of their circumstances (her father told her about once giving up his Christmas dime so his sister could have a doll).

Not wanting the same crushing poverty to reappear in the region, Houston donated rights to the book to Mitchell County, and the Christmas tree store project was born. ''I'm so proud of the people here and their many skills and talents,'' she says. ''Now they're being put to work in their own county.''

In closing, I want to tell you, Mitchell County is going through struggles, and I appreciate this opportunity to bring attention to this. It is a worthwhile project. It is a worthy project. And I think worthy projects that have a Federal element to it should be funded by the Federal Government, and we should be interested in doing that. Not overspending, but spending wisely and allowing Members to step forward and publicly say what they think is a wise expenditure of taxpayer dollars. I care very much about that. And I care very much about helping Mitchell County rebound, to bring down that dropout rate in their high schools, to get businesses growing and to reduce their unemployment rate.

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

The CHAIRMAN. The gentleman from Arizona is recognized for the remainder of his time.

Mr. FLAKE. I thank the Chairman.

I think the spirit of Christmas seems to have broken out here, with Democrats agreeing with Republicans and dogs and cats living together and everything else. I'll probably get beat soundly on this amendment.

Let me simply say in defense of the gentleman from North Carolina, we would likely not be in this situation where we're debating earmarks on the floor had he not persistently for 3 days helped in the effort to make sure that there is transparency here. And you can be for earmarks or against earmarks. But I think we ought to all be for transparency, and I think that's the message that he helped and very persuasively brought to the floor during

those 3 days. I appreciate his efforts there, all for the opportunity to be flogged in this fashion.

I would simply say, and, like I say, I don't want to belittle the economic problems in Mitchell County, but I should point out again there are 400 counties around the country comprising 12 percent of all U.S. counties, 4 percent of the U.S. population, that are in persistent poverty. When you pick like this, we're picking certain winners and losers who are to get Federal funding instead of recognizing that there is opportunity cost to funding as well.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arizona (Mr. FLAKE).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. FLAKE. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Arizona will be postponed.

AMENDMENT NO. 10 OFFERED BY MR. ELLSWORTH

Mr. ELLSWORTH. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 10 offered by Mr. ELLSWORTH:

At the end of the bill (before the short title), insert the following:

TITLE IX—ADDITIONAL GENERAL PROVISIONS

SEC. ____901. None of the funds appropriated in this Act may be used to enter into a contract in an amount greater than the simplified acquisition threshold unless the prospective contractor certifies in writing to the agency awarding the contract that the contractor owes no Federal tax debt. For purposes of the preceding sentence, the certification requirement of part 52.209-5 of the Federal Acquisition Regulation shall also include a requirement for a certification by a prospective contractor of whether, within the three-year period preceding the offer for the contract, the prospective contractor—

(1) has or has not been convicted of or had a civil judgment rendered against the contractor for violating any tax law or failing to pay any tax;

(2) has or has not been notified of any delinquent taxes for which the liability remains unsatisfied; or

(3) has or has not received a notice of a tax lien filed against the contractor for which the liability remains unsatisfied or for which the lien has not been released.

Mr. SERRANO. Mr. Chairman, I reserve a point of order on the gentleman's amendment.

The CHAIRMAN. The gentleman's point of order is reserved.

Pursuant to the order of the House of Wednesday, June 27, 2007, the gentleman from Indiana (Mr. ELLSWORTH) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Indiana.

Mr. ELLSWORTH. Mr. Chairman, I acknowledge the point of order and I will ask for unanimous consent to withdraw this amendment.

But before I do that, I would like to at least spell out what this amendment intends and what I intended with the amendment. We're talking about earmarks. This is an earmark of a little different sort. It's earmarking the collection of Federal taxes owed to this government. This amendment sought to ensure that none of the funds appropriated in this bill could be used to enter into a contract greater than the simplified acquisition threshold unless the prospective contractor certified in writing to the agency awarding the contract that they owed no Federal tax dollars and no Federal tax debt.

The Federal acquisition regulation already requires prospective contractors to certify within a 3-year period preceding the offer that they've never been convicted and had a civil judgment against them for various legal infractions such as tax evasion, forgery, or bribery. This amendment is very simple. It simply adds the following three tax debt-related offenses:

That the prospective contractor must certify that they have not ever been convicted of a civil judgment rendered against the contractor for violating any tax law or failing to pay any tax.

Have or have not been notified of any delinquent taxes for which liability remains unsatisfied.

Or, number three, have or have not received a notice of a tax lien filed against the contractor for which liability remains unsatisfied or for which the lien has not been released.

Very simply put, Mr. Chairman, it has come to my attention and the attention of many of my constituents that Federal contracts are being awarded to companies that have not paid their Federal taxes. This really isn't just a small matter. These are companies that continue to receive Federal contracts, 3,800 in fact, that owe $1.4 billion in Federal taxes.

Now, I pay my taxes every year. I'm sure everybody in this room does and I'm sure everybody up in the gallery does. To award a Federal contract to a company that fails to pay gives them an unfair advantage. The people in the Eighth District of Indiana don't expect us to do this, and I don't think anybody across the country expects us to continue to do this. Yet it continues to go on and on and on. I've offered this amendment in other bills and I'll continue to offer it until this Congress does its work and ensures this.

Not all contractors that receive Federal contracts are bad players, but when 3,800 don't pay $1.4 billion, we need to put a stop to it. At a time when our fiscal house appears to be in somewhat disarray and the deficit continues to grow, we can't continue to allow companies like this to receive Federal tax dollars and Federal contracts.

While I am withdrawing this amendment today, I respectfully ask the chairman to include this language in the eventual conference report.

Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Without objection, the amendment is withdrawn.

There was no objection.

AMENDMENT NO. 14 OFFERED BY MR. WOLF

Mr. WOLF. Mr. Chairman, I have an amendment at the desk.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 14 offered by Mr. WOLF:

At the end of the bill (before the short title), insert the following:

TITLE IX

ADDITIONAL GENERAL PROVISIONS

SEC. 901. (a) There is hereby enacted into law H.R. 473 of the 110th Congress, as introduced in the House of Representatives on January 16, 2007, and appropriated for the Commission thereby established, $1,500,000.

(b) The amount otherwise provided in this Act for "**INDEPEDENT AGENCIES**—ELECTION ASSISTANCE—ELECTION REFORM PROGRAMS" (for the amount specified under such heading for programs under the Help America Vote Act of 2002) is hereby reduced by $1,500,000.

Mr. SERRANO. Mr. Chairman, I reserve a point of order on the gentleman's amendment.

The CHAIRMAN. The gentleman's point of order is reserved.

Pursuant to the order of the House of Wednesday, June 27, 2007, the gentleman from Virginia (Mr. WOLF) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Virginia.

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Mr. WOLF. Mr. Chairman, in the interest of time, I am going to withdraw the amendment, but I would be remiss if I didn't take this opportunity to call to the attention the financial storm and the tsunami that is off the coast ready to hit our Nation.

Our Nation's Federal fiscal policy remains unsustainable, and in last Thursday's Washington Post, Comptroller General David Walker referred to what called to a "tsunami of spending" that will result in "very rough seas, like we've never seen before in this country."

If Congress is not proactive in addressing the mounting entitlement costs and fiscal outlook 30 years from now, we won't be here deciding how to spend discretionary funds in an appropriations bill, there won't be any money left for anything. In 2006, Medicare, Medicaid, Social Security, consumed 40 percent of the budget. That percentage will jump to 51 percent in 10 years, and there will be a devastating impact on the country.

In less than 20 years, there will be no money for student loans, transportation funding, national parks or cancer research or autism research, just to name a few.

More than $2.6 billion a day is needed to fund the savings shortfall, which has left us with nearly 40 percent of our GDP in foreign hands. The Saudis hold

a lot of our debt, the Saudis hold a lot of our debt. The Chinese hold a lot of our debt.

On Tuesday, the Budget Committee held a hearing on foreign holdings of U.S. debt, and the vulnerability of our economy. The CBO director testified that increases in foreign holdings accounted for about 86 percent of total Federal borrowing last year.

We should care about that. We should care that the Saudis hold this debt, the Chinese that hold this debt. China is the largest single source of financing for the current U.S. account deficit. While the U.S. falls deeper and deeper into debt, other countries are saving. Although China usually gets most of the attention, it's also Saudi Arabia. Fifteen of the hijackers for 9/11 came from Saudi Arabia, Iran and Kuwait.

This amendment incorporate to expedite a national commission, eight members from each side to come together. This place is a partisan, political pit. There is no opportunity in this Congress to resolve these issues.

We can't even decide when we are going to adjourn around here sometimes. So what we take is eight Republicans, eight Democrats come together, put everything on the table. Everything has to be on the table, including tax policy.

This Commission would make recommendations and would hold public hearings around the country where the American people could have input. They will come back.

What makes this different than most others is that this would be like the base closing commission. It would require a vote to be taken by the Congress.

But 10 years from now, 20 years from now, when many of our people are going to be sitting on the rocking chair, having served in this Congress, and editorials and the newspaper headlines say ''Nation in crisis,'' we are going to ask, what did we do?

I have written a number of Dear Colleague letters. We are up to 31 cosponsors, Members cosponsored this. We need eight Members from each side, everything on the table, recommendations would come back, require the Congress to vote. But for our children and for our grandchildren, I would ask that we do this.

Mr. Chairman, I would ask to include a Washington Post article by David Broder and also some other material in support of the idea.

[From washingtonpost.com, Feb. 1, 2007]

DEFICIT DAY OF RECKONING

(By David S. Broder)

Next Monday is the real day of reckoning for President Bush and this new Democratic Congress. That is the day the president sends his budget for next year up to Capitol Hill, and you really will be able to judge by the reaction what will happen in Washington in the next 9 months.

Last year, when the budget came out, Democrats hooted in skepticism and many conservative Republicans expressed dismay at the size of the projected deficits. In the end, the House and Senate could not agree on a budget resolution, and the government went on autopilot in terms of domestic spending, continuing at the same level as the year before.

This year, as I learned from conversations with two senior White House officials last week, the president hopes his budget will become a starting point for serious negotiation—not a partisan football or simple laughingstock.

That hope was encouraged by a letter to the president last week from the Democratic leaders of the House and Senate, Rep. Nancy Pelosi and Sen. Harry M. Reid, and the chairmen of the two budget committees, Rep. John M. Spratt Jr. and Sen. Kent Conrad.

The first sentence said, ''We are writing to express our strong interest in working cooperatively with you to address our Nation's fiscal challenges.'' It acknowledged that as the process unfolds, ''Democrats and Republicans will disagree about particular priorities, and we will need to negotiate our differences in deciding how to allocate scarce resources.''

But it put forward four principles that could lead to a successful budget outcome this year.

''The budget should account realistically for projected federal costs,'' including the billions needed for the wars in Iraq and Afghanistan and the adjustments needed in the alternative minimum tax, which otherwise would punish millions of middle-class families.

''The budget should realistically project short- and long-term deficits,'' as objectively as the calculations of the Congressional Budget Office, which show the prospect of very large deficits if current tax and spending policies are unchanged.

''The budget should provide detail throughout the entire budget period,'' making clear the hard choices that lie ahead.

''The budget should be based on fiscal discipline that is sustained over the long term,'' underlining the fact that it will take years of effort to repair the damage done to our fiscal condition in the past 6 years.

The House took an important first step in repairing our fiscal health last month by reimposing the ''pay-go'' rule, requiring any increase in entitlements or tax relief to be balanced with tax increases or spending cuts.

While not endorsing these specific principles, the White House officials with whom I met certainly pledged to make visible the costs of the war and to be specific about the trade-offs needed to maintain budget discipline, both in the short term and the long term.

They said that the economic assumptions underlying the president's budget are modest—if anything, an underestimate of the revenue likely to be produced by a growing economy. And the officials indicated that the president will recommend that, for a second year in a row, overall growth in discretionary domestic spending—the part separate from Medicare, Medicaid and Social Security—be held close to zero.

If Monday's budget fulfills those promises, the stage could be set for a serious effort to put the federal fiscal house in order.

But the warning voiced in an interview by Rep. David R. Obey of Wisconsin, the chairman of the House Appropriations Committee, must be borne in mind. Obey recalled that when the late Rep. Richard Bolling of Missouri invented the congressional budget process, he said, ''It will work only if all the key players—in Congress and the administration—use honest figures and make a genuine effort to live within its discipline. Otherwise, the budget process will become a barrier to action.''

If the congressional budget process breaks down, two Republicans, Rep. Frank R. Wolf of Virginia and Sen. George V. Voinovich of Ohio, have proposed a commission of legislators and experts to tackle the long-term budget challenges and bring back a plan that Congress would have to vote up or down, or substitute an equally effective blueprint

One way or the other, this problem must be faced. Monday's budget message could be the first step.

[From the South Florida Sun-Sentinel, Mar. 27, 2007]

NATIONAL DEBT

ISSUE: Comptroller warns of fiscal disaster.

The alarm clock is ringing. Time to wake up!

The ''alarm clock'' is David Walker, comptroller general of the United States and head of the Government Accountability Office. He's on a nationwide ''Fiscal Wake-Up Tour,'' which he plans to continue through the 2008 elections.

His purpose is to warn Americans of the fiscal train wreck the Nation faces if it doesn't get its fiscal house in order. He's urging people to let the Federal government know they want something done about the problem.

That's crucial, because elected officials like to buy voter support with low taxes and big spending programs. That will never change unless the public lets its leaders know they can raise taxes and cut spending without being punished at the polls.

There's little choice. Things will grow exponentially worse as the Baby Boom generation begins collecting on entitlement programs. In the next few decades, the national debt, now at a record $8.8 trillion, could rise to more than $46 trillion.

Interest payments on a debt of that size would consume every cent the Federal government currently collects in taxes. It's conceivable that little or nothing would be left for national defense, roads and other infrastructure, entitlement programs, environmental initiatives, etc. The Nation can't operate that way.

Fortunately, Walker has help. He's accompanied on his tour by bipartisan representatives of leading think tanks, and recently U.S. Rep. Frank Wolf, R–Va., filed legislation to create a bipartisan commission to tackle the problem. Everything would be on the table, from taxes to entitlement spending. The bill would require Congress to vote on the commission's recommendations in their entirety.

If you want your country to remain strong and prosperous, let your members of Congress know you support this legislation. Self-indulgence got us into this mess. Only self-discipline can get us out.

BOTTOM LINE: The United States must attack this problem now, before it bankrupts the Nation.

Mr. Chairman, I withdraw my amendment.

The CHAIRMAN. Without objection, the amendment is withdrawn.

There was no objection.

AMENDMENT NO. 17 OFFERED BY MR. FLAKE

Mr. FLAKE. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 17 offered by Mr. FLAKE:

At the end of the bill (before the short title), insert the following:

TITLE IX

ADDITIONAL GENERAL PROVISIONS

SEC. 901. None of the funds made available in this Act to the Small Business Administration may be used for the Fairplex Trade and Conference Center, Pomona, California.

The CHAIRMAN. Pursuant to the order of the House of Wednesday, June 27, 2007, the gentleman from Arizona (Mr. FLAKE) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Arizona.

Mr. FLAKE. Mr. Chairman, this is another rerun amendment, because this bill contains another rerun earmark. I came last year to challenge the same earmark, and it's back.

This is the Fairplex Trade and Conference Center. It's located in Pomona, California, and more than one Member has been involved in the effort to secure earmark funding for this conference center.

According to the Web site, ''Fairplex is home to the annual L.A. County Fair and more than 300 other events each year. Included are consumer and trade shows, meetings, expositions, conventions, inter-track wagering, sporting events and agricultural events.'' Its Web site says that Fairplex is governed by the Los Angeles County Fair Association. The association is self-supporting and does not fall under the auspices of any county or State governmental body.

Now, Fairplex may not fall under the auspices of any county or State governmental body, but it has had its share of Federal funding over the years, which begs the question, is the association really self-supporting or not?

With a steady stream of earmark funding for the organization, I wonder if it is really dependent on this funding. Would Fairplex or the association be able to sustain its operation without annual earmarks? If it would, why do we need to do it in that case? Why would we have an organization that's either dependent on continued earmarks or one that could exist just fine without them?

Again, there are about 300 events at Fairplex every year. This year it hosted an international wine and spirits competition and an international extra virgin olive oil competition. It will have a 4th of July celebration next week. There is a Sheraton Suites hotel on the Fairplex campus.

With all of these sources of income, I really doubt that Fairplex needs a stream of taxpayer dollars that have come their way virtually every year. Why, this again begs the question, why are we doing this? Why is Federal money going here for a commercial venture? What makes Los Angeles County Fairgrounds more deserving than, say, Yazoo County, Mississippi; Cook County, Illinois or Slope County, North Dakota?

We certainly cannot fund every county fairground in the country. By choosing one or a few, we are picking winners and losers among them. I would appreciate an explanation as to how, out of the thousands of earmark requests that come, the committee narrows its list to a few hundred like this one in this bill.

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

Mrs. NAPOLITANO. Mr. Chairman, I claim the time in opposition.

The CHAIRMAN. The gentlewoman is recognized for 5 minutes.

Mrs. NAPOLITANO. Mr. Chairman, I yield myself such time as I may consume.

I am glad my colleague has stated the background of the fair, but I don't know if he knows it has been around for many decades. Yes, it is very well attended, hosts many functions, has all of the buildings that he is talking about. Yet it is still so old that a lot of it is in very, very serious stages of decay. By that, it needs some restructuring. But that's beside the point.

What this does is for a center to be made, and I'll read what it really is about. It's Fairplex Trade and Conference Center, will be 85,000 square foot, state-of-the-art conference and exhibition center, complete with broadband connectivity, campus-wide wireless integration, as well as satellite two-way communications gear, attracting and benefiting small business. It will have both small and medium-sized meeting rooms outfitted with high-tech equipment ideally suited to help small business during events.

This is an ideal setting to convene small businesses from my area and from outside of the United States to share their ideas and compatibilities to do business.

The amendment that is proposed by my colleague would strip the funding from the SBA account for construction of this non-profit entity, a building that will create jobs and provide businesses in a disadvantaged community. I am talking about the number one crime city in the State of California, that's Pomona.

Unfortunately, there has not been the foresight from the surrounding community to help combat crime or to try to provide more economic development. Pomona itself had not had a general plan of review in almost 30 years. They hadn't had new investments.

This will help bring all of that, not only to Pomona, but to the surrounding communities which Mr. DREIER, Mr. MILLER and Ms. SOLIS are around, would help foster that economic growth by bringing together small businesses, entrepreneurships and being able to do international trade.

The center itself is projected to provide roughly 1,700 jobs and provide economic stimulus. Already, 90 small businesses have registered to work.

Mr. Chair, the trade conference is scheduled to cost $25 million, minimum. Of that, Fairplex is putting in $5 million; City of Pomona, $7 million; EDA competitive grants, $5 million; SBA, which we are hoping to be able to get, $250,000; and the county and State, $6,750,000 with private sponsorship putting in the rest.

This project could be so beneficial to my whole area, not just my communities, but to the whole general area that is not really part of Los Angeles proper. It is more into the Inland Empire and has been, what I call, a neglected area of Los Angeles County. It enjoys a lot of respect and a lot of support from not only the communities, but the many cities around it.

As my colleague has aptly pointed out, it hosts a whole slew of activities for the whole southern part of California. It is used also for Federal events.

We have had at least two times a year 4,000 naturalization swearing-in ceremonies. Iraqi elections were held there 2 years ago. As representative for the city, I am proud to support this economic development issue and to try to bring more business and jobs to my area.

I urge my colleagues to vote ''no'' on my colleague Mr. FLAKE's amendment.

I also want to thank Mr. DREIER. This is not his bill nor his area, but he has always been very supportive of what we are trying to do. I certainly thank you for the time.

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

Mr. FLAKE. I have great respect for the gentlelady, as she knows. This is just one of many projects like this.

Mr. Chairman, again, I would simply make the point that the gentlelady mentioned, that there are millions and millions and millions of dollars contributed by State and local governments to this effort. There are millions of dollars that come in commercial transactions of conferences that are presented. This is simply $250,000. Why are we doing it at all? It clearly isn't dependent on the $250,000, I believe. Last year, because we didn't do earmarks in many of these bills, it didn't receive the funding. It's still up and going just fine.

The question is why do we do this? Why does the committee feel it proper to actually designate funding for something like this when we have such dire needs elsewhere in the Federal budget?

That's what we are here for today. That's why we are challenging earmarks like this, particularly with this bill.

This bill, with financial services, in my view, it's kind of the soft underbelly of the earmarking world, where you have economic development earmarks, that you can justify economic development anywhere in the country. Spending money, by its very nature, generates economic activity. So you could justify any earmark anywhere if you simply say it generates economic activity, it's important to my district.

But when we do it in this fashion, we simply pick winners and losers out there. I wouldn't think that's our place.

Mrs. NAPOLITANO. Mr. Chairman, I certainly respect Mr. FLAKE's views. I certainly think he has every right to challenge. This has always been a very transparent earmark that we've had since last year, which was not approved last year. It will create jobs. I need those jobs in my area. Yes, there are many areas in the United States that could really be able to use funding from the committee.

However, if we don't help create those jobs, we can't spur the economy, and we can't help put more funding into the Federal budget.

Mr. DREIER. Mr. Chairman, I share Mr. FLAKE's commitment to reducing government spending and making sure taxpayer dollars are spent in the most efficient and effective way possible.

I would also like to say that I am a strong proponent of making earmarks more transparent by attaching Members' names to their sponsored projects. My feeling all along has been that if a member is not willing to defend their earmark on the floor of the House, then it was probably not worth the money. That is why I was so gratified to see the Majority include projects and their supporters in each appropriations bill. Especially, so that no member has to guess whose district each of these projects is in.

So now, I welcome the opportunity to support Fairplex, a non-profit institution that contributes every day to our local community. Fairplex, located in Pomona, CA, represented by my friend and colleague GRACE NAPOLITANO is host to over 300 events each year, and 2 years ago, they had the privilege of hosting out-of-country voting for the historic Iraqi elections. There is $250,000 provided in this bill for the Trade and Conference Center, which is an incredibly important addition to the Fairplex that will provide small businesses with a venue to operate, share ideas, and grow. This project is a model of the Small Business Administration's mission of facilitating the environment necessary for America's small businesses to succeed.

Mr. Chairman, 43 percent of the goods coming to and from the consumers and workers of the United States of America come through the ports of Los Angeles and Long Beach. One of the most important centers for trade, planning and strategic meetings has been held at the Fairplex. As we look at our quest of trying to open up new markets for U.S. goods and services all around the world and as we look at ensuring that American consumers can have access to the best quality product at the lowest possible price, the utilization of this trade and convention center is critically important.

As important as the issue of global trade is, I was really struck when the December before last, I had the opportunity to listen to a friend of mine who happened to be at the Fairplex Trade and Conference Center. I have shared this story before but it is worth reminding my colleagues. Leading up to the December 15, 2005 Iraqi elections, of the eight planned voting sites for the Iraqi people who are here in the United States of America, one of those had unfortunately and unexpectedly closed down.

And what happened? The people at the Fairplex Trade and Conference Center came forward, and literally at the drop of a hat, they were able to provide the chance for Iraqis who were in this country on that Election Day to exercise that right to vote. Their ability to be on the frontline to participate in the Global War on Terror is something that I believe is vitally important.

I was listening on the phone as applause went up every single time that a ballot was placed into that voting box, and it was a great moment. And as we look for continued progress in Iraq, I am reminded of each of those votes that were cast at the Fairplex Trade and Conference Center. This particular earmark is there helping us in the Global War on Terror and helping us remain competitive globally.

We in the House strive for Federal, State and local cooperation on a myriad of issues, from national security, to education to disaster response. Coordination and investment by all levels of government can give programs a much better chance for success. That is exactly what is happening at the Trade and Conference Center with all levels of government involvement and more important, private sector investment. It is worthy of this continued Federal partnership.

Mrs. NAPOLITANO. Mr. Chairman, I urge a ''no'' vote and yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arizona (Mr. FLAKE).

The amendment was rejected.

AMENDMENT NO. 28 OFFERED BY MR. FLAKE

Mr. FLAKE. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 28 offered by Mr. FLAKE:

At the end of the bill (before the short title), insert the following:

TITLE IX

ADDITIONAL GENERAL PROVISIONS

SEC. 901. None of the funds made available in this Act to the Small Business Administration may be used for the Advantage West Economic Development Group, Certified Entrepreneurial Community Program.

The CHAIRMAN. Pursuant to the order of the House of Wednesday, June 27, 2007, the gentleman from Arizona (Mr. FLAKE) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Arizona.

Mr. FLAKE. Mr. Chairman, this would prohibit $231,000 for Advantage West Economic Development Group, that's the Certified Entrepreneurial Community Program.

Many of the earmarks in this bill are for economic development organizations, business incubators, workforce development programs and the like. But just because there are hundreds of similar earmarks in this bill doesn't mean that providing this kind of earmark for economic development is okay.

In doing research on the different earmarks, many of them begin to sound very much alike. But this one, the Advantage West Economic Development Group stood apart. Its list of corporate sponsors reads like the ''who's who'' list of influential and well-heeled entities, Bankers Branch & Trust, BellSouth, Duke Energy, Grant Thornton, Qualcomm, Spring, UBS, Verizon, Wachovia and other well-known corporations.

□ 1215

The listed funding partners are a very recognizable list as well, at least in Washington: the National Park Service, U.S. Department of Agriculture, National Endowment of the Arts, the U.S. Department of Commerce and, of course, through the virtue of this earmark, the U.S. Congress.

The Advantage West Economic Development Group Web site boasts that publications such as Money, Kiplinger's, Outside, American Style, Modern Maturity and Forbes have ranked western North Carolina as a top destination for living, working, recreation, arts, technology and retirement. That's pretty nice advertisement.

The group highlights the following among other achievements, this group receiving the earmark by the way. During 2005, 2006 the Advantage West Economic Development Group's efforts in the advanced manufacturing sector contributed to economic development announcements of 2,345 new jobs and $902.5 million in capital investments. That's a lot of money. And they do pretty well here.

The group helped increase the economic impact of tourism in western North Carolina 53 percent since 1995.

I would simply make the point, why in the world, with a group with these kinds of backers in the private sector, does the Federal taxpayer need to turn around and spend $231,000 of taxpayer dollars?

As I mentioned, there is opportunity cost when you take this money out of the hands of individual taxpayers, send it to Washington, and then let Washington decide who are the winners and who are the losers, who will receive these kinds of economic development earmarks. That's not a very efficient way to distribute money for capital investment. I am glad the sponsor of the earmark is here.

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

Mr. SHULER. Mr. Chairman, I claim the time in opposition.

The CHAIRMAN. The gentleman from North Carolina is recognized for 5 minutes.

Mr. SHULER. Mr. Chairman, I have great respect for the gentleman from Arizona, and I appreciate what he is doing.

No Member should ask to spend the people's money if he or she is not willing to come to the people's House and explain his or her request. That is why I'm so pleased to have this opportunity to talk about the good work that Advantage West is doing for the people of western North Carolina.

Communities that have been hit hard with plant closings and job losses have two choices: they can give up or they

can look forward. The partnership between Advantage West and the Federal Government will provide local communities with the tools to make themselves ''business ready.''

This checklist includes broadband access, access to capital, streamlined permit systems, and cooperation with schools and universities.

This program is a great example of how the government can partner with distressed communities to offer a helping hand instead of a hand-out.

Mr. Chairman, without these types of funding and this type of work with our community, it would be nothing more than us having to give a hand-out. We're asking for a helping hand.

Advantage West has done an outstanding job of working, not only in the 11th District, but the 8th District and the 10th District of North Carolina, being able to help small businesses.

And I might add to my colleagues that 95 percent of new businesses in America today come in small businesses. Here's a situation where the corporations are helping. The community is helping. Our universities, our schools are helping to create these small businesses in our community so a husband and wife can fulfill a dream come true, that they can have the opportunity to purchase their new home and have a business that they can feel proud of and that they too could maybe pass down for generations to come.

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

Mr. FLAKE. Mr. Chairman, I have great respect for the gentleman whose earmark this is. And I also have great fear. I stood in left field when he was at the plate earlier this week in the congressional baseball game, and I'm glad that I didn't have to experience anything hit out there.

But I would simply make the case again. The gentleman mentioned that small business makes up 95 percent of all business starts out there. And I would submit that 99 percent of those do it without any help from the Federal Government at all.

And when the Federal Government does put money out there, I mean, 95 percent, I don't know what percentage but an overwhelming percentage, certainly, without earmark help. But when we do this kind of earmark, we simply pick winners and losers out there. Certain sets of businesses, certain industries, certain individual businesses are helped when others are at a disadvantage because they don't receive that kind of help.

So I would simply say that we shouldn't be doing this as the Federal Government when we have such demand on our scarce budget here for other purposes. And we shouldn't be earmarking for this kind of purpose.

Mr. SERRANO. Mr. Chairman, I move to strike the last word.

The CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. SERRANO. I'm in opposition to the gentleman's amendment. And the gentleman continues to stay with the theme that these programs can operate without government assistance. Yet, the gentleman, on many occasions, votes, as we all do, for programs where corporate America and other parts of our economic community, of our corporate community, gets help from government in order to put forth their product, in order to put forth their growth.

What my colleague, our freshman colleague is doing, and I compliment him on that, on the fact that as a freshman Member of this House, he already has, obviously, a sense of what his community needs. And this earmark, this modest earmark that he has put in this bill is one to take back to his community and continue to help to build the kind of small business education and information centers that we need.

And so I not only rise in support of it, but I commend the fact that already, at such a short time tenure in this House, he has that full understanding, willing, incidentally, to stand up and defend an earmark, knowing that some people will criticize him for it. But he knows his community better than we do.

And that's my whole point, that there seems to be a prevailing theme that only bureaucrats and Federal agencies, who I support, know how to spend taxpayers' dollars.

Well, no, this is a fine example of a new Member of the House who has a full understanding of his district, who is willing to stand up and defend what is a good earmark. And that's what we should respect, the fact that when we look at the global situation, these Member-driven items are a small amount of dollars, Mr. Chairman, compared to the overall budget.

I mean, I don't want to continue to harp on it, but the kind of money we spend in Iraq, billions, hundreds of billions, of dollars, a lot of that, as we know, unaccounted for, special contracts that went out that we never knew a thing about. Who got rich, who didn't get rich? That's never an issue on the House floor. That's never an issue. A couple hundred thousand dollars to a good community group in North Carolina, that's an issue. Yes, it is an issue. It's a good issue. It's a positive issue. It's the way dollars should be spent.

I oppose the gentleman's amendment, and I support the gentleman's initiative.

I yield back.

The CHAIRMAN. The gentleman from North Carolina is recognized for the balance of his time.

Mr. SHULER. Mr. Chairman, I want to thank the gentleman from New York for his leadership and support through this bill and the hard work and dedication that the entire appropriations have put in this.

Once again, I do oppose this amendment. It is a very important piece of the economic structure for the people of west North Carolina. It gives them an opportunity in small business to create the economic structure that we need.

So many of our jobs, some 78 percent, of the textile industries in the State of North Carolina have been lost. We have to find other ways to create work, and I am so proud of the people of the mountains that they have that never-give-up attitude.

As always, I do appreciate the gentleman's, his hard work and his dedication. And so many times I do agree on so many of the issues, and I commend you for your efforts. Just at this time I would oppose this amendment.

I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arizona (Mr. FLAKE).

The amendment was rejected.

AMENDMENT NO. 22 OFFERED BY MR. FLAKE

Mr. FLAKE. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 22 offered by Mr. FLAKE:

At the end of the bill (before the short title), insert the following:

TITLE IX

ADDITIONAL GENERAL PROVISIONS

SEC. 901. None of the funds made available in this Act to the Small Business Administration may be used for the West Virginia University Research Corporation for renovations of a small business incubator.

The CHAIRMAN. Pursuant to the order of the House of Wednesday, June 27, 2007, the gentleman from Arizona (Mr. FLAKE) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Arizona.

Mr. FLAKE. Mr. Chairman, this amendment would prohibit funds in the bill from being used to pay for renovations to a small business incubator at West Virginia University.

Like so many of the other organizations listed in the earmark section of this bill, the purpose of this small business incubator is to promote economic development activities by supporting early stage businesses with space, facilities and support services.

The West Virginia University Small Business Incubator is over 5,000 square feet of renovated space in the Chestnut Ridge Research Building on the campus of West Virginia University.

The businesses that are tenants of the incubator program have access to the staff of professionals, trained interns and West Virginia University resources. Businesses receive guidance in the areas of accounting, advertising, graphic design, information technology, finance, corporate services, marketing, Web design and Web development.

That's a lot of advantages they have. I simply don't believe the Federal Government needs to be in the business of helping them further or funding private companies in this way. This is a

form of corporate welfare that so many Members in other settings rail against over and over again.

The National Business Incubator Association is an organization that has 905 member organizations, mostly in the United States. There is certainly no reasonable argument that we should be funding all business incubators in this country. So how do we justify funding just a couple of them in this bill? How are they more deserving of the special treatment that we give them in this bill?

How should I explain to the taxpayers in my district, or other districts, that they're subsidizing business development projects in West Virginia, or any other State for that matter?

I reserve the balance of my time.

Mr. MOLLOHAN. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. MOLLOHAN. Mr. Chairman, I want to thank the gentleman for the opportunity to highlight a unique economic development opportunity in my district.

This funding would be used to renovate, as he suggested, a historic glass factory in Star City, West Virginia, just outside Morgantown. This location will serve as a business incubator for start-up artist businesses and will house the West Virginia University ceramics program and the West Virginia University Creative Arts Community Center.

To understand the importance of the project, you have to understand West Virginia. For decades, our economy has been focused on coal, timber and basic manufacturing, and those industries have suffered under unreasonable regulation, free trade agreements and unfair foreign competition.

I've worked hard and will continue to do so to keep those industries strong. But along the way, West Virginians have realized that we also need to diversify our economy to ensure a viable economic future.

Mr. Chairman, that diversification can occur in part by focusing on another sector of our rich history, our cultural history. This earmark provides that opportunity by nurturing new artists and businesses in cooperation with distinguished university programs and will develop Star City and the greater Morgantown area into a destination.

Star City has identified the arts project as an economic development model for the community. And this request responds to the importance the community has placed on redevelopment. I should also note that this Federal investment will be used to leverage funds from the State's Commission on the Arts.

Mr. Chairman, I am pleased the committee selected this project. I appreciate their consideration, and I appreciate the opportunity to speak on the floor about it.

□ 1230

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

Mr. FLAKE. Mr. Chairman, again let me just make the point again that there are too many earmarks in this bill that are for business incubators. There are really in many cases earmark incubators. These are earmarks that beget other earmarks. Many are going to organizations that receive additional earmarks or are there for the purpose of receiving additional earmarks. This is one business incubator, and there are hundreds and hundreds of business incubators, 905 in the association. How do we choose to fund just this one? We are picking winners and losers here. We are deciding who is worthy and who is not, and I simply don't think that is fair. It is not a wise use of taxpayer dollars. This business incubator, given the other partners involved, it seems it would be fine without Federal involvement. And I think that we should test that proposition and not fund this earmark.

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

Mr. SERRANO. Mr. Chairman, I move to strike the last word.

Very briefly, Mr. Chairman, part of the argument that the gentleman from Arizona has been making in addition to the ones he has made before is how do we choose this particular program.

Well, that is where the wisdom of the local Member comes in. The Member is asked, is faced with these decisions, and that is how we make them. And, again, it seems to suggest that when grants are handed out at the Federal level, I mean, how many people apply for Federal grants? Hundreds of thousands? Millions? And only a handful get them. We don't question how those grants are handed out. We don't say necessarily that the Federal Government and that agency handed out the wrong grant. It was their decision to hand out that grant. No different, the wisdom used by the Member in his local community, her local community, to understand the needs and ask for a grant, ask for an earmark, and that is what the gentleman from West Virginia has done.

Mr. Chairman, with that in mind, I would like to yield to my colleague and classmate from New York, classmate in the State Assembly (Mr. HINCHEY).

Mr. HINCHEY. Mr. Chairman, I want to thank my friend and colleague, the chairman of this very important subcommittee, for yielding.

I am very interested in the amendments that Mr. FLAKE is presenting and have been all of the time that he has presented them over the course of the last several years. Mr. FLAKE seems to be devoting his attention towards trying to make sure that as much of the spending in these bills as possible is not being done in a wasteful way, that it is being done appropriately. And if that is the motivation, then I think all of us would certainly appreciate that motivation. But the effects of the amendments, I think, are questionable.

First of all, basically, under our Constitution and the provision of law, it is quite clear that every Member of this House has a fundamental responsibility, first of all, to represent the people in their congressional district. And most of these earmarks, probably all of them now under the Democratic leadership, which is much more open, are designed to do precisely that, make sure that these budgets address at least to some small degree the needs in each of those congressional districts.

But if Mr. FLAKE and others on the other side of the aisle are truly interested in trying to regulate spending and make sure that it is done properly, I would ask them to focus their attention on other things that really need to be looked at.

For example, this administration is still spending something in the neighborhood of $8 billion a month in Iraq. We have spent now almost half a trillion dollars there on that illegal, elicit war and continuing disastrous occupation. None of these amendments are focused on that.

Let me just mention a new report by the House Committee on Oversight and Government Reform, which concludes, among other things, that the Bush administration has put forth a shadow government of private companies working under Federal contracts that have exploded in size. Between the year 2000 and 2005, while the Republicans controlled both Houses of the Congress here, procurement spending increased by more than $175 billion, making Federal contracts the fastest-growing part of the Federal discretionary spending. These huge government contracts are done at the expense of the taxpayers. And in this report, it is made clear that Federal spending by one particular corporation, Halliburton, which, of course, we know is directly connected to Vice President CHENEY, Federal spending to Halliburton increased more than 600 percent between 2000 and 2005.

Now, why aren't our friend on the other side of the aisle focusing their attention on this? We are. We are paying attention to it. We are trying to change the course of this government.

The Government Accountability Office recently found that the government has wasted at least $2.7 billion on Halliburton contracts which were overpriced contracts or had within them undocumented costs. $2.7 billion.

So while we are wasting all of this time on these little so-called earmarks where Members of the Congress are trying to do their job for the people they represent, people like Mr. FLAKE are ignoring things like $2.7 billion in overpayments and undocumented costs to companies like Halliburton. A record level of nearly 40 cents of every discretionary Federal dollar now goes to these private contractors.

Mr. Chairman, it is obvious we need a new concentration of attention.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arizona (Mr. FLAKE).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. FLAKE. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Arizona will be postponed.

AMENDMENT NO. 9 OFFERED BY MR. DEFAZIO

Mr. DEFAZIO. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 9 offered by Mr. DEFAZIO:

At the end of the bill (before the short title), add the following new title:

TITLE IX—ADDITIONAL GENERAL PROVISIONS

SEC. 901. None of the funds appropriated or otherwise made available by this Act may be used by the Selective Service System to prepare for, plan, or execute the Area Office Mobilization Prototype Exercise.

The CHAIRMAN. Pursuant to the order of the House of Wednesday, June 27, 2007, the gentleman from Oregon (Mr. DEFAZIO) and a Member opposed each will control 5 minutes.

Mr. SERRANO. Mr. Chairman, just to kind of give the gentleman good news and make him feel good, we are ready to accept his amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Oregon.

Mr. DEFAZIO. Mr. Chairman, I thank the gentleman, and I will be brief, given the generosity of the chairman.

This amendment would prohibit the Selective Service from conducting a full-blown nationwide exercise of a mock draft. This House just voted less than 2 years ago, 404–2, against reinstitution of the draft. There is no scenario under which the Pentagon, the White House, or this Congress believes we are going to return to a draft. These funds would be wasted with this exercise.

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

Mr. REGULA. Mr. Chairman, we are also prepared to accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oregon (Mr. DEFAZIO).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. CAMPBELL OF CALIFORNIA

Mr. CAMPBELL of California. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. CAMPBELL of California:

At the end of the bill (before the short title), insert the following:

None of the funds in this Act to the Small Business Administration may be used for the Abraham Lincoln National Airport Commission.

The CHAIRMAN. Pursuant to the order of the House of Wednesday, June 27, 2007, the gentleman from California (Mr. CAMPBELL) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from California.

Mr. CAMPBELL of California. Mr. Chairman, this amendment would prohibit funds from being used for the Abraham Lincoln National Airport Commission in Illinois.

The committee report says that this earmark is providing $231,000 for this local project. According to the committee report in the letter requesting the earmark, the earmark has been requested by Congressman JACKSON of Illinois for the purpose of ''minority and small business development and procurement opportunities.''

According to the Web site for this organization, the organization was established by Congressman JACKSON, and the executive director currently is a gentleman by the name of Richard Bryant. Richard Bryant is apparently on the staff of Congressman JACKSON and is his deputy district administrator, according to records. Mr. Bryant has stated this week that he is not paid in his position as executive director of the airport commission and that he is there because of efforts to build a third airport in the Chicago area that is strongly supported by Congressman JACKSON. He also said that the money from the earmark would be used to study ways to make sure that local workers and minorities are hired when and if a new airport is actually built.

Also, Mr. Chairman, according to Mr. JACKSON's Web site, this organization exists to try to promote a third airport in the Chicago area and that last year many of its activities were related to advertising on behalf of that airport. To quote directly from the Web site, and this is from an article published in April of 2006: ''Last month the commission called on the south suburbs to donate a total of $250,000 towards the advertising campaign scheduled to begin June 1.'' It goes on to say that about $40,000 is budgeted for billboards. The remaining funds would pay for direct mailings to voters in the region and radio commercials and for yard signs closer to election day.

So it would appear that the activities at least last year of this commission were related to trying to drum up support or actually lobbying on behalf of, or certainly advocating on behalf of, getting public support and, I presume, elected representative support for this airport.

I would also like to point out that there is a press release from Congressman JACKSON dated November 16, 2006, in which he says: ''So even with the change of leadership in Congress, I won't pursue Federal funds for the Abraham Lincoln National Airport. Chicago's share of Federal dollars are already committed to O'Hare modernization.''

Mr. Chairman, I would like to suggest that this earmark does not appear appropriate; that a Member of Congress directs money to an organization they set up, run by someone who is an employee of the office of that Congressman, and whose purpose appears to be to advocate on behalf of an airport that does not currently exist. If the airport does currently exist or whatever, also, it appears to be in contradiction to the Congressman's own statement as of November of 2006 that he would not pursue Federal funds for this airport in the future.

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

Mr. JACKSON of Illinois. Mr. Chairman, I rise in opposition to the gentleman's amendment.

The CHAIRMAN. The gentleman from Illinois is recognized for 5 minutes.

Mr. JACKSON of Illinois. Mr. Chairman, I understand I have the right to close, and I am the only speaker. So I reserve the balance of my time.

Mr. CAMPBELL of California. Mr. Chairman, I fully understand the gentleman's desire to close, and I am happy to do that. But I believe that he should at least state some of the reasons that he believes this earmark is justified so I can at least have the opportunity to rebut those before he closes. But I am perfectly willing to allow him to have the last word.

I suppose I will anticipate, perhaps, what the gentleman is going to say. I understand that the gentleman from Illinois may suggest that the Ethics Committee has approved that his district employee be the executive director of this commission, and I would take him at his word and assume that is the case.

I don't think that is the issue here. We are talking about over $200,000 of taxpayers' funds here, and I think the question at issue is whether or not that is an appropriate use of Federal funds and what these Federal funds are going to be used for. If he is suggesting, as some of these reports indicated, that these are going to be spent on minority and business development procurement opportunities for an airport that doesn't yet exist, my question would be how can you have hiring or whatever opportunities for an airport that doesn't exist yet and won't exist even if it were approved today for some number of years?

□ 1245

Is the gentleman willing to say that there will be no further advertising, no further lobbying, no further expenditures of that sort?

The CHAIRMAN. The gentleman's time has expired.

At this time the gentleman from Illinois is recognized for 5 minutes.

(Mr. JACKSON of Illinois asked and was given permission to revise and extend his remarks.)

Mr. JACKSON of Illinois. Mr. Chairman, let me thank the gentleman from California for offering his amendment and thus for the opportunity to defend

an important project to the people of the State of Illinois and the Nation.

While the gentleman has served two terms in Congress, he has inadvertently entered in a three-decade-old conversation about expanding aviation capacity in Illinois. And his amendment profoundly impacts 12 years of my work in this body.

In fact, the development of a new airport to service the Chicago metropolitan area was first advanced by a well-respected Republican governor, Governor Jim Edgar.

Nationally, aviation is growing at roughly 4 percent, but in the Chicago region it's growing at only 2 percent. Because of capacity constraints at our existing facilities, Midway's runways are too short and O'Hare Airport reached operational capacity 10 years ago and is subject to annual review of capping the number of operations at this facility.

ALNAC is a local airport commission constituted under Illinois State law and comprised of 21 home-rule municipalities in Cook, Will and Kankakee Counties.

ALNAC has created an innovative public-private partnership to design, finance, build and operate a new commercial airport for the Chicago region located near University Park, Illinois.

ALNAC is a legitimate airport commission. In fact, the Governor of the State of Illinois in his State of the State address said specifically, ''Congressman Jackson's plan to build the Abraham Lincoln National Airport at Peotone will not compete with O'Hare for needed Federal dollars, meaning the Airport Improvement Program, not small business or financial services problems, but the Airport Improvement Program construction funds.

His plan to use private investment is both a welcomed and innovative way to build an airport. I strongly support it, and I hope you do too.''

The Illinois Department of Transportation said that ''ALNAC is a local airport authority that was formed through an intergovernmental agreement between its constituent members comprised of 32 Illinois municipalities located in the Chicago region.''

The Illinois Department of Transportation says that ''ALNAC and its provide partners submitted a comprehensive layout plan to the FAA and to IDOT in July of 2004.''

To give you some of the specific examples of the airport layout plan that we submitted to the Federal Aviation Administration that are presently before the FAA for review are under consideration as we await soon a record of decision.

And lastly, the Illinois Attorney General, in her most recent opinion, said that ''ALNAC is a legitimate airport commission that only waits for the governor to lease its land to the State of Illinois or to the commission for the purposes of constructing an airport.''

This grant allows ALNAC to partner with local universities and/or small business development centers to conduct a study on how the region can maximize job creation and retention and ensure minority participation for local residents during all phases of the airport project. Specifically, the study will produce recommendations and guidelines and benchmarks to do the following: assure maximum participation for local female, disadvantaged and minority businesses in airport construction and financing operations; identify regional job training needs and relevant job training programs; develop, grow and improve local small business opportunities. Support all aspects of entrepreneurial activities and monitor progress.

The gentleman might ask the question, why now? Many communities in the region have 60 people for every one job. Ford Heights, Illinois, according to Money magazine, is ''one of the poorest communities in America'' and it abuts the airport, and they deserve to participate in the economic boom that this project will bring.

The Illinois Department of Transportation is in the process of submitting ALNAC's layout plan to the FAA for final approval. IDOT has said that a record of decision could come as quickly as 6 months. If that's true, now is the time to begin planning for local participation in the financing and the construction of this airport.

ALNAC's airport plan, Mr. Chairman, also known as the ''Jackson Plan,'' has been repeatedly endorsed by every major newspaper in Chicago, including the Chicago Tribune, the Chicago Sun Times, the Chicago Daily Defender, the Chicago Daily Southtown. Every major newspaper in the Chicago region, through our very transparent process at the local level, fully appreciates the extent to which for the last 12 years we have invested our time in helping solve the Nation's aviation capacity crisis problem by building a third regional airport.

A 30-year conversation and a 12-year conversation for which I have almost been solely responsible for leading here in the Congress of the United States. In fact, I've been called a one-issue guy in the 12 years that I've been in Congress, and it's focused around this issue.

I strongly oppose the gentleman's amendment. I thank the chairman for his consideration of this earmark. I would strongly encourage Members to vote ''yes'' on this amendment.

[From the Chicago Sun-Times]

NO NEED FOR GREED

Since Rep. Jerry Weller (R–Ill.) is mum about his reasons for tacking to a defense appropriations bill an amendment that would give Will County officials a majority stake in running an airport at Peotone and controlling airport contracts, we can only go along with Rep. Jesse Jackson Jr.'s view that the move is designed to scare off private investors.

If that's indeed the case, then shame on Weller.

It's bad enough to be a Johnny-come-lately, but to act as saboteur on a project that could benefit the entire region is simply out of line. When few politicians gave Jackson much of a chance to succeed, he staked his career on building a third airport, even forging partnerships across party lines and finding entrepreneurs willing to do the project.

According to Jackson, Will County officials have already been offered five of the nine seats on the commission that would oversee every phase of the airport's development and operation. So what's the problem?

Rather than reach a compromise, Weller appears to be turning to political games to give Will County officials something—exactly what hasn't yet been disclosed. But any proposal that would undermine the work done thus far toward building a third airport should be viewed with a great deal of suspicion.

[From the Chicago Defender, Apr. 15, 2004]

CONGRESSMAN JACKSON'S AIRPORT PLAN IS FAR SUPERIOR TO WILL COUNTY'S

On April 12 the Will County airport authority floated its plan for building a South Suburban airport.

Eyeing the vast economic benefits and potential profits for businesses near a new facility in its area, Will County leaders made it clear why they want to get into the airport business.

Yet a facility to be located at Peotone is a far better idea. It's based on a superior plan, and it would bring 1,000 construction jobs to south Chicagoland by 2006. As envisioned by Congressman Jesse Jackson, Jr. (D 2nd), thousands of permanent new jobs would be created after construction if his airport plan were adopted.

It foresees the first scheduled takeoff for a day early in 2009. Based on a Federal Aviation Administration formula that factors in an airport's size and the number of its airport gates, 15,000 permanent jobs would result from Jackson's proposal.

And they would be good, high-paying jobs in industries such as hotels, restaurants, business supply centers an fuel companies.

Tuesday Jackson published an analysis of the differences between proposals for a Will County airport and his South Suburban airport concept. The comparisons are persuasive in favor of his South Suburban Airport Commission plan.

The Will County authority published no financial plan for investment in an airport. Instead, it would rely on financing from federal and state sources, both of which are experiencing severe budget problems. Beyond those unlikely sources of case, Will County officials are hopeful the airlines themselves, most of which are cash strapped, in bankruptcy, or both, would pay part of the costs.

Most objective observers believe that such wishful thinking will end in a simple result: the Will County plan nearly assures its airport will not get built. For one reason, it would compete with O'Hare and Midway airports for federal dollars, a precarious and probably quixotic endeavor, given Mayor Richard Daley's long reach toward Washington money.

Jackson's plan is realistic and sound. It calls for financing by private developers. The Congressman, a plain-talking man, made it plain: ''Our plan is wholly financed by private developers, at no cost and at no risk to local taxpayers, federal or state governments, or the airlines.''

Two development companies are signed on. They are companies that have built, financed and operated airports in places like New York, Paris and Vancouver. Jackson says they will use the same models they used in those successful airports at the Abraham Lincoln National Airport that his plan calls for at Peotone.

Abraham Lincoln National Airport?

The congressman has formally petitioned the F.A.A. for permission to use that as its

name. His plan calls for dedication of the facility in 2009, the bicentennial of Lincoln's birth.

Jackson says the issue of shared governance with Will County leaders remains negotiable.

But, he says, ''Our plan is far better than Will County's. The concept of a self-financing, public-private partnership that shares revenues with surrounding communities in South Cook, Will and Kankakee counties, and that opens by 2009, is a great one. That is not negotiable.''

We concur with his approach and ask that a house now divided embrace it, for the good of the entire south Chicagoland area.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. CAMPBELL).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. CAMPBELL of California. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from California will be postponed.

AMENDMENT OFFERED BY MR. EMANUEL

Mr. EMANUEL. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. EMANUEL:

At the end of the bill (before the short title), insert the following:

TITLE IX

ADDITIONAL GENERAL PROVISIONS

SEC. 901. None of the funds made available in this Act may be used for any of the following:

(1) The care, operation, refurnishing, or improvement of the official residence of the Vice President.

(2) Any expenses of the Vice President, including the hire of passenger motor vehicles, official entertainment expenses, and services described in section 3109 of title 5, United States Code, and section 106 of title 3, United States Code.

The CHAIRMAN. Pursuant to the order of the House of Wednesday, June 27, 2007, the gentleman from Illinois (Mr. EMANUEL) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Illinois.

Mr. EMANUEL. Mr. Chairman, I yield myself as much time as I may consume.

I offer a simple amendment that bars the executive branch from being used to fund the office that does not exist in the executive branch, the Office of the Vice President.

Last week, we all received a tutorial in U.S. Government history from the Vice President's office. Apparently his office is not an entity within the executive branch.

There have been 46 Vice Presidents in U.S. history, and not one of them knew this or ever claimed this position. Perhaps the Vice President thought he occupied an undisclosed fourth branch of government.

His claim flies in the face of the Constitution and was offered in an attempt to avoid following the rules governing the treatment of classified information and documents. This claim was particularly ironic this week, given the four-part series the Washington Post ran about the Vice President's role in this administration. And rather than claim that he wasn't part of the executive branch, it sounds like, from reading those stories, he is the executive branch.

Yesterday, the Vice President was forced to admit what even an eighth grade student knew, there is no ''Cheney branch'' of government.

While the Vice President's excuses may change, his desire to ignore the rule remains just as strong as ever. The Vice President is unwilling to risk that the documents detailing the flawed intelligence and faulty assumptions that led us into the war in Iraq. He has been held unaccountable for 6 years, and now he wants to be unaccountable in the historical record.

Whatever his reasons, this penchant for secrecy is not new. Shortly taking office, the Vice President, in meeting with oil and gas executives and not wanting to turn over that information, claimed he was part of the executive branch.

After the Vice President excluded himself from the executive branch, my amendment follows up on the Vice President's assertion and restricts the executive branch funding for the Vice President's office. It leaves intact his Senate presidency office. It delivers two messages. If the Vice President is not in the executive branch, then there is no executive branch office to fund. And perhaps more importantly, it underscores that the Vice President is not above the law and cannot ignore the rules. The law should follow him, whatever branch of government he chooses to hang his hat in.

Mr. Chairman, we have a duty to ensure that no individual in our government, no matter how powerful, is allowed to ignore the rules. And when the Vice President is avoiding accountability, it is the Congress' responsibility to demand that accountability.

The Vice President must know that no matter what branch of government he may consider himself part of on any given day or week, he is not above the law.

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

Mr. REGULA. Mr. Chairman, I move to strike the requisite number of words.

The CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. REGULA. Mr. Chairman and Members of this body, I am sure that the sponsor thinks he is going to improve the operations of the government, but I think this is probably offered for political purposes.

We cannot deal with the constitutional responsibilities in this bill, and the Vice President does have constitutional responsibilities as President of the Senate. The Senate Legislative Branch appropriations bill provides funding for his salary and legislative operating expenses. In fiscal year 2008, his requests equal $2.3 million.

I think it's important that I take time to oppose this amendment because it is setting a bad precedent. I think the sponsor must be making an assumption that they will never have a Vice President, because you are setting a precedent here that might come back to haunt you at some time in the future.

The Vice President's office also receives $4.8 million to fund the executive branch duties of the Vice President and pay for his residence. We decided that, for security reasons, the Vice President needs to have a residence. There was a time that that was not the case. And I don't think that because some Members may not like the current Vice President, or any future Vice President, doesn't mean Congress should use its power of the purse to eliminate funding for the office. That is not how the Founding Fathers envisioned the separation of powers operating.

Eliminating funding to maintain the Vice President's residence and the 25 Federal employees funded by this object is irresponsible. I think it is disrespectful of the Constitution and the Office of the Vice President. Whether we agree or not, the Vice President's office serves an important executive and legislative function.

And let me just say again to my colleagues, this sets a very bad precedent. Where do we stop if we determine that we're going to, by using the power of the purse, pass judgment on the policies of people that serve in government?

It's a political activity. It's a political attempt to embarrass the Vice President. I would hope my colleagues reject this.

Just remember, you may have a Vice President, too. And once you set a precedent, I'm not sure that you would want that to be part of your legacy.

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

The CHAIRMAN. Does the gentleman yield back his time? The gentleman had moved to strike the last word.

Mr. REGULA. I do claim the time in opposition to this amendment.

The CHAIRMAN. The gentleman is permitted to strike the last word and to claim time in opposition.

The gentleman is recognized for 5 minutes.

Mr. REGULA. And I reserve my time. Just let me say again, this is a bad, bad precedent. And it's an example, you better be careful what you wish for, because you may decide that it's not something you want to happen.

Mr. EMANUEL. I would like to say that it's true, there is an important constitutional precedent here, and that's why the Vice President should never have claimed that he wasn't part

of the executive branch, something any eighth grader knows.

Mr. Chairman, I yield 30 seconds to my colleague from New York (Mr. ISRAEL).

Mr. ISRAEL. I thank the gentleman.

Responding to the gentleman's suggestion that we not do this because we may have a vice president one day, we may have a vice president one day, but that vice president will admit to being vice president. The current Vice President refuses to admit that he is Vice President.

□ 1300

Now, we have heard in Washington flimflam and rope-a-dopes and evasions and half truths. This one takes the cake. This turns the theory of plausible deniability into undeniable irrationality. The Vice President is part of the executive branch. If he is going to state that he is not part of the executive branch, he should act accordingly.

Mr. EMANUEL. Mr. Chairman, I yield 45 seconds to my colleague, the gentleman from Massachusetts (Mr. FRANK), the chairman of the Financial Services Committee.

Mr. FRANK of Massachusetts. The Vice President has violated a number of rules, maxims, constitutional provisions; but he has clearly violated one that I would have thought him wise enough and old enough to understand. No matter how difficult the situation in which your own misactions have put you, and no matter what kind of a corner you have gotten yourself into, try to avoid saying something that no one will believe.

When the Vice President offered his justification for his refusal to follow the fundamental principle of openness, he made a statement that no one would believe. Apparently, in this case, even he didn't believe him, which was a new reach for him. He is now trying to take it back.

The gentleman from Ohio said to be careful what you wish for. Well, here is what I wish for, I would say to my friend from Ohio: a Vice President of the United States who will follow the law, who will not show contempt for the norms of a democracy.

Mr. EMANUEL. Mr. Chairman, I yield my remaining time to the gentlewoman from Illinois (Ms. SCHAKOWSKY).

Ms. SCHAKOWSKY. Mr. Chairman, I rise in support of Representative EMANUEL's amendment to allocate only the budget of the Senate president to Mr. CHENEY. We have known for the Vice President to go to undisclosed locations, but never to an undisclosed branch of government. I turned to my Constitution for some help. It looks to me like article II does include the Vice President in the executive.

The Senate itself seems confused, having subpoenaed Vice President CHENEY yesterday for records on the administration's spying program. The other body doesn't seem to appear to embrace Vice President CHENEY as one of its own. The Vice President can't have it both ways. This amendment helps him sort it out. We will defund his executive office, leaving him with a vastly reduced budget but giving him what he wants, at least on some undisclosed days.

Mr. SERRANO. Mr. Chairman, I move to strike the last word.

Mr. Chairman, very briefly, this is a very interesting and important issue that the gentleman has brought up. I am just thinking, as I had prepared this bill, and sent it over to the executive for a signature, maybe I should declare myself as part of the executive for that period of time and get all the Secret Service protection and all that goes with it. If we start doing that, we could get to a big problem. He brings up an interesting point. It has to be dealt with. The Vice President has to decide if he is part of the Senate or is he a part of the executive branch. We can deal with it later once he tells us what he wants to do.

I yield to the gentleman from New Jersey.

Mr. ANDREWS. I thank the chairman for yielding.

Mr. Chairman, I support my friend from Illinois' amendment. Everybody, everybody, in our system is accountable. It doesn't matter what you call yourself. It doesn't matter how you define yourself. When it was convenient for him to avoid scrutiny over the energy bill, the Vice President in 2002 said he was a part of the executive branch and preserved by that privilege. When it was inconvenient for the Vice President to comply with everybody else's requirements regarding classified information in 2005 and 2006, he said he was not part of the executive branch, he was part of the legislative branch.

Under our Constitution, what you call yourself does not define your responsibility. What the Constitution says is your responsibility is your responsibility, even if you are Vice President of the United States.

Mr. SERRANO. Reclaiming my time, I yield to the gentlewoman from Texas.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I thank the distinguished chairman very much for yielding. I thank the Chair of the Democratic Caucus, Mr. EMANUEL, for his amendment, upon which I decided not to offer my amendment on this issue.

Let me explain why I believe that the American people understand that no one is above the law: secret energy task force; secret wiretapping of Americans in violation of the FISA Act; a clandestine campaign to gut critical environmental protections; and new rules developed in secret governing the treatment of foreign terror suspects held by the United States.

The Vice President said he is part of the legislative branch. That means we can expel him. But in this instance, I believe we must say to the American people, he is not above the law.

This is a nonfunding of the Vice President's residence on the basis of his declaration that he is not part of the executive. I think this is an appropriate vehicle. I think we must say to the American people that not one of us, not one legislator, not one executive person, none of us is above the law. I wholeheartedly support this amendment.

I am proud to join as a cosponsor with my good friend, the gentleman from Illinois, Mr. EMANUEL, in sponsoring this amendment to H.R. 2829, the Financial Services and General Government Appropriations Act of 2008. I also rise to commend Chairman SERRANO and Ranking Member REGULA for their leadership in shepherding this bill through the legislative process. I declined to offer the amendment that I filed so unity could be exhibited under one premise—no one is above the law—including the Vice President.

Among other things, this legislation provides funding for the Supreme Court and the Federal judiciary, the District of Columbia Government; and several independent agencies such as the Federal Trade Commission. The bill also funds the Executive Office of the President and other executive branch agencies, including the Treasury Department and the Internal Revenue Service.

While most Americans do not know that this legislation also provides funding to operate the official residence of the Vice President, they do know that the Vice President is a member of the Executive Branch of the Federal Government. This fact apparently is news to the current occupant of the office, Vice President CHENEY, who it has been reported resisted compliance with an executive order issued by President Bush in 2003 regarding the handling of classified information on the ground that the Vice President and his office is not a unit of the executive branch.

Mr. Chairman, if it were not so serious and not part of a long pattern of disturbing conduct, the Vice President's claim would be merely laughable and his weak grasp of the facts might even be charming.

But this Vice President has a long, disturbing, and disastrous record of asserting as fact things that he plainly knows to be untrue.

This is the same Vice President who said this about the war in Iraq: "I think it will go relatively quickly . . . [in] weeks rather than months." In the run-up to the war, this same Vice President went on national television and confidently assured the nation that there was a connection between 911 and Saddam Hussein's Iraq.

Vice President CHENEY proclaimed in March 2002 that Saddam Hussein's Iraq possessed "biological and chemical weapons," and confidently assured the nation less than a week before the launch of the Iraq War that, yes indeed, "we believe [Iraq] has, in fact, reconstituted nuclear weapons." In each instance, the Vice President was proven wrong by the facts.

With his preposterous claim not to be a member of the executive branch, history is repeating. But as the saying goes: "history repeats; the first time as tragedy, the second time as farce."

Indeed, perhaps the only person in the whole history of the United States who has been more wrong more often about more things of great consequence than the Vice President is the current President, who after all, is the nation's Chief Executive and Commander in Chief of the Armed Forces.

Let us set the record straight and get our facts right.

The Vice President is a creature of the Executive Branch of the Federal Government as Article II, section 1 of the Constitution makes clear. The Vice President is not a ''member'' of the Legislative Branch because membership in that branch is governed by the first clause in sections 2 and 3 of Article I. No member of Congress is elected to serve a four-year term as is the Vice President. And no member of Congress is provided an official residence as is the Vice President and the President.

A member of the Federal legislature can be involuntarily removed from office if his or her colleagues, by a ⅔ margin, vote to expel. The Vice President can be involuntarily removed from office after impeachment by the House and conviction in the Senate.

Mr. Chairman, the Vice President is extremely intelligent and no doubt knew his claim to be a member of the legislative branch was and is specious. The claim was simply a dodge to evade accountability and compliance with the requirements of the law. We have been down this road before: Secret Energy Task Force, secret wiretapping of Americans in violation of the FISA Act, clandestine campaign to gut critical environmental protections, new rules developed in secret governing the treatment of foreign terrorism suspects held by the United States.

Mr. Chairman, I am proud to have spent the majority of my time in Congress protecting and defending the separation of powers that is the hallmark of our democracy. I have consistently opposed this Administration's abuse of executive powers and prerogatives. That is why I introduced H.R. 264, the Congressional Lawmaking Authority Protection Act, challenging the president's misuse of bill signing statements.

Similarly, I introduced the Military Success in Iraq Act (MSIA or ''Messiah'') to deliver American troops from Iraq by terminating the authorization to use military force and requiring a new vote to continue offensive military operations in Iraq. A third example of my resistance to this Administration misuse and abuse of authority is H.R. 267, the Military Commissions Habeas Corpus Restoration Act of 2007, which I introduced to repeal the restriction on the jurisdiction of courts, justices, and judges to hear or consider applications for writs of habeas corpus filed by or on behalf of certain aliens detained by the United States.

Mr. Chairman, no person is above the law and certainly not Vice President CHENEY. That is why I joined with Congressman EMANUEL to resist his latest attempt to avoid accountability and evade responsibility.

The intent of the amendment is straightforward: to limit the availability of funds for the Office of the Vice President only to Vice Presidents who are members of the executive branch of the Federal Government and subject to the executive authority of the President of the United States. The appropriated funds are not available to members of the legislative branch. A person is a member of the legislative branch only if they are so qualified by virtue of compliance with Article I, section 2, clause 1 or Article I, section 3, clause 1. Acting as President over the Senate is not sufficient to make one a ''member'' of the Senate, and thus a member of the legislative branch.

Although our amendment will save the taxpayers $4.752 million from being used by the Vice President, it does not restrict funding for the Vice President's secret service protection and does not affect the funds CHENEY would receive as President of the Senate. The Senate version of the FY08 Legislative Branch Appropriations Bill provides the President of the Senate with $2.3 million.

Mr. Chairman, if the Vice President does not think he is a member of the executive branch there is no reason he should impose upon the taxpayers to fund the perquisites of his office. Democrats were entrusted by the voters with the majority to restore fiscal responsibility, oversight, and accountability to government. The new majority is committed to ensuring that government operates in an open, transparent, accountable and fair manner.

For all these reasons, Mr. Chairman, I urge adoption of the amendment. Let me again thank Chairman SERRANO and Ranking Member REGULA for their courtesies, consideration, and very fine work in putting together this excellent legislation.

Mr. SERRANO. Mr. Chairman, now that the gentleman from New Jersey has shot down any chance of me being part of the executive branch, reminding me that the Constitution doesn't allow it, I will just keep quiet on that and yield to the gentleman from Illinois (Mr. EMANUEL), our caucus chairman.

Mr. EMANUEL. Mr. Chairman, I want to make two closing points really quickly to my colleague from Ohio, if I can: one is I don't come to this amendment lightly. The Vice President's unprecedented act of declaring that he was not in the executive branch is the reason I submitted this.

To the second point, you had said, we may have a Vice President. Having worked in the executive branch, Vice President CHENEY is the Vice President of all of us. He is not yours. He is all of ours. That is why all of us were outraged by the position that he took that he was not part of the executive branch so he can avoid accountability. He is the Vice President of all of us. We ask him to abide by the law, to understand that when there is a rule in place that he is accountable and responsible to that, both for the historical purposes and when it relates to national security matters. That is why all of us were outraged when he made the decision to keep his meetings with oil executives secret.

At every step of the way, he has chosen secrecy over sunshine; obstruction over accountability. We would ask seriously that the Vice President operate with that seriousness.

We didn't come to this lightly. He took an unprecedented step. It is not one we would have done gingerly, messing with his office. But I want to remind everyone here, the reason we are speaking up is because he is our Vice President. We would like him to act accordingly, in the office that he has and the responsibilities that come with the office.

Mr. SERRANO. Mr. Chairman, in closing, the gentleman is correct. This is a very serious matter. This administration, this Vice President, whether on torture, whether on prisons, whether on their behavior in spying on Americans, has told us over and over that they are above the Constitution. What this says is that they are not above the Constitution. No one is. The Vice President certainly is not.

Mr. REGULA. Mr. Chairman, I yield myself such time as I may consume.

Number one, of course, you are going to abolish the residence. I assume you are going to get a Katrina trailer to provide for the Vice President, since we historically have provided housing and you don't offer any substitute for the existing residence. So I would think you would want to give that some thought.

Secondly, we have elections. This is not the place to establish an amendment to the Constitution or to define what you may or may not like about the operation of the Vice President's office.

Mr. Chairman, I yield 2 minutes to the gentleman from Missouri (Mr. BLUNT), the distinguished whip.

Mr. BLUNT. I thank the gentleman for yielding.

Mr. Chairman, the Vice President is a talented man. He is a former Member of this body, a former whip of this body. I would like to think that any former whip of the body or current whip could confuse people as much as the Vice President appears to be able to do.

Certainly my good friend from Illinois is a smart man. He knows what branch of government the Vice President is a part of. There are only three, after all. We know he is not part of the judiciary. We know he is not part of the legislative. So he must be part of the branch that is funded in the bill.

This amendment may be lots of things, but it is not a serious amendment about really defunding the Vice President's office. It is an amendment about something other than that, and we know it. It has nothing really to do with moving this issue forward. There will be some discussion as the day goes on today about whether or not an amendment on our side was really an important part of the debate on the bill.

This amendment is an amendment in search of a press release. In fact, let me take that back. This amendment is an amendment that is following a press release. We have already had the press release. We have already had the comments to the press about how we take advantage of a moment about who has access to what records. We all know that defunding the Vice President's office is not the way to do that.

□ 1315

I was glad to hear my friend from Illinois say in his concluding remarks, or what I believe would have been his concluding remarks, I may find that was not right, is we understand the Vice President of the United States is our Vice President, we understand that his office is funded under this bill, and we

understand that is the work that needs to be done by the Congress. We know what branch of government he belongs to. No matter how confusing that may seem, there are only three. We know which one he is part of.

Mr. EMANUEL. Mr. Chairman will the gentleman yield for a short question for the whip?

Mr. REGULA. I yield to the gentleman from Illinois to ask a short question of the whip.

Mr. EMANUEL. Mr. Chairman, question number one to the minority whip, I would say to you that, of course, there are three branches of government. I don't think anybody in room or in the Chamber needs that explanation. It is the Vice President's lawyer that needs that explanation.

Second, you do believe if he is in the Vice President's office, he should observe all the laws and regulations that come with that as it relates to the responsibility of that office.

Mr. BLUNT. Mr. Chairman, if the gentleman from Ohio will yield, based on the gentleman's time on the topic we are discussing, my personal view is that the Vice President and the President are bound by the same standards. But that is only my personal view. And, after all, we are not the judicial branch of government. Which branch of government would we be? The legislative branch. We know where the Vice President's office is. We know what branch he belongs to.

Mr. REGULA. Mr. Chairman, reclaiming my time, I yield 1 minute to the gentleman from California (Mr. ISSA).

Mr. ISSA. Mr. Chairman, I thank the gentleman.

Mr. Chairman, this is not a debate, not a legitimate debate, about whether or not the Vice President is in one branch or the other. After all, he presides over the U.S. Senate. So if we did not decide to put the funding into this particular appropriations bill, we would have to put it in the other.

This is a raw grab for power to defund an essential constitutional office, and it is wrong. And if it even comes close to passing, if it is not on a bipartisan basis defeated, the gentleman from Illinois will, in fact, have undercut the very underpinnings of the Constitution.

This is an important vote. It is an important vote because how dare we, how dare we use a maneuver like this, to try to stifle any constitutional officer, including our own.

I am ashamed to belong to a branch that would even consider this, and I am ashamed that the gentleman would do such a thing.

Mr. CLAY. Mr. Chairman, as chairman of the Oversight Subcommittee on Information Policy, Census, and National Archives, I rise in strong support of the amendment offered by my colleague from Illinois, Mr. EMANUEL.

In light of recent events, in which various Executive Branch officials, including the Vice President's former Chief of Staff, I. Lewis ''Scooter'' Libby, have acted with reckless disregard for the protection of classified information, I applaud Mr. EMANUEL's leadership in introducing this amendment.

This amendment would eliminate funding for the Office of the Vice President in light of the Vice President's refusal to comply with Executive Order 12958.

Executive Order 12958, as amended by President Bush in March 2003, requires the Information Security Oversight Office, ISOO, within the National Archives and Records Administration to establish a uniform system to protect classified national security information throughout the Executive Branch.

In 2004, the Office of the Vice President refused to submit to an on-site inspection. In doing so, it made the astonishing claim that it was not an Executive Branch entity and therefore not covered by the Executive Order.

The director of the ISOO wrote the Vice President's office to contest the claim and also asked the Department of Justice to evaluate the Vice President's argument. The Vice President and the Justice Department repeatedly ignored these communications. Moreover, we learned this week that the Vice President's staff has proposed amending the Executive Order to eliminate the ISOO.

Congress should not tolerate this effort by the Vice President to exempt his office from oversight and retaliate against the agency charged with maintaining our Nation's most sensitive secrets.

The Vice President is making a mockery of the law and our system of checks and balances.

If the Office of the Vice President insists upon defining itself as not being an Executive Branch entity, then clearly it should not be funded like one.

I urge my colleagues to support this amendment.

Mr. RUPPERSBERGER. Mr. Chairman, I'd like to address this important issue—accountability.

All of us in government service have an obligation to be accountable for our actions and we all take an oath to follow the laws of this country.

Unfortunately, it appears the Vice President believes he should be held to some different standard that applies only to him.

The news that the Vice President as advanced a legal argument that he is not a part of the executive branch and not a part of the legislative branch but has some special status which means he does not have to comply with Executive Orders or the law in safeguarding classified material is nothing less than shocking.

As a member of the House Intelligence Committee I can report to my colleagues that if we stand by and allow the Office of the Vice President to exempt itself from the same rules that apply to any employee in our intelligence services, we will deal a serious blow to the morale of these patriotic Americans defending our country.

I will therefore support every measure in this Financial Services Subcommittee bill, at every step in the process as it becomes law to compel the Vice President to follow the law of the land.

The Vice President should be leading by example. He should be setting the highest standards of conduct and accountability.

Ms. KILPATRICK. Mr. Chairman, I rise today in strong support of the FY08 House Appropriations Financial Services Subcommittee bill. As you know, this will be the first of the 11 bills that the House Appropriations Committee have considered that will have all of its earmarks in it as it first comes to the floor; and one in which all of its earmarks are publicly disclosed. We have ushered in a new era in Congress, and it is an era of which I am proud.

I have attended all of the hearings the subcommittee has had this Congress, and have enjoyed my work not only with Chairman JOSÉ SERRANO, but with his staff of Dale Oak, Bob Bonner, Frank Carrillo, Karyn Kendall, and Deborah Bilek. We have had to make many difficult decisions. But I am proud to say that we have been able to make some major accomplishments. Among them include: CDFI/Bank Enterprise Fund—$54,000,000.

Along with Chairman SERRANO, we were able to get an increase for funding for both the Community Development Financial Institutions Fund, CDFI, and the Bank Enterprise Fund. Both of these programs are of vital importance to our Nation's urban areas, and help improve access to a wider array of financial services in distressed communities. Fourteen million dollars of this fund is to go to the Bank Enterprise Fund.

II. SBA MICROLOAN PROGRAM AND MICROLOAN TECHNICAL SUPPORT—$17,000,000

Small businesses are the engine that drives the American economy. This supports funding of the Small Business Administration's Microloan program and technical support for the microloan program of the SBA. The microloan program will receive a total of $17 million ($2.5 million for loan subsidies and $14.5 million for technical assistance). The President's budget proposed to terminate technical assistance and to provide no subsidy for microloans.

I am also pleased that we were able to get report language that emphasizes and enhances the role of the Federal Communications Commission toward ensuring that all ethnic minorities, senior citizens and the disabled will not have blank television sets when the whole country goes from an analog signal to totally digital signals on February 17, 2009. Also, we were able to ensure that the Department of the Treasury step up their enforcement of companies that use predatory mortgages and loans on senior citizens, ethnic minorities, and the disabled. Not only do we have language in the report that emphasizes this need, we provide these agencies with the funding they need to do what America needs done.

Finally, I want to discuss one area of particular interest to me. The bill, under its section regulating the District of Columbia, has a cap on what attorneys can bill for families of disabled children who need assistance under the Individuals with Disabilities Education Act or IDEA. No where else in our country is this the case. This is a shame. During subcommittee and full committee consideration of the bill, I wanted to offer an amendment to remove this section. However, my staff and I have been working with Mayor Adrian Fenty, and will not advocate the removal of the provision this fiscal year. Mayor Fenty agrees with me that this provision should be removed; by the next fiscal year, language that does the least amount of harm to the citizens of the District of Columbia and which enhances the quality of life for all disabled children and their

families should be completed. I ask unanimous consent to insert as part of the CONGRESSIONAL RECORD a letter dated June 26, 2007 that I received from Mayor Fenty addressing this problem, which will follow my remarks.

I would like to say one word about earmarks. What has been missed in this debate is the fact that in this bill, like most of the bills that have come to the floor with earmarks, a good number of these earmarks are earmarks requested by the President. This bill contains $1.3 billion worth of earmarks specifically requested by the President for a wide variety of projects throughout the nation, mainly for projects by the General Services Administration. It seems to me to be hypocritical for the minority to have so much energy to criticize the earmarks of other Members of Congress, especially those of us in the Majority, while offering not even a hint of outrage at the earmarks offered by the President.

This subcommittee covers over 700 individual agencies. We have so much authority, the Chairman has to give us cards with what it is over which we have jurisdiction. It is my desire that we can keep all amendments to this, and the rest of the bills that my colleagues and I have been working so hard on the House Appropriations Committee, to a minimum; that these bills move as quickly as possible through the House and Senate; and that President Bush signs these bills into law so that we can continue to work for the American people.

EXECUTIVE OFFICE OF THE MAYOR,
Washington, DC, June 26, 2007.

Hon. CAROLYN C. KILPATRICK,
House of Representatives, Washington, DC.

DEAR REPRESENTATIVE KILPATRICK: I write today on an issue of great importance to my city, and about which I understand you have a particular interest—that is, inclusion by Congress of a cap on the amount of attorneys' fees that can be paid by the District of Columbia government in special education cases in our annual appropriations bill.

As you know, I opposed the cap when I was a member of the City Council, and, in principle, I continue to oppose the cap as a matter of policy. However, as Mayor, I am obligated to protect the fiscal health of the city, which was in such dire condition for a number of years in the 1990s that Congress intervened by creating the Financial Control Board, and I take that responsibility to my constituents very seriously. As part of that intervention, Congress also created an independent Chief Financial Officer for the District, who is required to certify that the District's local funds budget is balanced each year before it is sent to Capitol Hill. My FY08 budget has been by certified by the CFO.

In order to meet the deadlines of the House and Senate Appropriations Committees, as well as the Federal Office of Management and Budget, the District's local budget is normally developed a full year before Congress takes final action on it in the fall (or, as was the case last year, after the new fiscal year has begun). When a new mayor is elected, modifications to that budget are made during the transition and in January to reflect his or her priorities. Nevertheless, the District's local budget for FY08 was completed months before the potential for the attorneys' fee cap to be eliminated was raised in Congress. As a result, the budget that I submitted to the Council, and that was approved by that body in early June, does not include the multi-million dollar increase in attorney payments that the District would be required to pay if the cap is lifted this year.

I am deeply committed to improving the entire public education system in the District, so that every child in this city has the opportunity to reach his or her potential, in terms of personal fulfillment and financial independence. That desire extends one hundred . . . June 14, and I appointed a new chancellor, Michelle Rhee, on that same day. A key area that I identified when I hired her as one where significant progress must be made in her first year on the job was special education.

However, the improvements to the special education system that must be made to reduce the number of students and parents who are unsatisfied with the system and seek legal recourse as a result cannot be made overnight. In addition, because our local budget for FY08 is completed, if the cap is lifted now, we would have to reprogram much needed funds from other areas of the schools budget to cover the expected increase in attorneys' fees. For these reasons, I am asking that you allow the fee cap to remain in place for the coming fiscal year—so that, with the Council's help, I have the opportunity to develop a budget for FY09 that assumes removal of the fee cap, prospectively, and accounts for the cost of that policy change. At that point, I can assure you that I would support removal of the fee cap for special education cases brought after the beginning of that fiscal year.

I greatly appreciate your consideration of this request and would be happy to discuss the matter with you further at your convenience. Thank you for allowing me the opportunity to share my views on the policy, as well as its fiscal impact, with you.

Sincerely,

ADRIAN M. FENTY,
Mayor.

Mr. WAXMAN. Mr. Chairman, over the past week, the country did a collective double-take, as one commentator said, when they heard that Vice President CHENEY does not believe he is part of the executive branch. That's why Representative EMANUEL has proposed his amendment today.

This issue first came to the public's attention last week when I wrote to the Vice President asking why he blocked efforts by the National Archives to conduct security inspections of his office, as required by the President's own executive order. The response was that the Vice President's office was not an entity within the executive branch.

Legal experts ridiculed this argument, and late-night comics got some good new material. But the Vice President's extreme aversion to any oversight whatsoever, by Congress or even by his own Administration, is not a laughing matter.

The Vice President has claimed special privileges that even the President doesn't have. The Vice President has unilaterally claimed an absolute exemption from inspections, while other White House offices comply with the executive order. Take the National Security Council, which is an entity within the White House. It had the wisdom to allow an inspection.

The fact is, until the Vice President took this unprecedented stance, nobody at the White House had ever blocked any security inspections by the Archives.

And this is not the only time the Vice President has acted to prevent oversight. He went to court to stop GAO from examining the actions of his energy task force. He blocked the Secret Service from disclosing visitors to his residence. In fact, he even refused to provide information to Congress about his employees for the annual Plum Book.

His argument is—and I quote—"The Vice Presidency is a unique office that is neither a part of the executive branch nor a part of the legislative branch, but is attached by the Constitution to the latter." Even school children know this is preposterous.

The reality is that since 2002, there's been no oversight, no monitoring, and no reporting in the Vice President's office. That's an invitation to exactly the kind of leaks and criminal violations that have occurred in Mr. CHENEY's office. We are a government of laws and rules, not arbitrary decrees.

The Vice President can't unilaterally decide he is his own branch of government and exempt himself from important, commonsense safeguards for protecting classified information. And he can't insist he has the powers of both the executive and the legislature branches, but the responsibilities of neither. The Vice President is not above the law.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. EMANUEL).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. EMANUEL. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Illinois will be postponed.

AMENDMENT OFFERED BY MR. CAMPBELL OF CALIFORNIA

Mr. CAMPBELL of California. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. CAMPBELL of California:

At the end of the bill (before the short title), insert the following:

None of the funds in this Act to the Small Business Administration may be used for the Wittenberg University East Asian Study Center.

The CHAIRMAN. Pursuant to the order of the House of Wednesday, June 27, 2007, the gentleman from California (Mr. CAMPBELL) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from California.

Mr. CAMPBELL of California. Mr. Chairman, this amendment would prohibit funds in the bill from being used for the Wittenberg University East Asian Study Center. The committee report provides there will be $500,000 spent on this local project.

Now, Wittenberg University is a private college. On all these earmark things that I am bringing up and that the gentleman from Arizona (Mr. FLAKE) has brought up, it is not an issue of whether this is a good university, I am sure it is a great university; or whether this is a worthy, charitable endeavor, I am sure it is a worthy, charitable endeavor. It is a question of whether or not it is appropriate for taxpayers' funds.

On the last amendment that I had talked about, the gentleman from Illinois (Mr. JACKSON) made a very eloquent report of why he believes there should be a third airport in Illinois. But that really wasn't the point, as to whether there should be a third. I am not qualified. I don't know whether there should be a third airport in Chicago or not.

The point was, is it appropriate to use Federal taxpayer funds to fund an organization that you set up that is for the purpose of basically applying political pressure to create this airport when it doesn't exist. I think that is clearly not appropriate.

In this case here, this is to be used ''for the development of an undergraduate interdisciplinary program in international business, with a focus on the field of experience in Asia.''

According to the Web site, this East Asian Studies Journal has existed for 27 years. This is the 27th consecutive annual edition of this particular publication. So this center, it would appear, has existed for 27 years in this university.

Again, Mr. Chairman, this is actually a Lutheran university. I am on the board of advisors of a Lutheran university in my district. I think they do very fine things. I just don't think it is appropriate to use taxpayer money.

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

Mr. HOBSON. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Ohio is recognized for 5 minutes.

Mr. HOBSON. First of all, let me thank the chairman and the ranking member for putting together a good bill. I appreciate the hard work they have done on this bill and on approving this earmark.

Mr. Chairman, this amendment would strike $500,000 in funding to support the expansion of the East Asian Studies and International Business Program at Wittenberg University in my hometown of Springfield, Ohio.

This program will give Wittenberg business students the cultural background and hands-on experience they need to compete in the increasingly competitive global marketplace. It achieves this by providing college students a curriculum in which they can learn about Asian language, religion and cultures. This understanding is vital to establishing business relationships, especially abroad. This is an expansion of the program. In the past, this has been truly just a learning experience in an intellectual way, not focused on business.

They will immerse themselves in these programs while working for overseas companies through internships and study-abroad programs. In fact, in 1999, James Scott of Yale University and Timothy Cheek of Colorado College wrote that Wittenberg is unique among liberal arts schools in the accomplishments and intellectual breadth of its East Asian Studies program. No other peer school can offer such a distinguished curriculum, covering language, religion, classical civilizations, philosophy, history and the culture of all the major East Asian civilizations.

These business outreach programs are of enormous importance, as the global marketplace dramatically increases competition while rendering borders irrelevant. According to the United States Census Bureau foreign trade statistics, U.S. trade with China and Japan, the United States' second and fourth largest trading partners respectively, amounted to over $550 billion in 2006, representing approximately one-fifth of our total foreign trade.

I am confused, Mr. Chairman, on this amendment, because there is no reason really to oppose this program at this time, because we owe it to our students to equip them with every advantage as they prepare to face the challenges and opportunities of the global job market of the 21st century.

One of these tools we can offer our students is the opportunity to study abroad. The Institute For International Education of Students conducted the first large-scale survey exploring the lasting impact of study abroad programs on students' personal, professional and academic lives. The survey of IES alums found that experiences abroad positively affected their outlook and career choices and remained essential in their lives, even after graduation.

One of the most compelling reasons to fund business study abroad programs is to train future global commercial leaders to be more effective in operating in an increasingly interconnected world, taking into account foreign and international political and economic systems.

The IES survey found that 97 percent of the respondents said studying abroad increased their maturity; 96 percent reported improved self-confidence; 89 percent played a better role in their ability to handle uncertainty; and 95 percent stated their experience had lasting impacts on their worldwide view.

Mr. Chairman, before I entered public service, I was a small businessman. I can tell you there have been numerous occasions where my understanding, or lack thereof, of the background and experience of the person sitting across the table would have helped me much better in negotiating some of the things that I negotiated. A number of those people were from around the world. A better understanding of that, a better intellectual capability.

Expanding this program will help this small university in my district present a better challenge to the students that are there.

Therefore, Mr. Chairman, I urge everyone to be opposed to this amendment.

I reserve the balance of my time.

Mr. CAMPBELL of California. Mr. Chairman, I will just say that the certification actually says the funding will be used for the establishment of a center. Perhaps that is in error.

Mr. HOBSON. Mr. Chairman, if the gentleman will yield, I didn't select that language used in that.

Mr. CAMPBELL of California. It says for the establishment of a center. Whether it is the establishment or the expansion, I just respectfully suggest that this is more in the nature of support for a university rather, than support for a project which has a Federal nexus and requires Federal tax dollars.

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

Mr. HOBSON. In closing, I would just say that I think this is an effective use of dollars to enhance these young people's education, give them the ability to improve the economy in this country, and I would urge everyone to oppose the amendment.

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

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. CAMPBELL).

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. HOBSON. Mr. Chairman, I demand a recorded vote.

Mr. WICKER. Mr. Chairman, it was the understanding of all parties that there would not be a recorded vote on this motion.

Mr. Chairman, I ask unanimous consent to vacate the vote on this amendment and revote it de novo.

Mr. SERRANO. Mr. Chairman, can the gentleman clarify what it is he is asking for?

Mr. WICKER. Mr. Chairman, I will be glad to clarify it for my friend the chairman.

I am simply asking that the voice vote which was taken be vacated and that we retake the vote de novo. It is my hope that after so doing, we will be able to avoid a roll call.

Mr. SERRANO. Mr. Chairman, we have no objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi that the voice vote be vacated to the end that the question be put de novo?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. CAMPBELL).

The amendment was rejected.

AMENDMENT OFFERED BY MR. CAMPBELL OF CALIFORNIA

Mr. CAMPBELL of California. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. CAMPBELL of California:

At the end of the bill (before the short title), insert the following:

None of the funds in this Act may be used for the following:

Abraham Lincoln National Airport Commission
Adelante Development Center
Advantage West Economic Development Group
Alleghany Highlands Economic Development Corporation
ARISE Foundation
Career Center for the Northeast Central Ohio Bioscience Consortium
Barracks Row
Barry University for the Institute for Community and Economic Development
Ben Franklin Technology Partners
Boston Chinatown Neighborhood Center Workforce Development Initiative
Bridgeport Regional Business Council
Bright Beginnings, Inc.
Bronx Council on the Arts
Booklyn College's Entrepreneurial Center
Buffalo Niagara International Trade Foundation
California State University, Pasadena Biotech Training Facility
Caribbean American Chamber of Commerce and Industry
Catalyst, Washington, DC
Center for Economic Growth, Greene County, NY
Center for lnspired Teaching
Center for Women and Enterprise
Belvedere Business Park Project, City of Charlotte, NC
Angela Rudolph, Assistant to the Mayor, Chicago, IL
Grow Inglewood, City of Inglewood, CA
Adams-LaBrea Retail Project, City of Los Angeles, CA.
Colorado State University, Sustainable Biofuels Development Center
Columbus College of Art and Design
Community College of Philadelphia
Connected Technologies Corridor
Cuyahoga Community College
Dartmouth Regional Technology Center
Detroit Economic Growth Corporation
Detroit Renaissance
DuPage Technology Park
Earth Conservation Corps
Eastern Market, Washington, DC
Economic Development Coalition of Southeast Michigan
Entrepreneurial Development Center, Inc., Cedar Rapids, IA
Everybody Wins!
Excel Institute
Purdue Technology Center of Northwest Indiana
Experience Works, Inc., Richmond VA
Experience Works, Arlington, VA
Fairplex Trade and Conference Center
Federal HUBZone Incubator, Elizabeth City, NC
Friends of the Big South Fork
Greater Harlem Chamber of Commerce
Greater North Louisiana Community Development Corporation
Greystone Foundation
Hispanic Information and Telecommunications Network
Historic Congressional Cemetery
Valley Economic Development Center
Howard University College of Dentistry
Hudson Alpha Institute
Illinois Institute of Technology
Indiana State University, Center for New Business Development
Inquilinos Boricuas en Accion
Institute for Advanced Learning and Research
International Youth Service and Development Corps
John C. Calhoun Community College
Johnson and Wales University
Johnstown Area Regional Industries Incubator and Workforce Development
Kulanu Vocational Education Program
LaGuardia Community College
Lewis and Clark State College
Lorain County Community College
Louisiana Small Busilless Development Center
Louisville Medical Center Development Corporation
Macomb County Department of Planning and Economic Development
Marshalltown Community College
Office of Workforce Development, Medina County, OH
MenzFit, Washington DC
Mifflin Country Industrial Development Corporation
Mississippi State University
Mitchell County Development Foundation, Inc.
Montana State Univrsity
Montana World Trade Center
Montgomery College
National Association of Development Organizations
National Federation of the Blind
New College Institute
North Carolina Rural Economic Development Center
North Dakota State College of Science, Nanotechnology Applied Science Laboratory
North Iowa Area Community College
North Side Industrial Development Company
Northeast Entrepreneur Fund
Northwest Agriculture Business Center
Northwestern Univerity
Ohio University
Oil Region Alliance of Business
Operation New Hope, Florida
Peoria NEXT Innovation Center
Phoenix House
Portland State University
Ready to Work, Ohio
Rio Hondo College
Rochester Tooling and Machining Association
Rock Valley College
Rockford Area Ventures Small Business Incubator and Technology Commercialization Center
Rockland Small Business Development Center
Rowan University
San Francisco Planning and Urban Research Association
Sandoval County New Mexico
Seedco Financial Services Alabama Minority and Women-owned Business Enterprises
Southern and Eastern Kentucky Tourism Development Association
Sephardic Angel Fund, Brooklyn, NY
SER—Jobs for Progress National
Shawnee State University
Sierra College
Sitar Arts Center
Soundview Community in Action
South Dakota School of Mines
South Side Innovation Center
Southeastern University
Spanish American Merchants Association
St. Jerome's Church Community Center
STEEED Youth Program
University of Northern Iowa
TechRanch Technology Venture Center
Enterprise Center, Tennessee
Illinois Institute of Technology
University of Texas, San Antonio
Thomas More College
Thurgood Marshall College Fund
University of Connecticut, Avery Point
University of Maryland
University of Missouri, Kansas City
University of Notre Dame, Robinson Enterprises Community Learning Center
University of Pittsburgh
University of South Florida
University of Southern Maine
Lewiston-Auburn College
University of Texas, Brownsville International Trade Center
Urban League of Rochester
USS Saratoga Museum Foundation
Valley Economic Development Center
Vermont Small Business Development Center
Wallace State Community College
Department of Public Services, Wayne County, MI
Wayne County, New York
West Virginia University Research Corporation
Western Massachusetts Enterprise Fund
Williamsburg County, SC
Wittenberg University
Workforce Initiative Asociation, Canton, OH
Youngstown Edison Incubator Corporation
Youngstown Central Area Community Improvement Corps
Youngstown Warren Relational Chamber

The CHAIRMAN. Pursuant to the order of the House of Wednesday, June 27, 2007, the gentleman from California (Mr. CAMPBELL) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from California.

Mr. CAMPBELL of California. Mr. Chairman, I am very pleased to see the distinguished chairman of the Appropriations Committee, Mr. OBEY, here, because this is an amendment that he suggested right here on the floor of the House on June 13, earlier this month.

During debate that evening, which was the evening in which it was decided that we would make earmarks public and that they would be included in the bill, Mr. OBEY said, ''I want to make clear, I hate the earmarking process. I absolutely detest it.''

Further on in his comments, the gentleman from Wisconsin said, ''And I am going to be very interested in seeing which Members vote for the amendment that I intend to attach to every appropriations bill which would call for a total elimination on earmarks. I want to see how many of you actually vote for it.'' Well, I want the chairman of the Appropriations Committee to know that I agree with his comments.

In the previous bill that we had before this House yesterday, the Interior bill, this amendment did not show up. So I took it upon myself to offer this amendment, which the chairman of the Appropriations Committee had suggested that he was going to offer on every appropriations bill. So that is, in fact, the amendment that I have offered.

What this amendment would do, Mr. Chairman, is it would strike all 148 earmarks that are currently in this bill from the bill, and thereby would save $33.71 million of taxpayer money.

I hope that the chairman will support me in this effort. Obviously I am offering this amendment. I intend to vote for this amendment, and I hope the good chairman of the Appropriations Committee would join me in this offering and in voting for it as well.

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

Mr. SERRANO. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from New York is recognized for 5 minutes.

Mr. SERRANO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the gentleman is using a very interesting approach. He was part of a group that spent time questioning how we presented earmarks. At that time, we had already, under the leadership of Mr. OBEY, come forth with a proper plan where transparency was the order of the day, where vetting each program, each request, was the order of the day. But that was not enough for the gentleman. It was not enough for the group that stood here day after day badgering us about earmarks.

Now the approach is to say that notwithstanding the fact that the earmarks are part of a very open process, that not withstanding the fact that there is a new day in how we handle earmarks, that notwithstanding the fact that we have cut earmarks by 50 percent, notwithstanding any of that, no earmark is good and all earmarks should disappear.

What is sad about that is that is not what we were originally presented with. We were not presented with that. We were presented with a belief that we had to do things differently. Notwithstanding the fact that the chairman, Mr. OBEY, already had proposed a plan that was totally different from the past. They felt that it should be better or different or colored different, or whatever.

Now they want no earmarks. Well, people should be reminded that Member projects have been vetted through each Member's office. I have said over and over again that Members know the needs of their districts and Members know how to present an earmark through the committee staff to committee leadership.

Second, every item has been reviewed by the Appropriations Committee. The staff has taken long hours on both sides working in a bipartisan fashion to look at all requests and come up with the final list. We looked at your requests and you looked at our requests. We both looked at all of them. That is how we came to this. So we are pretty sure that everybody's concerns are taken into account here.

Members who sponsor these projects believe that they are worthy and that the taxpayers' money is being well spent. Again, whenever an agency spends money on giving out a grant to a community group, we don't have a discussion on the House floor, we don't have discussions on talk shows on TV or radio discussing those grants.

Billions of dollars are given out every year by the Federal Government to local groups and local projects, everything from building highways to supporting local initiatives. There is no discussion of that.

□ 1330

There is no oversight of that as such. But here, when a Member decides that he or she knows what is good for their district, we have to attack it. But again, the important point to note here as far as making an argument is that the argument was made that the process was not right, notwithstanding Mr. OBEY having changed the system. Now we are being told that no matter what we do, the earmark is just not good.

I wonder if the gentleman is going to be supported by all other Members of his party who asked this chairman in writing for earmarks and were granted those earmarks. I wonder how they feel about this, and if they agree with you that all earmarks are bad.

Overall we have a diversity of projects in this bill. They touch urban and rural America, all regions of the country, women and minorities, as well as both sides of the aisle. We have technical assistance for start-up businesses, technology training, business attraction programs, small business incubators and job skills development. Members of this House have been able to identify many commendable projects.

The projects that the amendment's proponent is targeting are important projects to those Members and those communities.

I would say to the gentleman to really rethink this approach. If this approach is, with all due respect to him, a message for the 6:00 news, fine, I can't argue with that. You have done well, you have won on that issue.

This is really about saying that each individual colleague that surrounds you on your side and on this side does not know what is best for their district and that the process that we used to come to this point is a process that does not take into account everything that we could be worried about. Also, that it is not a process that has allowed Members to put forth their vision and at the same time have committee staff and other Members check to make sure. This may come as a shock to some Members, but there were projects where we felt either the vision or in some cases even the title had to be dealt with because we didn't want to do the wrong thing and we certainly didn't want to embarrass anyone. We did not accept every single project.

Mr. REGULA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong opposition to this amendment. Points I want to make; First of all, we have reduced the level of earmarks.

Number two, our title is Representative to the Congress. As such, we have a responsibility to represent the needs of our districts. Earmarks provide a vehicle to do that.

Third, earmarks if you follow them through, are great generators of private investment. It certainly happened in my district. A lot of good things get done because we have the stimulus of an earmark.

Fourth, we have a right to decide the priorities of our district. We are better equipped to do that than somebody in the bureaucracy and in the executive branch. Constitutionally, we have the responsibility to make policy. Their job is to execute policy downtown.

Fifth, Congress has a transparent and open process. This is the result of the efforts of the chairman of the Appropriations Committee. That was the discussion we had. We have accomplished that. This is why the gentleman from California can question this earmark, earmarks generally, because we have a transparent process. People know what the earmark is, what it does, and who sponsored it. We have had Member after Member come in and defend their earmarks today, and that is the way it should be. If you eliminate the earmarking process, you move it solely to the administration, and where is the transparency in the administration; or, we revert to the old days where a few people in conference were adding projects with very little opportunity for the Members of the body to look at them or challenge them.

I would think that the gentleman from California would be pleased that we have the transparency that is part of this and allows him or others to question earmarks. I think those who put in the earmarks have to be prepared to defend the validity of what they have offered. So this is a good process, and this is a result of our discussion.

Mr. CAMPBELL of California. Mr. Chairman, how much time do I have remaining?

The CHAIRMAN. The gentleman has 3 minutes remaining.

Mr. CAMPBELL of California. Mr. Chairman, we did fight hard for this transparency, and I am glad we have this transparency. But the reason we have it is not simply to rubber-stamp every earmark that the Chairs of committees decide in their judgment to put in.

Let me quote again the chairman of the Appropriations Committee, Mr. OBEY, on June 13, 2007. He said, ''The reason I hate earmarks is because they suck everybody in. They suck them into the idea that we have to be ATM machines for our districts.''

Mr. Chairman, I don't think we want to be ATM machines for our districts. This amendment which has been suggested by Mr. OBEY, I don't believe he or certainly I necessarily think that all 148 of these are bad. However, if the chairman of the Appropriations Committee believes as he said, ''I hate the earmarking process, I absolutely detest it,'' then maybe we should start to reform it. This is a way to reform it. This is a way to change it. Let's just take them all out for now, and let's talk about a way that perhaps something can be done in a way in which we are not ATM machines for our districts.

By the way, by doing that, we will save the taxpayers $33.7 million, which I would imagine they will be able to use in their pockets in their districts as they want to and I would argue in a better, more effective way than we will, even though we represent them.

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

Mr. OBEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to lay out the context for this debate. Here is the record of our Republican friends when they controlled the House on the question of earmarks. In the last year that our party controlled the House before the Republicans took over, if you take the largest four domestic appropriations bills, there was a total of less than 800 earmarks in those bills. In the last year of the Republican regime in those same bills, there were more than 8,000. That's a thousand percent increase.

In the Labor-Health appropriation bill, the last year I was chairman there were zero earmarks in that bill. The last year that earmarks were considered in the Labor-Health bill under the Republican leadership, there were over 3,000 earmarks.

In addition, earmarks were used for internal blackmail. On one occasion, every Democrat who voted against the Labor-Health-Education bill because it insufficiently funded education and health and job training saw their earmark projects eliminated in retaliation, and I called that at the time internal blackmail.

It was then that I had my staff prepare the first analysis of the growth of earmarks during Republican control of this House.

In addition, we saw earmarks used in order to change votes on Medicare part D, that famous night where the roll call was held open for 3 hours while promises were made in order to turn enough votes around to turn a defeat into a victory for that program.

After the Cunningham affair, our Republican friends announced they were going to attach the names of requesters to the earmarks. But they conveniently declined to make that effective on their watch. So when we came in, the first thing we did was to implement that proposal and require that names be attached to earmarks.

The second thing we did was to impose a moratorium on earmarks until we could straighten out the process.

The third thing we did was announce that we were going to cut them by 50 percent for the appropriate accounts, the nonproject accounts.

The fourth thing we did was to require a certification to make clear that no one had a financial interest in the earmarks that they were seeking.

Then we also provided that, unlike 2 years ago, no provision would be able to be put into a conference report without having a vote on the final product of that conference report by the conferees. That's what we did.

Now the gentleman is making a Federal case out of the fact that I had wanted more time to screen these earmarks which have grown exponentially in order to protect the House from bad choices. Folks on his side of the aisle objected to that, and so we relented and so we now have earmarks in the bill. And now the gentleman is squawking because we have earmarks in the bill just as loudly as he was squawking when we didn't. He's a very hard fellow to please.

Now, what I said a week ago was that I detest the earmark process, and I do. Why? For a number of reasons. Because it requires me as a conscientious chairman of this committee to spend a huge amount of my time simply reading through those things to try to make certain that the House is not embarrassed.

But the more fundamental reason I am frustrated by the process is because it makes so many Members focus so exclusively on the issue of earmarks that we never get a debate on policy, and I thought we came here to debate policy. And that's my problem. I don't think earmarks are evil. I think Members of Congress have a perfect constitutional right to request specific funding for a specific project, just as the executive branch does. And I would remind you that the executive branch directs eight times—

The CHAIRMAN. The time of the gentleman has expired.

Mr. SERRANO. Mr. Chairman, I move to strike the last word, and I yield to the gentleman from Wisconsin.

Mr. OBEY. I have forgotten where I was, Mr. Chairman. It must be a sign of old age.

What bothers me is I thought we all came here to talk about policy. And so what I said on the floor is that I would like to see once and for all the House put up or shut up on this issue. I would personally prefer there be no earmarks. But as chairman of the committee, I have an obligation to try to find that balance point in the House that reflects the will of the House. I don't have the luxury of pursuing exclusively my own will on a subject. So I have been willing to support bills carrying earmarks even though I don't like what they do to my time and my disposition, to be frank.

So what I said, I want to see an up-or-down on all earmarks. I drafted an amendment to do so and was informed by the Parliamentarian that would be subject to a point of order, and so I chose not to offer an amendment that was an obvious waste of the House's time.

I will say that I am pleased that the gentleman has offered his amendment. Because while it does go as far as mine did, it will give the House an opportunity to decide once and for all, I would hope, whether it favors earmarks or whether it doesn't.

Rather than spending an inordinate amount of the House's time talking about individual earmarks and seeing vote after vote after vote to eliminate them go down to defeat, I think it is about time we find out what the will of the House is. I want to know whether the House wants to proceed with earmarks in these bills or not. I see no problem with their doing so.

But what I will say is if the House does vote for this amendment, then I will see to it that any bill that comes out from now on has no earmarks. So let's be clear about this. If Members don't want their earmarks, then they should vote for the gentleman's amendment. If they do want their earmarks, if they do think that they have as much right as the President of the United States to determine what happens in their district, then I would suggest that they vote against the amendment. But it is time to put up or shut up. It is time to see where the House stands on this issue.

□ 1345

The committee is trying to reflect the will of the House but we cannot go in both directions at the same time. It's time we find out which direction the House wants to go.

I thank the gentleman for the time.

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

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. CAMPBELL).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. CAMPBELL of California. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from California will be postponed.

Mr. SERRANO. Mr. Chairman, I move to strike the last word.

The CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. SERRANO. I yield to the gentlelady from Ohio.

Ms. SUTTON. Mr. Chairman, I would like to commend you for your work and leadership on this bill and especially for recognizing the important work of the Consumer Product Safety Commission and for providing the Commission with funds above the President's request.

Past fiscal irresponsibility on the part of the Republicans means that we've all been working with a tough budget situation this year. But even though we've had to make difficult decisions to get our economy back on the right path, we need also to make room for our most important priorities. I commend you on doing that.

Recent articles in The New York Times and USA Today called our attention to some disturbing trends. The number of recalls made by the CPSC reached a record of 467 last year, and 60 percent of those products were produced in China. This year, every single one of the 24 toys that were recalled for safety reasons by the Consumer Product Safety Commission was manufactured in China. Our children have been playing with toys whose hazards range from laceration, to choking, to severe burns. Several toys we've seen were made with lead paint whose hazards are particularly harmful to children. We also have seen them have the direst of consequences with deaths.

Imports from foreign countries have been growing at a staggering rate, Mr. Chairman, and many manufacturers from these countries fail to adhere to even basic safety standards. It is in this environment, and I know you know this, Mr. Chairman, that the work of the Consumer Product Safety Commission is absolutely critical. Consumer product safety is not an area we can afford to ignore, and the CPSC is not an agency we can afford to underfund.

We can't make up for the shortfalls, unfortunately, in funding that the agency has had overnight, but the funding in this year's Financial Services appropriations bill is a positive step in the right direction. I just want to thank you for your leadership on these issues and I look forward to working with you in the future to ensure that oversight agencies like the CPSC have the funds to do the important work that they are called to do.

Mr. SERRANO. I thank the gentlelady from Ohio for her comments and for raising these important consumer protection issues. I totally agree with her that this Congress must place a new emphasis on consumers and ensuring that defective and dangerous products, particularly from overseas, are kept from the marketplace. I commend the gentlelady for raising these issues. I look forward to working with you.

I may say that if you were to look at our bill and read through the language in the bill, the one thing you will see is a desire by this chairman and the subcommittee to begin anew to look at a whole new way of how consumers should be protected. I think that for too long in this country, we kind of pushed away consumerism as a true issue. We're coming back to that. This bill speaks strongly to that. I commend you for bringing up these issues.

Ms. SUTTON. I thank the chairman, and I look forward to working with you to take it in that direction.

AMENDMENT OFFERED BY MR. WICKER

Mr. WICKER. Mr. Chairman, I have an amendment at the desk.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. WICKER:

At the end of the bill (before the short title), insert the following:

TITLE IX—ADDITIONAL GENERAL PROVISIONS

SEC. 901. None of the funds made available in this Act may be used to implement section 5112(n)(2)(C) of title 31, United States Code.

Mr. SERRANO. Mr. Chairman, I reserve a point of order on the gentleman's amendment.

The CHAIRMAN. The gentleman's point of order is reserved.

Pursuant to the order of the House of Wednesday, June 27, 2007, the gentleman from Mississippi (Mr. WICKER) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Mississippi.

Mr. WICKER. I thank the chairman.

Mr. Chairman, this is a rather straightforward and simple amendment. It would simply restore to the face, or the obverse, of the dollar coin, the new dollar coin that is being minted now, the words ''In God We Trust'' and ''E Pluribus Unum.''

''In God We Trust'' is the current national motto and has been our motto since 1956. ''E Pluribus Unum'' was actually suggested by the Congress to be on the seal of the United States of America as early as 1776. These two phrases have been a part of who we are and what we are about for as long as almost anyone within the sound of my voice can remember.

Now, I have in my hand here a United States quarter. On one side, it has ''In God We Trust.'' You turn it over, and this happens to be one of the new quarters featuring a State, it happens to be Rhode Island, but still there's room on the other side of that coin for the term ''E Pluribus Unum''—out of many, one people, as I say, a very significant phrase about who we are as a people.

You take the dollar coin, Mr. Speaker, and there's a picture of George Washington on the front, there is a likeness of the Statue of Liberty on the back, but if you're looking for the words ''E Pluribus Unum'' or ''In God We Trust,'' it's not on either side. In order to find that, you have to look at the very edge of the coin and you have to get the light just right and there it is on the edge of the coin.

I think most people would agree with me, Mr. Chairman, in saying they would like to have these significant phrases returned to a position of prominence on the coin. Whether by design or by accident, whether purposely or unintentionally, the fact that these two important mottos are on the edge of the coin, I think it puts them in a less prominent place, and I think most Americans would appreciate it if we put them back where they should be.

With that, I would urge an ''aye'' vote on the amendment.

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

Mr. SERRANO. Mr. Chairman, I rise in opposition.

The CHAIRMAN. Does the gentleman continue his reservation on the point of order?

Mr. SERRANO. No, I withdraw my point of order.

The CHAIRMAN. The gentleman's reservation is withdrawn.

The gentleman is now recognized for 5 minutes.

Mr. SERRANO. It's somewhat a hesitant approach to being against it for the simple reason that we're not sure on this side if his amendment accomplishes anything. The way the amendment is written, some would argue that what the gentleman does is remove In God We Trust from the coin. But it doesn't say that it places it anywhere else. And I know that's not his intent, that surely would not be my intent, and that would be a terrible talk show topic.

Mr. WICKER. Would the gentleman yield on that point so that can be cleared up?

Mr. SERRANO. I yield to the gentleman from Mississippi.

Mr. WICKER. By designating that the part of the dollar coin statute that says it should be edged onto the edge of the coin, by removing that, we revert back to the original statute under which we've been governed all along, which has all of the coins from the half dollar down to the penny with ''E Pluribus Unum'' and ''In God We Trust.''

Mr. SERRANO. Reclaiming my time, the way the statute is written, it would not allow that to happen. And in this case, we're actually trying to help you. We're suggesting that what you are doing will in some if not all cases remove In God We Trust and does not make provisions to place it anywhere else. That's our interpretation. That's why I said reluctant opposition because otherwise I would not oppose it.

Secondly, your bill speaks to an item put forth by the mint. Nowhere in this bill does the Mint come up. We don't deal with that. And so that also is an issue. But it's a kind of thing where opposing it will be misunderstood as badly as what you're proposing is totally misunderstood on this side. Your effect may be that you will go down in history as the gentleman who took In God We Trust off the coins and didn't put it on anywhere else.

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

Mr. WICKER. Mr. Chairman, at this point, I'm delighted to yield to my friend from Virginia (Mr. GOODE) a minute and a half.

Mr. GOODE. I want to thank and salute the gentleman from Mississippi for focusing on this issue.

Since the 1800s, In God We Trust has appeared on much of our money. It was even on the two-cent piece that was popular only for a few years in the 1860s.

I've had citizens come up to me and show me the penny, the nickel, the dime, the half dollar and they pull out the new dollar coin and say, ''In God We Trust is not in a prominent place.'' It is on the edge of a coin. And I fully support the effort to take it off the edge and put it on the front.

I would point out having it on the edge or side of the coin has led to numerous mint errors. I have read some accounts that as many as 30,000 dollars do not have the etching on the side of In God We Trust or E Pluribus Unum. And then there have been instances where only the side was punched and that, of course, makes for a highly collectible item. But we need to focus on keeping In God We Trust in a prominent place. I hope it would be the pleasure of this body to support the amendment of the gentleman from Mississippi and put In God We Trust back where it belongs.

Mr. WICKER. I would inquire of the Chair as to whether he has any other speakers on this amendment.

Mr. SERRANO. No, but I would like to speak myself. I have no other speakers.

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

Mr. SERRANO. I am informed that the original law was sort of set aside when the law was passed for these particular sets of coins. In other words, these coins speak to In God We Trust on their own in that law, as I understand it. If you now remove that language here, then nothing kicks in from the previous law and you end up with the possibility of no In God We Trust on the coin. Please understand, we're not arguing against putting In God We Trust on the coin. We support it. We're suggesting that your amendment as written may accomplish just the opposite of what you want to accomplish.

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

The CHAIRMAN. The gentleman from Mississippi is recognized for the balance of his time.

Mr. WICKER. My friend the gentleman from New York says there's the possibility that we might do something unintentional here. Really this is quite clear. And Members voting on this in a few moments should understand that it's quite clear. If you feel that ''In God We Trust'' ought to be put in a place of prominence on the dollar coin, you'll vote ''yes'' for the amendment. If you feel that the all inclusive phrase ''E Pluribus Unum'' should be put back on the dollar coin in a place where it can actually be read by people using it in commerce, then you should vote for the Wicker amendment.

If there is a question on interpretation, if there is this possibility that the chairman mentions, certainly that can be cleared up. This amendment has a little farther to go. The Senate may take up the appropriation bills. At some point we will have to come to some sort of agreement between the House and Senate on how to fund the Treasury and the departments dealt with in this appropriation bill.

I say the issue is clear. If you want ''In God We Trust'' on the dollar coin, it's a very simple question. Vote ''aye'' on the Wicker amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi (Mr. WICKER).

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. WICKER. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Mississippi will be postponed.

□ 1400

AMENDMENT OFFERED BY MR. PENCE

Mr. PENCE. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. PENCE:

At the end of the bill (before the short title) add the following:

TITLE IX—ADDITIONAL GENERAL PROVISIONS

SEC. 901. None of the funds made available by this Act may be used by the Federal Communications Commission to implement the Fairness Doctrine, as repealed in *General Fairness Doctrine Obligations of Broadcast Licensees* (50 Fed. Reg. 35418 (1985)), or any other regulations having the same substance.

The CHAIRMAN. Pursuant to the order of the House of Wednesday, June 27, 2007, the gentleman from Indiana (Mr. PENCE) and a Member opposed each will control 20 minutes.

The Chair recognizes the gentleman from Indiana.

Mr. PENCE. Mr. Chairman, I yield myself such time as I may consume.

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

Mr. PENCE. Mr. Chairman, I come to the floor today, along with my partners in this amendment, Congressman JEB HENSARLING of Texas, Congressman JEFF FLAKE of Arizona, very much in a spirit of bipartisanship. We come to the floor in this moment, on this amendment, to be about that, which I think we are all about.

The freedom of speech and the freedom of the press is not a partisan issue in this Congress. We all live under and cherish that first amendment that says Congress shall make no law abridging the freedom of speech or of the press.

I, myself, Mr. Chairman, have worked in a bipartisan way in this Congress to fashion legislation that ensures a free and independent press. The amendment before this body today is simply an extension of that mission.

Our legislation would simply say that none of the funds made available in this act may be used by the Federal Communications Commission to implement the Fairness Doctrine, as repealed in 1985.

Now, the Fairness Doctrine actually came to pass in 1949, part of a regulation of a much older law. It required broadcasters to prevent controversial issues in a fair and balanced manner. That sounds reasonable enough. But because of the lack of clarity in the regulation, in the commission's rulings, broadcasters, during almost four decades, often opted not to offer any controversial programming whatsoever.

The FCC concluded that, in fact, by 1985, this regulation was having a chilling effect on the public debate and repealed it effective 1987. Since the demise of the Fairness Doctrine, talk radio particularly has emerged as a dynamic forum for public debate and, I offer, an asset to the Nation.

Our amendment, simply put, is an effort to maintain the status quo, to prevent this administration and this Federal Communications Commission, in this fiscal year about which we are debating, to use no funds to return the Fairness Doctrine.

Now, I want to acknowledge the fact that there are some who are skeptical about the need for this amendment. I have heard distinguished and respected Members of this body come to this floor and say that this is, quote, an issue which does not exist, and have seen writing, and I expect we will hear rhetoric to that effect, and I will respect the words of each person that utters that view, but I will differ.

Just for example, in the last 2 days, the Senate majority whip, the distinguished Senator from Illinois, RICHARD DURBIN, said, ''It's time to reinstitute the Fairness Doctrine.'' That was yesterday. In the last several days, the chairman of the Senate Rules Committee, Senator DIANNE FEINSTEIN, said she was looking at reviving the Fairness Doctrine. The Democrat nominee for the President of the United States in 2004, the distinguished Senator JOHN KERRY, said, ''I think the Fairness Doctrine ought to be there,'' and he went on to say, ''I also think the equal time doctrine ought to come back.'' Most recently, the Center for American Progress, a liberal think tank, published an entire report on what it called the ''structural imbalance of political talk radio.''

So you will forgive me if many of us sense there is afoot in the Nation's Capital a bit of a cool breeze on the freedom of the press and the freedom of expression on the airwaves. So we seize this opportunity in the appropriations process, with my partners, JEFF FLAKE and JEB HENSARLING, and hopefully a bipartisan majority in this Congress, to say yes to freedom and to reject, in this fiscal year, the power that we have in the spending bill, any funds to be spent to bring back this unfairness doctrine to American broadcasting law.

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

Mr. SERRANO. Mr. Chairman, I would just like to inform the gentleman that we will accept his amendment.

The CHAIRMAN. Who claims time in opposition?

Mr. OBEY. For purposes of debate, I would like to claim the time in opposition.

The CHAIRMAN. The gentleman from Wisconsin is recognized for 20 minutes.

Mr. OBEY. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, this issue is much ado about nothing. We have been subjected to filibuster by amendment all week, and now we are going to be subjected to 40 minutes of so-called debate on a nonexistent issue. Now, why is this issue here?

There isn't anybody in the Congress that I know of who is trying to legislatively resurrect the Fairness Doctrine, and, certainly, the totally Republican-dominated commission is not going to resurrect that doctrine.

What's at stake here is that a certain Senator, who evidently was afflicted by a bad case of being hit by sun spots so he no longer believes that there is anything like global warming, claims that he was in an elevator and overheard a couple of Senators talk about resurrecting the fairness clause. The two Senators involved say that's nonsense.

But what you have got going on here is an effort on the part of right-wing radio to gin up the folks by inventing a fight that doesn't exist. As far as I'm concerned, it's immaterial to me how people vote on this. If Members want the debate to go until 8:00 tonight instead of 7:00, fine, spend 40 minutes debating an issue that doesn't exist.

But what I do find interesting is that folks who scream every day of the week about that so-called ''liberal press,'' all of a sudden they are now saying, ''Oh, my God, can you imagine, somebody might force a fairness doctrine on us.'' Well, one would think that if they really do believe the press is liberal, that they would then want the protection that would come from the Fairness Doctrine.

I think the very fact that they don't want to see the Fairness Doctrine resurrected is, in fact, an open admission that they recognize the radio waves are largely and almost totally dominated by the right and the far right and the off-the-wall right.

I don't see any purpose in taking any more time.

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

Mr. PENCE. Mr. Chairman, first let me acknowledge my gratitude that the chairman of this subcommittee will accept this amendment and has endorsed it on the floor.

Mr. Chairman, I yield 1 minute to my partner in this amendment, the gentleman from Arizona (Mr. FLAKE).

Mr. FLAKE. I thank the gentleman for yielding.

The gentleman from Wisconsin mentioned that he heard one Senator with sun spots overheard two other Senators talking.

Mr. OBEY. Would the gentleman yield?

Mr. FLAKE. Yes, I would.

Mr. OBEY. I didn't say he was from Arizona.

Mr. FLAKE. No, he wasn't from Arizona. The gentleman can be excused. He has been very busy, and I am glad he has been reading earmark request letters. There have been a lot of them, so he has been tied up.

But what he missed, as the good gentleman from Indiana mentioned, Senate Majority Whip DICK DURBIN from Illinois, not afflicted with sun spots, by the way, just yesterday said, ''It is time to reinstitute the Fairness Doctrine.'' So I don't think that we are seeing things here. There is a move afoot.

Make no mistake, this is targeted at talk radios, where conservatives seem to have done a little better in the marketplace than the other side of the argument.

So forgive us for being skeptical that nothing is afoot. But when the majority leader in the Senate says it's time to reinstitute the Fairness Doctrine, I think we're right to be concerned.

Mr. OBEY. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio.

Mr. KUCINICH. I agree with my colleague from Wisconsin that this debate is a red herring, that it is an effort to perpetuate the abuse of the public trust by holing up the usual straw man to divert attention from the fact that our airwaves are being abused and our democracy is being eroded. It's an effort to fire up a base.

An informed electorate is essential to a strong democracy. One of the things that I would like to say to my colleagues, there is a conflation here where they are talking about freedom of the press. In the Constitution, freedom of the press relates to freedom that newspapers have.

The electronic media is governed by the FCC, and the 1934 act says that electronic media has to serve in the public interest, convenience and necessity. Just for the sake of keeping the record straight, you can talk about the freedom of the press and you may mean newspapers, radio and TV.

But it is a fact that the electronic media is governed by the FCC. Under the laws of the FCC, 1934, we are supposed to be operating a public interest, convenience and necessity.

Now, the proponents of this amendment and of right-wing corporate radio and TV are saying that they are threatened by this fairness doctrine because they think, incorrectly, it will require corporate radio and TV to be actually fair and balanced. I think they are probably threatened by such a prospect because they know that this particular type of radio and TV communication is not.

Now, any proposal to address the real issue here, restoring genuinely productive public debate, would need to restore accountability to those who use the publicly owned airwaves. The first step would be to reverse the extreme concentration of media ownership. Let's have this debate out in the open, not when some are trying to use a red herring to try to prevent reinstatement of a rule that this administration would never reinstate, never, not a way.

As Mr. OBEY said, what's this debate about? It's a debate about something that's not going to happen under this administration, but it may happen under a future administration.

Mr. PENCE. I think the gentleman from Ohio knows how much I respect his liberal passion and often feel it mirrors my conservative passion, but let me emphasize and agree with his final point.

It is precisely about the next administration that many here in this Chamber and many here in America are concerned with leaving in the Federal Communications Commission the resources or the authority to reregulate the public airwaves.

Mr. Chairman, I yield 1 minute to my partner in this amendment, the distinguished chairman of the Republican Study Committee, JEB HENSARLING.

Mr. HENSARLING. I thank the gentleman for yielding. I thank him for his leadership.

Mr. Chairman, there is no greater guarantor of our democracy and our freedoms than the first amendment. There is no greater threat to our first amendment, freedom of speech, than the resurrection of the so-called Fairness Doctrine. The use of the term ''fairness doctrine'' would make George Orwell blush. The use of the program would make Hugo Chavez jealous.

Fairness, fairness particularly, as defined and policed by government, is the absolute antithesis of freedom.

It is patently unfair, and there was a time in our Nation's history when liberals proudly spoke out and jealously guarded our first amendment rights, and now, as we have heard from others, they seek to shut it down.

If, in doubt, colleagues err on the side of freedom.

Mr. OBEY. Mr. Chairman, I yield 2 minutes to the distinguished gentlewoman from California (Ms. WATSON).

Ms. WATSON. Mr. Chairman, I find this very odd, this situation we are in.

We heard a number of our Republican colleagues come to the floor today to object to particular spending items in the bill, but this might be a first. Mr. PENCE has an amendment here to prevent spending on something that doesn't exist.

Mr. Chairman, I think it's worth us having a real debate on the need for a fairness doctrine. But before we get into the merits of the Fairness Doctrine, we should point out that the Fairness Doctrine has not existed since 1987, so that the argument that the Fairness Doctrine has somehow caused bias in America media is a complete red herring.

But I think we need to take a hard look at what happens to our public dialogue in this country when only six companies have dominion over public debate.

□ 1415

Mr. PENCE says he doesn't want the Federal Government deciding what is fair and what is not fair, but at least the Federal Government is accountable to voters. And so I think we need to get back to what is really fair in an open society. And I urge my colleagues to vote against the Pence amendment.

And I would urge Mr. PENCE to join us in working to open up a free, true market in American media. And I stand ready to work with you, Mr. PENCE, or any other Member of this House who wants to shift our public debate away from the centrally planned media environment we have today to a truly, functional, free market where new entrepreneurs have a chance to compete with established media companies and where new ideas have a chance to compete with the old and failed policies of the past.

Mr. PENCE. Mr. Chairman, I yield 3 minutes to the distinguished Republican whip of the House of Representatives.

Mr. BLUNT. I thank the gentleman for yielding, and I'm on the side that this debate does matter. And, in fact, I think I just heard debate begin, as our good friend just suggested that this doctrine does need to be looked at and does need to be changed.

I certainly think that this debate is more meaningful than whether the Vice President is part of the executive branch of government or not, and I'm grateful to Mr. PENCE and Mr. HENSARLING and Mr. FLAKE for bringing this issue to the floor today.

I'm also grateful, and appreciate the majority's willingness to accept this. And while this may not be an item that was on the House agenda last week, I think it's clearly an item on the agenda of debate in the country.

The fairness doctrine, or the so-called fairness doctrine is a clear and bald-faced attack on free speech. It's been declared such by the Supreme Court and the FCC, and just about every reasonable American who ever heard about it.

Proponents of the doctrine don't like what they hear on the radio, but instead of empowering the process by engaging the points with regular Americans, they prefer to empower a government agency to silence those voices.

This is a diverse country with rich and robust views on politics, on culture, on society, on the role of government. The right to vocalize disagreements on all those topics in whatever medium or whatever way is available, is fundamentally what differentiates us from the countries, the totalitarian views of regimes that our country has stood against for now 230 years.

But the fairness doctrine would limit those rights and submit private broadcasters to arbitrary rules of so-called fairness, rules, I suppose, that would change from year to year, depending on who controlled the Congress or who controlled the White House.

The content of radio and television shows should be directed by station managers, not by government bureaucrats. The success or failure of that programming should be determined by the marketplace of options and the marketplace of ideas, not by some arbitrary rule of a government agency.

Again, I want to thank Mr. PENCE, Mr. FLAKE and Mr. HENSARLING for offering this important amendment. I urge its support, both in the House today and in the debates that I believe are starting now.

It may have been in an elevator yesterday and a hearing room tomorrow and the FCC in the future, if we don't engage in this important debate again.

I'm grateful to the majority for accepting this amendment, but I urge all Members of the House to speak out loudly against this so-called doctrine as this debate continues.

Mr. SERRANO. I move to strike the last word.

The CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. SERRANO. First of all, if this is not a political stunt for the public and for those talk shows to carry in support, then why are we debating for 40 minutes an amendment that I accepted at the beginning and almost interrupted the gentleman in accepting it?

Another thing that's very interesting, if you don't believe that you have great support in the electronic media right now, if you don't believe that those stations have gone out of their way to give the conservative point of view and leave out those of us who may be considered liberals and who consider themselves liberals, then why are you so afraid of something called the fairness doctrine? If there's nothing to get fixed because there's nothing broken, what's the concern?

Well, obviously, you must know that there's something that you may stand to lose, otherwise you wouldn't make a big fuss about it.

Now, let me tell you something. Probably any so-called liberal you would get on radio, if one was hired by any of those stations, would probably be a moderate. You have nothing to worry about. Mr. KUCINICH and I are not leaving Congress. We will not have a radio or TV show any time soon, and therefore, it won't be what you think it is. It'll be pretty moderate.

But, again, what is the problem with going against an issue where you claim that there's a problem and, in fact, we know no issue exists. Now, that seems to be a prevailing behavior here today. You have seen amendments and you will see more coming later that speak to something that's not an issue. It's not a problem. And this one, I'm actually accepting it. I'm saying let Rush and the other guys, you know, continue to be fair and balanced in their approach. That's fine with me. And here you want more and more and more of the same.

But, again, not to be flippant in any way, I assure you that neither in Spanish or in English have I been offered a radio show that would make your skin crawl moving it to the left where the debate should be at times. Have no fear, I'm staying in Congress for as long as I can be in Congress, and you have nothing to fear but your fears itself.

I yield back.

Mr. PENCE. Mr. Chairman, might I inquire how much time I have remaining?

The CHAIRMAN. The gentleman has 10 minutes remaining.

Mr. PENCE. Mr. Chairman, and to the distinguished chairman of the subcommittee, I appreciate both the tone and the good natured aspects of his remarks. But I say very seriously when he asked the question rhetorically, he says you act as though there's something you would stand to lose.

Our view is, despite the gentleman's assurances that I completely accept as sincere, what we stand to lose is freedom. We have some of the most prominent and powerful Members of this Congress stepping forward and calling for the regulation of free speech on the air waves of America using this archaic doctrine dubbed as the fairness doctrine.

And today, with the support of the majority, we will send a deafening message that not on our watch will that occur.

Mr. Chairman, I yield 2 minutes to a former broadcaster, distinguished member of the Commerce Committee, Mr. WALDEN of Oregon.

Mr. WALDEN of Oregon. I am still a broadcaster, actually. My family has been in radio broadcasting for more than 20 years.

The CHAIRMAN. Will the gentleman suspend? The microphone is not on.

Mr. WALDEN of Oregon. Mr. Chairman, it seems rather cruel that a radio broadcaster would not have his microphone turned on. And so I stand here today in support of this amendment because it really is about the first amendment. And it is about the freedom of speech on the air waves. And if you don't think so, go back to what the U.S. Supreme Court said in Red Lion Broadcasting vs. FCC 38 years ago when they cautioned that while the doctrine may be constitutional, if it's ever used to restrain speech its constitutionality should be reconsidered.

1974, in Miami Herald Publishing Company vs. Torino, the Court concluded that the doctrine inescapably dampens the vigor and limits the variety of public debate.

Twenty-three years ago, in FCC vs. League of Women Voters, the court concluded the scarcity rationale underlying the doctrine was flawed, and the doctrine was limiting the breadth of public debate. The U.S. Supreme Court made that series of rulings and, as a result, the FCC overturned it. And as a result of overturning that, all of a sudden, the air waves blossomed with both conservative speech and liberal speech.

It's not my fault that Air America didn't find a huge audience out there and went bankrupt. There are others out there who have done very successfully. It has encouraged speech.

If the fairness doctrine is put back in place, as it was pre-1987, you will silence, not expand, public debate. I've been a broadcaster. I know what it was like when it was in place, and I know what it will be like again. And while I don't always agree with those who are on the air waves, I will always defend their right to speak their piece because it actually energizes people to get involved.

So yes, I have a talk radio station and yes, it does have Rush Limbaugh on it, and it does have Sean Hannity on it and Michael Reagan and others. And this is what American broadcasting is about, in part.

But what we're really about here is protecting the fundamental constitutional rights of first amendment speech that we stood on this floor and raised

our hand to protect and uphold, and the courts have made it clear that reinstituting the fairness doctrine, if used to restrict speech, would be unconstitutional.

Mr. PENCE. Mr. Chairman, I am pleased to yield 1 minute to the distinguished Republican leader of the United States House of Representatives, the gentleman from Ohio (Mr. BOEHNER).

Mr. BOEHNER. Let me thank my colleague from Indiana for yielding, and thank he and his colleagues who have introduced this amendment for their work.

All of this talk about bringing back the fairness doctrine caused me to think about the whole idea of the Federal Communications Commission, set up in the 1930s to regulate the air waves and the spectrum that's out there so that we didn't have two radio stations on the same wave. This was set up in the 1930s.

And then in the 1940s we got into the idea that, well, there aren't that many options in TV and radio, and so maybe we ought to make sure that all of them, in terms of what they say, is fair.

Well, that might have been helpful in the 1940s and 1950s and 1960s, but my goodness, we're in the 21st century, where people get their news from thousands of different sources. It could be radio, from hundreds and hundreds of radio stations. It could be from TV, where we now have hundreds and hundreds of stations. It could be from the Internet. It could be from the newspapers. There's lots of places for people to get their news.

And at the end of the day, as I think about the fairness doctrine, I think about those of us in Congress. We get elected based on our constituents and what we're for and what we're against, whether they like us or they don't like us. And if they like us, they might vote for us again. And if they don't like us, guess what, they get to go punch the ballot for somebody else.

Well, when it comes to the issue of the fairness doctrine, when we're dealing with radio, they can go a lot of different places. And I think that the best way is to let the judgment of the American people decide. And they can decide with their finger. They can turn it off or they can turn it on. They can change channels or they can decide to go to their computer and read it on the Internet.

And the idea that people are calling for the fairness doctrine to be called back reminds me, once again, of why I came here. I came here because I thought government was too big, it spent too much, and no one was holding the government accountable.

Let's trust the American people to do what they think is best. Their finger can make all the decisions, all that they need to make on their own behalf. Let's trust them to do the right thing.

Mr. PENCE. With gratitude to the Republican leader for his eloquent remarks, I yield 1 minute to the distinguished gentleman from Florida (Mr. FEENEY).

Mr. FEENEY. I too want to thank Congressman FLAKE and the cosponsors of this amendment. Our friends on the Democratic side have two arguments. Number 1, they say this is a superfluous, it's a red herring because nobody's talking about it. But we've already had two of our colleagues on the Democratic side say that they like talking about and maybe rehabilitating the fairness doctrine, which is a bad misnomer. In fact, this is the leftist censorship doctrine, and we ought to refer to it as such.

The second argument that they give us is that Republicans ought to like the fairness doctrine because we're always complaining about liberal bias in the media. And to that I would say this: The difference is that Rush Limbaugh knows and admits he's a conservative.

□ 1430

Dan Rather and Katie Couric don't know and they don't admit that they are liberal. That is the difference. Rush will get regulated; the others will not. And I would tell you that the first amendment, freedom of speech, means nothing if it means the government can tell you what you must say or what you must publish. The freedom of speech inherently means the freedom not to say certain thoughts or certain words.

Supreme Court Justice Potter Stewart, no conservative, once said: ''Censorship reflects society's lack of confidence in itself. It is a hallmark of an authoritarian regime.''

In China, North Korea, and elsewhere, they have their ''fairness doctrines.'' We don't need one.

Mr. PENCE. Mr. Chairman, I am pleased to yield 1 minute to a member of the Appropriations Committee, the distinguished gentleman from Illinois (Mr. KIRK).

Mr. KIRK. Mr. Chairman, I thank Mr. PENCE for bringing this amendment and I support it. I do not think that we should spend taxpayer dollars to resurrect the 1929 doctrine, which was imposed by the old Federal Radio Commission.

Several Senators now say they don't like free speech on radio and TV, and they are looking to exhume the body of a 1920s-era radio regulation because they do not want Americans to hear. This 1920s radio regulation, appropriately called a ''doctrine,'' was put into law by President Herbert Hoover. Remember, during that time, Western powers also signed a Kellogg pact that outlawed war, Alaska and Hawaii were not States, Mickey Mouse got his first cartoon, and Joseph Stalin became the unquestioned ruler of the Soviet Union.

This 1929 radio regulation that these Senators want to dig up was written when there was no TV, no cable, no Internet, not to mention no satellite or MySpace or YouTube. As kids today would say, this doctrine is so 20th century, and it should not be part of our 21st century.

Mr. PENCE. Mr. Chairman, I am pleased to yield 1 minute to the distinguished and eloquent gentleman from Missouri (Mr. AKIN).

Mr. AKIN. Mr. Chairman, in just several days, America will be celebrating her birthday. As we enjoy the 4th of July, we recall the brave patriots who stood up to the biggest military power in the world and defended basic principles that they were willing to lay their lives down for. Their wives and their children suffered as well.

As they had a chance to develop a systematic form of government and to lay out the very most important things that they had suffered so hard for. The very first amendment to the Constitution was about free speech. The Founders believed that it was critical to protect property, and of all forms of property. The thing that issues from a man's heart is the most precious. For a person to be able to have a belief and to be able to speak that freely is a precious thing not only to our Founders but to all who have been defenders of the first amendment.

I thank our colleagues who have issued this fantastic amendment. I think we should support it with the last drop of our blood and the last farthing of our treasure.

Mr. PENCE. Mr. Chairman, I am pleased to yield 1 minute to a force of nature on the House floor, the gentleman from Georgia, Dr. TOM PRICE.

Mr. PRICE of Georgia. Mr. Chairman, I thank the gentleman for yielding time and I appreciate his leadership on this.

Mr. Chairman, freedom is the foundational principle of our society. Our Founders were champions of this God-given right and charged future generations with eternal vigilance to protect it.

We are here today because some very prominent Democrat leaders, including the Senate whip, want Uncle Sam to start telling radio and TV personalities what to talk about, to limit their freedom and ours. Rather than fight in the marketplace of ideas, they want to bring back a 1929 radio regulation known as the Fairness Doctrine, which has nothing to do with fairness.

A so-called ''fairness doctrine'' today tramples upon freedom of speech and freedom of the press. It dictates to Americans that in an open and free and flooded marketplace of ideas, they need Washington politicians to sort it all out.

Mr. Chairman, real freedom means a government that listens to the people, not one that dictates to the people whom they must listen to.

Let's keep the Fairness Doctrine off our airwaves and in the history books where it belongs.

Mr. PENCE. Mr. Chairman, I am pleased to yield 1 minute to the gentleman from New Jersey (Mr. GARRETT).

Mr. GARRETT of New Jersey. Mr. Chairman, I rise to strongly support this amendment by the gentlemen from Indiana and from Texas.

Fair and balanced media, truly a laudable goal. But, quite frankly, Mr. Chairman, we achieve that result when we do, in fact, let the public decide. They report; you do decide. That is more than just a catch phrase. That is what this American public is about.

You see, it is the market, and when I say the ''market,'' I mean the American people, for they are the best arbiters of what a free press is and to obtain it and they are the best mechanism to achieve it in this Nation. It is not the unelected bureaucrats of a central government that we must look to. We must look to the American public.

So I rise to strongly support this amendment, this amendment that will guarantee us a free press.

Mr. REGULA. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I yield to the gentleman from Georgia (Mr. WESTMORELAND).

Mr. WESTMORELAND. Mr. Chairman, I want to thank my friend from Ohio for yielding and my friend from Indiana for offering this amendment.

Let me say this: there seems to be some doubt over there or something from the subcommittee Chair and the full committee Chair about why we don't believe them. Well, in November they kind of snookered the public. They had told them that they were going to give more affordable health care to all Americans, which hasn't been done. They were bring gas prices down, which, hello, if you are out there at the pump, you know that's not true. And then we were going to get away from dependence on foreign oil, which last night we saw that we voted not to do that, but to be dependent on them.

So you fooled the public in November; so we don't want you to fool us this time. And I think it is evident that you are trying to trick us when you had two Members go down and talk about the only reason why you are not going back against the Fairness Doctrine is because you don't have the FCC.

And let me say you have said that the Republicans are calling this a red herring. Well, I want to say the majority party is looking at the Fairness Doctrine as the one that got away. The one that got away. You all want to recapture that one that got away.

So I hope that all of my colleagues will vote in support of this. I thank the gentleman from Indiana for offering it with Mr. HENSARLING and Mr. FLAKE.

And I thank the gentleman from Ohio for yielding.

Mr. REGULA. Mr. Chairman, I yield to the gentleman from Georgia (Mr. GINGREY).

Mr. GINGREY. Mr. Chairman, I thank the ranking member for yielding.

And I want to take this time to say how much I support the Pence-Flake-Hensarling amendment in regard to this so-called ''fairness'' issue. It would be patently unfair, this so-called doctrine.

Wouldn't it be nice if we could say the same thing to the editorial boards of the Los Angeles Times and the Atlanta Journal Constitution? Wouldn't it be nice if we could say the same thing to Hollywood in regard to all these movies that our young people are being exposed to? Wouldn't it be nice if we could say the same thing to our public universities and colleges in regard to the teachers of political science and the guest lecturers and those who give the baccalaureate addresses? But freedom of speech doesn't allow that.

I clearly endorse this amendment. The FCC should not spend one dime promoting this so-called ''fairness doctrine,'' which is anything but fair.

Mr. REGULA. Mr. Chairman, I yield to the gentleman from Texas (Mr. GOHMERT).

Mr. GOHMERT. Mr. Chairman, I thank the ranking member for yielding. I appreciate that very much.

The Fairness Doctrine is such a misnomer. It may be an oxymoron, if you would. But one of the great things about this country throughout our history since we became a country has been that rather than have another revolution, people can express their views. They can say what they want. The Fairness Doctrine suppressed that a great deal and it fomented a lot of agitation.

As long as people can get out there and express their views, we're going to be okay. We can disagree. We can fix things. We can complain about things. But when you run in and start saying you're talking too much about this issue, you're saying too much on this side, then we are looking for another revolution. I do not want to see that.

We don't need the Fairness Doctrine, this misnomer. It is time to set it aside for good and move forward with free speech.

Mr. REGULA. Mr. Chairman, I yield to the gentleman from Indiana (Mr. PENCE).

Mr. PENCE. Mr. Chairman, I thank the distinguished gentleman for yielding and for his support of this amendment. And I also wish to thank the gentleman from New York for accepting this amendment.

I believe what we will do in this legislation will demonstrate a bipartisan commitment to freedom on the airwaves at a time that intemperate remarks are being made by others in Washington, D.C., both within the Capitol Building and within the punditocracy that surrounds this Capitol Building.

This Congress in bipartisan numbers, and I trust the numbers will be large, will say ''yes'' to freedom on the airwaves, ''yes'' to the freedom of expression, and ''yes'' to the freedom of the press.

I urge my colleagues on both sides of the aisle to reject the ''unfairness doctrine'' and vote ''aye'' on the Pence amendment on behalf of my colleagues JEFF FLAKE and JEB HENSARLING.

Mr. OBEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, as someone of note said a long time ago, it will be little noted nor long remembered what we say here today. Certainly this has not been one of the most scintillating debates in the history of the Republic.

But I do want to thank my friends on the right because if our folks on talk radio and yap yap TV, if they actually believed that there was a fiercely liberal press that dominated the country, then they would be running kicking and screaming, demanding a Fairness Doctrine. And the fact that the folks on talk radio and yap yap TV are doing just the opposite indicates to me that they are publicly admitting that they are not ''fair and balanced.''

A lot of fun has been made of the FCC. It started in 1929, Herbert Hoover. Herbert Hoover was a very unlucky President who happened to be a very fine man and who had, I think, for his long illustrious life, a pretty good understanding of what it takes to be basically fair in this country. You ought to go back and read some of Herbert Hoover's speeches. He takes a lot of guff, but he was a very impressive man, with a misguided economic policy, but he was a very impressive human being.

When the FCC was created, it was based on the idea that the airwaves, which were being licensed to private holders, were, in fact, property of the public and that it is sort of like our stewardship of the Earth. My religious beliefs tell me that we never really own property even if we have title to it. We lease it from God for a while and we have stewardship responsibility.

□ 1445

Now that, in my view, is the same view that the government had when they started licensing radio stations. What they said to people who stood to make a lot of money with those licenses is, ''Look, if you're going to use the public airwaves, make sure that all sides get a fair shake of the argument. That's what it was all about. It has long since gone by the boards because of court decisions and other administrative actions by various administrations.

Right wing radio today looks at those airwaves as being their open private preserve, and they're not going to give them up at all. But don't worry, I would not, for a second, want to see Rush Limbaugh or good old Sean moderated. I want to see the real, raw Rush. I want him and folks like him to be thoroughly and fully exposed to the American listening audience in all of their bloviating glory. I want to let Rush be Rush. And that isn't going to bother me if he goes on for hours and hours with his one-sided diatribes. Everybody knows he's plugged directly into Republican national headquarters. And so in my view, he is virtually discredited, and I would like to keep it that way.

So all I guess I would say, Mr. Chairman, is that I think we ought to let right wing radio go on just as they do now. Rush and Sean are just about as important in the scheme of things as Paris Hilton. And I would hate to see them gain an ounce of credibility by being forced by a government agency or anybody else to moderate their views enough so that they just might become modestly influential or respectable.

With that, Mr. Chairman, could I inquire of how much time is remaining on the other side?

The Acting CHAIRMAN (Mr. MCDERMOTT). The gentleman from Indiana has 1 minute.

Mr. OBEY. Mr. Chairman, I reserve the balance of my time and let the gentleman use his minute, and then I will close.

Mr. PENCE. There is no question that the chairman of the Appropriations Committee is a tough act to follow, but I appreciate his decorum, his demeanor and always his candor on this floor.

But let me reassure him and all of my colleagues on both sides of the aisle that the bipartisan vote that I expect will be recorded today will be an encouragement to people on the right, to people on the left, and people in the center, people in front of microphones and people listening to those people on microphones because this House will say what some in the other body are not saying, and that is, we believe in freedom on the airwaves. We reject the archaic doctrines of the past that would have this Federal Government manage political speech on the public airwaves.

It is time that we come together as a Nation, we move past the archaic rules of broadcasting fashioned for a Depression-era America, and we embrace the dynamic national conversation that is the American media today.

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

Mr. OBEY. May I inquire of the Chair how much time I have remaining?

The Acting CHAIRMAN. The gentleman has 8 minutes.

Mr. OBEY. I won't take the time, let me just simply sum up very briefly.

As the Chair knows, we've gone through the last 30 minutes debating a nonissue. The amendment has already been accepted by the committee. And I would expect that there will be an overwhelmingly vote for it because there is no prospect of any serious effort to revive the Fairness Doctrine, either legislatively or legally. And so, this has really been another political exercise.

I've almost given up expecting that substance will dominate legislative debate. We had a State senator by the name of Lynn Stalbaum, who served in Wisconsin many years ago. And the legislature was covered by a man by the name Aldric Revell. Aldric was an acerbic reporter who had the temperament of H.L. Menkin and a pen to match. And he wrote this about Stalbaum one day, he said, ''Stalbaum is a superb legislator, but he has the maddening tendency to expect reason to dominate legislative debate.''

I don't really expect, on issues like this, to have much common sense in the House. You get six like-minded people in this institution, they talk to each other in the cloakroom and they think they've conducted a public opinion poll.

So all I would say is, I fundamentally disagree with the gentleman who indicated that this is a highly important vote. I think, as another famous author once said, this is a lot of sound and fury signifying nothing.

Mr. DINGELL. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Indiana concerning the fairness doctrine.

I am opposed to this amendment. The amendment concerns an important communications policy issue that is properly addressed in the authorizing committee. This is a classic example, of which I have seen many, of an attempt to legislate on a spending bill.

The fairness doctrine is an important, complex issue. It concerns many of the core policy values that Congress assigns to local broadcasters. It concerns the First Amendment, and localism in the media. It is, in short, an issue that should first be considered by the authorizing committee. For that reason alone, I oppose the amendment.

Even if the amendment were not procedurally defective, the amendment is entirely unnecessary. I understand from the Federal Communications Commission (FCC) chairman's office that the FCC has no plans to even debate the issue, much less take action. In other words, there will be no action at the FCC on the fairness doctrine.

It is therefore unclear why the gentleman—who must know this fact—is even offering the amendment. I hope my colleagues consider that question as they vote on the amendment. I will vote against it.

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

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana (Mr. PENCE).

The question was taken; and the Acting Chairman announced that the ayes appeared to have it.

Mr. PENCE. Mr. Chairman, I demand a recorded vote.

The Acting CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Indiana will be postponed.

AMENDMENT NO. 31 OFFERED BY MR. JORDAN OF OHIO

Mr. JORDAN of Ohio. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 31 offered by Mr. JORDAN of Ohio:

At the end of bill (before the short title), insert the following:

TITLE IX

ADDITIONAL GENERAL PROVISIONS

SEC. 901. Each amount appropriated or otherwise made available by this Act (including titles IV and VIII) that is not required to be appropriated or otherwise made available by a provision of law is hereby reduced by 8.9 percent.

The Acting CHAIRMAN. Pursuant to the order of the House of Wednesday, June 27, 2007, the gentleman from Ohio (Mr. JORDAN) and a Member opposed each will control 15 minutes.

The Chair recognizes the gentleman from Ohio.

Mr. JORDAN of Ohio. I thank the Chair.

And let me, as I did yesterday when I offered a similar amendment to the appropriations bill we dealt with then, let me start by thanking the chairman and the ranking member and the committee for their work. I have the utmost respect particularly for the ranking member. I have respect for the chairman as well, but particularly the ranking member, who comes from the great Buckeye State. I appreciate his service over the years to Ohio, not just in northern Ohio, but to our entire State.

I bring before the body again an amendment. This is the fifth time. And as I said yesterday, I don't do this to be a pain in the neck, I do it because I think government spends too much money.

In this particular bill, the increase over fiscal year 2007 spending levels to what's in front of us today and dominating our debate is a $2 billion increase. And so my amendment would simply say, let's not increase the budget by $2 billion in this appropriations bill. Let's simply do what all kinds of families are doing across this country, let's spend last year's level. Let's live within last year's budget as all kinds of taxpayers, all kinds of families, all kinds of business owners are having to do across this country. It's not too much to ask government to do the same.

Here is why it's important. It's important because there is a growing financial crisis coming for this country, which is the entitlement programs, which we're not even talking about today. Whether it's entitlement programs or discretionary spending, which we are focused on today, we've got to get a handle on spending. There is no better place to start than today and say, you know what, let's live with what we lived on last year.

The other reason it's critical that we do this, and this is just as sure as the sun is going to come up tomorrow, whenever you spend and spend and spend, it inevitably leads to tax and tax and tax. I've said every single time I've presented this amendment, and it's every bit as true today, that it's not tax and spend, it's spend and tax. Spending drives the equation. If we can hold the line on spending, we can keep taxes low on American families, on American taxpayers and on American

business owners. That's why this amendment is so important.

Let me just point to a couple of specific things. The bill in front of us today increases spending 9 percent over last year's budget. Now again, there are some great things in this bill. And as I said earlier, I commend the chairman and the ranking member for the work they've done and the committee's work as well, but I want to point out some of the things that taxpayer dollars are going to be spent on.

First, the text of the bill weakens an existing provision in current law that prohibits funds from being used for any needle exchange program in the District of Columbia. Taxpayers might want to know that their dollars are going to be spent for something like that. The text of the bill weakens the existing provision in current law that prohibits Federal funds from being used for the District of Columbia Domestic Partner law, something taxpayers I know in the Fourth District in Ohio, but probably all across this country, would like to know.

And then the third one, and I will just point out, the IRS, that wonderful agency that so many Americans and so many taxpayers love, is going to get a $550 million increase over last year's budget, 5 percent over last year's budget. I said yesterday on the floor, in the course of our debate, that when you get all this additional government, all this new government, all this new spending, it reminds me of a statement from one of our great presidents, our third President, Mr. Jefferson. Mr. Jefferson said, ''When government fears the people, there is a liberty. When people fear the government, there is tyranny.''

Now, with that statement in mind, just ask yourself the simple question: American taxpayers can ask themselves a simple question; if next week when we're home someone knocks at our door and we answer the door and they identify themselves as, hello, I'm Mr. Smith and I'm from the IRS, is your first response, oh, joy, one of my government servants is here to help me today? I mean, that's what American taxpayers are in store for. That very agency that they have not the fondest respect for is going to get a 5 percent increase in this bill.

Again, Mr. Chairman, I don't think it's too much to ask for government to live on last year's budget. That's what this amendment does.

I appreciate, again, the work that the committee has done, but I think it's certainly within reason to say we can keep spending where it was last year again, like all kinds of families are having to do across this country.

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

Mr. SERRANO. Mr. Chairman, I rise in opposition to the amendment.

The Acting CHAIRMAN. The gentleman is recognized for 15 minutes.

Mr. SERRANO. I yield myself such time as I may consume.

I was beginning to feel left out. We were moving along with this bill, and I had not seen the usual cast of very intelligent and proper folks come to the floor to attack the bill and to try to cut it. And I have to tell you, I'm a very sensitive guy, I was beginning to feel left out. But now I realize you care. Except that you care to an extreme. You want to cut this bill by 8.9 percent. And I noticed that you didn't say what you usually say, which is, that this is a small cut because you know that this is a devastating cut.

It is part of a mantra that's been taking place every day, where a group of you come and say that these bills are way over budget and they have to be cut. Now, I've been on the Appropriations Committee many years now. And during the 12, 14 years that the Republican Party was in control, just about every single year that I can remember every appropriations bill went up by a certain amount. And it was easy to see Republicans would have President Bush come in with a certain amount, and they would add more to it. And that's before it got to the Republican Senate. I'm not allowed to talk about the Senate, but you know what happens over there. But now, all of a sudden, these bills are way over budget, and you folks are so concerned.

Still, not a single one of you will vote for the real budget breaker, or against it, which is the war in Iraq. Yes, we have a deficit. But you know the truth, whether you like to admit it or not, when President Clinton left office, we had a surplus. That's not my comment, that's a fact. We had a surplus. We squandered that surplus. How? By going into a war built on lies and bad information, and now we're caught up to here in that war in many ways. The tragedy of lost life. But we're paying half a trillion dollars for it. No one on that side gets up to say that budget has to be cut. The budget that has to be cut is for the employees at the Treasury Department. It's for the FCC. It's for the Small Business Administration. It's for the agencies that help people in this country.

Now, interestingly enough, I thought that you were going to spare me, and I don't want to contradict myself that I felt left out, but that you were going to spare me because we came in below the President's request. Let's make that clear. Your President, my President, but your party's President, came in at $243 million above what we have in this bill. In other words, had I done exactly what President Bush wanted, this bill would be $243 million more. I came in at $243 million below, and you still want to cut it.

But you're not cutting it half a percent as some will do, or 1 percent, which is bad enough, but 8.9 percent. So what is this? Most of the funding in this bill, more than 80 percent, is for the administrative operations of about 25 Federal agencies. A cut of this magnitude called for in this amendment would devastate the Treasury Department, the judicial branch, and the Small Business Administration. Yes, the judicial branch. Our courts would be hurt.

□ 1500

We are in a war against terror. Part of what the Treasury Department does is to follow the money to see where terrorists could be moving money around in this country and overseas, money that could hurt us.

You are trying to cut this by 8.9 percent. Then what you will do is you will say, well, this is one cut. But then if you add all the amendments on cuts today, it will be close to 15 percent if we were to approve all of them. Just like if you add all the cuts on all the bills, we would just have to close up the government and go home. That may be a good idea for some of you. But right now, the Yankees are not winning as much as I want them to, so I may not want to go home for a while.

But understand something. I may at times make light of some of this. It is not a desire to say that this is not important. It is a full understanding that what you are doing is just to score political points. Because you can't, on one hand, vote to continue to approve half a trillion for the war in Iraq and at the same time say that you want to cut money from the Treasury Department, the Small Business Administration, the Federal Trade Commission, and the Consumer Product Safety Commission.

On the other hand, you can't continue to support tax cuts that went to the richest people in the country and at the same time say that you want to cut this. It doesn't make any sense. Just the same way that you support tax cuts for the rich, but resisted until we had to drag you, kicking and screaming, to approve a minimum wage increase of a couple of bucks for people who haven't had one in 40 years.

So let's be honest. Let's be honest. You want to be serious? Let's be serious. Come to the floor and present some things that are serious in nature. You are devastating this bill. We are not going to stand for it. That is why we urge everyone to reject this amendment.

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

ANNOUNCEMENT BY THE ACTING CHAIRMAN

The Acting CHAIRMAN. The Chair would remind Members that remarks in debate should be addressed to the Chair.

Mr. JORDAN of Ohio. Mr. Chairman, before yielding to the distinguished ranking member, just let me say a couple of things in response to the chairman. We certainly care about the Chair, but, Mr. Chairman, we care about the American taxpayers as well.

Tax cuts go to taxpayers, not the rich. Tax cuts go to taxpayers. But we have had to debate this every single time we have brought these series of amendments forward when you talk about cutting the bills, drastic cuts, the-sky-is-going-to-fall cuts. All we are saying is, let's spend what we spent last year.

Now, only in Washington when you spend the same amount of money that you spent last year is that called a cut. Only in Washington. Back in Ohio, back in Urbana, back in Lima, back in Findlay, no one would call that a cut. They would say, you know what? The government is getting by on what they did last year. That is probably something they should do, when they're talking about a $3 trillion budget that they spend each year.

Mr. Chairman, I yield 3 minutes to the gentleman from Wisconsin (Mr. RYAN), the distinguished ranking member of the Budget Committee.

Mr. RYAN of Wisconsin. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in support of this amendment and the next couple of amendments. Just as the gentleman said, I would like to ask the gentleman from Ohio a quick question: Does this amendment propose that this bill spend less money this year than it spent last year?

Mr. JORDAN of Ohio. No, not at all, Mr. RYAN. The amendment would spend exactly what we spent last year.

Mr. RYAN of Wisconsin. Mr. Chairman, we hear this word ''cut'' all the time. Cut. Cut. Cut. Only here in Congress, only here in Washington is spending the same amount of money this year as we spent last year a deep horrible, awful, disastrous cut. We are proposing to spend almost 10 percent more next year.

How many family budgets went up by this much money, an 8.9 percent increase? How much did wages go up this year? How much did pay raises go up? Did they go up 8.9 percent for most families this year from last year? No. So why should we be giving government such a huge pay raise?

What we are doing by doing this is we are taking more money away from the paychecks of working men and women to give government a bigger paycheck, to give government a bigger pay raise.

Mr. Chairman, what this is about is about trying to bring discipline to the way we spend taxpayer dollars. The budget we are operating under today contains within it the largest tax increase in American history. The budget we are operating on today says that all those tax cuts that expire at the end of the decade, we want them to expire. And do you know what? We are going to start spending that money now.

So the reason this amendment is important, and other amendments like this are important, is we are trying to reduce the spending appetite of government, of Washington, so we can make sure that we don't raise those taxes. Because if the incumbent budget resolution actually fulfills its promise, this money will get spent and those taxes will get raised. That is what this is about.

It is different approaches, different philosophies. We don't believe in all these huge increases: triple the rate of inflation, triple the rate of our constituents' ability to pay their taxes. We believe government should live within its means.

Let me be the first to say that both parties have done a lousy job of keeping track of this over the years. Both parties have some of the blame to share. But in the last couple of years, this party, which is now in the minority, did do a better job of holding the line on domestic spending. This party did take on entitlements. This party did stand against tax increases.

So, Mr. Chairman, you see here an emerging difference between whether or not we ought to have the largest tax increase in history and whether or not we ought to be increasing spending, and not at the rate of inflation, not at twice the rate of inflation, but at three times the rate of inflation.

I am pleased that this committee allocation is under the President's request. I wish all the subcommittee allocations were underneath the President's request, including the Defense.

Mr. SERRANO. Mr. Chairman, I reserve the balance of my time. There will be more speakers on this side, but the gentleman has a wonderful cast over there. I am sure they could go for a while before we go over here.

Mr. JORDAN of Ohio. Mr. Chairman, I yield 2 minutes to the distinguished gentlewoman from North Carolina (Ms. FOXX).

Ms. FOXX. Mr. Chairman, I want to thank the gentleman from Ohio.

Mr. Chairman, I don't think of ourselves as a ''cast.'' I think of ourselves as the people that we were sent here to be, representatives of the hardworking people of the United States and of our districts.

I think that particularly those of us in the Republican Party, most of us have led lives that keep us in touch with our constituents. We haven't spent a lifetime in Washington. We haven't advocated for being in Washington 5 days a week, out of touch with the American public.

There are a couple of things that have been said that I think have to be responded to today. They haven't been responded to properly in the last few weeks, I don't think.

One is the Clinton-squandered surplus. Let me remind the majority party that the reason we had a surplus during the third and fourth years of the Clinton administration was because there was a fiscally responsible Republican majority in the Congress. You cannot attribute the surplus to a President who has no control except to veto.

I want to say something about the waste of money on the war in Iraq. Were we not supporting those brave men and women who are currently serving not just in Iraq, but all over the world keeping us free, we wouldn't have the right to come to this floor and say the things that we say. The Federal Government was formed for the defense of this Nation. That is where money should be spent so we can maintain our freedom.

Nobody wants to be at war. I don't want to be at war. The President, I don't believe, wants to be at war. But we are at war because we were attacked. Those people have said repeatedly they want to destroy us; they want to destroy our way of life. We need to spend what we have to spend to keep our freedom. We don't have to raise these budgets by 10 percent to keep doing what we need to do for the American people.

Mr. SERRANO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I truly do apologize if the gentlewoman thought that the word ''cast'' was improper. I will speak to our Hollywood friends and ask them if it's improper to have a cast of individuals. It could be a cast of bad characters, or a cast of good characters. I am sure it is a cast of very dedicated folks who have a point to make and are trying to make it.

□ 1510

As far as whether or not we live away from our districts, any time that anyone on that side wants to compare backgrounds to how I grew up and how I got here and why I thank the good Lord that I am here every day, we can debate which public housing any member of the Republican Party grew up in, as I did, where they were born and how they grew up. So I take great pride in the fact that I managed to keep in touch, because it is very hard to lose your roots once you get to a certain place.

Now, the other thing we hear all the time is that whenever we say that we are wasting money in Iraq, that somehow is an insult on the troops. The greatest support we can give our troops is to bring them home tomorrow morning. That is the true support.

I want to see folks, 2, 3, 4, 5 years from now, when we have to pick up the tab and, rightfully so, deal with the wounded who come back from Iraq, if we are going to be standing here also trying to cut budgets the way we are now. But I suspect that it will be the same way that it happened after the Gulf War, where the folks who were all hot and bothered about sending folks off to war then didn't want to put any money into the Veterans' Administration or for services for our troops.

So using a phrase that my chairman would use, Mr. OBEY, don't lecture me, don't lecture any of us, on who cares for the troops. We all care for the troops. I would never question whether you care for the troops. It is just that we differ. You think that you care for the troops by keeping them there for as long as they have to be there, which may be 10 more years. I care for the troops by bringing them home tomorrow morning.

Lastly, it was my city that saw the largest part of the terrorist attack on September 11. The gentlewoman said we are in Iraq because we were attacked.

No. We are in Afghanistan, which I voted for us going there, because we

were attacked. We are in Iraq because we were lied to and half the Congress believed it. And now no one, not even the administration, admits in any way, shape or form that Saddam Hussein or anything that happened in Iraq had anything to do with September 11th.

The American people know that. They may think that we have to stay there a little longer. They may have whatever opinion they have. But the American people know that there is no relationship between Iraq and September 11th, and that is a fact. So we can continue to talk about how we have to keep spending this money. Not true.

This cut is a devastating cut to this bill. This bill is a responsible bill. This bill did what you claim you wanted to do. It came in below the President's request. I haven't heard one person get up and say, ''My God, the President wanted more than SERRANO. SERRANO gave less than the President wanted, so he did pretty good, because boy, that President is a big spender.''

No. He continues to be the fiscal conservative, and somehow we are the big spenders.

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

Mr. JORDAN of Ohio. Mr. Chairman, it is my pleasure to yield 3 minutes to the distinguished gentleman from Florida (Mr. PUTNAM), the Republican Conference Chair.

Mr. PUTNAM. Mr. Chairman, I thank the gentleman for yielding me time.

Mr. Chairman, the landscape of Washington is littered with the broken promises of the Democratic majority. We have heard an awful lot about fiscal discipline, but we just haven't found it yet.

This bill increases funding for the Federal Government by almost 9 percent over last year. Very few other household budgets or business budgets or private sector budgets grow at that rate.

We heard a lot over the last year, a lot of bold talk that turned into empty rhetoric, about the concept of fiscal discipline. Apparently our definitions of that term differ greatly, because the Democratic budget that these appropriations bills are implementing includes the largest tax increase in American history.

But they didn't stop there. They went on to say, despite what we may have said during the campaign, we want a new policy on earmarks. We want a policy on earmarks that prevents the American people from seeing them and that prevents the Members of Congress from having to vote on them until they mysteriously appear in the middle of the night in the conference report.

Fortunately, 2 weeks ago this body walked them back from that ill-conceived policy. And today, you can now hold your Member of Congress accountable for each and every one of the votes that they take on earmarks.

But they didn't stop there. They also, to make their budget move forward, despite having the largest tax increase in American history, used these reserve funds that are empty. They have a Sticky Note in the bottom of them with an IOU.

They use these reserve funds to promise rural America, we will put $20 billion more into the farm bill. Here is our IOU. It hasn't materialized. They told Americans in need, here is an additional pot of billions of dollars to fund SCHIP. It hasn't materialized. They did that on over 20 occasions, these mysterious reserve funds.

This bill is just one example of the reckless fiscal policy that the Democratic majority has charted for this country, a 9 percent year over year increase for Treasury, Postal, executive branch, the IRS, all very popular agencies in the American psyche right now.

They have promised America the largest tax increase in American history. They have promised the different constituent groups reserve funds, secret slush funds and IOUs, but they have delivered no accomplishment, no substantive policy change, nothing in the first 6 months of their rule. America deserves better.

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

Mr. JORDAN of Ohio. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Texas (Mr. HENSARLING), a leader on fiscal discipline.

Mr. HENSARLING. Mr. Chairman, I thank the gentleman for yielding. Again, I want to thank him for his leadership on this House floor in attempting to bring fiscal sanity in a place that desperately needs it.

Mr. Chairman, I listened very carefully to the gentleman from New York and his comments, and I certainly appreciate the wit that he brings to this debate. Perhaps with the exception of him, I am somewhat curious from time to time why so many Members on this side of the aisle appear to be so grumpy, since they did win the last election.

The gentleman said that early on that he wasn't sure if we cared. We certainly care about the gentleman from New York. We just care even more about hard-working taxpayers in our districts.

He talks about the devastating cut that an amendment to level-fund this bill would be to the government. A devastating cut, when you are giving them exactly the same amount of money this year that you gave them last year. Webster must be spinning in his grave. I have actually looked up the definition of ''cut'' and it means ''to reduce.'' So for level-funding this bill, I fail to see this thing called a cut.

What I do know is being cut is the family budget, because, as the gentleman from Ohio has aptly pointed out, there is all of this spending, a 9.9 percent increase, and somehow it is devastating, devastating, anything less than a 9.9 percent increase in this agency.

Well, how about the $3,000 a year largest tax increase in history that this is part of? This spending, this 9.9 percent increase is being funded with this largest tax increase in history.

That is where the devastating cut is coming, Mr. Chairman, in the family budgets of American families all across the Nation. And that is what we are trying to prevent, and that is what we care about, and it is indeed a very serious subject.

Mr. SERRANO. Mr. Chairman, I believe I have the right to close, so I reserve the balance of my time.

Mr. JORDAN of Ohio. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, let me just reiterate what the previous speaker said. Look, we heard the term ''devastating cut.'' As the gentleman from Texas indicated, we want to level-fund. We don't want to give a $550 million increase to the IRS. We want to level-fund the IRS and other agencies contained in this bill. It is not too much to ask government to do the same thing that taxpayers and families do all the time.

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

Mr. SERRANO. Mr. Chairman, I yield myself such time as I may consume in closing.

Mr. Chairman, much was said by the gentleman who spoke before about the earmarks once again. Well, he will have an opportunity, and so will all of us. There is an amendment by Mr. CAMPBELL pending striking all the earmarks from the bill. I certainly will be voting against that amendment, but I will be watching with much anticipation how folks on that side vote on that amendment, because that will get rid of every single earmark from the bill.

Secondly, it is a devastating cut. All of these are devastating cuts. Whether we like it or not, we will continue to remind you that the great amount of money that has been squandered here was the major tax cut that went to the wealthiest, the richest people in this country, and that you continue to support, and, secondly, the fact that you will not join us in getting out of Iraq so we can save that money that we are spending over there. That is a fact.

To bring that fight home on this bill, which came in below the President's request, is really a totally improper way to attack it.

Mr. Chairman, I hope every Member votes against this amendment.

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

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. JORDAN).

The question was taken; and the Acting Chairman announced that the noes appeared to have it.

Mr. JORDAN of Ohio. Mr. Chairman, I demand a recorded vote.

The Acting CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Ohio will be postponed.

AMENDMENT OFFERED BY MR. PRICE OF GEORGIA

Mr. PRICE of Georgia. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. PRICE of Georgia:

At the end of the bill (before the short title), insert the following:

TITLE IX

REDUCTION IN APPROPRIATIONS

SEC. 901. Appropriations made in this Act are hereby reduced in the amount of $214,340,000.

The Acting CHAIRMAN. Pursuant to the order of the House of Wednesday, June 27, 2007, the gentleman from Georgia (Mr. PRICE) and a Member opposed each will control 15 minutes.

The Chair recognizes the gentleman from Georgia.

Mr. PRICE of Georgia. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I thank my colleagues, at least on this side of the aisle, for working as diligently as possible to introduce amendments that will result in fiscal responsibility, or at least the start of fiscal responsibility, here in Washington.

This amendment is affectionately known as the Hefley amendment. A former Member here from Colorado, Mr. Hefley often introduced an amendment that would reduce the increase in appropriations bills by 1 percent. I suspect we will hear another cry of ''devastating cuts'' from the majority party, but in fact, Mr. Chairman, this is a minimal reduction for the Federal budget, but a huge win for the American people.

When we talk about amendments that are reducing appropriately the spending that goes on by the Federal Government, it is always important to remember whose money we are spending. This isn't the government's money. This is the people's money, and they work extremely hard to make certain that they can make their ends meet. And in so doing, they generously, they generously, provide the Federal Government with the resources with which to run our government and our country. It is incumbent upon us to be as responsible as possible with that spending. I would suggest, Mr. Chairman, that we can be more responsible than we are being.

We have heard a lot of pronouns bantied about on the floor today, mostly ''I'' and ''you.'' I wish, Mr. Chairman, we would have a few more ''we's,'' because when we work together on behalf of the American people to decrease spending, to responsibly spend, what we do is come together in a way that I think the American people desire us to, and certainly I believe that is one of the messages they sent last November.

We have heard also discussions or comments saying this is a big waste of time. Well, Mr. Chairman, I would suggest to you that any time we are fighting on behalf of the American taxpayer, that is not time wasted. I would also suggest that they don't believe that fighting on their behalf to make sure that the Federal Government spends less than is planned by this majority, that that is a waste of time.

Now, what is the big picture in this bill? The big picture is that last year the programs under this bill spent $19.5 billion. The committee has come forward with a proposal to spend $21.4 billion, an increase of $1.9 billion, nearly 10 percent.

This amendment, this amendment that is before us right now, is to decrease that increase, that nearly 10 percent increase, decrease that increase by 1 percent. So it is not, it is not, something that could be described as a devastating cut.

The numbers again: Last year we spent $19.5 billion. The committee proposes $21.4 billion. When this amendment is enacted, we will spend $21.2 billion on behalf of financial services and general government operations.

Mr. Chairman, I would suggest that the American people have lost a great deal of trust, a great deal of trust, in our Federal Government, and part of that is the irresponsible way in which we spend the people's money. This is a small step, a small step forward in order to begin to regain that trust.

So I urge my colleagues to support the amendment.

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

Mr. SERRANO. Mr. Chairman, I rise in opposition to the amendment.

The Acting CHAIRMAN. The gentleman from New York is recognized for 15 minutes.

Mr. SERRANO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I will take a couple of minutes, and then what I want to do is reserve the balance of my time with the right to close, so there probably won't be a need to ask me if I have any more speakers for a while, or at all.

But this is, again, the same thing. It is yet another cut, another desire to say we should have gone deeper in our cuts. When I think of this, I wonder, if we should have come to where the President wanted. The President wanted $243 million more. We decided in a proper way to come below the request of President Bush. Maybe we should have come at President Bush's level, and then you would be cutting his request more and more, rather than what I bring you today.

But, again, this is a devastating cut. There is no other word for it. You are going after a bill that is a bare-bones bill. There is no fat in here. Mr. REGULA, who worked on this with us, knows there is no fat in here. The cuts just pile up, and I understand what you are doing.

With that, I just hope that everybody will vote against this amendment.

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

□ 1530

Mr. PRICE of Georgia. Mr. Chairman, before I yield 3 minutes to my colleague from Georgia, I would like to ask unanimous consent that the gentleman from Texas (Mr. HENSARLING) be allowed to control the time for the remaining portion of the time for the amendment.

The Acting CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. PRICE of Georgia. Mr. Chairman, I yield 3 minutes to the gentleman from Georgia (Mr. WESTMORELAND).

Mr. WESTMORELAND. Mr. Chairman, I thank the gentleman from Georgia (Mr. PRICE) for offering this amendment.

You know, this is what I call fuzzy math. I think, Mr. Chairman, we need to explain this to people because the chairman of the subcommittee just asked the question, maybe you wanted us to go deeper in the cuts. Well, let me explain to the people, Mr. Chairman, that this is a 9.9 percent increase in fiscal year 2007. This is not a cut. And what the gentleman from Georgia is saying, let's just take 1 percent. Let's give a haircut of 1 percent to this budget. If you do the 1 percent, you will have an 8.9 percent increase. So it is not a cut. That is fuzzy math. That is smoke and mirrors. That is more sleight of hand when you are presenting this that we are asking for more of a cut. All we are saying is let's not increase by 9.9, let's only increase by 8.9.

Mr. Chairman, the American people need to be aware that sometimes in Washington when people talk about a cut, they are actually saying they are not getting as much of an increase as they want to have. Now, in a year's time for somebody to get a 10 percent raise or for a family to say, you know what, we can spend another 9.9 percent because we need it, so we will just go borrow the money, the majority says we are not borrowing the money. Okay. Well, I will go out and get an extra job to get more revenue. But the majority says, no, we are not doing it that way either. We are not raising taxes.

Well, if you spend more, you've either got to make more money or you have to go in debt. Or you've got to get more taxes in. So I think that is where we have a little bit of a dilemma here. We see the final answer, but we don't see the solution in how to get there, the math problem in how to get there. I can tell you the math problem that is going to get there. It is going to be a problem for the American family and the small businessman, because where this result comes from is the largest tax increase in American history.

So don't go for the smoke and mirrors, don't go for the sleight of hand, don't go for the wonderful sales job of we're not going to increase your taxes or increase the deficit, we're just making it happen.

Well, that sounds like a fairy tale. Sometimes up here I feel like I am in

Alice in Wonderland. I just want the American people to know that there is a group, that there are some of us that are trying to bring us back from Alice in Wonderland, trying to bring us back to a reality that we need to stop the big spending and the expansion of government.

Mr. HENSARLING. Mr. Chairman, how much time do we have remaining?

The Acting CHAIRMAN. The gentleman from Texas (Mr. HENSARLING) has 8½ minutes.

Mr. HENSARLING. Mr. Chairman, I yield 2 minutes to the gentlewoman from North Carolina (Ms. FOXX).

Ms. FOXX. Mr. Chairman, I thank my colleague from Texas for asking me to speak on this bill again.

A few minutes ago Mr. RYAN was here and he had his children. When I spoke, I wanted to say something about the fact that they were here and how good it is that we have children on the floor and that we have young people watching what we are doing. They are here to remind us that the actions we take now are so important in the future because we are setting the stage for their future.

The majority party made a lot of promises last year on a lot of little issues, in my opinion, but they have done nothing to really fulfill those promises. They particularly have done nothing to deal with the long-term liabilities that we have facing us. We know that pretty soon 70 cents out of every dollar coming into the Federal Treasury is going to be dedicated to Medicaid, Medicare and Social Security or we won't be fulfilling the obligations we have made. So those children are going to be faced with tremendous responsibilities in dealing with those issues, and I think it is important that we acknowledge that.

The other thing I want to say is that one of my colleagues talked about wanting to compare notes on having lived in public housing projects. Without realizing it, I think he made one of my points for me. One of the problems that we have in this country is that the Federal Government is funding things it has no business funding. If the States and the localities want to subsidize housing for people, that is one thing. But having the Federal Government absorb that kind of responsibility, in my opinion, is not right.

My family didn't grow up in public housing. We never asked for public assistance. We did it on our own. We did without a lot of things, but we did it on our own. And I think we have to look for ways to help the American people learn to live without subsidies from the Federal Government.

Mr. SERRANO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, you know, I have been in this House 17 years. During those years, I have done what comes natural to me, which is to be a gentleman. In addition, I have tried very hard whenever I know that you may lose your temper a little bit to be a diplomat. But I think when people try to twist people's words it is pretty sad.

The gentlewoman spoke about being out of touch. I said that when you grow up in a public housing project you stay in touch. She quickly did that right-wing thing about growing up on welfare. My parents worked hard. My father had 2 years of schooling. My mother was the highly educated one. She had 6. Both of them died before their 65th birthday.

They raised two kids. One has been with the Commerce Department, way before I got into Congress by the way, for many years; and this one is not doing too bad being a Member of Congress.

That wasn't welfare. It was a form of housing. To insult people who live in subsidized housing for the poor as some sort of welfare cheats is to demean the nature of the debate in this House.

I will always be proud of the years I spent in the Millbrook Projects in the South Bronx. I will be proud of my years in public school. I will be proud of the fact that I came to the United States not speaking English and that I learned to speak whatever it is that I speak now, whether it is good or bad English. I am proud of that.

But to suggest somehow that what we are doing here today in promoting expenditures in Iraq that are a waste of money, not in how we use them for the troops but how we got into that war, or suggesting that because in 2010 people making millions of dollars in this country may have a sunset provision which was set up by the Republican Party on their major tax break when it comes to an end so that they, the ones who make 20, 50, 100, 200 million a year, a billion, may have to pay a little more so that someone else can get a little health care, if that is what this debate is about, then we have reached a very, very low point.

Now, I probably will sit down after I speak and regret having said what I said because I don't like to engage on a personal basis, but if you ever want to know what public housing is like, it is not a vacation. It is not a cabin in the Catskill Mountains or on the Outer Banks of anywhere. It is a very difficult life, but a wonderful life because it teaches you a lot. I am the man I am today because I grew up in public housing. It was not welfare. It was not a gift. It was just the way it was. I resent personally anyone who tries to cheapshot this situation by hiding behind any comments that I might have made.

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

Mr. HENSARLING. Mr. Chairman, I yield myself 30 seconds.

First, clearly the gentleman from New York is listening to a different debate than I am listening to. I very much did enjoy hearing his story, a story I was unacquainted with. I certainly honor all of those who come from common circumstances and can better themselves.

But there are many of us on this side of the aisle who think that the best housing project, the best educational project, the best health care project is a job, and that is what the Republican budget helps create.

Mr. Chairman, I yield 3 minutes to the gentleman from Michigan, the Republican Conference Policy chairman, Mr. MCCOTTER.

Mr. MCCOTTER. Mr. Chairman, I wish to begin by echoing the sentiments of the gentleman from Texas. The distinguished gentleman from New York has much to be proud about, coming from humble circumstances and a difficult area, to come here to the people's House and serve his constituents. It not only shows the strength of character he has; it shows what the American Dream is all about. I give you your due, sir.

Talk about another man who came from humble circumstances, Dennis Vincent Patrick Mullen McCotter, my father. A man whose father was an Irish immigrant to this country, whose mother died when he was young and he and his brother and sister were sent to other families to stay, eventually winding up in the St. Francis Home for Boys. He got a football scholarship, worked his whole life to put his brother and sister through college, in addition to himself. He grew up and became a teacher, became a proud union Democrat.

He taught me something about government that I have never forgotten. He said government spends nothing. It is the American taxpayers who pay for everything. I recall a lot of talk last year about Federal spending being out of control. I could hear my father in my head reminding me that you are spending other people's money. The money does not belong to the government. And many people who have forgotten his simple wisdom paid a high price for that.

And yet today we find ourselves under the misconception that somehow this is money that belongs to the government as opposed to the people who pay the taxes. This is the only way I believe that we can come to logically reconcile the concept of a 9.9 percent increase in new domestic spending juxtaposed to the rhetoric that we heard so much last fall about trying to get Federal spending under control.

It would strike me that my father's advice on this would be: Remember, this is not your money. You are spending other people's money. And if you tell them that you are going to be fiscally responsible with the sweat of their brow, with their hard-earned money, you had better keep that promise. Because if you do not, another thing that my father, who continues to get much wiser as I get much older, taught me, fair is fair. And if the American people believe that the pines that were offered to fiscal sanity last year are not matched by the deeds in these appropriation bills, there will be many Members on the other side of the aisle who will find that they will forfeit a great deal for their lack of loyalty to their commitments.

Mr. HENSARLING. Mr. Chairman, how much time remains on our side?

The Acting CHAIRMAN. The gentleman from Texas (Mr. HENSARLING) has 3 minutes remaining.

Mr. HENSARLING. Mr. Chairman, I yield 2 minutes to the gentleman from Georgia (Mr. KINGSTON).

□ 1545

Mr. KINGSTON. I thank the gentleman for yielding.

I wanted to say, I believe that the chairman of this committee has worked hard on this bill and done a good job, but I also know as a member of Appropriations that often things are thrust upon you as a committee member which may not have originated in the Appropriations Committee. I don't know if that's the case, but I would say here's four areas where we could go to come up easily with over 1 percent of this money. Four specific areas.

Number one is in the regulatory agencies. There have been increases above the request for the FTC, the FEC, the SEC and the CPSC, all agencies in which there is more money than requested. That's number one.

Number two, there's $300 million in election assistance for States, unauthorized. There's already $1 billion in unobligated funds from past appropriations bills. I did not like it when the Republican Appropriations Committee put this money out there for local election assistance because I don't think the Federal Government needs to stick its nose in that tent, because once the Federal Government gets involved in local State elections, it's a one-way street and we will have the federalization of elections.

The third spot. There's $80 million in unrequested SBA subsidy. Now, the particular program has been run unsubsidized. The folks borrow the money. They pay it back. We are now creating a new subsidy for the SBA, $80 million.

But the one that really bothers me the most is actually a presidential request. Now, my friend from New York has said no one has accused the President of being a big spender, but I will say to you, I agree with you. I believe the President has spent more money than the American people want him to and I believe we as Republicans spent more money than the American people wanted us to. And because I'm such a good friend of yours, I want to prevent you from making the same mistake.

The President has requested $300 million in the new campus at St. Elizabeth's for the Department of Homeland Security. I want my friends in the RSC to know this is a $3 billion, 10-year request to build a huge campus for the Department of Homeland Security. We did not fund this last year. We should all join together and say ''no'' to the Department of Homeland Security on this $3 billion campus which is sure to become worse than the CVC in cost overruns over time.

Mr. HENSARLING. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, I think it's very important that we focus on exactly what the question is before us. The question before us, with the amendment from the gentleman from Georgia, is will we grow the Financial Services appropriations by 9.9 percent or will we grow it by 8.9 percent? So when you hear the discussion of the devastating cuts and what this will do to all these fundamental government programs, how many families in America would love to have a cut that resulted in an 8.9 percent increase in their family income?

Even more fundamental, Mr. Chairman, this amendment will set us on two paths. One path, if we reject this amendment, leads to the largest tax increase in American history, $3,000 per American family. The other path will lead us to a balanced budget, the Republican budget, without raising taxes on hardworking American people.

Let's support and approve the amendment from the gentleman from Georgia.

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

Mr. OBEY. Mr. Chairman, I move to strike the last word.

The Acting CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. OBEY. Mr. Chairman, these agencies, these regulatory agencies in this bill, are not very well known by the American people, but I think this amendment is consistent with the efforts made by Republican Congresses in the past 25 years to slowly but surely weaken and cripple the ability of regulatory agencies to keep the big boys honest and to protect the little people in this society from abuse and to protect legitimate capitalists from chiseling competitors.

If you take a look at what happened to the Federal Trade Commission and the Consumer Product Safety Commission, for instance, from 1980 on, the protective capacity of the antitrust division at the Department of Justice and the Federal Trade Commission was being shrunk at the same time that America experienced the greatest wave of corporate mergers and corporate acquisitions in the Nation's history. The staff of the Consumer Product Safety Commission during that time was cut in half, since 1980.

And as I said last night, the ability of the SEC to keep up with its workload was crunched because over that same period of time corporate filings reviewed by the Agency declined from 21 percent to about 8 percent in 2000. That means the rest of the filings never even got a look-see.

Now, the Federal Trade Commission: its job is simply to protect the consumers, to protect them against antitrust and a variety of noncompetitive practices. The SEC is charged with the responsibility of protecting investors, so we don't have more Enrons. And the Consumer Product Safety Commission does all these ''terrible'' things like protecting kids from flammable pajamas.

I would simply suggest that you can cut this bill by 1 percent and it won't be noticed much in any immediate year. But you do that for 4 or 5 years in a row and you allow inflation meanwhile to eat away at those regulatory agencies' budgets, and what you have is runaway, ragged individualism and you have the big boys and the big corporations in this society able to get away with murder. These are the agencies that keep those big boys honest.

Now, they say, ''Well, this is just a small cut.'' I would submit we have already cut this bill 3 percent. We cut the President's budget by 3 percent.

And I would further make the point that I think it is a ludicrous joke for the people in this Congress who brought us $1.2 trillion in tax cuts, paid for with borrowed money, for the people who are willing to give $57 billion in tax cuts this year to people who make over a million bucks, with borrowed money, and for people who are willing to borrow $600 billion to finance the dumbest war in modern American history, and then they want to divert public attention by saying, ''Oh, guess what, we didn't cause the $2 trillion increase in Federal debt. What caused it was these terrible Democrats who are in the coming year going to add $5 billion over the CBO baseline.'' That's all the budget does for this year, add $5 billion over the CBO baseline.

So I plead fully guilty of thinking that added investments in veterans, added investments in school kids, added investments in health care, added investments in science, added investments in budgets that help regulatory agencies keep the big boys honest, I plead fully guilty in supporting all of that. It's a whole lot better than their track record on fiscal responsibility.

It is a colossal all-time joke. Never again in my life will I take any lectures from any members of that party on fiscal responsibility after what they've done the last 6 years. You can rewrite history if you want, but ain't nobody gonna read it!

Mr. SERRANO. How much time do I have left?

The Acting CHAIRMAN. The gentleman from New York has 10½ minutes.

Mr. SERRANO. I won't take that, but I want to close. The gentleman has no more time on the other side, I understand?

The Acting CHAIRMAN. All time has expired on the other side.

Mr. SERRANO. I just want to follow up on what Chairman OBEY has said because that's the first thing that came to mind when I heard my friend, Mr. KINGSTON, make the comments that he made. One of the in-house publications said, and I'm trying to remember the headline, after reading our bill, said ''Democrats move towards more consumerism,'' or ''to protect consumers.''

You know, Mr. Chairman, if we do nothing else in this subcommittee for the next 20 years and all we have,

Chairman OBEY, as that headline says, that this subcommittee moved to protect the consumer, we did the right thing.

Under Chairman OBEY's leadership, we were asked to hold a series of thematic hearings. Those hearings were to see how government can come closer to the people and the people closer to the government. Those hearings were set out to find out the best way over a 5, 10-year span of time to see how we can begin to gear government to service the people.

So what did we do? Yes, we increased dollars for the agencies to protect the consumer. Agencies that have been devastated for the last few years. Devastated. And now we simply are saying that those agencies will now begin to pay more attention to the consumer. That is a good thing.

You've heard people on this House floor talk about issues having to do with products that come in from other countries that are not safe, everything from food items to toys to clothing. This is a good thing. And I tell you one thing. If you pay attention to what we do this year, if you pay attention to what we will try to do in conference, if you pay attention to next year's bill and the year after that, there will be a prevailing theme in language and in dollars, but mostly in language, directing the agencies to pay attention to the protection of the consumer.

We also did something else that goes hand in hand with that. We looked at the agencies and said, you know, there are things you can do to help the average American understand government and be serviced by government. So some people may take it lightly that we've asked all agencies to see how much time they can spend in the classroom, in schools, visiting schools, participating with the men and women of the future. They may say, ''Well, that's not a function of government.'' It is. These agencies can go and participate in the schools.

We asked the Election Assistance Commission, for instance, to encourage schools at every level to use the same voting equipment that is used in local elections. Why do we do that? Because it's not improper to have a child in the eighth grade or in high school using the same equipment that he or she will be asked to use when they turn 18 and they're eligible to vote. These are not bad suggestions. These are pro-consumer suggestions. And so we stand proud behind them and we think it's a proper thing to do.

These cuts attack all of that. These cuts attack our vision for bringing government closer to the people. That's why I oppose this amendment, and I would hope all other Members do the same thing.

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

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia (Mr. PRICE).

The question was taken; and the Acting Chairman announced that the noes appeared to have it.

Mrs. MUSGRAVE. Mr. Chairman, I demand a recorded vote.

The Acting CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Georgia will be postponed.

AMENDMENT OFFERED BY MR. KINGSTON

Mr. KINGSTON. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. KINGSTON:

At the end of the bill (before the short title), insert the following:

SEC. ____. None of the funds made available in this Act may be used to enter into a contract with an entity that does not participate in the basic pilot program described in section 403(a) of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1324a note).

Mr. SERRANO. Mr. Chairman, I reserve a point of order on the gentleman's amendment.

The Acting CHAIRMAN. The gentleman has reserved a point of order against the amendment.

Pursuant to the order of the House of Wednesday, June 27, 2007, the gentleman from Georgia (Mr. KINGSTON) and a Member opposed each will control 15 minutes.

The Chair recognizes the gentleman from Georgia.

Mr. KINGSTON. What this amendment does, Mr. SERRANO and my fellow Members, it seeks to say that if you are doing business with the Federal Government, if you are a contractor building something or selling something to the Federal Government, then you should have a Social Security verification for your employees. This was inspired by two things: Number one, the fact that the American people have spoken. They do not want comprehensive immigration reform. They spoke so loudly and so well that even the United States Senate eventually heard their voices.

Now, we've heard their voices in the House and we have passed lots of immigration reform measures, such as fences, such as the REAL ID Act, some other things that we have put on all the bills on a bipartisan basis. What this says, though, is that if you're the contractor building the fence on the border, as we have had a real case, then you have to make sure that you have legal immigrants, legal people, working for you.

□ 1600

That's all it is. There are a lot of people who sell to the Federal Government in the school lunch program. There are a lot of people who work for the defense, a lot of people who work for these agencies, a lot of just different contractors who may have illegal aliens working for them on a Federal Government job, and the only thing that this does is says that those contractors have to be involved in the basic pilot program, which is a program in which technology enables these employers to check Social Security numbers for authenticity within about 90 seconds.

It's very simple, it's very clear. I hope that the gentleman will accept it.

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

POINT OF ORDER

Mr. SERRANO. Mr. Chairman, I make a point of order against the amendment because it proposes to change existing law and constitutes legislation in an appropriation bill and therefore violates clause 2 of rule XXI because it requires a new determination.

And I ask for a ruling from the Chair.

The Acting CHAIRMAN. Does any Member wish to be heard on this point of order?

The Chair finds that this amendment includes language requiring a new determination with regard to an entity's participation in a certain pilot program.

The amendment therefore constitutes legislation in violation of clause 2 of rule XXI.

The point of order is sustained and the amendment is not in order.

AMENDMENT NO. 13 OFFERED BY MRS. MUSGRAVE

Mrs. MUSGRAVE. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 13 offered by Mrs. MUSGRAVE:

At the end of the bill (before the short title), insert the following:

TITLE IX—ADDITIONAL GENERAL PROVISION

SEC. 901. Each amount appropriated or otherwise made available by this Act (including Federal funds contained in titles IV and VIII) that is not required to be appropriated or otherwise made available by a provision of law is hereby reduced by 0.5 percent.

The Acting CHAIRMAN. Pursuant to the order of the House of Wednesday, June 27, 2007, the gentlewoman from Colorado (Mrs. MUSGRAVE) and a Member opposed each will control 15 minutes.

The Chair recognizes the gentlewoman from Colorado.

Mrs. MUSGRAVE. Mr. Chairman, my amendment to the Financial Services appropriations bill today would make a cut of just one-half of 1 percent in the overall funding of the bill.

Again, when I walk around the Halls of Congress, and I see signs on easels by Blue Dog Democrat doors and other individuals, it is pointed out to anyone that walks by that our national debt now is at $8.8 trillion.

I offer this amendment in the tradition of our former colleague, Joel Hefley from Colorado, who faithfully came to the floor on these appropriations bills and offered a 1 percent cut, just a 1 percent cut in our spending.

Government does not have a revenue problem. What we have is a spending problem.

You know, when I listen to my colleagues, my friends on the other side of the aisle, and heard the esteemed chairman of the Appropriations Committee talk, he said something, if we cut our spending, we would have, I believe his term was, exactly this, runaway rugged individualism.

You know, as we approach the 4th of July and this holiday that's coming up, the celebration of the Declaration of Independence, I think about what has made this country great. I think one of the main things that has made this country great is rugged individualism.

What you have here is two opinions, two views of what makes this country great, and what the role of government should be.

I don't think there are many Americans, when they really think about it, wanting the government to advise them on how to buy a car and how to make decisions for themselves. I think Americans can take care of these things themselves. But will we have a bill like this when we have a 9.8 percent increase in spending over last year's amount? That's $1.9 billion.

I wonder if the taxpayers think that they need to spend money in these kinds of ways. One of the things that caught my eye was a $550 million increase in funding for the IRS. That's a 5 percent increase over last year's budget figure. There's not too many of us that would want to go home and brag about that.

So I think that we need to tighten our belt. I think we need to think about the proper role of government, what government should really do, strong national defense, our roads and our infrastructure, and wonder how government got involved in all of this and why, in this year's appropriations bill, we have to increase spending by $1.9 billion.

My amendment would humbly take it from a 9.8 percent increase in spending to 9.3 percent.

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

Mr. SERRANO. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from New York is recognized for 15 minutes.

Mr. SERRANO. I will be brief, but I think part of what you hear from the other side is an innovative way of using the English language. So they speak about cuts and increases and tax increases and in a way which doesn't necessarily speak to reality. So let me try the same thing then. I might as well.

The President wanted $243 million more than this bill that comes to you today.

Therefore, I would say, I cut the President. But I haven't seen one of you get up to say that was a good thing.

The President wanted $243 million more in our bill than what we are presenting to you. Therefore, the President took a cut. Mr. Chairman, I know I am not supposed to speak to them, I want to see them do the same thing when the President proposes more money for Iraq and for that war that was based on lies and bad information, and see if you are willing to cut that.

Secondly, you keep saying that this bill is 8, 9, 10 percent above last year. Again, a play on the English language, because this bill did not exist last year.

This is a new subcommittee. This committee is composed of different agencies that were put together for this committee.

Therefore, technically speaking, this is the first budget we give you. Next year, you can either say that I cut it or I increased it, but not this year, because this bill did not involve anything from last year.

Now, you could say, now he is getting picky. But if you listen to their proposals for the last couple of weeks, that's what they have been doing. They have been discussing these issues that have nothing to do with anything.

Again, you are going after a bill that came in very tight, a bill that came in below the President's request, a bill that funds basic services, a bill that has 80 percent of its funding for administrative operations in 25 different agencies. There is no fat here; there is no waste of money here.

Do you want to discuss waste of money? Later on we can discuss the war in Iraq, and we can discuss the tax cuts for millionaires that we have in place. That is the real waste of money, but we won't touch that. We will continue to bash this poor little bill that came in under the President's request.

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

Mrs. MUSGRAVE. Mr. Chairman, I recognize the gentlelady for Minnesota (Mrs. BACHMANN) for as much time as she may consume.

Mrs. BACHMANN. I want to thank the gentlelady from Colorado for yielding to me and for bringing this important measure forward.

I want to thank Ranking Member REGULA for the hard work that he has done on this bill, and also to the chairman for the work that he has done as well.

I have to say that I hope that my ears deceive me in the remarks that I just heard from the chairman. It almost sounded as though the chairman was calling the President of the United States a liar in his remarks. I certainly hope that that wasn't true. If so, I would call on him to take down his remarks, and I trust that that is not the intention of the chairman in his previous remarks.

Mr. Chairman, what I would like to say in the course of my moments before this body is that I believe that all of us are trying to do the best that we can for regular Americans. What the gentlelady from Colorado is trying to do is exceptional.

We had an amendment that was offered previously by Mr. JORDAN of Ohio, an excellent amendment that called to have spending at 2007 levels. That makes perfect sense for most of the people in this country, because many people, many businesses, don't have that opportunity to be able to increase their budget at all, let alone to this level of 9.9 percent.

In fact, I will tell you, just in my home State of Minnesota, we have Northwest Airlines, a wonderful, marvelous employer that's had to deal with unbelievable problems since 9/11.

With all of the events that have occurred, that have happened to airlines, their employees have had to endure incredible cuts in their salary. The pilots union, the mechanics union, the stewardesses union, all of them have had to endure cuts. They haven't even been able to stay the same at previous years' levels on their wages, much less increase by 9.9 percent their wages, or, as our colleague, Dr. PRICE, wanted to cut that increase by 1 percent, 9.9, back to 8.9. Now the gentlelady from Colorado wants to back it off just one-half a percent.

Surely this body should see the wisdom in the gentlelady's amendment. All she wants to do is just have a modicum of economy in her amendment. Surely we should be able to see the wisdom in that.

I have a businessman who has a legacy industry that feeds into the auto industry. He has a business in Minnesota, and he has had to cut costs so dramatically that their business will literally almost go by the wayside if they can't turn things around.

Again, what we are seeing, with businesses, with family, especially in my home State of Minnesota, businesses not only can't increase their expenses by 9.9 percent. They can't increase it by 9.5, 8.9 percent, they can't increase at all. They have to cut back. That's called productivity. That's what America is about. That's one thing Americans do so well. They find more economical ways to produce more with less.

Usually in the course of that, when businessmen are involved in that sort of an adventure, they are somehow able to pay their employees a little bit more by being more productive. They can't always do that, but sometimes that can occur.

Here in this situation, the gentlelady from Colorado just has a very simple goal, and that is just to decrease by 0.5 percent the amount that's being proposed.

The budget is all about people. At the end of the day, it's the people in my district and your district that are paying this big spending spree, almost 10 percent increase in spending over the last year. It's almost as though the people in Congress believe that if at the end of your name you have a comma, and the letters I-n-c period, that this body believes that there is an unending checkbook that this body can dive into and pull a wallet out of a business and say, you've got more.

So we year after year after year go back to the same well. We go back to the American taxpayer. We go back to American business, and we continue to put burdens on them such that we dig into their wallet and think there is more where that came from.

There is not more where that came from. We looked at the budget battle earlier in this year. In the budget that the majority proposed, there wasn't one attempt to address the problem that we have with unfunded net liabilities that are coming across this Congress in future years, unfunded net liabilities with Social Security, unfunded net liabilities with Medicare. These are very real costs that we are going to have to deal with. This majority in Congress didn't look at that in its bill.

So it's almost as though this Congress is saying we are going to see no evil, hear no evil, speak no evil. We are making a conscious decision, it seems, to just ignore the very real threat of economic, unfunded net liabilities that are facing this Congress.

I submit again to this body that what the gentlelady is trying to do in her very forward-looking amendment is wise. She is saying let's just pull back a little bit on this grand spending spree and be kind to Americans. Let's be kind to American industry, kind to the American taxpayer and say we understand your plight. We understand that you do more with less, and we are going to do the same.

I would say let's not have the largest tax increase in American history that our friends across the aisle are proposing. Let's not have the largest spending increase in American history. Let's do what Americans do so beautifully, and that's let's be productive. Let's increase productivity, not by government spending more, but by making sure that we return more money to the American taxpayer and say, you know what? We can do what New Zealand did just very recently.

□ 1615

We can take reform. We can actually do something completely revolutionary, and it would be that we would look at every government program and say, justify what you're doing is right. Justify that what you're doing is helping the American consumer; you're achieving objectives. Instead of the other way around, which is continuing to add more money, in this case, 10 percent, almost 10 percent more increase in a program, without first causing those programs to justify that they're helping the American people.

And that's why I'm so proud of the gentlelady from Colorado (Mrs. MUSGRAVE). She's just trying to bring a very commonsense rationalization to the spending that's being proposed by this body.

If we can't do what Mr. JORDAN suggested which, in itself, was very wise, go with 2007 level of spending, which for a lot of American companies, they'd love to be able to have 2007 level of spending. They can't do that. They've got to cut back even more just to stay afloat.

Or do what was proposed by Dr. PRICE, which is cut back 1 percent of spending. We can't even cut back, as the gentlelady from Colorado proposes, by one-half a percent?

We can do better than that. In my short time here in Congress, one thing I've seen is that, no matter if it's on the Republican side of the aisle or the Democrat side of the aisle, there's a lot of really smart people in this chamber. And I believe that we can do better, Mr. Chairman. And I believe that the gentlelady has a very wise, very commonsense approach, and I would think that the majority body could certainly accede to the fact that we can cut back by one-half a percent, so that we're now going to be spending, then, about 9.4 percent increase.

Mr. SERRANO. Mr. Chairman, I still reserve.

Mrs. MUSGRAVE. Could I ask the chairman how much time remains for either side?

The CHAIRMAN. The gentlewoman from Colorado has 3½ minutes and the gentleman from New York has 12 minutes.

Mrs. MUSGRAVE. Mr. Chairman, I would like to yield 1½ minutes to our distinguished deputy whip from Virginia.

Mr. CANTOR. I rise in support of the gentlelady's amendment because, as has been so eloquently said prior, the fact that this amendment simply attempts to cut .5 percent from the extraordinary levels of expenditure in this bill. It amounts to a $107 million reduction in the rate of growth of spending. Again, a $107 million reduction in the rate of growth. So instead of the bill growing, since last year, by 9.9 percent, the bill will then grow by 9.4 percent. That's all we're talking.

Points have been made that if the average American family is faced with a requirement that they reduce their budget by .5 percent, I think everyone, everyone who has a job and can do that would do that. And that is the situation we're in.

I want to respond to some of the remarks that were made by the chairman when he said that this is just another effort by the GOP to somehow cripple agencies that help poor people, that help people who can't help themselves. You know, that is just not the case. We are in support and have continued to be, our side of the aisle continues to be supportive of American families to allow them to take control of their own future, and for us here in Congress to recognize that the government doesn't spend government money, it spends taxpayer money. That's the bottom line.

We cannot just sit here and think that we can solve everybody's problem just by having government step in and do it. So this is taking a very reasonable approach to say, okay, let's go ahead and cut by .5 percent.

Mrs. MUSGRAVE. Mr. Chairman, I would ask the chairman of the committee if he has any more speakers.

Mr. SERRANO. Just to close.

Mrs. MUSGRAVE. I would yield 30 seconds to the gentleman from Georgia (Mr. WESTMORELAND).

Mr. WESTMORELAND. I just want to tell Mr. Chairman that I hope Mr. PRICE is listening because it is going to take a lot of truth squad to straighten this out.

The chairman over here mentioned the Iraq spending and wanted to see how much we would cut it. Well, when the President sent down the emergency Iraq spending bill the Democrats went ''Yee-Haw,'' let's add $23 billion to it.

So I want to quote what the chairman and the subcommittee chairman has said. ''Don't lecture me on spending on the war.''

Mrs. MUSGRAVE. I would like to yield to the gentleman from Michigan (Mr. WALBERG) for the remainder of the time.

Mr. WALBERG. Mr. Chairman, I stand here today to say that it's amazing, as I listened on my TV in my room and then came over here and heard complaints about cutting just .5 percent. I heard talks about runaway rugged individualism. And I had to think that what we're talking here is concern runaway rugged individualism versus a nanny state regulatory state, a nanny state that says we can't do for ourselves what we could and should do for ourselves.

And to talk about cutting this miniscule cut that would at least start to establish for our taxpayers that we have heard to some degree, and .5 percent is what we could take away and indicate that if we want to move in that direction, not only will we say to the taxpayer, you will do well if we keep moving that direction, but I think we can prove to the regulatory mentality here that we can live without some of that.

We're talking about myself in a State of Michigan, where we are hurting for certain, and it's not because we don't have too little government. It's not because we don't have too little regulation. We've got too much. We've got too much taxation. We've got too much spending. We've got too much regulation that continues to break down what we should and could do for ourselves.

So I thank the gentlelady from Colorado for sponsoring this very reasonable amendment that just simply says, come on. We're still going to have a significant increase. Let's move forward. And I thank you for offering it.

The CHAIRMAN. The gentlewoman from Colorado's time has expired.

Mr. SERRANO. Mr. Chairman, in closing, I just want to, first of all, comment that I must have hit a nerve in telling the truth, because the gentleman from Georgia got so excited that he made some noise that I'm trying to figure out later what it means. Something, hee-haw or haw-hee or

something. I'll try to figure it out later.

But anyway, the point is that no one is lecturing anyone. The ones who've been doing lecturing, Mr. Chairman, have been people saying that these bills have to be cut. These bills are bare-bone bills. This one in particular came in under the President's request, cut the President's request by $245 million.

We set out to help agencies to help people. We demand, we encourage them, actually, to come closer to the people. We do a lot to allow the District of Columbia to deal with some of its issues, something that Mr. REGULA and I believe in strongly. That's what this bill does.

But we still can't get away from the fact that when we deal with cuts, you could present it any way you want. There's only one cut where the American people will actually feel something happening, and that is if you cut this continued ability to allow only the richest people in the country, the millionaires and the zillionaires to get incredible tax cuts where they take home 160,000 more dollars than they took last year, or 220,000 more dollars than they took home last year; or if you ever get the courage to say to President Bush, this is your war, you started this war, we have to end the pain of the war, but in the process, we have to end the continuing waste. And I say waste, because it shouldn't have been there in the first place, of half a trillion dollars. That's a lot of money.

Cutting the Consumer Product Safety Commission, cutting the FCC, cutting the SEC, cutting the Small Business Administration, that's not going to make a difference, and you know it.

Let's have the courage to tell the President to get out of Iraq and save half a trillion dollars that he will now spend if we stay there, and then we're talking real dollars.

I hope that everybody will oppose this amendment.

I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Colorado (Mrs. MUSGRAVE).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mrs. MUSGRAVE. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentlewoman from Colorado will be postponed.

AMENDMENT NO. 32 OFFERED BY MR. GOODE

Mr. GOODE. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 32 offered by Mr. GOODE:

At the end of the bill (before the short title), insert the following:

TITLE IX—ADDITIONAL GENERAL PROVISIONS

SEC. 901. None of the Federal funds made available in title IV or VIII may be used to implement or enforce the Health Care Benefits Expansion Act of 1992 (D.C. Law 9–114; D.C. Official Code, section 32–701 et seq.).

The CHAIRMAN. Pursuant to the order of the House of Wednesday, June 27, 2007, the gentleman from Virginia (Mr. GOODE) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Virginia.

Mr. GOODE. Mr. Chairman, under Federal law, and the law of most States, legal marriage is the union between a man and a woman. The U.S. House of Representatives should be on record supporting traditional marriage between a man and a woman and opposing alternative definitions of marriage.

Federal tax dollars are not used to extend employment benefits to domestic partners of Federal employees, and D.C. should not enjoy an exception to the rule.

Since 1992, Congress has prohibited the use of Federal funds from being used to implement the D.C. Domestic Partners Law. And I hope it will be the privilege of this body to adopt this amendment and keep a 15-year tradition in place.

I yield 2 minutes of my time to the gentleman from Pennsylvania (Mr. PITTS).

Mr. PITTS. Mr. Chairman, the vast majority of the American people believe that marriage is a sacred union between a man and a woman. This most basic social institution has been recognized by every culture and every serious religion in the history of mankind.

The Goode amendment protects and strengthens this important union between a man and a woman, and I rise in strong support of it.

The underlying bill before us today strips a 15-year Federal policy ensuring that American taxpayer dollars are not used to fund domestic partnership benefits. In defense of this longstanding policy, the President's senior advisors have made clear that they will recommend a veto if the bill reaches the President's desk in its current form, with this item in it.

Mr. Chairman, Federal funds have never been used for domestic partnership benefits in the District of Columbia. If this bill is not amended, the Federal Government will be forced, for the first time ever, to offer many of the same benefits for domestic partnership as it offers for marriage.

I oppose using government funds to promote nonmarital partnerships because I have tremendous respect for the traditional family. I believe that traditional marriage is the foundation of the family, and families are the foundation of healthy society. The Goode amendment protects these vital foundations which we, as the representatives of the people, should support. I strongly urge my colleagues to support it. It clearly defines the difference in the two parties here in the Congress. Please vote ''yes'' on the Goode amendment.

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

Mr. SERRANO. Mr. Chairman, I was going to rise in opposition.

The CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. SERRANO. And I guess for all intents and purposes, I have to do that, except that when I read the amendment, I realized that, with all due respect to the gentleman, it doesn't change anything because it speaks to something that doesn't exist. There's nothing in this bill that says that anything can be done that he doesn't want done.

I know that's confusing. I showed it to Chairman OBEY because I wanted to make sure. He agrees with me. I showed it to staff and, to my amazement, I was right with everybody. This amendment speaks to an issue that is not an issue; therefore, he's asking to undo something that is not done. Nothing's broken that needs to be fixed.

□ 1630

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

Mr. GOODE. Mr. Chairman, based on what the gentleman from New York said, I hope it would be the privilege of this body to vote ''yes'' for this amendment to uphold traditional marriage.

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

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia (Mr. GOODE).

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. GOODE. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Virginia will be postponed.

Mr. SERRANO. 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. MCCOLLUM of Minnesota) having assumed the chair, Mr. HASTINGS of Florida, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2829) making appropriations for financial services and general government for the fiscal year ending September 30, 2008, and for other purposes, had come to no resolution thereon.

PROVIDING FOR AN ADJOURNMENT OR RECESS OF THE TWO HOUSES

Mr. SERRANO. Madam Speaker, I send to the desk a privileged concurrent resolution (H. Con. Res. 179) and ask for its immediate consideration.