

Union, including grants to community colleges, but this is really a mere pittance compared to the job losses.

It is vital that we establish policy that will provide jobs to all of those citizens who have become unemployed in the previous 4 years. America's highways provide an opportunity to create jobs throughout communities nationwide. Every \$1 billion that we invest in transportation generates more than \$2 billion in economic activity. Our roads, ports, and rails are essential to America's economic success; but they are deteriorating.

Mr. Speaker, I encourage my colleagues to take a look at this budget that this administration has put forth and make statements that it is not sufficient, that it is not doing the things that we need.

I thank the gentleman for the opportunity.

Mr. CUMMINGS. Mr. Speaker, I thank my colleagues very much.

BARBARISM

The SPEAKER pro tempore (Mr. NEUGEBAUER). Under the Speaker's announced policy of January 7, 2003, the gentleman from New York (Mr. OWENS) is recognized for 60 minutes.

Mr. OWENS. Mr. Speaker, I would like to continue the discussion that we have just had in a slightly different vein. I would like to broaden it beyond numbers and figures and talk a little more of philosophy with the understanding that we decision-makers here in the Congress, all of us are very bright people. One does not get to Congress unless they are very bright. So whether it is Republican or Democrat, we have bright and educated people who are. If they make decisions that are wrong, it is not because they are not knowledgeable. So I am not going to question the knowledge of anyone.

I do want to question the fact that we have allowed ourselves to be swayed into a situation where we make some very irresponsible decisions; and beyond irresponsible, we make some barbaric decisions.

I have got barbarism on my mind because I am sort of a captive of a series running on the History Channel right now called "The Barbarians," and they got Attila and the Tartars. They have got all these different obvious barbaric groups that for a certain period of time captured the known civilized world at that time and held it as their own.

I was surprised to see they interjected into these obvious, understood to be barbaric groups that usually assign the concept of barbarism to, they have interjected the story of Hitler. "Tyrant of Terror" is the name of that series, and they also put the Japanese war crimes trials in another section.

So what we have is these barbarians who seem to be guys who ate raw meat and they scalped people and they burned cities to the ground. They raped any female in sight.

This series is also saying there are people who have risen to a new level of

culture, the people who listen to Beethoven and Bach and go to the opera and who have enjoyed the legacy of great writers, others and Shakespearean translation. Those people allowed themselves to be captured by a barbarian philosophy, to be led by a barbarian, probably the world's greatest war machine.

The German war machine was the world's greatest war machine that probably ever existed. Instead of being a war machine for defense and for the promotion of peace in the world, it was a war machine that was put to the spread of terror; and there are a few decisions, with one or two signatures, the Gestapo could send millions of people to their death.

Conan the Barbarian, Attila the Hun, and all the other barbarians together did not kill as many people as the terror of Hitler did, both in concentration camps, in the case of people they considered undesirable, Jews and weak people and disabled people, and on the battlefield. On the battlefield they slaughtered millions. Russia estimates that the Soviet Union lost about 18 million people in that war.

So here is a very well-advanced group in terms of art, music, literature and, most of all, in terms of science, military science; and they behaved and caused more damage than all the other barbarians put together.

What does this have to do with America? What does it have to do with this discussion? I want to talk about commonsense legislative priorities, and I want to talk about the other extreme away from common sense. There is in the middle irresponsibility, and at the extreme is barbarism. Barbaric decisions can be made in this House in this Capitol, a combination of Congress and the President, barbaric decisions with barbaric consequences.

□ 1915

And we ought to think deeply about that. We ought to think deeply about it because a few hundred years from now historians will be writing and looking back on the history of the world, and I think they would say that the American civilization brought mankind to a level never dreamed of before. Our constitutional civilization brought mankind to a point which is unrivaled anywhere else.

We have the promise to continue to take civilization forward. We have the promise to do what has never been done in the world before. We already have done more for ordinary people. The masses of people live better, with more hope and happiness and necessities being provided than in any other society that has ever existed in the history of the world. We are the United States of America. And I often say nothing else has ever existed like this in terms of wealth and power. The Roman Empire was a village compared to the United States of America.

I think we have great responsibilities as a consequence of that. I think that

God has blessed America. God has blessed America in so many ways in terms of just natural resources, land, periods of peace, and on and on it goes, with great leaders who have come forward at the right time to take care of crises and reestablished the Nation on the right route. We have so much that we can appreciate, and I think we are indebted to God as a result.

In fact, I am sure when God looks down on the kinds of things we propose sometimes and the number of children still hungry in America, he must weep; when he looks upon the kind of magnificent medical advances that we have made and still people in need die for lack of good medical treatment, with 40,000 people uninsured in the richest most powerful Nation that ever existed.

So we should stop at this point as we go into the year 2004, which is a Presidential election year, and in addition to considering the numbers and the revenue estimates and the expenditure estimates think very closely about what are we deciding to do with the available resources. Taxpayers should not say I am against big spending; I do not want to spend any more money. The question is what do we spend money for. Are we against big spending if it is going to provide prescription drug benefits for senior citizens or, in the final analysis, for all who need them; if prescription drug benefits are a part of our civilization?

There would be no magic drugs, no wonder drugs if it had not been for the group investment and the investment of government in research and the investment of the government in education. We invented constitutional civilization on the one hand, but we did a lot of great things after that. The Morrill Act, which is little known by most Americans, the Morrill Act established land grant colleges in every State.

Land grant colleges were pretty much patterned after Thomas Jefferson's University of Virginia. They were established to go beyond the study of philosophy and art and literature and study practical things. They were established to study agriculture and mechanics. The legacy of the land grant college is that it established throughout the whole United States centers of learning, which were not just centers of learning in the usual sense, but centers of learning which focused on everything there was to be learned about anything that existed in order to make life easier for all of us.

Out of those centers of learning came the production of agriculture. In the world today it is unparalleled what we do in agriculture. That was one of the priorities of land grant colleges. But also out of the land grant colleges engineering feats and devices and procedures and so forth have evolved. Out of the learned world that we created, not by accident but by legislation, we have a dynamic out there which has produced these marvels of science in every area, including the area of medicine.

So it belongs to all the people. It belongs to the people of the United States who are the recipients of that part of the Constitution which talks about promoting the general welfare. We have lost our way, and we need some common sense to go back and reread the Preamble to the Constitution and understand the real meaning of that. They did not say promote the welfare of just the corporations. They did not say promote the welfare of the 1 percent of the richest Americans. They did not say promote the general welfare of people who have college educations. They said promote the general welfare. We as a Nation can stand together and exist only if we clearly understand what that means.

There is a time when we do not hesitate to call upon our citizens to risk their lives in this process of promoting the general welfare and providing for the defense of the country. The very fact that nations do not hesitate to call upon their citizens and demand that they go forward in times of crises when the Nation is threatened: the draft in World War I, the draft in World War II, Korea. On what basis, what right do we have to draft ordinary people, most of them poor, many of them from working families? On what basis can we do that? What moral principle is at work there? It is an assumption that we are all a part of this country. And when the time comes for the country to be defended, then everybody has an obligation. And if we do not have volunteers, the government has the right to draft.

If we accept that, then the government has an obligation to make certain that our families are taken care of, at least to provide a job and the opportunity to earn a living. The government has an obligation to deal with the elderly who no longer can work. Social Security is not a luxury. Social Security is a manifestation of the American civilization.

We were not the first to get Social Security, so I will not say we invented it. There are nations in the world, particularly in Europe, who might have had it first. But as far as the change in American construct and the dedication of our resources, Social Security was a great step forward. Of course, there was Franklin Roosevelt and the New Deal in a time of crisis, and later on the protegee of Franklin Roosevelt, Lyndon Johnson, took it further and we got Medicare and Medicaid. Now we want to trivialize some of these great achievements.

At the beginning of the second year of the 108th Congress, I would like us to take a hard look at some commonsense legislative priorities, and those legislative priorities all involve budgets and appropriations. And before we can get to budgets and appropriations, we have to talk about taxes. We cannot talk about any of this unless we go to the core of our problem at this moment in our history.

The core of the problem of decision-making in America right now is the

war in Iraq. The war in Iraq can make us or break us. The war in Iraq will make us behave like barbarians if we are not careful. We will make barbaric decisions if we do not get control of what is happening in Iraq.

I will not talk about the rationale for going to war. I will not talk about recklessly pulling out of Iraq at this point. Yes, we do need to take a look at the billions of dollars that we have appropriated. I did not vote for the \$87 billion, but I hope that it is going to help those troops who did not have modern bullet-proof vests and communication equipment that they needed. There all kinds of things that have come to light in terms of the way our military treats some of its soldiers that need to be dealt with in terms of this war in Iraq. We are going to make people stay there longer. There are National Guardsmen and Reservists, people who never dreamed they were going to be in a combat situation for a year at least and being told that even after that year we cannot guarantee that they are going to get out.

There are things happening which have nothing to do with dollars and cents that we have to deal with, and dollars and cents are a part of the problem; spending more money on the right things and not letting Halliburton charge enormous prices for gasoline, not letting Halliburton employees pay or receive bribes in order to pay unscrupulous people in Kuwait and other places to overcharge us for services and equipment.

I see I have been joined by my colleague from New Jersey, Mr. Speaker, so at this point I would be happy to yield to him.

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

Mr. PAYNE. Mr. Speaker, I thank the gentleman for yielding, and I would like to commend the Congressional Black Caucus for taking time out the first hour and now the gentleman from New York's second hour talking about the budget priorities because the budget is so important. The budget will determine how this Nation will survive during the next decades. It is important that we look at the budget priorities because, as I mentioned, it will say where we are going as a Nation.

Mr. Speaker, as I join my colleagues in the Congressional Black Caucus in urging a reordering of the Nation's budget priorities, I think it is very important that we just listen to what the President has said.

State of the Union Speech and the Budget: Rhetoric Versus Reality.

Of course, as we know, the President talked about the fact that jobs would be created. He said 2.9 million jobs, I think, would be created; but we have lost 2.3 million since he has been in.

There are claims that more tax cuts would create jobs, not supported by facts. Claims about job growth, certainly overstated. Questionable commitment to manufacturing initiatives.

We will talk about that a little more. Additional tax cuts will cost \$1 trillion. Relief from the alternative minimum tax could cost nearly \$700 billion. Up to \$1 trillion will be needed for Social Security privatization plan. New tax-free accounts will have long-term impact on our deficit. The Mars proposal is likely to cost hundreds of billions of dollars.

The administration's budget has omitted the cost of the war in Iraq and Afghanistan. Job training funds are just a drop in the bucket of what is needed. Proposal for drug testing and abstinence, but no additional funds for basic education. Basing Pell grant awards on course selections and not economic needs. Inefficient plans to help the underserved. Flawed efforts to lower health care costs. Additional health proposals that assist the healthy and the wealthy. No mention of veterans.

So as I go around my congressional district talking with my constituents, I hear a great deal of concern voiced about the direction in which our country is moving. I have not heard anyone tell me that their family has benefited from the tax cut which has taken billions of dollars away from vital areas of the budget. The concern I hear raised is about education, including Head Start, after-school programs, college loans, Pell grants, and the need for affordable housing. They talk about access to quality health care and a healthier environment.

So as I conclude, if the President supports the manufacturing sector of our economy, why did his administration propose earlier to phase out Federal support for the Manufacturing Extension Partnership program? If he supports job creation, why did his administration try to cut adult training and vocational education? If he cares about education, why did his administration propose a change to focus the Pell grant program away from making college affordable to low-income undergraduates?

Mr. Speaker, when the President took office, he inherited an amazing budget surplus of \$5.6 trillion over 10 years. That has been squandered totally to the point where we have a \$3 trillion deficit projected.

□ 1930

Does it make any sense to talk about missions to the Moon and Mars when the basic needs of our communities are not being met? We do not even have the true cost of the war in Iraq, a war we entered based on the administration's statements that Iraq definitely had weapons of mass destruction, none of which have been found, despite months and months of searching.

We are asked to spend \$87 billion for new schools and prisons in Iraq, while schools in some of our communities are falling apart. It is time for us to restore some of the fairness and sanity to our budget process.

I look forward to working with my colleagues and hopefully with the administration to turn these things around.

Mr. OWENS. Mr. Speaker, the gentleman from New Jersey, I am sure, has had the experience that I have had, that they were glad to get the income tax check from the government because their unemployment was running out. That immediate cash was great, but the unemployment insurance would be far greater, an extension of it, would be a far greater benefit for any family than a sole check for \$300. That is the kind of education that we have to give.

Mr. PAYNE. The gentleman might remember there was supposed to be a .2 percent drop in the unemployment rate, and the administration said, see, we are doing the right thing. However, it was because tens of thousands of persons seeking employment simply decided to drop out of the market of seeking employment. Some decided to go back to school; others just disappeared. So the actual unemployment rate, even though they said it dropped two-tenths of 1 percent, this month there are more people unemployed than previously unemployed; but if you do not seek a job, you are not counted. It is a flawed kind of statistic that says that unemployment is dropping. It is not dropping.

It is a shame that we are even having this so-called jobless recovery. What does a jobless recovery mean? It simply means in the pockets of the corporations, because of the sending jobs offshore, they claim productivity is up. That is because when you pick up your phone to call a 1-800 number, it is picked up in Bombay or offshore. Doctors, I understand, when they do an EKG, it goes up and someone in an English-speaking developing country who is a trained physician looks at it and sends back what the diagnosis should be; therefore, the cost of a physician in our country is undercut. We saw the offshore development of textiles and toys and things, but now we are seeing high-level jobs also going offshore, and nobody is talking about that.

Mr. OWENS. Mr. Speaker, the word "outsourcing" ought to be branded into the minds of every young American. The folks with great hopes that if they stay in school and get an education, become a programmer or technician, that they were guaranteed a job, but outsourcing beyond the movement of manufacturing jobs, which has taken place already and taking jobs away from people who are not educated, entry-level people, the outsourcing is going to take everything. The highest and most complex jobs in science can be outsourced. You can have Russian and Chinese physicists, space experts in Japan, India. They are the people who will be filling those positions while the corporations that we have given the contracts to make big profits because they can get

those people by paying them in 1 year what a scientist or a technician would cost for a month here.

That outsourcing is a concept that ought to be branded into the mind of every young American. That is the death knell of our economy because as they do that, they take the last group of jobs that we feel secure about, and take away our consumer spending power. Our economy is driven by consumers, and it seems corporations do not care about that. They are looking at their individual bottom line, how much they can make.

In one of the papers in my area there was a front-page article about the bonuses received by corporate CEOs at Christmas time. One of them got \$18 million as a bonus, one got \$4 million, \$7 million. They want more. In order to get more, they will outsource and lower the cost of doing services. Where do we go from there unless we realize that our jobs as legislators and our job as American citizens is for a way to promote the general welfare in America. That means new laws and new policies and pulling out of trade agreements. Whatever is necessary, we have to promote the general welfare in America first.

Mr. PAYNE. Mr. Speaker, as the gentleman mentioned, we talk about promoting the general welfare and we talk about providing for the common defense. There is no question that we have provided for the common defense even above the defense, but in a military budget that is a different budget than a defense budget. But are we providing for the other things that we said? We are not. Architects and engineers, buildings to be designed are being outsourced. We would like to have a 30-story building with glass and chrome; and you write up something and send it out, and engineers and architects in India are coming up with architectural designs for companies that win the bids.

Mr. OWENS. The gentleman mentioned India. Members ought to know that the Massachusetts Institute of Technology is not now considered the greatest institute of technology in the world, there is one in India that has surpassed the Massachusetts Institute of Technology. And all over the world, they are seeking the graduates of that institution in India. We let that happen, despite the act which created all the land grant colleges, and how did we let ourselves fall behind anybody in the provision of first-rate education?

Mr. PAYNE. And even the fact that the CEOs' ratio of pay to the worker in many countries, it may be 50 to 1, 55 to 1 ratio.

Mr. OWENS. Maybe the gentleman can explain that.

Mr. PAYNE. The ratio is how much more the CEO makes than the regular worker. If a worker is making \$30,000 a year, in many countries the CEO would be making maybe 10 times that amount at the highest, \$300,000, maybe 15 times in some places.

In the United States, it is almost difficult to quantify what the average salary is and what the CEOs are making. Pharmaceutical CEOs make between 25 and \$30 million. That is the salary. That is what they make with bonuses, stock options, and salaries. In all of the industries, we see these salaries that are so far above what the average worker's salary is, it is difficult to quantify. I am afraid to give that number. It recently appeared in a New York paper about a week or so ago. We are driving people down.

The middle class is being squeezed. That little \$300 people got as a tax rebate, while others got millions of dollars. I congratulate Senator CORZINE who is a very wealthy person. He said he did not want the tax cut. He did not need it. He thought it was unfair when people who are struggling daily to make a living, just to move ahead.

We have people who cannot afford bus tickets for two or three kids going to high school, and a kid may have to drop out because the family cannot afford it. It is \$50 a month in Newark. With three kids, it is \$150. That is just one of the costs. We are making it difficult for struggling, working people to make ends meet.

The cost of education and health care have gone through the roof, whereas our wages have not only leveled off; they have dropped. We have not had an increase in minimum wage in years.

Mr. OWENS. It has been 3 years since we have had an increase in minimum wage. It is frozen at \$5.15 an hour. On that, you cannot get out of the poverty even if you work 40 hours a week every week of the year.

Mr. PAYNE. Finally, the Department of Labor as they are making new categories for workers who are ineligible for overtime through regulations, even though it has not been finalized, from what I understand on the Department of Labor's Web site, there are instructions for companies that might qualify on how they can move to take people in a new category as being ineligible for overtime pay and in steps one through five, how they can accomplish that. We are driving down the salaries of American workers and outsourcing of jobs going abroad. They said that would create more jobs in America in certain categories of jobs once the PRC, the People's Republic of China, continued to grow economically. We have not seen the impact here.

Mr. Speaker, I appreciate the gentleman allowing me this opportunity to have this discussion.

Mr. OWENS. Mr. Speaker, I thank the gentleman from New Jersey (Mr. PAYNE) for joining me. We are not really covering a wide range of topics. There is a center. We are searching for commonsense legislative priorities, and those priorities will have to relate to budget appropriation and taxes.

Is it perhaps barbaric that the ratio of the salary of the CEO to the worker can be 300 to 400 times as much as the average worker, plus bonuses, investments, et cetera? And to increase that,

you indulge in outsourcing and move jobs overseas to lower markets. Where does it end? Is that greed not approaching barbarism?

There are two kinds of barbaric behavior. One is obviously the kind yielded by the people on the top. Attila the Hun, he and his henchmen yielded a certain kind of power, just as Hitler did. They yielded a certain kind of barbaric power over their people.

On the other hand, the people at the bottom, the masses of the people, might worry also about barbaric behavior that they indulge in.

Certainly in America every individual who is born in this Nation has a right to vote and should worry about the fact that we allow our government and our leadership to get out of control and reach the point where they are doing barbaric things and contemplating barbaric policies. The wiping out of Social Security through the failure to take in appropriate revenue, the raiding of Social Security to balance budgets, and a proposal to privatize Social Security for young people so the amount of money going into the Social Security trust fund would be greatly reduced at a time when the number of people who are qualifying for Social Security would be increased, that is a barbaric proposal in my opinion. We need to meet it that way.

I hate to talk about anger because it seems that anger is not popular these days, but there is a time to get angry. There is a time to get angry. I have quoted on this floor the quote from Shakespeare's "King Lear" when King Lear has given away his kingdom to his daughters and had great faith in them that they would take care of him, and they tell him he is in the way and he does not even need bodyguards. It finally dawns on him that they have betrayed him, and they are evil people. He says, "Fool me not so much to bear it tamely; touch me with noble anger."

Mr. Speaker, there is a time for noble anger. I think Jesus Christ driving the money lenders out of the temple displayed anger. There is a time for noble anger, and the people on the bottom who are tolerating this unnecessary suffering in the richest Nation that ever existed need to get angry. While they are getting angry, they should get angry with themselves and angry with their neighbors, and anybody that does not vote should be treated as a pariah.

□ 1945

If you do not have a good excuse for not voting, you have degraded yourself. In this constitutional civilization that we have created, the power is really in the hands of the people.

This is a Presidential election year. In the last Presidential election year, less than 51 percent of the people went out to vote. About 51 percent. That means 49 percent did not bother to go to vote for President. You know if they did not vote for President, they did not vote for Senators, a greater percentage did not vote for Members of Congress

and, as you go down the line, city council, all this great democracy of ours going to waste. The people on the bottom want to act like barbarians. They want to act helpless and not do anything about it. They want to sit and watch the CEOs make enormous amounts of money while they move the job-producing, life-producing industries out of the country at the same time they demand that your son, your daughter must serve in the defense of the country when the country is threatened.

Those who have the most, the CEOs and the corporations, they have the most to defend. They have the greatest stake. Yet they do not go out to fight like Attila the Hun on the battlefield. They do not go out personally. They do not send their children or their relatives. They call on all Americans to rise to the defense of their country, and they have the right to demand that they do it via a draft. We do not have a draft right now. People say that is a word you should not be using, that it is not relevant. Every 18-year-old male in America has to register for the draft, right now. Every 18-year-old in America. That is the leftover piece, which, if the war in Iraq continues, there is no way to sustain the war in Iraq and to leave it with some degree of accomplishment without increasing the number of troops and probably there has to be a draft if we do not solve that problem.

But back to the greed of the corporations and the greed that has been encouraged by the policies of this administration, this present administration. The Congressional Budget Office has released a new report. It is the kind of thing that some people on the bottom who do not like to read in general, who only want to watch television, you better start reading, barbarians at the bottom, so you know what to get angry about and you know that your days are numbered in this great Nation of ours. Your prosperity may suddenly be over one day if you continue to let these outrageous atrocities, economic atrocities be created.

"The Congressional Budget Office's new report on the Federal budget demonstrates that the return of large budget deficits is more a reflection of diminished revenues than, as some have recently implied, of increased spending." We are getting less money via taxes. It is not that big government is spending more. It is that you are getting less money because you have decreased the taxes on the richest people in America.

"CBO estimates that revenues in 2004 will drop to historically low levels, their lowest level as a share of the economy since the Truman administration. Spending, in contrast, will not be at a particularly high level. As a share of the economy, spending will be lower in 2004 than it was in every year from 1975 through 1996."

They have a little box here at the bottom of the page that says, "Key

Facts That Emerge from the CBO Data. In 2004 as a share of the economy, one, Federal revenues will fall to their lowest level since 1950; two, Federal spending will be lower than in any year from 1975 through 1996, and thus will be lower than throughout the administrations of Presidents Carter and Reagan and the first President Bush. In explaining the shift from a large surplus in 2000 to a large deficit in 2004, the drop in revenues since 2000 accounts for more than three times as much of the fiscal deterioration as the increase in expenditures."

We are not spending ourselves into a deficit. We are failing to collect taxes from those who have gained the most benefits from our society and can afford to pay larger amounts in taxes. We have a barbaric grab for more and more money. There is a way that we could finance Social Security in the future. There is a way we can end this pressure on individuals and families, even rich families, by changing our Tax Code in a way which focuses more taxes on corporations instead of families and individuals.

Shortly after World War II, corporations were paying nearly 40 percent of the total tax burden. Corporate taxes accounted for about 40 percent of the total tax burden. Individuals and families accounted for about 44 percent of the total tax burden. There were other kinds of taxes which produced the rest. At this moment in history, individuals and families still, despite the tax cuts, are way up there in terms of their percentage of the total tax burden. Corporations are down between 8 and 10 percent. The tax on corporations is down to between 8 and 10 percent. Most of us are not looking in that direction. Neither party has taken a hard look at what it would mean if we were to impose greater taxes on corporations instead of on individuals.

A tax cut is in order for the middle class. I do not agree with people who say we should wipe out all tax cuts. We need to certainly relieve middle-class families with tax cuts. But what you lose when you do that, you can gain from greater taxes on corporations, and they will not feel the pain. It is one way to get back the money they make as a result of outsourcing. They are making greater and greater profits. They produce goods and services at greater profits by going to the cheapest labor markets throughout the world. They come back here, and they sell what they have to offer in goods and services at a level commensurate with our economy. We are paying the same prices.

The difference is in profit, enormous profits that are being reaped by the corporations. The tax problems of America can be resolved if we focus on taxing corporations more and getting the money we need to do a vast amount of retraining and education and the things needed to make our society able to compete in the increasingly high-tech industry competition. We used to

think that no matter what happens, we are going to be the leaders in high-tech industries, no matter what happens. We never dreamed that the Massachusetts Institute of Technology would not forever be the greatest of its kind. But the Indians speak English, too. Pakistanis speak English. Their governments made some conscious decisions about how they wanted to educate a portion of their population and they are now challenging us. They are challenging us and the Chinese are learning more and more English all the time. They have an enormous population. If they only educate one-fifth of it. It is an enormous hoard of people who have education and can compete at very low salary levels for any kind of job you might want.

The Soviet Union, of course, has been counted out, but one thing that Stalin and the whole bunch of dictators did was create a massive education system, and the residue of that is still there. They are very educated people. They are learning English, too; and the competition from Soviet scientists will be there for American scientists. There is nothing that outsourcing will leave untouched.

Mr. Speaker, I submit for the RECORD this first page of the "Center on Budget and Policy Priorities" report that I just read from in its entirety.

[From the Center on Budget and Policy Priorities, Jan. 26, 2004]

CBO FIGURES INDICATE LOWER REVENUES, NOT HIGHER SPENDING, ACCOUNT FOR THE LARGE DEFICIT

AS A SHARE OF THE ECONOMY, REVENUES TO HIT LOWEST LEVEL IN 54 YEARS

(By Isaac Shapiro and Joel Friedman)

The Congressional Budget Office's new report on the federal budget demonstrates that the return of large budget deficits is more a reflection of diminished revenues than, as some have recently implied, of increased spending. CBO estimates that revenues in 2004 will drop to historically low levels, their lowest level as a share of the economy since the Truman Administration. Spending, in contrast, will not be at a particularly high level. As a share of the economy, spending will be lower in 2004 than it was in every year from 1975 through 1996.

On the revenue side:

CBO projects that revenues will fall to 15.8 percent of the economy in 2004. This is the lowest level since 1950. (The figures in this analysis focus on revenues and spending as a share of the Gross Domestic Product, labeled here as the "economy." The Gross Domestic Product is the basic measure of the size of the economy. Measuring spending and revenues as a share of the economy is the standard way that economists and budget analysts examine changes in the levels of revenues and spending over time.)

CBO projects that income tax revenues (including both the individual and corporate income tax) will equal 8.0 percent of the economy in 2004. This is the lowest level since 1942.

Without the tax cuts enacted in recent years—which will reduce revenues by \$264 billion in 2004, according to Joint Committee on Taxation estimates—revenues as a share of the economy would not be close to a historically low level.

KEY FACTS THAT EMERGE FROM THE CBO DATA

In 2004, as a share of the economy:

Federal revenues will fall to their lowest level since 1950, during the Truman Administration.

Federal spending will be lower than in every year from 1975 through 1996 (and thus will be lower than throughout the administrations of Presidents Carter and Reagan and the first President Bush).

In explaining the shift from a large surplus in 2000 to a large deficit in 2004, the drop in revenues since 2000 accounts for more than three times as much of the fiscal deterioration as the increase in expenditures.

Mr. Speaker, we started the evening with colleagues of mine from the Congressional Black Caucus discussing budget matters. I consider my discussion to be an extension of that discussion. Commonsense legislative priorities deal with budget and appropriations and taxes first. This Congressional Black Caucus budget, a budget to leave no family behind for fiscal year 2004, is still relevant. It is relevant in terms of the kind of priorities we set forth. We united with the Congressional Progressive Caucus and produced a budget which we are quite proud of. I am just going to read some of the principles that were set forth in our Congressional Black Caucus budget because it relates to the kind of priorities that we need to establish:

"Basic Assumptions and Principles for an Alternative Budget of the Congressional Black Caucus and the Congressional Progressive Caucus."

1. A smaller, streamlined and efficient government should be the goal of all lawmakers; however, there must be enough revenue and resources to carry out the vital functions of our complex American society. It is absolutely necessary that we maintain an adequate investment in human development. Education comes first in terms of keeping our civilization moving forward. We are drastically cutting funding for education at the higher education level and at the elementary and secondary education level. No Child Left Behind has no clout because of the fact that the President refused to fully fund the bill.

2. Federal assistance for education, health care, housing, child care, transportation, worker safety and protection, and business development is as vital as support for homeland security and defense. Somehow we get off on these tangents and we define priorities in terms of some buzz words, homeland security and defense. Education is our greatest defense. An educated population is our greatest bulwark against invasion economically or militarily. The high-tech army that went into Iraq would not be possible if you did not have very educated personnel in that army. The kind of projections being made by the homeland security people of germ warfare being sneaked into the country or anthrax and various other destructive actions by terrorists, you need an educated population to deal with those kinds of crises and threats. Therefore, it is very important that we understand that assistance for education is as important as

the specific dollars that we label homeland security and defense.

3. The imperative of the government to provide for the Nation's security can be effectively implemented and sustained only if all of the vital investments in human development are assigned priority on a continuing basis. This second session of the 108th Congress must get back to looking at education. No Child Left Behind cannot be the last discussion and the last word on education. We have a higher education bill to reauthorize, and we are stumbling along on that trying to find ways to do the least amount for our higher education students when it is a time when we ought to be doing the most amount for them.

4. While the taxing of middle income and working families must be reduced and maintained at the lowest possible levels, the Federal Government must nevertheless secure the revenue it needs by upwardly adjusting the tax rates on corporate entities and by creatively seeking larger fees from publicly owned resources such as the spectrum, the Internet, and public lands and waterways. We throw away, we the American people give to private interests and corporations some of our greatest resources. The spectrum, the air above us, has made many people rich. We should look at the ways in which we can make better use of these resources for all of the people in terms of selling bandwidths in the spectrum, leasing it, renting it, taxing the Internet. None of that should be off-limits while billions are made by the people who happened by accident to be in a place where they can take advantage of it. If you want taxes, there are plenty of ways to get them without going into the pockets of middle-class families to get that revenue.

5. There should be an end to the tax system as we know it and a revamping which reduces the portion of the tax burden borne by individuals and families to less than 50 percent of the overall tax burden. Corporate entities utilizing the collective and accumulated knowledge and institutional support of the total society will continue to grow and prosper. Such recipients of publicly sponsored research and development protected by the legal system must pay their fair share in terms of meeting the revenue needs of the Nation.

We have other items here related to health, human services, and safety nets. While the recently released Democratic Caucus prescription drug plan with a \$25 premium should be endorsed, other health care inadequacies must be addressed in the current budget. We have gone through a process of passing relief for seniors suffering from the need for more money for prescription drug benefits, and we have given them a bogus bill which needs very much to be revamped.

In the area of housing, there is an acute housing shortage in the inner city communities which can only be met in a timely manner by providing

more public and section 8-type housing. For the upwardly mobile poor, there are homeownership programs being sponsored by foundations and the private sector which could be made more effective with Federal assistance.

Small businesses in urban settings have never received the quantity and quality of support provided over the years for agribusinesses. We give far more to agribusinesses. Our farm subsidies are out of kilter. We are still giving enormous amounts of money to less than 2 percent of the population.

□ 2000

Farm subsidies represent one of the greatest swindles in the American budget. The taxpayers should take a look. They should get angry about the fact that we are funding these farm subsidies and they are not going to poor people. The agribusinesses, the corporations have bought up the quotas. They have accumulated the right to those subsidies, and we are really subsidizing large agribusinesses with the farm subsidy. The revenue generated by these large entities could generate greater funding if we dealt with that problem.

International relations means that we have to again, as I said before, focus on what do we do about the war in Iraq. How do we get out of Iraq. Many proposals are being made by many different candidates. The sensible proposals that must prevail are proposals which allow us to leave with order and honor but, on the other hand, leave immediately and trust the rest of the international community to help us accomplish the purposes that we can accomplish productively in Iraq.

At the core of our decision-making this year is the war in Iraq. The war in Iraq will make us behave like barbarians, or we can behave like the extraordinary creators of a new kind of civilization. The constitutional civilization created by America is one that guides us and will guide us out of these absurd and ridiculous atrocities that are being committed in economics and will be committed militarily if we do not get out of the war in Iraq.

CONGRESSIONAL BLACK CAUCUS/CONGRESSIONAL PROGRESSIVE CAUCUS—BASIC ASSUMPTIONS AND PRINCIPLES FOR AN ALTERNATIVE BUDGET

GENERAL PRIORITIES

1. A smaller, streamlined and efficient government should be the goal of all lawmakers; however, there must be enough revenue and resources to carry out the vital functions of our complex American society. It is absolutely necessary that we maintain an adequate investment in human development.

2. Federal assistance for education, health care, housing, child care, transportation, worker safety and protection, and business development is as vital as support for homeland security and defense.

3. The imperative of the government to provide for the nation's security can be effectively implemented and sustained only if all of the vital investments in human development are assigned priority on a continuing basis.

TAX POLICY

4. While the taxing of middle income and working families must be reduced and main-

tained at the lowest possible levels, the Federal government must nevertheless secure the revenue it needs by upwardly adjusting the tax rates on corporate entities and by creatively seeking larger fees from publicly owned resources such as the spectrum, the internet, public lands and waterways, etc.

5. There should be an end to the tax system as we know it and a revamping which reduces the portion of the tax burden borne by individuals and families to less than fifty percent of the overall tax burden. Corporate entities utilizing the collective and accumulated knowledge and institutional support of the total society will continue to grow and prosper. Such recipients of publicly sponsored research and development; protected by the legal system and military might of the nation and enriched by the great American consumer market; such entities can and should bear a greater portion of the national tax burden.

6. Tax cuts for the upper income brackets should be repealed immediately. Tax cuts for all families earning less than fifty thousand dollars per year should be implemented immediately commencing with a large reduction for payroll taxes for the poorest workers.

EDUCATION AND JOB TRAINING

7. Since the nation's security as well as its future economic stability and prosperity is directly dependent upon the quality of education of its citizens, the budget should greatly increase Federal assistance for education from HeadStart to Title I, bi-lingual education, Historically Black Colleges and Universities, Hispanic Serving Higher Education Institutions, special education and educational technology. Since school buildings are essential for the implementation of all school improvements, the taboo must be ended and Federal grants for school construction must be provided. The President's budget is proposing construction grants (not loans) only for charter schools.

8. Significant Federal initiatives for education reform such as No Child Left Behind cannot be implemented effectively while Local Education Agencies are under assault from state and local budget cuts; therefore, an emergency targeted revenue sharing for education programs must be legislated. The Federal government must move beyond its present funding posture which contributes less than seven cents of each dollar spent for education while mandating compliance with far reaching reform programs.

9. Job Training programs must be rescued from the downward spiral of budget cuts. It must be made complementary and compatible with our overall education efforts as well as the changing occupational needs generated by new challenges in homeland security and global competition for expertise. The role of the Federal government in job training for youth must be restored and funding levels increased. A more detailed analysis of the staffing needs of the Homeland Security initiative must be coordinated with the Department of Labor.

Technicians to clean up anthrax, other biological warfare germs; to respond to chemical or dirty bomb attacks; to translate terrorists communications; etc. must be trained. Even familiar first responders such as nurses, police and firefighters are in short supply when a requirement that they live within one hour's traveling time to their assigned post is mandated. Big city inner city residents must be trained to be their own first responders. Funding for this purpose must be made available immediately.

HEALTH, HUMAN SERVICES AND SAFETY NETS

10. While the recently released Democratic Caucus Prescription Drug Plan with a twenty-five dollar premium should be endorsed,

other health care inadequacies must be addressed in the current budget. Of greatest significance to the CBC are the President's proposals to have the Federal government abandon Medicaid and leave it to the states. This bribing of the states by allowing them to keep whatever they save as a result of reduced health care for the poor must be blocked beginning with the budget process. The swindle that started with welfare reform dollars must not be allowed to expand.

11. Welfare Reform must be revisited and made more humane by providing more in cash payments for children. The survivor benefits rate used by Social Security for payments to children under eighteen should be used as a guide for calculating aid to dependent children. Funds must also be provided to allow any welfare parent who qualifies to attend college for two years with a job specific goal such as nursing or medical technician, etc.

12. A coordination and calibration of the services provided to families under Title Twenty with the goals of assisting low-income youth under No Child Left Behind must be appropriately funded.

HOUSING AND URBAN DEVELOPMENT

13. There is an acute housing crisis in the inner city communities which can only be met in a timely manner by providing more public and section 8 type housing. For the upwardly mobile poor there are home ownership programs being sponsored by foundations and the private sector which could be made more effective with Federal assistance.

14. Small businesses in urban settings have never received the quantity and quality of support provided over the years for agribusinesses. Small businesses and related economically significant institutions such as hospitals and public service agencies deserve greater loan and grant options. The revenue generated by these entities would offset the increased funding.

TRANSPORTATION

15. Mass transit subsidies are provided primarily to assist working families and the poor. More federal funding is needed in order to avoid increased costs faced by workers already hard pressed to make ends meet. Congress must insist that transit systems receiving Federal aid must provide open disclosure for their accounting and contracting procedures as well as their salary and consultant fee rates.

AGRICULTURE

16. Billions of dollars continue to be appropriated for agribusinesses and farmers. There is no need for an increase in the overall budget; however, specific earmarking of funds for the poorest farmers; for Black farmers, for loans to groups that have been discriminated against by the farm loan programs; these are all items which must be addressed in the budget.

INTERNATIONAL RELATIONS

17. Foreign Aid dollars are still basically dollars distributed with a double standard with Caribbean nations and Africa being greatly short-changed. The CBC will continue to assign high priority to an increase in funding for these neglected areas and people.

GENERAL

18. Funding for Commissions to study issues such as Reparations; Disenfranchisement of Federal Ex-Offenders; Disparities in Sentencing; Disparities in Health Care; etc. are vitally needed.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to: