

nothing to offset Katrina expenses or to reduce our Nation's deficit.

Using Hurricane Katrina as an excuse to extend tax cuts, while taking from the programs that the victims of the hurricane need most, is an embarrassment. I hope you will fix it.

REPUBLICANS OFFER A COMMON-SENSE BUDGET PROPOSAL

(Mr. WILSON of South Carolina asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WILSON of South Carolina. Mr. Speaker, when American families face financial crises, they make important sacrifices and responsible decisions to get their family budget back on track.

As the Federal Government continues to pay for the rising cost of hurricanes Katrina and Rita, Congress must also make necessary sacrifices and follow a strict budget. House Republicans are leading the effort to reduce spending and have recently proposed commonsense reforms to eliminate 98 Federal programs, saving more than \$4.3 billion.

Democrats' opposition to this proposal is, unfortunately, not surprising. Led by the gentlewoman from California (Ms. PELOSI), Democratic leader, they have tried to increase Federal spending by tens of billions of dollars at every stage of the legislative process. Earlier this year, not a single Democratic House Member supported the lean budget that passed the Congress. Democrats seem to view the budget as a credit card, and when the bill gets too high, they pay for the bill by simply raising taxes on the American people.

In conclusion, God bless our troops, and we will never forget September 11.

CUTS IN THE BUDGET AMENDMENT

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

Mr. McDERMOTT. Mr. Speaker, there was a phrase they used to use around here during the Reagan years called "take from the needy and give to the greedy." Well, we are back in session with that same thought going.

These cuts in this budget amendment we just heard about, the gentleman from South Carolina said we were not willing to make the cuts. Let me tell my colleagues just what one of those cuts was so we get a feeling for what they are up to.

There was a rule in many States that if you were from a poor family and you went to a rich family as a foster kid you did not get any money. If you went to a poor family, you would get some money. They went into court, and the court said it did not make any difference what kind of a family you were living in; it was what the child had access to and every child ought to receive

foster child payments in the United States, no matter where they were or what situation they were in.

What the Republicans want to do in this bill is repeal a court decision. They do not like what the courts did. The same thing is true about kinship care. If a child is picked up by a foster home, they get money; but if they are picked up by their grandmother, they are not entitled to it, no matter what the circumstances are. That is the family friendly Republican budget cuts.

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. KUHLMANN of New York). Under the Speaker's announced policy of January 4, 2005, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

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

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

EXCHANGE OF SPECIAL ORDER TIME

Mr. DEFAZIO. Mr. Speaker, I ask unanimous consent to take the time of the gentleman from California (Mr. SCHIFF).

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

There was no objection.

TAXING AND SPENDING

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

Mr. DEFAZIO. Mr. Speaker, we heard some earlier interesting statements from the Republican side of the aisle, and one gentleman talked about a once-proud party. I guess he was referring to the Republicans and the fact that they used to have a commitment to protecting Federal taxpayers and for fiscal responsibility, but no longer.

Now, they keep talking about the Democrats taxing and spending. Excuse me? Who runs the White House, the United States House of Representatives with an iron hand, and the United States Senate? The Republicans. They are in charge of everything. It is the President who is submitting budgets that are being approved by Republicans that are running up huge and growing deficits.

They are trying to say, oh, this year was great; it was only \$312 billion, only the third largest deficit in history. Except they forget to tell people they borrowed the whole \$180 billion surplus out of Social Security and spent that, too; and, in fact, some of it went to tax cuts for rich people that was paid for

by working people with their Social Security money that is supposed to pay for the future of that program.

They say, well, it is the darn Democrats. No, it is not the darn Democrats. It is the Republicans who control everything who have brought up \$8 trillion of debt, a 60 percent increase in the 5 years George Bush has been in the White House; and, no, it was not all spent on the war in Iraq and homeland security. A lot of it came from huge tax cuts to the wealthiest among us, immensely expensive tax cuts that go predominantly to people who earn over \$311,000 a year; and they want to give permanent exemption of estate tax to estates over \$6 million. They consider \$100 million, \$200 million, that is a small family farm or small business in Republicanland over here.

Unfortunately, those tax cuts are immensely expensive, and they are borrowing the money to finance them and the government.

The entire general fund of government of the United States, everything that government does outside of the military is paid for with borrowed money, \$1.2 billion a day, some of it from Social Security. Yeah, we are borrowing some of it from ourselves. We are borrowing a heck of a lot of it from China, Japan, and other foreign interests; and we are adding this mountain of debt and we are pushing it forward to our kids and our grandkids. In their vision, the wealthy would not share in the burden. They will not help pay that debt because they will be the beneficiary of massive tax cuts.

What they were going to bring to the floor today was so embarrassing they could not quite do it. They were actually going to increase the deficit. Under the guise of paying for Katrina, they were going to cut programs like student loans, \$9 billion; Medicare for seniors; Medicaid for needy people and seniors and other essential programs. But they were actually going to cut those programs to pay for more, guess what, tax cuts for the wealthiest among us.

Are the wealthy really hurting that much? Well, actually no. IRS data that came out last week say that 99 percent of the people in America saw their real incomes decline last year; but 1 percent, those who earned over \$311,000, saw a real increase. But that is not even the real thing.

The real thing was one-tenth of 1 percent, those who earned over \$1.3 million a year, saw a phenomenal increase in their incomes, mostly due to tax cuts that are being paid for by borrowing on the backs of working people and Social Security. They have the gall to come to the floor and say it is the Democrats who want to tax working people.

The only working people they are concerned about are people who earn over \$311,000 a year, the investor class; but the investor class also happens to be the contributor class, the people who can write out those \$2,100 checks