and in the President's budget he requested that that copayment not be $7 a prescription but increased to $15 per prescription. Think of that. At a time of war, when we are creating more veterans, when we mouth the words in this Chamber about how thankful we are for those who have fought past battles, that we would actually take an action that could increase the cost of medicines for veterans who need those medicines, veterans who have served this country with honor, veterans who may be on fixed incomes.

Now, perhaps if a veteran only has one prescription, a $15 copay would be tolerable. But many of our veterans get 10 or more prescriptions per month. Fifteen times 10 is $150. I am shocked that this administration, that this President, at a time when he and the leadership of the other party are trying to give a $726 billion tax cut that will mostly go to people who are already reasonably wealthy, that we would at the same time want to place an additional burden on our veterans in terms of the cost of their prescription medications. It does not make sense.

But, Madam Speaker, it gets worse. The President, in his budget, also asks that we impose a $250 annual enrollment fee on many of our veterans just to participate in the VA health care system. Think of that, an increase in cost for prescription drugs from $7 to $15 and an imposition of an annual $250 enrollment fee. But it gets worse. The VA also, under the direction of the President and the Secretary of Veterans Affairs, has imposed what is, for all practical purposes, a gag order on the VA health care providers. They are no longer able to market VA services to our veterans.

In other words, this Congress has passed legislation guaranteeing certain benefits to our veterans. Some of those veterans may not be aware of what they are legally entitled to receive, but the VA is prohibiting the health care providers from proactively spreading the word informing veterans as to what they are entitled to receive. Very specifically, they have been told they cannot make public service announcements about VA health benefits programs. They cannot send out newsletters describing benefits and encouraging veterans to participate. And, quite frankly, most participation in health fairs has been prohibited.

I think these actions are shameless and shameful. I just simply do not understand. We are a wealthy country. We are so wealthy that we are taking our Federal resources and we have decided to give those resources in the form of tax breaks to some of the richest people in this country. Millionaires and billionaires will get up to a $90,000 per-year tax cut; but at the same time, we are asking our veterans to pay more for medicine, to pay an annual enrollment fee, and we are prohibiting the marketing of veterans services.

This is just shameful. I do not understand it. I simply find it incredulous that we would be pursuing these policies at this time, especially at this time, when we have so many of our young men and women in harm's way. I believe the best way to honor those who are fighting for us today is to show deep respect and to keep our promises to those who have fought our past wars, the people that Tom Brokaw and others have referred to as the Greatest Generation.

I think the American people need to be aware of some of the things that I have talked about this afternoon. I could go on, because the shortchanging of our veterans is something that is a deep problem. It is contradictory to much of what is spoken in this Chamber.

VETERANS

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

Mr. CROWLEY. Madam Speaker, I rise to address the vital needs of America's veterans, both of past wars and of our future veterans from the current war.

I voted to give our President the authorization to use force against Saddam Hussein, recognizing Saddam's threat to both global and international security, his support of global terrorism, and his mad desire to create and undoubtedly use weapons of mass destruction. That said, whether we voted to approve military force against Iraq or not, the time for that discussion has passed. Our troops are abroad, they are fighting as we speak, and we support them there and hope that they will return home quickly and safely.

My Republican colleagues have tried to use this conflict to paint Democrats as unpatriotic, trying to say if we oppose the war, we are against the cause of America. They forget that many of those who oppose this war are veterans themselves, veterans who know the pains of war better than many of those who would malign them. And just as importantly, these people, our veterans, understand what it is like when one returns home from battle. What we have seen from my colleagues on the other side of the aisle and from this White House with respect to veterans, in my opinion, is appalling.

Our President cautions the loyalty of those who do not walk lockstep with him on the issue of war but then turns his back on our military as soon as they return to our shores as veterans. Our President has dismissed centuries-old health care entitlements to veterans with the stroke of a pen, while simultaneously hitting them with increased taxes on their prescription drug benefits.

With respect to the care and treatment of America's veterans, the President's rhetoric does not match reality. It was offensive enough when our Secretary of Defense Donald Rumsfeld stated that, and I quote, ''The drafted veterans of Vietnam added 'no value,' no advantage, really, to the United States Armed Services,'' a comment to which this President and my Republican colleagues remain silent on, as if to give credence to these ludicrous and untrue remarks. Unfortunately, these comments were less a slip of the tongue and more a precursor of this administration's attitude towards America's veterans.

For example, on January 16 of this year, the VA announced it was cutting health benefits for 174,000 veterans, including 13,000 veterans in my home State of New York, citing the high cost of care. They said this would affect only those 174,000 veterans in the highest income brackets, usually considered between $30,000 and $35,000 annually. Just days later, though, the administration released its budget, promoting an elimination in the tax dividend that would benefit mostly America's richest 5 percent, those making in excess of several hundred thousand dollars a year, well above the threshold for rich veterans of $30,000 to $35,000 a year.

□ 1715

This follows a 350 percent tax increase levied by the Bush administration against the veterans in the 2003 fiscal year budget.

In the President's 2003 budget, our President more than tripled the prescription drug copayment for veterans while also demanding the authority to raise it again if he deems it necessary. But this attack on our veterans hit a crescendo 2 weeks ago with a Republican budget that was to cut $15 billion from veterans disability payments and pensions and almost $900 million from VA hospitals.

The Disabled American Veterans organization stated it best by asking the gentleman from Illinois (Mr. HASTERT), ''Has Congress no shame? Is there no honor left in the hallowed halls of our government that you choose to dishonor the sacrifices our Nation's heroes and rob our programs, health care and disability compensation to pay for tax cuts for the wealthy?''

Again, after much pressure from Democrats and veterans service organizations, the Republicans redrafted their budget to paper over these cuts, waiting for action from the Senate. They did not remedy these cuts to provide new money for veterans; they just said they would wait for the Senate to take action. In fact, this afternoon the Republicans repudiated their own budget by voting on a Democratic motion to strip out all $14.6 million of Republican cuts from veterans programs regardless of what action the Senate may or may not take.

It is my hope that this new-found religion by the Republicans is a serious commitment and not just a cheap April Fool's joke.

But there is little reason to be optimistic about the Republican actions today. America has seen Republicans

drop veterans from what was once a guaranteed health care system, increase veterans prescription drug copayments, and propose massive cuts to veterans pensions and health care. In fact, there has been no outrage by the Republicans over these actions against our veterans, but cut their tax in half, and we can hear their scream of pain.

Actions speak louder than words, and so far, this Congress has shown regardless of what they say, in fact they have no shame. Unfortunately, it appears that the Republicans are once again playing an April Fool's joke on our veterans, and this is not a laughing matter.

CONDITION OF THE U.S. ECONOMY

The SPEAKER pro tempore (Ms. GINNY BROWN-WAITE of Florida). Under the Speaker's announced policy of January 7, 2003, the gentleman from New Mexico (Mr. PEARCE) is recognized for 60 minutes as the designee of the majority leader.

Mr. PEARCE. Madam Speaker, we have been talking about the budget in this body for several weeks now. As I visit back in the district, I find it instructive to deal with the questions that the voters are bringing to me, and so I have brought a series of slides tonight where we can discuss the budget, take a calm look at it, look at some of the factors that surround it and help voters make an assessment of the truth on the budget and the condition of the U.S. economy.

First of all, one of the most pressing questions is a concern of exactly what is the state of the economy today. I have got a chart here that shows the last 10 years of gross domestic product in the U.S., and we see a fairly consistent line of, generally, a 4.9 percent average. We had a slight recession in the period that I have marked here, 2001. It does not show up on the chart, but if we had an expanded chart, we would see that the recession flattened out and caused a depression in the receipts into the treasuries of the United States.

So basically, we can say overall that the economy in the United States is solid, it is in good shape. But people want to know exactly why did we go through this period in the last couple of years.

First of all, the stock market back with the dot-com expansions, we found stocks that were overvalued. They were based not on recognized profit or recognized product, but on the hopes and on some speculation. The stocks were overvalued, and it was necessary at some point for those stocks to collapse back down. They did that and put us into a mild recession that would not have lasted very long, except 9/11 came along.

We had a pretty big shock to our economy on 9/11. Forgetting the human impact, just talking about the impact financially on the country, the estimates range anywhere from a hundred billion to several hundred billion, depending on how it is evaluated.

So first we had the collapse of the dot-coms and the stock market, and then we had 9/11.

Just about the time we were to come into a recovery, then the corporate scandals, the governance issues of Global Crossing and Enron and other corporations that had misused their accounting methods did not actually cause that much financial difficulty in the market, but actually did affect the confidence. So we found that our economy went into slight recession that was accentuated by later factors. Those factors are the reasons that we are running deficits today.

If we look at the next chart, Members can see the revenue line. This is revenue and taxes, and we see the bulge there in 2000–2001. It is interesting to note, if we were able to extend this line directly up, we would find that in fact our tax revenues are actually very stable, but our capital gains in that period where it deviates upward, were creating an anomaly, a bubble in revenues, that could not be sustained; and when the market collapsed back down, then our revenues fell right back in line with the predetermined historic perspective that we had established.

That is an interesting note because people want to assume that our economy is in bad shape, and our friends on the other side of the aisle talk in horrific, frightening terms to people, who are just paying their rent every month, about how desperate our economy is and the reasons for it. I think this chart begins to show that we have been quite predictable except for a little bit of a bubble that was on the positive side, frankly.

People want to know why are we running deficits. The deficits are caused because we oriented our spending to an increased revenue that could not be sustained, and now that our revenue has collapsed back down, we have got a problem with our spending exceeding the revenues that we are bringing in. That is the short answer to why we have a deficit.

People want to know, are we running historic high deficits. They are hearing the talk coming from Washington, and it causes fear among people who do not watch these figures closely. If the postwar average of 1.5 percent, the red line across here, is looked at, we can see that our deficits right now are nowhere near historic highs.

We also see that our surpluses in the period that just preceded us, our surpluses actually reached a very high level, but they were artificial, created by the capital gains on that overinflated stock market.

So again, as we take a patient, honest look, we see that deficits are existing, but they do not necessarily mean that our economy is in horrific shape or that there is reason for fear and concern. There is reason for fiscal discipline.

A lot of people wonder that with deficits, then we create debt; that is, we do not have the money to pay for the bills today, we spend negatively, we borrow money and we create longer-lasting debt. A lot of Americans ask, are we facing a skyrocketing debt. That again is an interesting question that deserves an answer.

Looking at the next chart, we again see the median line of 42.9 since World War II, and we find that our debt is actually quite low, somewhere around 36 percent. The projections there from 2002–2007 would show that if the projections are right that come from the economists, if we do in fact pass the tax relief, if we do in fact cause the economy to grow, that we can hold our debt at the level of 36 percent.

After World War II, our debt was almost 100 percent. Japan today has a debt of almost 160 percent. Our debt is approximately $3.8 trillion. If we had the same percent of debt as Japan, then we would have $17 trillion. As we look at some of these numbers that come from other developed economies, then we begin to put our numbers into perspective.

Madam Speaker, I would say that, so far, the discussions that come from our colleagues on the other side of the aisle are intended mostly to cause alarm rather than to cause understanding. I would say that right now our debt service, that amount that we pay for the debt is at an historic low. It is approximately 3 percent of our budget.

So if we have a period of deficits and we have a period of debt, why are Republicans calling for spending cuts? The next chart would show us that one of the critical elements, one of the critical measures that most economists agree on is that the level of growth in the private economy is going to be created by the level of spending as a percent of our gross domestic product, that is, how much the government spends as a percent of the overall economy in the United States should fall in a target of anywhere from 16 to 22 percent. As it exceeds above that, we find stagnation. We find that capital is not available for reinvestment by private firms because they are having to compete with the Federal Government, and we find that new jobs are not created.

We in this body have opted to keep our spending within restraints, understanding that if we just continue to spend without the tax revenues, that we will actually cause a dampening effect in our economy. And so a lot of people ask that question, and it is justified to ask why we would be seeking budget cuts at a time like this, and it is because we need to maintain that target in the range of 20–22 percent. We can see from this chart, we have had, historically, far less amounts and far greater amounts, but right now we do not have a situation in our economy that is due alarm.

There are those who complain that this Congress is cutting budgets tremendously, that we do not feel the needs of those people in society, and I have a series of charts all of which are