HOUSE REPUBLICAN CONFERENCE

AUGUST 2007 RECESS RESOURCE KIT

The House Republican Conference

has launched a powerful new resource...

The new website serves as an online

message center for House Republicans.

A One stop shop for...

- Talking points
- Press releases
- Legislative digest
- Event calendars
- "In Case You Missed It" updates
- "Conference Call" documents
- Recess kits

- Press conference videos
- Podcasts
- Videocasts
- High resolution photos
- Blogs
- One minute speeches
- Issue pages
- and much more

Members, staff, reporters and constituents have the ability to signup for a **GOP.gov membership** and create unique profiles. GOP.gov members have the option to pick and choose what information they receive from the Conference and personalize their own settings.

Dear Republican Colleague:

As we near this critical August District Work Period, House Republicans are running on all cylinders, standing up for core conservative principles as we work to ensure a better future for working families through freedom and security.

The recipe for our success is no state secret – we share with the American people a commitment to fiscal responsibility, accountability in government, and lower taxes. We continue to win the battle of ideas because we stand for intellectually sound, innovative public policy that favors the empowerment of individuals over the growth of the government.

It would be a colossal mistake, however, to think that our work is finished – after all, Democrats will undoubtedly spend the weeks ahead flailing about for a scapegoat on which to pin their lack of accomplishments.

We have already seen interest groups spend millions of dollars on a national ad campaign designed to bolster the Democrat Congress's flagging approval ratings. No amount of smoke, mirrors, or snake oil, however, will be enough to distract attention from the hypocrisy they've shown and the promises they've broken.

The catch here is that we get just one crack at this. The ongoing conflicts between the President and the Congress – on priorities both foreign and domestic – will come to a head not long after Labor Day, just as the presidential campaign is beginning to dominate the national political narrative.

The time for House Republicans to solidify our claim to the mantle of conservative reform is now.

With that in mind, this recess pack has been designed as a vision piece, specifically tailored to maximize your ability to break through the media filter during the dog days of August.

In addition to the two conference calls we have planned for next month, I hope you won't hesitate to get in touch with me about how things are going in your district. Again, I can't express enough how critical the month ahead is to our ability to reach our long-term goals as a conference.

I want to close by recognizing that the last seven months has had its fair share of challenges. Adjusting to the minority was no simple task, and it was certainly jarring not to see Denny Hastert in the Speaker's chair. In February, we lost a dear friend and a staunch advocate for the people of northeastern Georgia in Charlie Norwood. I know that Charlie would be proud of us for keeping up the good fight.

We have also felt the pain experienced by the loved ones of those who have lost their lives in service to our country in Iraq, Afghanistan, and other theatres. As these brave men and women continue to put their lives on the line every day, we must keep faith with them in their efforts to defeat an enemy bent on the destruction of our way of life.

I wish you and yours a happy and healthy August.

Best always,

Adam Putnam Chairman, House Republican Conference

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JGUST 2007 RECESS RESOURCE KIT

Republican Accomplishments in the 110th Congress

"An Unusually Effective Minority" (Weekly Standard, 7/30/07)

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Supporting Our Troops: Republicans ensured our troops in harm's way received the funding they needed, overcoming Democrats' determined efforts to slow-bleed our fighting men and women. The emergency troop funding bill that passed Congress provided full funding for the troops coupled with benchmarks on the Iraqi government. Republican unity and resolve defeated the Democrat plan to slow-bleed the troops, micromanage the generals and broadcast a surrender date to our enemy. In addition, it forced Democrats to remove tens of billions in pork for spinach, shrimp and peanuts from the bill. (5/24/07)

Protecting Terrorism Tipsters: Republicans successfully defeated a Democrat plan that kept Americans who report suspicious activity susceptible to retaliatory lawsuits. The vigilance of ordinary Americans is a critical tool in making our country safer. When airline passengers reported the suspicious behavior of a group of Muslim imams last year, the imams sued the witnesses. In response, Republicans offered legislation to shield innocent Americans from these frivolous lawsuits, garnering support from nearly half of House Democrats. Yet Democrats were determined to strip this provision from the 9/11 bill. Only in the face of strong Republican objections and a vast public outcry were Democrats embarrassed into reinstating this language in the bill. (7/24/07)

Fiscal Responsibility: Republicans pulled back the curtains on secret earmarks and forced Democrats to bring accountability and transparency back to Congress. Democrats tried to sneak billions in secret earmarks into our annual spending bills. What's more, they prevented the taxpayers and their representatives in Congress from challenging wasteful earmarks in public and debating them on the House floor, instead leaving all these spending decisions to just one man - the Democrat Appropriations Committee chairman. Republican ef forts forced Democrats to back down and reinstate last year's historic GOP earmark reforms. (6/14/07)

Putting Homeland Security Before Big Labor Paybacks: House Republicans stopped the Democrat Big Labor payback on the 9/11 bill. Because of Republican unity, Democrats were forced to drop their attempt to give Transportation Security Administration airport screeners collective bargaining rights and the ability to strike. A TSA strike would hinder the government's ability to protect our homeland and bring worldwide air travel to a halt. (7/9/07)

Tax Relief: Republicans secured passage of nearly \$5 billion in small business tax cuts to accompany the minimum wage increase. Republicans believe those who pay the minimum wage and those who earn it should both receive greater help. (2/16/07)

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Fairness for the Military: Republicans successfully fought to promote the military's ability to recruit on college campuses. Republicans overturned a Democrat proposal prohibiting "federal contracts with any university that allows employers, but not the military, to recruit on campus" (*CQ Today*, 3/19/07). 115 House Democrats joined with a unified bloc of Republicans to pass an amendment to a federal contracting law. (3/19/07)



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Local Control of Education: Republicans protected state and local control of education. The Republican amendment to a scholarship bill ensured that school curricula would be set by state and local school districts – not Washington bureaucrats. (4/24/07)

<u>Energy Independence</u>: Republicans passed an amendment to a science grants bill that focuses our research efforts on achieving American energy independence. The Republican amendment gives priority to grants to expand domestic energy use and production through environmentally-conscious coal-to-liquid technology and safe, advanced nuclear reprocessing. (4/24/07)

<u>Freedom on the Radio</u>: Republicans helped lead a widespread effort to ramp up public awareness of a Democrat plan to regulate political speech on the airwaves. After the resulting public outcry, House Republicans succeeded in passing an amendment to stop the Democrats' plan to reinstate the "Fairness Doctrine." This doctrine is not designed to ensure "fairness" – instead, Democrats mean to silence conservative voices and overcome Democrats' inability to garner a commercial audience on the radio. (6/28/07)

<u>Stopping Government Handouts</u>: Republicans successfully beat back a Democrat effort to loosen standards on government handouts. Democrats tried to stop the government from requiring public housing residents to perform eight hours of community service each month in exchange for government assistance. Republicans succeeded in removing this from the federal housing spending bill. (7/24/07)

AUGUST 2007 RECESS RESOURCE KIT

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EARNED MEDIA IDEAS: Freedom and Security

Because you will no doubt touch on a wide array of topics in the month ahead, as a way to maximize the effectiveness of your outreach strategy, you should consider making good use of two buzzwords that have been proven to resonate with working families – **freedom** and **security**. The earned media ideas that follow – as well as the Power Point presentation and the calendar in the appendix – are meant to jumpstart your thinking as to how you can maintain a consistent and fruitful dialogue with your constituents while generating good earned media exposure during this critical recess.

Energy Security: Americans have surely had enough of three-buck gasoline, and it is important they understand that House Republicans are working hard to defend their **freedom from dependence on foreign sources of oil**. *Rep. Marilyn Musgrave* (CO-04) did a highly successful event during the Independence Day District Work Period where she pumped gas for constituents and answered their questions.

<u>Economic/Financial Security</u>: House Republicans are running on all cylinders right now primarily because of the success we have had in driving our fiscal responsibility message. This month, whether it's placing an op-ed in your local paper or making presentations to local Chambers of Commerce, your constituents should be aware of all your hard work to defend their **freedom from burdensome taxation** and their **freedom from secrecy in how their hard-earned tax dollars are spent**.

Job Security: Members should schedule a time to tour local businesses to see how their day-to-day operations work. Our message to employers is that we understand the vital role small businesses play in keeping America competitive and that we will continue to defend their freedom from excessive regulation and intrusive labor laws. As for employees, their freedom to pursue whatever aspirations they wish to fulfill is critical to keeping our robust economy growing.

Back To School: The beginning of the school year presents a good opportunity to talk about issues relating to education and public safety. A Best Practice offered by *Rep. Phil Gingrey* (GA-11) is the "Congress in Schools" program, which includes activities ranging from reading a book to a class of students, addressing the school assembly, or donating a flag flown over the Capitol (you should especially do this for any new schools in your district).

- As for teachers, <u>you should meet with them directly in the days before school starts</u> deliver doughnuts & orange juice to them especially with "No Child Left Behind" reauthorization set to come up in September.
- Internet Security. You should also use the time you spend in the school districts to speak with teachers, administrators, and parents about ways we can protect children from potentially dangerous influences on the Internet.

<u>Healthcare Security:</u> Seniors in your district should be made aware of the deep cuts the Democrat SCHIP bill makes to Medicare Advantage. Healthcare forums are often popular ways to troubleshoot existing issues and let constituents know that you are dedicated to their **freedom to secure quality, affordable healthcare coverage for themselves and their loved ones** without having Washington bureaucrats choose their doctors for them.

National Security: With young Americans putting their lives on the line every day, it is important to take note of the sacrifices being made by our soldiers, sailors, airmen, and Marines for **freedom itself**. You should do whatever veterans' events you normally do and in addition you may consider conducting a letter-writing campaign that allows constituents to send messages of encouragement to servicemembers from your district. *You should tour your local VA facilities again to make sure any issues that arose from your Spring visit have been resolved*.

Border/Port Security: During this time of heightened threat, you should make a point to visit whatever point of entry you may have in your district – whether it's a border crossing, an airport, or a port – to discuss our ongoing commitment to homeland security. Americans hold dear their **freedom to travel safely**, especially in a month as popular for vacations as August. For example, you may want to discuss <u>our recent success in protecting Americans who report suspicious activity</u>.

HOUSE REPUBLICANS Restoring Common Sense & Transparency



HOUSE REPUBLICANS RESTORING COMMON SENSE & TRANSPARENCY

"An Unusually Effective Minority"

"The biggest surprise in Washington in 2007 is who's turned out to be the strongest force in town. ... The most powerful group is President Bush and congressional Republicans."

"In Washington, Democrats are stymied, foiled, and frustrated."

"Democrats have momentum on no domestic issue, not even health care."

"Congressional Republicans have had their greatest success in killing Democratic bills or stripping offensive provisions from them."

(The Weekly Standard, 7/30/07)

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HOUSE REPUBLICANS

RESTORING COMMON SENSE & TRANSPARENCY Restoring Common Sense and Transparency To Government

What House Republicans believe:

Every taxpayer dollar must be spent with accountability or transparency, or not at all. <u>No more Bridges to Nowhere.</u>

What we have done:

Unprecedented Earmark Reform. House Republicans forced Democrats to make the earmarks in spending bills public before the people's representatives are asked to vote on them.

What we need to do:

Force The Issue On ALL Earmarks. House Republicans will file a "discharge petition" to force a vote to ensure <u>all earmarks</u>, including those in tax and authorizing bills, are publicly disclosed and subject to challenge on the floor.

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HOUSE REPUBLICANS RESTORING COMMON SENSE & TRANSPARENCY

Economic Security

What House Republicans believe:

Every American deserves freedom from burdensome taxation. A low tax base allows Americans to do what they do best – generate the ideas that create the jobs and build the businesses that keep our economy growing.

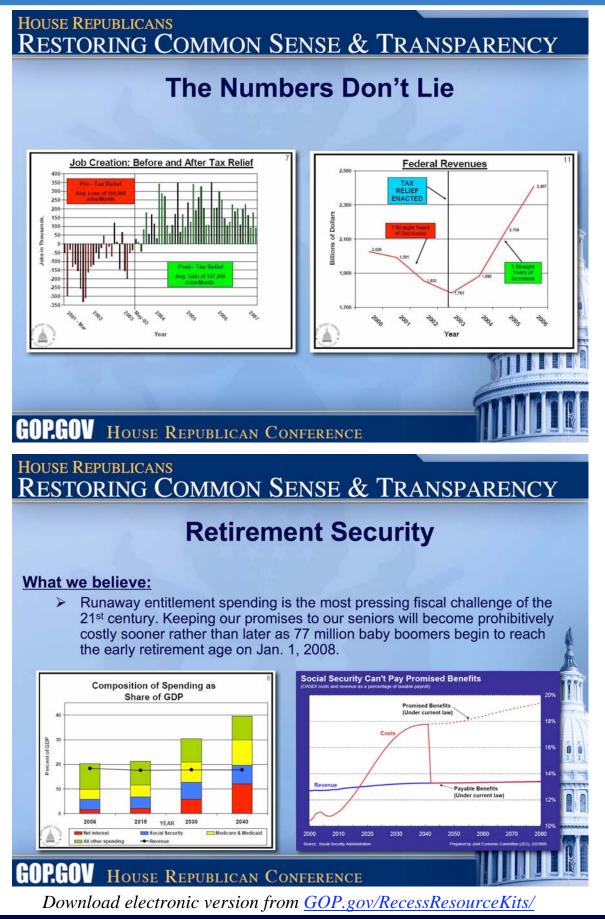
What we have done:

Tax Relief For Small Businesses. Republicans secured passage of nearly \$5 billion in meaningful tax relief for small businesses to compensate for the recent minimum wage increase.

What we need to do:

Make GOP Tax Relief Permanent. If Congress does not act in the next few years, the result will be the largest tax increase in American history.

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HOUSE REPUBLICANS RESTORING COMMON SENSE & TRANSPARENCY

Energy Security

What House Republicans believe:

Americans deserve freedom from dependence on foreign sources of oil. We need an energy policy for the 21st century that protects our environment, lowers prices, and invests in innovative technologies.

What we've done:

Focusing Our Efforts On Energy Independence. Republicans passed an amendment to a science grants bill that prioritizes projects designed to expand domestic energy use and production.

What we need to do:

- Increase energy efficiency and conservation to reduce consumption and protect our environment.
- Expand use of renewable and alternative American fuels.
- Deploy high-tech 21st century technologies to improve traditional American-made energy production.

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HOUSE REPUBLICANS RESTORING COMMON SENSE & TRANSPARENCY

Healthcare Security

What House Republicans believe:

Every American should have the freedom to secure quality, affordable healthcare coverage for themselves and their loved ones without Washington bureaucrats choosing their doctors for them.

What we've done:

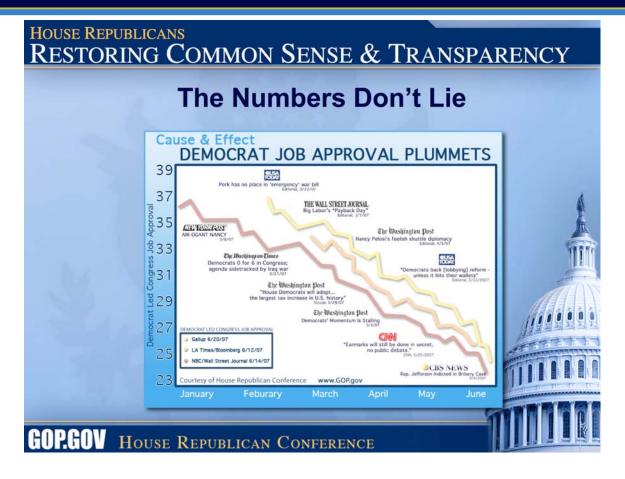
Extend State's Children Health Insurance Program (SCHIP.) While Democrats have offered a plan that constitutes wholesale expansion of government-run health care, the GOP plan ensures that every low-income child receives the quality care they deserve.

What we need to do:

Protect Medicare Advantage. Democrats are making deep cuts to low-cost, high-coverage that seniors rely upon such as Medicare Advantage (MA). Nearly 3.2 million seniors may lose their Medicare Advantage coverage, with MA enrollment becoming zero percent in 24 states.

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HOUSE REPUBLICANS **RESTORING COMMON SENSE & TRANSPARENCY Homeland Security** What House Republicans believe: Even during this time of heightened threat, every American has the > freedom to travel safely. What we've done: Protect Terrorism Tipsters. Republicans successfully defeated a Democrat plan that allowed ordinary Americans who report suspicious activity to be targeted by retaliatory lawsuits. What we need to do: Close The Terrorist Loophole. Not a stitch of red tape should \triangleright stand between the government and information that could save the lives of innocent civilians. The outdated laws that govern our intelligence gathering actually protect foreign terrorists. GOP.GOV HOUSE REPUBLICAN CONFERENCE HOUSE REPUBLICANS **RESTORING COMMON SENSE & TRANSPARENCY National Security** What House Republicans believe: Republicans learned the lessons of 9/11: we must prevent critical regions from destabilizing and becoming safe havens for radical jihadists, as Afghanistan was left to the Taliban and Al Qaeda. What we've done: Keeping Faith With Our Troops In Harm's Way. Republicans have ensured that our troops received the funding they need despite Democrats' determined efforts to slow-bleed our fighting men and women. What we need to do: 8 Republicans expect continued military progress, which the Iragi government can and must use to get to work, pass good laws, pursue political reconciliation, lower sectarian tensions and rid the government of corruption and groups uninterested in political progress. HOPHOV HOUSE REPUBLICAN CONFERENCE



Remarks: The State of our Economy and Future Fiscal Challenges

"Thank you for having me here today to talk about the greatest engine of opportunity and prosperity in the world – the U.S. economy.

"In any treatment of the economic history of the United States, both the first and the last sentence should declare that wealth and prosperity can be the product of freedom, not the other way around.

"Today, the free movement of capital and the flow of ideas are generating more jobs and greater prosperity than ever before.

"In fact, since August 2003, the same month the Republican Congress passed a second round of historic middle class tax relief, our economy has created nearly 8.3 million new jobs.

"What's more, Americans feel confident about this robust economy of ours: **consumer confidence**, one of the most watched economic indicators in the world, is at its highest level since before the Sept. 11 terrorist attacks.

"Yes, America has the fastest-growing economy of any major industrialized nation in the world, but we are not entitled to assume that this will always be the case.

"Today there is a debate going on in Washington, a genuine battle of ideas, over the nature of government's role in promoting our general economic welfare and meeting the needs of working families in a changing world.

"Some of my friends on the Democrat side of the aisle see our economy as a means to fulfill their own ends – to grow the government so that it can be a living, breathing extension of their social policies.

"Republicans see the economy as a means to fulfill your ends. In our view, government acts as a facilitator of opportunity that empowers you to do what you do best: generate the ideas that build the businesses and create the jobs that keep our economy growing and our country competitive.

"Republicans have in the past and continue now to support intellectually sound, proven pro-growth economic policies that empower individuals rather than grow the government.

"What I want to talk about here are how these principles apply to the three most pressing fiscal challenges we face in the near future – issues that if left unaddressed, will become deep-seated crises that threaten our future vitality.

A broken budget process

"As a taxpayer, you have a right to know what exactly the government does with your money – especially when so much of it is being spent every day.

"To put it in perspective: since Ronald Reagan left office, government spending adjusted for inflation has increased \$2,500 for every American.

"Just as you sit down with your spouse at the beginning of each month to balance your checkbook, the government is required to dole out taxpayer dollars to government agencies by way of a dozen spending bills.

"Of course, this is the first time in a dozen years Democrats have handled the reins of the appropriations process. With plenty of chits to be called in and favored projects to be funded, Democrat leaders have put forward a slew of budget-busting spending bills that tallied together ask the taxpayer to accept \$22 billion in extra spending over what the President asked for.

"Now, \$22 billion is by no means chump change – it represents more than 10% of our federal deficit and is more than the GDPs of all but 77 countries.

"What all this means is that with the government funded only through the end of September and the President wielding his veto pen, a shutdown may be imminent – the first of its kind since 1995, which was the first year of the Republican majority.

"Republicans believe that you have a right to demand and expect fiscal responsibility from your government. If we cannot restrain the way we spend your money, then we have no place asking you to fund a government that cannot live within its means.

"Again, this debate will come to a head before the end of September. What we are looking at is a train wreck, but it is one that we can avoid if we work this out and choose the fiscally responsible path - so that we can get back to work on addressing the priorities of working families."

Punitive tax increases

"Of course, as these things go, whether we do a better job of spending your money or not, the government may soon be asking you to hand over a heftier check come April 15.

"The reality is this: if Congress does not act, the Republican tax relief of 2001 and 2003 will expire in the coming years.

"My friends, we are talking about real money here. This year, the average taxpayer will be allowed to keep \$2,216 more. Seniors will keep an average of \$2,934 more; families with children will keep an average of \$2,864, 27 million small business owners will keep an average of \$4,712 more, while nearly five million low-income workers will pay no income taxes this year.

"The budget the House passed this year allows all of this tax relief to expire in addition to the marriage penalty and the child tax credit. In short, we are on the verge of the largest tax increase in our nation's history.

"It has never made sense to punish hard-working Americans for doing their best to earn a good living and provide for their family, but tax hikes are job killers, plain and simple.

"Tax increases by their very nature are punitive measures that hurt most the entrepreneurs, innovators, and investors in our economy.

"Just take a look at the market. If you've gotten your hands on your portfolio or pension fund lately, you probably figured out that things have been going pretty well on Wall Street. The Dow Jones Industrial Average has soared to three-dozen record closes, surpassing the 14,000 mark with some economists talking about reaching 15,000 before the year is out.

"But then towards the end of July, we saw the market fall back on its heels a bit due to, yes, the possibility of massive tax hikes.

"Who can blame them with what's on the chopping block? Cuts on cap gains, dividends, carried interest, and private equity, for starters.

"This is certainly not the time for a broad-based assault on prosperity. Now more than ever, it's important that investors all around the world understand that good old-fashioned free-market capitalism is alive and well in the United States.

"One thing we all know is that these good jobs reports we keep seeing can be attributed to the vibrancy of our small businesses, which are often portrayed as the linchpin of our booming economy, and rightly so.

"After all, small businesses often start out as family ventures built to make good on the American Dream that go on to become the corporate titans of the future.

"Small businesses are often the source of the success stories that crop up every night on the evening news. There was a story recently in *Business Week* about how our military, trying to be more creative and less plodding in getting the right battle gear to our troops in harm's way, has been looking to small businesses to provide quick fixes for a brutal, fast-evolving battle zone – from leaf blowers to laser pointers to speedboat hulls. Indeed, the lives of young Americans are being saved by smart ideas that come straight from the minds and hands of civilians.

"It's this kind of creativity and ingenuity that will be stifled if we bring back the days of tax-and-spend governance.

"You shouldn't think of low taxes as a luxury or the byproduct of having the right party in power. **The taxpayer's** right to be free from burdensome taxation and regulation should not be subject to change."

Runaway entitlement spending

"The third and final challenge I wish to discuss today is a generational crisis that affects all of us. When we are born, the government gives us a Social Security card and with it a simple pledge – that it will help provide a steady income and quality health care for us when we finally reach an age where we can retire and enjoy our golden years.

"Now, the cards we can certainly keep making, but it's the promises we may not want to be so generous about.

"On January 1st, the first of 77 million baby boomers will reach the early retirement age, at which point they will become eligible for Social Security. Three years later, that first baby boomer will become eligible for Medicare. "In the next decade, Social Security payments – that is, what you pay into it by way of your paycheck – will begin to outpace Social Security income. At that point, Social Security will have to begin drawing from general revenue funds to finance benefits that can't be fulfilled through payroll taxes.

"If we do nothing to address this generational crisis, future Presidents and Congresses will be faced with an unimaginable choice.

"To keep Social Security, Medicare, and Medicaid afloat, we will have to either raise taxes every year by nearly \$12,000 per household or eliminate every other federal program.

"This is not a Democrat or Republican problem – we all want to make good on the government's promises to its greatest generations, but this is a transcendent challenge and one we cannot afford to give short shrift to or expect to just grow our way out of.

"Yes, sustained economic growth cures many ills, but not all, certainly not this one.

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"Too often in Washington, we cross our fingers and hope that the American people will be so kind as to bail us out of the tough choices they elected us to make.

"It's well past time Americans get the common sense and transparency they deserve from their government.

"We have great challenges we need to address in the near future, but we won't be able to make our way through the checklist you have sent us to Washington with – whether it's making health care more affordable, stopping lawsuit abuse, or ending our dependence on foreign sources of oil – if we have to deal with a broken budget process, an outdated tax code, and the burden of bloated entitlement programs.

"Our vigilance in this matter is non-negotiable. No, these ideas are not new – tightening our belt, keeping taxes low, reforming entitlements – but the time to act on them is now.

"What's at stake is our ability to do the things that people often think of when you mention the notion of the 'American Dream,' whether it's pursuing whatever aspirations have been bred in us by our mentors and heroes, providing for our loved ones, or enjoying a fulfilling life.

"One final point I would make, a simple one, but this is something we can't overlook: the key to securing our economic future is security itself. Even the most pro-growth of low-tax, limited-government economies can be thwarted if we can't travel back and forth every day safely. So I would ask you to always be mindful of your own surroundings and of course keep our troops in harm's way in your thoughts and prayers.

"Again, thank you for having me."

HOW DID WE GET HERE? Anatomy of a Democrat Spending Spree

While Republicans share with taxpayers a genuine commitment to belt-tightening, **Democrats have seized upon** their first opportunity to lead the appropriations process in a dozen years to fund favored projects and make good on backroom deals.

The **Democrat Transportation-HUD spending bill** (HR 3074) is a case in point, for it provides **\$104.4 billion in spending for fiscal year 2008** – <u>\$4.1 billion</u> more than current levels, and <u>\$2.8 billion</u> more than requested by the President. Democrats rejected many of the President's proposed funding cuts and in some cases went well beyond the President's request – <u>for instance, Democrats provide a whopping 75% more than requested for Amtrak, which functions much like a private corporation.</u>

The billions of dollars in earmarks tucked into these spending bills for lawmakers' special projects plays a feature role in this new regiment of fiscal excess. The Democrat **energy and water projects spending bill** (H.R. 2641) spends <u>\$31.6</u> <u>billion</u> in fiscal year 2008, including **a whopping** <u>\$1.1 billion</u> in earmarks. In one particularly galling case, a \$1 million earmark requested by Rep. John Murtha (D-PA) was called into question by Rep. Jeff Flake (R-AZ) because neither he nor his staff could find any information on the potential recipient of the funds.

SHOWDOWN: Washington Democrats are asking American taxpayers to pony up approximately <u>\$22 billion</u> more than what the President requested for the coming fiscal year. (*See chart below for details.*) This excessive spending comes on the heels of approximately <u>\$17 billion</u> in additional spending piled into the **emergency supplemental** passed in May and <u>\$6 billion</u> in new spending added to the **omnibus spending package** in late January.

By no means is \$22 billion chump change – it is more than 10% of our federal deficit and it exceeds the GDPs of all but 77 countries.

Because the President has vowed to veto spending bills that exceed his request, and nearly 150 House Republicans have already signed a letter saying they will vote to sustain those vetoes, **if these issues are left unresolved in the next two months**, **the possibility of a government shutdown is very real**.

Appropriations Bill	FY'08 House Proposal	FY'08 Administration Request	FY'07 Enacted	% Change from FY07	Vote/Date
State-Foreign Ops**	\$34.2	\$34.9	\$31.3	9.3%	241-178 (6/22/07)
Transportation-HUD**	\$50.7	\$47.9	\$47.5	6.7%	268-153 (7/24/07)
Labor-HHS-Education**	\$151.7	\$140.9	\$144.5	5.0%	276-140 (7/19/07)
Interior-Environment**	\$27.6	\$25.7	\$26.4	4.5%	272-155 (6/27/07)
Energy & Water**	\$31.6	\$30.5	\$30.3	4.3%	312-112 (7/17/07)
Military Construction-VA	\$64.7	\$60.7	\$52.9	22.3%	409-2 (6/15/07)
DHS**	\$36.2	\$34.2	\$33.7	7.4%	268-150 (6/15/07)
Leg Branch	\$3.1	\$3.4	\$2.9	6.9%	216-176 (6/22/07)
Financial Services	\$21.4	\$21.6	\$19.5	9.7%	240-179 (6/28/07)
CJS**	\$53.5	\$51.2	\$50.3	6.4%	281-142 (7/26/07)
DOD	\$459.6	\$463.4	\$419.9	9.5%	
Agriculture**	\$18.8	\$17.84	\$17.77	5.7%	

Appropriations Chart: Discretionary Spending Totals

****President would veto the bill in its current form.**

BY THE NUMBERS: Democrat Tax Increases

"In a private conference call on Monday, Pelosi told her colleagues that three words would define their new majority: 'civility, honesty and <u>fiscal responsibility</u>." (The Washington Post, 11/6/06)

While Democrats Pass One Tax Increase After Another...

\$392.5 Billion	Amount in tax increases on American families included in the Dems' FY '08 budget.
\$7.5 Billion	Tax increase levied on U.S. businesses owned by foreign subsidiaries – jeopardizing <u>5.1</u> <u>million American jobs</u> – in order to pay for farm bill reauthorization.
\$54 Billion	Size of tax increase Democrats need in order to pay for their massive expansion of government- run healthcare (SCHIP).
\$6.1 Billion	Amount of "green" pork funds in the Democrat Energy bill – to be paid for by a tax increase on America's domestic energy industry.
\$30 Billion	Price tag for the nine new entitlement programs created in the Democrat student aid bill.
39 Million	Number of Americans who will be hit by the AMT (Alternative Minimum Tax) by 2017 if Congress does not act to address this stealth tax. (<i>Christian Science Monitor</i> , 6/11/07)

... Pro-Growth Republican Policies Create Jobs And Keep America Competitive.

\$2,864	Money that families with children will save this year due to GOP tax relief.
\$2,216	Amount of savings the average taxpayer will reap because of GOP tax cuts.
46	Consecutive months the U.S. economy has generated new jobs, the longest uninterrupted period of job growth since June 1990.
2 Million	Jobs created in the last year, adding to more than 8.2 million jobs created since August 2003.
4.5%	The current unemployment rate, which is lower than the averages for the 1960s, 1970s, 1980s, and 1990s.
1.2%	Percent increase in real wages over the last 12 months, giving the average worker an additional \$424 above inflation.

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BROKEN PROMISES & MISGUIDED PRIORITIES

WE'RE STILL WAITING: Real Earmark Reform

Broken Promises

Last year, Democrats promised to bring transparency to earmarks in authorization and tax bills, as well as spending bills. Now in the majority, Democrats have refused to fulfill these pledges or forgotten about them. Either way, Republicans will hold Democrats accountable and fight for real earmark reform on behalf of taxpayers.

- Rep. Dave Obey (D-WI), Chairman of the Appropriations Committee: "To not do something about authorizing committee earmarks in the process is a joke, in my view." (House Floor Remarks, 4/27/07)
- Rep. Louise Slaughter (D-NY), Chairwoman of the House Rules Committee: "My proposal ... requires the public disclosure of all earmarks, not just those of the Appropriations Committee but authorizers and tax bills, and much, much more." (House Floor Remarks, 5/3/07)

Republican Accomplishment

Earlier this year, our unity forced Democrats to bring Republican principles of accountability and transparency to earmarks – a victory for taxpayers. No longer will earmarks in spending bills be kept secret from everyone until it is too late to do anything about it. Republicans successfully forced Democrats to restore two critical GOP reforms from last year that the new majority gutted once they assumed power. It is these reforms Republicans believe should also apply to tax and authorization bills:

- Full Disclosure of Earmarks: Democrats were forced to restore last year's Republican reforms that require full disclosure of all earmarks and who requested them before spending bills are voted on in the House.
- The Right to Challenge Earmarks on the House Floor: Democrats were forced to restore last year's Republican reforms that give Members the right to challenge, debate and vote on wasteful earmarks contained in spending bills before those bills are voted on in the House.

What We Need is Real Earmark Reform

Real earmark reform means transparency and accountability on authorization and tax bills as well as spending measures. Democrats are stonewalling Republican legislation to apply GOP earmark reforms to tax and authorization bills, denying it an up-or-down vote in the House. Democrats can exploit this loophole by slipping earmarks into non-spending bills in the dark of night, without public scrutiny and without the ability to challenge them on the House floor.

- Discharge Petition: Because Democrats are stonewalling on extending Republican earmark reforms to tax and authorization bills, <u>House Republicans will soon file a "discharge petition" to force the House to consider these reforms.</u> If a majority of Members of the House sign such a petition, Democrats will be forced to bring the bill to the floor for an up-or-down vote. <u>This is the only way the American people will have a chance to see real earmark reform debated.</u>
- Why should earmark reforms be applied to tax and authorization bills? The 12 annual appropriations bills are not the only vehicle for wasteful earmarks. Periodically through the year, the House considers authorization bills to literally authorize government spending (the appropriations bills later cut the checks). Recall that both the infamous "Bridge to Nowhere" and Rep. John Murtha's "boondoggle" earmark that he threatened another Member over were included in authorization bills, not spending legislation. The House also considers tax bills from time to time, and preferential tax treatment for single groups is as much of an earmark as the Bridge to Nowhere and considered as such under House rules.

BROKEN PROMISES & MISGUIDED PRIORITIES

Earmarks Of The Month

OPINIONJOURNAL'S POLITICAL DIARY Commentary and Analysis on U.S. Politics July 20, 2007

Can't Take My Eyes Off of Me

"New York's Charlie Rangel provoked smirks this week when news emerged that the Harlem Congressman was humbly seeking a \$2 million earmark to create a 'Charles B. Rangel Center for Public Service' at the City College of New York.



"Titters turned to dropped jaws yesterday when a 20-page glossy brochure popped up, describing the yet-to-be-created center. That flyer, which asks for donations, explains that organizers need a mere \$4.7 million to restore a 'magnificent Harlem limestone townhouse' that will house the center, plus another \$2.3 million endowment for its operating costs.

"What, overtaxed taxpayers might ask, would all this money buy? One dollop would go to provide 'a well-furnished office for Congressman Rangel' and another dollop would fund 'the Rangel Library,' which will be 'designed to hold the product of 50 years of public service by the major African-American statesman of the 20th and early 21st centuries.'

"Only one Democrat voted to kill the earmark. It seems Congress is just as committed to weeding out egregious pork as it ever was -- which is to say, not at all."

-- Kim Strassel

This Earmark Is a Fraud on Congress

"Trolling through a lengthy list of earmarks proposed by the Appropriations Committee, [Rep. Jeff] Flake asked Democratic Rep. Peter Visclosky of Indiana, chairman of the subcommittee handling the earmarks, if he knew anything about a \$1 million grant to the 'Center for Instrumented Critical Infrastructure' in Johnstown, PA, the largest city in Rep. Jack Murtha's congressional district.

"Mr. Flake noted that the money had apparently some connection to Concurrent Technologies Corporation, a firm located in Mr. Murtha's district, which had previously been the recipient of "many millions" in earmarks. Mr. Flake said the company appeared to be an "earmark incubator" which collected federal money and only later found a way to spend it.

"Mr. Flake's staff, he said, had been unable to find a Website for the mysterious Center for Instrumented Critical Infrastructure and he was frankly skeptical that it was an up-and-running concern. The Appropriations Committee also had been of no help in learning more about it.

'Does the center currently exist?' he asked Mr. Visclosky. **'At this time, I do not know,'** the Indiana Democrat replied. **'But if it does not exist, the monies could not go to it**."



John Murtha

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What Every American Should Know About the Democrats' SCHIP Bill

<u>House Republicans support</u> extending the State Children's Health Insurance Program

- "House Republicans on Wednesday introduced an alternative to Democratic proposals for the expansion of a federal children's health insurance program in an effort to prevent what the GOP lawmakers called a 'giant leap toward nationalized health insurance.' ... 'The program has been a large success,' Rep. Joe Barton (R-Texas), ranking member of the Energy and Commerce Committee, told reporters Wednesday. 'Republicans in the House feel very strongly the program is a good program and needs to be reauthorized.' But, he said, as only about one million eligible children are currently not covered by the program, expansions should be moderate and regulated to avoid wasting federal money." (CNSNews, 7/26/07)
- "On Wednesday, Barton unveiled House Republicans' view of what the SCHIP program should look like over the coming five years ... The Republican proposal, Barton estimates, would increase spending somewhere between \$500 million and \$1.5 billion over the same [5-year] timeline. It would focus the health insurance program on those children and pregnant women who reside in households with incomes below 200 percent of poverty \$34,340 for a family of three." (AP, 7/25/07)

The Democrat bill cuts Medicare by \$200 billion, causing <u>3.2 million seniors to lose</u> <u>Medicare benefits</u>

- "A study by an independent researcher and former Clinton Administration official estimates that Democrats' Medicare cuts would result in <u>nearly 3.2 million seniors losing their Medicare Advantage coverage</u>..." "More than 8 million seniors are now enrolled in Medicare Advantage, program that through market competition allows private insurers to <u>offer seniors more choices of greater quality at lower cost</u> than traditional Medicare. Seniors overwhelmingly approve of the program..."
- What's more, "the Democrats' proposed \$200 billion cut to Medicare will leave 22 states and the District of Columbia without a single beneficiary enrolled in Medicare Advantage (MA)," according to Ways and Means Committee Republicans. "The following states will see their MA program zeroed out:"

Alaska	Iowa
Arkansas	Kansas
Connecticut	Kentucky
Delaware	Maine Maryland
District of Columbia	Montana
Georgia	North Dakota
Hawaii	Nebraska
Indiana	

New Hampshire South Carolina South Dakota Utah Vermont West Virginia Wyoming

Democrats "will <u>raise taxes on every senior citizen</u> and every American who owns health insurance"

- An op-ed in the Atlanta Journal-Constitution reports: "If the leadership of the left gets its way this week, they will raise taxes on every senior citizen and every American who owns health insurance. This hidden tax increase is buried deep within a massive, 465-page bill that is moving through the House of Representatives. This effort makes the left's intentions exceedingly clear: Through tax increases, political payoffs, and a slow bleeding of private health insurance, they seek to push the American people into Washington-controlled bureaucratic health care..."
- The Democrat SCHIP bill "cuts these benefits by \$159 billion over 10 years, meaning that private insurers would basically have to lose money to stay in the program. A former Clinton administration official, as well as the Congressional Budget Office, concludes that three million seniors will be forced out of the program by these cuts." (*Atlanta Journal-Constitution*, 8/1/07)

Civil rights advocates <u>oppose the Democrat Medicare cuts</u> because they will be harmful for minority seniors.

- NAACP, the nation's oldest civil rights organization: "Reduced funding for the MA program would have a negative impact on the health and health care of millions of Medicare beneficiaries – particularly for lowincome and minority beneficiaries." (NAACP Letter, 3/14/07)
- Rosa Rosales, national president of the League of Latin American Citizens, wrote that her group was concerned further cuts to Medicare Advantage 'will ... create financial barriers to care that will be particularly harmful for Hispanic seniors.'" (Associated Press, 4/15/07)

The Democrat bill marks a "<u>major step toward Hillarycare's original goal</u>:" socialized medicine.

* "Now that Democrats control Congress, they want to double SCHIP spending and cover families making up to 400 percent of the poverty baseline. This would put up to three-fourths of all families under a government-run health care program, marking a major step toward Hillarycare's original goal." (*Washington Examiner* editorial, 8/1/07)

BROKEN PROMISES & MISGUIDED PRIORITIES

(Document printed prior to floor consideration of House Democrat energy bill) The Top 10 Things Americans Should Know About The Democrats' No-Energy Energy Plan

1. <u>The Democrat plan produces no new energy and threatens our energy security.</u>

U.S. Chamber of Commerce: "This purported 'energy bill' not only fails to produce a single kilowatt of energy, but also threatens to reduce (and in some sectors eradicate) energy production. Any lawmaker serious about energy security or energy independence should have strong reservations about voting for H.R. 2337." (Letter to Resources Committee, 6/4/07)

2. <u>The Democrat plan raises taxes on American energy producers, increases the cost of energy and the price at the pump.</u>

Like the House Democrats' bill, the Senate energy bill raises taxes on domestic energy producers. Experts at the Heritage Foundation say the Senate bill "could result in significantly higher prices for gasoline consumers. A review of S. 1419, including the just-completed section on tax changes, reveals that the bill could increase the price of regular unleaded gasoline from \$3.14 per gallon (the early May national average) to \$6.40 in 2016--a 104 percent increase ... The bill proposes paying for the new mandates and programs with a series of tax increases, most of which would be paid by producers of gasoline. The combined effects of these policy changes would cause retail gasoline prices to increase." (Heritage Foundation, 6/18/07)

3. The Democrat plan increases our reliance on imported oil from the Middle East.

The last time the Democrats increased taxes on domestic energy producers in the 1980s, it "made the United States more dependent upon foreign oil and therefore more vulnerable to either a price upsurge or a supply disruption." (Congressional Research Service, 3/9/06)

4. The Democrat plan creates a \$6 billion dollar slush fund for questionable pork projects.

"Republicans mocked a provision that would provide \$6 billion in tax credit bonds that state and local governments could use to promote energy-efficient projects … Republicans maintained that the rules were written so loosely that **the bonds could be used to subsidize a plasma TV for Martha Stewart or hybrid police cars in Beverly Hills**. 'There are all sorts of haphazard, inefficient things that could be done in the name of energy conservation,' [Ranking Member Jim] McCrery said." (*CQ*, 6/20/07)

5. The Democrat no-energy energy plan runs roughshod over private property rights.

"[T]ucked deep in its heart is an extraordinary new tool to allow environmentalists to lock up private property across the country...the bill fulfills one big ambition of environmental groups in recent years: a rollback of any smarter use of public (or even private) lands for energy use ... a green dream come true, carte blanche to promulgate endless regulations barring tree-cutting, house-building, water-damming, snowmobile-riding, waterskiing, garden-planting, or any other human activity...President Bush, with any luck, will veto any legislation that grants a freeze of every dirt clod in America -- publicly or privately owned." (*Wall Street Journal*, 6/15/07)

(Document printed prior to floor consideration of House Democrat energy bill) 6. <u>The Democrat no-energy energy plan rejects the environmentally conscious – and</u> formerly bipartisan – liquid coal.

- "The new draft also dropped incentives for production of liquid coal, a fuel that supporters say would ease dependence on foreign oil ... Most Republicans generally support the liquid coal measures, as do coal-state Democrats like [subcommittee chairman] Boucher ... The dispute over the bill was just the latest chapter in an ongoing feud between Dingell and Pelosi." (*CQ*, 6/18/07)
- Democrats "opposed language Dingell and Boucher dropped that would have allowed up to six coal-to-liquid projects to enter into a financial agreement with the Energy Department if they could show that carbon dioxide emissions would be at or below the levels for a petroleum-based facility." (*CongressDaily*, 6/19/07)

7. <u>The Democrat no-energy energy plan puts political payback ahead of a common sense,</u> <u>bipartisan energy solution.</u>

- Democrats continue their Big Labor payback by demanding government-mandated Davis-Bacon wages for projects in the bill. In the face of Democrat opposition, Republicans tried "to remove labor-friendly Davis-Bacon prevailing wages for projects that get the loan guarantees." (Environment and Energy Daily, 6/21/07)
- "First came Big Labor. Then the tort lawyers. What special interest lobby remains for the Democratic majority to reward for services rendered this past election? The answer rests in the ecstatic press releases tumbling out of the nation's largest environmental groups ... Bill presented; bill paid. Like union and trial-bar groups, the extreme environmental community forked over a hefty wad of cash last year to help put Democrats in the majority, as well as to keep key environmental allies in their seats." (*Wall Street Journal*, 6/15/07)

8. <u>The Democrat no-energy energy plan recycles GOP renewable fuel accomplishments in the 2005 Energy Policy Act.</u>

- Energy Policy Act of 2005: "Of the [Republican-passed] energy bill's \$14.5 billion price tag, renewable sources and conservation measures would receive some of the largest chunks of federal support. Wind, solar and other renewables would receive \$3.1 billion in support. Energy efficiency provisions for individuals and business tax credits draw \$1.3 billion." (Dallas Morning News, 7/30/05)
- Energy Policy Act of 2005: "Homeowners who install solar energy equipment, such as water heaters and even electric panels, can claim a 30 percent tax credit, with a limit of \$2,000 ... The largest credits will be for persons who purchase hybrid cars and trucks..." (Dayton Daily News, 7/30/05)

9. The Democrat no-energy energy plan will not help 'consumers and families.'

"The energy legislation is shaping up to be 'extremely modest,' says Tyson Slocum, director of Public Citizen's energy program." He said the Democrats' bill results in "little trickling down to consumers and families." (*Christian Science Monitor*, 6/25/07)

10. This Democrat plan represents another in a long line of broken promises.

Well over a year ago, Speaker Pelosi said "Democrats have a commonsense plan to help bring down skyrocketing gas prices," but the average price of regular unleaded is \$2.88, up 58 cents since Democrats took office. (Pelosi release, 4/24/06; AAA Daily Fuel Gauge Report, accessed 7/31/07)

TIME AND TIME AGAIN: Democrat Paybacks to Big Labor

<u>2006</u>

September 4:	With just two months until the election, Big Labor announces it will spend an unprecedented \$40 million to elect a Democrat Congress. AFL-CIO President John Sweeney says, "We will play the largest role we've ever played in electing the candidates we've endorsed in many of the pivotal, competitive races for the House and Senate." (<i>CNN</i> , 9/4/06)
November 8:	The day after the election, Big Labor gathers the press at their Washington headquarters to take a victory lap and claim that voters from union households accounted for more than 80 percent of the Democrats' total margin in congressional races.
	The SEIU/Teamsters-backed "Change to Win" coalition boasts: "We'll be keeping tabs on who's with us and who's against us." (<i>Business Week</i> , 11/10/06)
	AFL-CIO President John Sweeney: "It was money well spent The results were 'clearly a mandate for a union agenda." (Business Journal, 11/20/06)
December 12:	In a USA Today op-ed, AFL-CIO President John Sweeney announces that Big Labor will hold a hard line on free-trade agreements , saying that unless union demands are incorporated, the agreements will go nowhere. Bill Samuel, legislative director of AFL-CIO, told the White House Bulletin that " the administration's trade agenda is D.O.A. " under the new Congress.
<u>2007</u>	
January 9:	The very first bill of the new Congress, a bill related to 9/11 Commission recommendations, contains a provision allowing Transportation Security Administration airport security screeners to unionize. <u>This adds a dangerous layer of labor union negotiations that would hinder the government's ability to protect Americans.</u> All Democrats (231) vote YES. (Vote #15, 1/9/07)
	<i>The Washington Post</i> calls the move "a signal that the new Congress will be open to the arguments of organized labor on federal personnel issues." (<i>The Washington Post</i> , 1/9/07)
	According to <i>The Wall Street Journal</i> : "By TSA's estimate, union rules would also require pulling some 8% of the work force offline to meet new management demands. This would require either closing screening lanes or adding thousands of new screeners at more cost to taxpayers ." (Editorial, 3/6/07)
January 10:	The House passes a minimum wage increase of \$2.10 per hour – another Big Labor priority – disregarding any relief for small businesses burdened by paying the higher wage. All Democrats (233) vote YES. (Vote #18, 1/10/07)
January 25:	The Bureau of Labor Statistics reports that union membership dropped to 12 percent of U.S. workers in 2006 , "extending a steady decline from the 1950s when more than a third belonged to unions." Private sector membership now stands at a record low. (Associated Press, 1/25/07)
March 1:	Democrats ram through the House Big Labor's top legislative priority – <u>a proposal that</u> provides unions with a shortcut to organizing at the expense of employee rights. The so-

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called Employee Free Choice Act (HR 800) upends over 70 years of sound labor law by allowing union bosses to employ a shortcut to unionize that eliminates the traditional secret ballot election process. **Nearly all Democrats (228) vote YES.** (Vote #117, 3/1/07)

A same-day editorial from *The Wall Street Journal*: "Prior to last year's election, the AFL-CIO, AFSCME and their allies made it clear to Democrats that this vote would be the most important return they expected on their investment in a Nancy Pelosi Speakership. <u>This is payback day</u>."

The Washington Post's George Will writes, "Labor unions hope this ... will **compensate for their dwindling persuasiveness** as they try to persuade workers to join." (Op-Ed, 2/27/07)

March 9: Democrats insert into the Water Quality Financing Act of 2007 (HR 720) an unprecedented expansion of federal Davis-Bacon "prevailing wage" requirements. This Big Labor payback mandates construction wages, thereby increasing the cost of public works projects to taxpayers footing the bill. All Democrats (224) vote YES. (Vote #135, 3/9/07)

The Heritage Foundation says in a March 15 report that this Big Labor giveaway "would redistribute income from taxpayers to unionized construction workers, while making it more expensive for communities to build new water treatment plants."

- May 1: Democrats propose a non-binding resolution expressing support for **increased wages for child care workers**, income "commensurate with the importance of their job" and with "their training and experience," according to the bill text. The resolution is proposed in support of "**National Child Care Worthy Wage Day**," a program sponsored by the Center for the Child Care Workforce, a "project of the American Federation of Teachers," one of the country's largest labor unions. **All Democrats (223) vote YES.** (Vote #271, 5/1/07)
- May 6:The New York Times reports that big labor has been participating in daily conference calls with
Democrat leadership staff members in the House and the Senate on legislative priorities,
including efforts to change course in Iraq. Those calls are followed up by daily calls with
organizers across the country. Plans for rallies, talking points, and polls are discussed.
- May 10: Democrats manage to slip a Big Labor payback into the emergency troop funding bill by inserting a provision relaxing obligations for union pension plans – allowing unions to put in few contributions to their worker pension plans even if they are underfunded – while keeping stricter rules in place for plans sponsored by non-union employers. In addition, the bill increases cash refunds for union plans above what non-union employer plans receive. Nearly all Democrats (219) vote YES. (Vote #333, 5/10/07)
- July 17: Democrats pass under suspension a bill that, according to *CQ*, "would "provide basic collectivebargaining rights for firefighters, police officers and other state and local public safety officials. Included would be the rights to form and join a union and to bargain collectively over hours, wages and work conditions." Nearly all Democrats (216) vote YES. (Vote #633, 7/17/07)
- June 28: Big Labor gets a provision inserted into a bill reauthorizing the Federal Aviation Administration (FAA) that makes it easier for FedEx employees to unionize, a boon for the Teamsters. Another provision forces the Administration to go back to the negotiating table with air traffic controllers. (*CQ Today*, 6/28/07)
- July 17:As part of the Labor-HHS spending bill (H.R. 3043), Democrats hike the budget of every
Labor Department enforcement agency except that of the Office of Labor Management

BROKEN PROMISES & MISGUIDED PRIORITIES

Standards (OLMS), the only agency dedicated to union oversight. <u>Nearly all (221) Democrats</u> vote NO on a Republican amendment proposing to restore OLMS' budget to its current level. (Vote # 642, 7/17/07)

In an editorial, *The Wall Street Journal* says: "Democrats are *cutting* \$2 million from the current \$47.7 million budget for the Office of Labor Management Standards, or 18% below Mr. Bush's \$56 million request for 2008. This is the same office that, from 2001 to 2006, investigated more than 2,000 criminal cases that secured some 650 indictments of union officials who had engaged in everything from embezzlement to extortionate picketing." (Editorial, 7/20/07)

- July 24: The Hill does a front page story, "Big Labor flexes its muscle in Congress:" "So far, all indications show Democrats in Congress have been happy to oblige one of their most loyal constituencies. Legislation backed by labor that was left on the shelves when the House was under Republican rule has been dusted off by Democrats and moved to the floor. ...By contrast, free-trade agreements opposed by labor and negotiated by the Bush administration have been delayed, some apparently until after the 2008 election."
- July 25: At a rally of groups supporting the Democrats' plans to expand SCHIP into a permanent, openended entitlement, SEIU president Andy Stern says, "I think all of us agree that SCHIP is an important step along the way." SEIU announces it will fund an ad campaign in support of the Democrats' SCHIP entitlement plan. (*CongressDaily PM*, 7/25/07)
- July 26: The farm bill (H.R. 2419) reaches the House floor with a provision extending Davis-Bacon requirements to workers building ethanol plants. Nearly all Democrats (212) vote YES on the farm bill. (Vote #756, 7/27/07)

The Heritage Foundation issues a report on the Davis-Bacon provision: "Labor unions favor Davis-Bacon mandates because they block price competition from nonunion competitors, but the higher wages bring no public benefits and actually harm taxpayers by increasing the costs of covered projects. In this case, **Davis-Bacon wages would raise the cost of producing ethanol, in turn raising the price of ethanol-blended gasoline.**"

The Wall Street Journal: "The bill has earned unlikely support from the labor union lobby. Hmmm. Could this be at all related to a new and unprecedented Davis-Bacon requirement for ethanol construction? … **In many rural areas with little or no union activity, this artificially high labor cost could even make the prospect of building an ethanol plant a net loss.** Because ethanol production would be significantly more expensive … ordinary Americans would foot the bill for this union handout in the form of higher prices at the gas pump." (Editorial, 7/31/07)

APPENDIX

APPENDIX

Building on a Strong Record of Commitment to our Nation's Veterans

(Courtesy of the Republican Veterans Affairs Committee)

Major GOP Accomplishments for Veterans in the 110th Congress

Wounded Warrior Assistance Act of 2007 passes House on March 28, 2007. Includes an amendment crafted by Ranking Member Steve Buyer, and introduced by HASC Ranking Member Duncan Hunter, which would provide for the **seamless transition of servicemembers between the Department of Defense healthcare system and the Department of Veterans Affairs healthcare and benefits system.**

The Veterans spending bill includes the largest increase in funding in the 77-year history of the Veterans

<u>Affairs Department</u>. The bill provides more than \$37 billion for veterans programs, a \$4.4 billion increase over last year.

- ▶ \$600 million for Post-Traumatic Stress Disorder care, traumatic brain injury research and care;
- ▶ \$4.1 billion to improve VA facilities, hospitals and clinics;
- ▶ \$2.9 billion for mental health care and substance abuse treatment for veterans;
- ▶ \$480 million for prosthetic research to help wounded veterans retain a positive quality of life.

Additional Accomplishments for Veterans:

- H.R. 67, the Veterans Outreach Improvement Act of 2007, as amended, would improve VA outreach by making grants to state veterans' agencies to conduct outreach and assistance in the development and submittal of benefit claims. The bill authorizes the appropriation of \$25 million for this year and the next two. (Passed the House on May 23, 2007.)
- H.R. 612, as amended, would extend from two years to five years the period of eligibility for veterans returning from combat to receive VA health care for conditions that might be related to that service, despite the absence of proof of service connection. A proposal by Ranking Member Buyer that authorized an additional three years of free VA care to veterans who had previously used up their two years of care was incorporated into the bill. (Passed the House on May 23, 2007.)
- H.R. 2199, as amended, would require VA to screen veterans for traumatic brain injury. It would also require VA to establish a comprehensive program for long-term care of post-acute traumatic brain injury rehabilitation at 4 geographically dispersed polytrauma network sites. (Passed the House on May 23, 2007.)
- H.R. 327, the Joshua Omvig Veterans Suicide Prevention Act. Would direct the Department of Veterans Affairs (VA) to develop and implement a comprehensive program to reduce the incidence of suicide among veterans. (Passed the House on March 21, 2007.)
- H.R. 1284, Veterans' Compensation Cost-of-Living Adjustment (COLA) Act of 2007. Would increase the amount paid to veterans for disability compensation and to their survivors for dependency and indemnity compensation by COLA payable to Social Security recipients. The increase would take effect on December 1, 2007. (Passed the House on March 21, 2007.)

'THE CALM BEFORE THE STORM:' The Coming Entitlement Crisis

The unsustainable growth of federal entitlements represents the most pressing fiscal challenge of the 21st <u>century</u>. Keeping the promises America has made to its citizens will become increasingly costly in the years to come. Already, entitlements exceed half of all government spending and are growing at more than double the inflation rate.

- On Jan. 1, 2008, the first of 77 million baby boomers will reach the early retirement age, at which point they will become eligible for Social Security. Three years later, that first baby boomer will become eligible for Medicare.
- Federal Reserve Board Chairman Ben Bernanke: "We are experiencing what seems likely to be the calm before the storm. In particular, spending on entitlement programs will begin to climb quickly during the next decade. ... Dealing with the resulting fiscal strains will pose difficult choices for the Congress, the Administration, and the American people. However, if early and meaningful action is not taken, the U.S. economy could be seriously weakened, with future generations bearing much of the cost." (Testimony to Senate Budget Committee, 1/18/07)

<u>This crisis cannot be averted without meaningful transformation of these programs – choices will have to be</u> <u>made and vigilance will be required.</u> If runaway entitlement spending goes unaddressed in the short-term, future Presidents and Congresses will be faced with unimaginable choices.

- Newsweek's Robert Samuelson: "The 2030 projections are daunting. To keep federal spending stable as a share of the economy would mean <u>eliminating all defense spending and most other domestic programs</u> (for research, homeland security, the environment, etc.). To balance the budget with existing programs at their present economic shares would require, depending on assumptions, <u>tax increases of 30 percent to 50 percent</u>—or budget deficits could quadruple. A final possibility: <u>cut retirement benefits by increasing eligibility ages, being less generous to wealthier retirees or trimming all payments</u>." (Newsweek, 8/6/07 issue)
- Senate Budget Committee Chairman Kent Conrad (D-ND): "They know in large measure here, Republicans and Democrats, that we are on a course that doesn't add up.... [I]t's always easier to defer, to kick the can down the road to avoid making choices. You know, you get in trouble in politics when you make choices." (CBS' 60 Minutes, 3/3/07)
- According to U.S. Comptroller General David Walker, this is not a problem we can grow our way out of: "Estimated growth in the major entitlement programs results in an unsustainable fiscal future regardless of whether one assumes future revenue will be somewhat above historical levels as a share of the economy..." (Testimony to Senate Budget Committee, 1/11/07)

In their annual report, Medicare and Social Security's trustees issued new warnings as to the unaffordability of these programs. Here are some of their key findings:

- > The combined cost of Social Security and Medicare is projected to double in roughly three decades.
- Over the next decade, Medicare and Medicaid costs will surge by nearly 8 percent per year, and Social Security costs by 6 percent annually.
- Medicare is already drawing 12.3 percent of federal income tax revenue to support its spending, and this percentage will double in the next 15 years, and triple in the next 25 years.
- Social Security payments will outpace Social Security income starting in 2017. At that point, Social Security will have to begin drawing from general revenue funds to finance benefits that can't be fulfilled through payroll taxes. The Social Security trust fund will be exhausted altogether in 2041.

The Wrong Choice for America:

Democrats' Massive Tax Increases and Medicare Cuts

(Courtesy of Committee on Ways And Means Republicans)

Medicare Advantage Highlights

The Medicare Advantage (MA) program is a critical source of comprehensive medical coverage for **over eight million people** – roughly 20 percent of all Medicare beneficiaries. The program provides comprehensive coverage with additional choices seniors appreciate. According to a bipartisan poll earlier this year, 90 percent of MA enrollees are satisfied with their Medicare plans. Another survey, this one of doctors, found that 75 percent believed cutting Medicare Advantage would have a negative effect on seniors enrolled in the program.

A <u>study</u> by an independent researcher, and former Clinton Administration official estimates that Democrats' Medicare cuts would result in nearly 3.2 million seniors losing their Medicare Advantage coverage, and MA enrollment becoming zero percent in 22 states.

Choices:

All Medicare beneficiaries may now choose a Medicare Advantage plan. The number of beneficiaries choosing to enroll in these options has increased by almost 54 percent since 2004.

	ENROLLEES	MA PLANS/COUNTY	% OF BENEFICIARIES WITH ACCESS TO AN MA PLAN
2004	5.4 million	1.3	77
2007	8.3 million ¹	19.7	100

¹As of January 2007. Includes enrollees in MA coordinated care and private fee-for-service and other private plans such as Cost plans.

Medicare Advantage benefits disproportionately low-income, minority and rural beneficiaries:

- Of those who are Medicare-eligible, 40 percent of African-Americans and 53 percent of Hispanics choose to enroll in Medicare Advantage plans.
- The MA program is the most popular form of supplemental coverage for beneficiaries with incomes between \$10,000 and \$20,000.
- Nearly half of all Medicare Advantage enrollees and 64 percent of minority enrollees had incomes less than \$20,000.
- With the changes in the Medicare Modernization Act, rural beneficiaries for the first time have access to Medicare health plans that help to coordinate their care.

Savings:

Medicare Advantage's emphasis on competition is creating significant value for beneficiaries and taxpayers.

- According to CMS, in 2007 Medicare Advantage plans provided beneficiaries with an average \$86 per month in savings compared to what they would pay in the Medicare fee-for-service program.
- Last year, beneficiaries enrolled in Medicare Advantage plans saved approximately \$6.8 billion as a result of the plans covering additional Medicare costs.
- Last year, Medicare Advantage plans also returned \$26 per beneficiary per month or approximately \$2 billion annually - to the U.S. Treasury as a result of the new MA bidding system in which MA plans that bid below benchmark rates return savings to the government.

Better Benefit:

Medicare Advantage plans provide enrollees with access to better benefits than fee-for-service Medicare.

- Today, almost 99 percent of all beneficiaries have access to a Medicare Advantage plan that caps out-of-pocket costs, a benefit not offered in the fee-for-service Medicare program.
- Close to 99 percent of beneficiaries have access to a Medicare Advantage option which provides additional coverage in the prescription drug benefit gap.

Better Care:

By placing a strong emphasis on preventative care, **Medicare Advantage plans offer a better approach to health care than the fee-for-service program.** As a result, research studies consistently show that MA plans provide better care.

While Medicare Advantage plans are required to cover all the basic services provided under the traditional programs as well as all medically necessary services, they also offer additional benefits that may otherwise be too costly for beneficiaries if it weren't for their Medicare Advantage plan.

Additional benefits provided include:

- Vision benefits;
- Hearing benefits;
- Dental benefits;
- Fitness benefits;
- Mental health and brain acuity benefits; and
- > Alternative health benefits such as chiropractic services.

In 2006, many low-cost plans offered these "extra-benefits" and enrollment in plans with vision, hearing, and alternative benefits was very high.

^{**}For the most up-to-date and comprehensive information throughout this debate, please visit: http://republicans.waysandmeans.house.gov/Issues/wrong_choice.aspx **

COALITION FOR THE FREEDOM OF AMERICAN INVESTORS AND RETIREES

(Courtesy of Chief Deputy Whip Eric Cantor, founder of the Coalition for the Freedom of American Investors and Retirees)

Carried Interest Taxation (Levin - Rangel Bill – H.R. 2840)

- The Levin-Rangel bill will hurt investors and retirees across America by raising taxes on investment partnerships. Not only do millions of pensioners and investors depend on these partnerships for their retirement security, these entities are an important source of capital for lowincome housing, senior housing, energy exploration and medical innovation, as well as the turnaround of many struggling companies.
- The bill raises taxes on carried interest used by investment partnerships. An example of how carried interest works: a mom and pop real estate business has an idea, but limited funds to invest. They, acting as the general partner, obtain funding from a limited partner(s) with enough money to fund the idea. Because the idea investor contributes knowledge, expertise, and sweat, he or she is given a share of the ownership in the investment. That share is called carried interest and is considered by current law to be a capital gain.
- This investment structure is also currently used by private equity and venture capital. Fund managers like the mom-and-pop who have the idea but not the funds, obtain funding from limited partners to realize their investment ideas. Like mom and pop, the fund managers are given a share of the ownership in their investment idea.
- One of the largest sources of capital for these investment funds are large pension funds such as those in California, Washington State, Virginia, and many others. Strong returns from these investments have enabled states and municipalities to avoid budget cuts and tax increases that would have otherwise been necessary to fund pension shortfalls.
- The fundamental issue here is whether Congress wants to change the incentive for the creation of capital formation and long-term investment. The current taxation of carried interests encourages the pooling of capital, ideas and skills in a manner that promotes entrepreneurship and risk-taking.
- This is the first step to eliminating the favored treatment of capital gains. Recent press reports have indicated the desire of some Members of Congress who want to eliminate the distinction between capital gains and ordinary income. This will have a negative impact on the long-term formation of capital in America and negatively impact our global competitiveness.



Don't punish entrepreneurs

Tax hike for partnerships would hurt job growth, pension funds.

By Rep. Eric Cantor July 23, 2007

What do California teachers and the 80,000 workers at DaimlerChrysler have in common? If you guessed that they have all recently benefited from the efforts of investment partnerships, you'd be right. If you guessed that they are all under attack by tax-and-spend politicians, you'd also be right.

Last month, several members of Congress set their sights on American entrepreneurship and retirement savings. The Levin-Rangel bill would effectively raise taxes on investment partnerships by 133%, with serious consequences for job creation and economic growth. Private equity partnerships have become an important source of capital for low-income housing, energy exploration and medical innovation, not to mention the turnaround of struggling companies. These groups invest expertise and sweat-equity to reinvigorate troubled companies and build new ones. Private equity alone created about 600,000 jobs from 2000 to 2003.

Some argue that this bill only targets the super rich; this is far from the truth. It would harm millions of ordinary blue-jeans-wearing Americans whose pensions and jobs increasingly rely on returns from these investment partnerships. Washington state's employee pension fund has earned \$9.71 billion, or approximately \$26,000 per worker, over its 25 years investing in partnerships. Raising taxes on partnerships is a clear attack on the pensions of every teacher, firefighter, police officer and civil servant whose pension is tied to these funds.

Every day in America, businesses begin with ordinary people with an idea. That idea, when combined with investors, hard work and expertise, results in successful businesses and more jobs. The Levin-Rangel plan would raise taxes on the people who put in the hard work and sweat-equity to build the business. It would slow the growth of mom-and-pop businesses, real estate partnerships and start-up ventures, to name a few.

Levin-Rangel attacks the most innovative and energetic part of our economy. In an increasingly challenging global community, America must stay competitive. Congress must not tax success and destroy job creation, which is why I am opposed to the Levin-Rangel proposal.

Rep. Eric Cantor, R-Va., is the chief deputy minority whip.

TALKING POINTS: The Minimum Wage Increase

OUR PRINCIPLE: While Democrats rammed through the House a federally mandated minimum wage hike that will affect relatively few Americans, Republicans insisted on and secured nearly \$5 billion in meaningful tax relief for small business owners. Republicans believe government should help both the workers who make the, minimum wage and the entrepreneurs who pay it.

The recent federally mandated minimum wage increase will affect relatively few Americans.

- The minimum wage rose 70 cents to \$5.85 per hour on Tuesday, July 24. The minimum wage is set to go up each of the next two years as well, reaching \$7.25 per hour in July 2009.
- Workers in 29 states and the District of Columbia will still be guaranteed a higher minimum wage despite the recent increase. More than 206 million people live in these states.
- Sen. Hillary Clinton (D-NY): "I agree by the time we got it raised after 10 years, it was already out of date." (CNN/YouTube Presidential Debate, 7/23/07)
- Bradley Schiller, professor of economics at American University: "It turns out that the U.S. Labor Department found only 479,000 workers earning \$5.15 an hour in 2005. <u>Those minimum wage workers</u> represented only 0.35% of the 140 million-worker labor force. And that was two years ago. Today the labor force is larger and the number of minimum wage workers smaller." (*Wall Street Journal*, 7/11/07)

Republicans secured nearly \$5 billion in meaningful tax relief for small business owners. Small businesses provide most of the new jobs for our vibrant economy and as such, they deserve every protection from the burden of an increase in the federally mandated minimum wage.

- Republican victory: "To help make the minimum wage provision palatable for Republicans, Democrats added \$4.84 billion in tax relief for small businesses to help them hire new workers and offset any cost associated with an increase in the minimum wage." (Associated Press, 7/23/07)
- Chief among the small business tax relief measures found in the Small Business And Work Opportunity Tax Act of 2007 is an extension of the Work Opportunity Tax Credit (WOTC), which is provided to businesses that hire certain disadvantaged workers. The bill extends the program, which was set to expire at the end of this year, through mid-2011 and expands its reach to workers in rural areas.
- The new law also allows small businesses more generous deductions for certain expenses by extending through 2010 expensing limits for small businesses while increasing the amount of money that can be expensed and expanding the number of companies that are eligible.
- In addition, a qualified joint venture between a husband and wife may now be taxed as a sole proprietorship. Typically, joint ventures are taxed as partnerships. Electing to treat the joint venture as a sole proprietorship ensures that both spouses receive credit for paying FICA taxes.

TALKING POINTS: 9/11 Commission Conference Report

OUR PRINCIPLE: Republicans will never hesitate to do what is necessary to ensure the security of the American people, especially when it is put at risk by political concerns.

In response to the Sept. 11 terrorist attacks, the Republican Congress passed groundbreaking legislation to protect Americans and acted on 39 of the 9/11 Commission's 41 recommendations.

- Among the watershed security reforms passed by the Republican Congress: The USA Patriot Act, the Homeland Security Act of 2002, the REAL ID Act, the SAFE Port Act, as well as legislation establishing the the office of the Director of National Intelligence. Much of this legislation passed over the strong objection of House Democrats.
- Democrats broke their promise to act on all of the 9/11 Commission's recommendations. Instead, the majority agreed with House Republicans, who chose not to implement two of the Commission's recommendations one of which requires the CIA to transfer responsibility for paramilitary operations to the Department of Defense, while the other calls for declassification of the intelligence community's budget. In the 1990s, after the Cold War ended, even President Clinton opposed declassifying our nation's intelligence budget.

Republicans greatly improved this legislation with a provision granting civil immunity to ordinary Americans who report suspicious activity. In the face of strong Republican objections, led by Homeland Security Ranking Member Peter King, and a vast public outcry, Democrats relented and allowed into the final version of this legislation lawsuit protections for Americans who report suspicious activity.

- The issue arose after a number of "John Doe" defendants were sued for reporting the suspicious behavior of fellow passengers on a U.S. Airways flight last November. The passengers, a group of Muslim Imams, were removed from the flight.
- These common sense protections had the overwhelming bipartisan support of the House of Representatives. On March 27 of this year, in a 304-122 vote, the House approved a Republican amendment to protect citizens from liability for reporting suspicious activity. Republicans unanimously voted for the amendment, with 199 "yes" votes. 105 Democrats voted "yes," with 122 Democrats voting "no." (Vote #200, 3/27/07)
- Center For Security Policy President Frank Gaffney: "Thanks to courageous, principled and tenacious efforts by key legislators like Rep. King ... the American people are going to be free to do their part ... serving as indispensable eyes and ears for those trying to protect us against terrorism..." (Release, 7/25/07)

Republicans won the removal of a Big Labor payback that would have hindered the government's ability to protect travelers and respond to national security threats. Though completely unrelated to the recommendations of the 9/11 Commission, a provision granting collective bargaining rights to the Transportation Security Administration's (TSA) 56,000 baggage screeners was initially part of this bill. Republicans had this provision stripped because it would allow Big Labor's agenda and union contract negotiating to pull security personnel off the job, undermining our homeland security.

The Wall Street Journal: "By TSA's estimate, union rules would also require pulling some 8% of the work force offline to meet new management demands. This would require either closing screening lanes or adding thousands of new screeners at more cost to taxpayers." (Editorial, 3/6/07)

VOTE JUSTIFICATION: HR 2419 – Farm Bill Extension Act of 2007

The omnibus farm bill is traditionally reauthorized every 5 years and contains a wide range of programs including price supports for agricultural commodities, and federal subsidies for: farmers' income, farm credit, agricultural conservation, research, rural development, and foreign food aid, among others.

The Congressional Budget Office reports that the bill would bring total spending for the USDA programs in the bill to \$614 billion over the next ten years and the bill would increase direct spending by \$17.5 billion over 10 years.

Democrats sprung **a last minute tax increase** on the Congress to finance \$4 billion in additional farm bill spending by raising taxes on U.S. companies owned by foreign corporations – companies that invest in our economy and create American jobs.

America's tax and trade policy should spur the growth of American jobs and encourage foreign companies to create jobs here, but the Democrat plan provides more disincentive to stay away or move off-shore, jeopardizing 5.1 million American jobs. If Democrats wanted to add \$4 billion to one area of the farm bill, they could have paid for it by exacting spending discipline in other areas.

Organization of International Investment: "The [Democrat] legislation aimed solely at U.S. subsidiaries of companies based abroad represents a tax increase of \$7.5 billion on companies who are insourcing jobs to the United States ... U.S. subsidiaries of foreign companies provide 5.1 million jobs, supporting an annual payroll of \$324.5 billion." (Release, 7/25/07)

	AYES	<u>NOES</u>	PRES	NV
DEMOCRATIC	212	14		4
REPUBLICAN	19	177		6
INDEPENDENT				
TOTALS	231	191		10

Agriculture Ranking Member Bob Goodlatte: "We worked in a bipartisan fashion throughout this process and **had the opportunity to take a bipartisan product from the committee to the floor. But our work has been undermined by the addition of tax increases without consultation, review or due process** to cover the extra costs of the bill. Despite repeated assurances that the \$4 billion in offsets would not come from tax increases, here we are looking at tax increases as a funding mechanism of choice employed by the Democratic leadership." (Floor Statement, 7/26/07)

Ways and Means Ranking Member Jim McCrery: "This proposal will raise taxes on many businesses operating in the United States. **It will hurt our competitiveness and our standing in the world by carelessly violating a host of treaties.**" (Release, 7/25/07)

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AUGUST						
SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
American Artist Appreciation Month Immunization Awareness Month	Water Quality Month Spinal Muscular Atrophy Awareness Month		~	 1776: The Declaration of Independence is signed. 1861: Congress imposed the first federal income tax 		4
ABC News hosts a Republican presidential forum in Des Moines, IA	6 Voting Rights Act	7 Space Shuttle Endeavour scheduled to launch	0	6	10 Smithsonian Institute founded	11 Presidential Straw Poll - Ames, IA
International Youth Day	13	14 Security Act is passed GOP Conf. Call - 2:00PM EST	15 www.lictory over Japan	16	2	18 1920: 19 th Amendment Ratified - giving women the vote
	20 FEC Monthly Report Due	21 1959: Hawaii becomes 50 th state	22	23	24 Indiana Republicans host GOP presidential hopefuls at Midwest Republican Leadership Conference in Indianapolis (through the 26 th)	25
1920: 19 th Amendment adopted into the U.S. Constitution	27	28 Luther King speaks to March on Washington GOP Conf. Call - 2:00PM EST	29 Katrina slams into Gulf Coast	1983: First African American in space: Guion S. Bluford		

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2	SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
							Texas Republican Party holds its 2008 straw poll in Forth Worth
7	1789: Congress founds U.S. Treasury	3 Labor Day 1777: The Stars and Stripes first flown in battle	 Return From August District Work Period - Votes at 6:30 PM 	5 1774: The first Continental Congress organized in Philadelphia	6 1901: President McKintey is shot in Buffalo, NY	N	B Literacy Day
6	National Grandparent's Day	10	11 Patriot Day (Anniversary of 9/11/01)	12 Rosh Hashanah Begins at Sunset	13 Ramadan Begins	14 Rosh Hashanah Ends at Sunset	15 National Hispanic Heritage Month Begins
16	Hurricane Katrina National Day of Prayer and Remembrance	17 1787: U.S. Constitution was completed and signed in Philadelphia following the Convention Convention	18 <i>Washington laid</i> <i>the cornerstone at</i> <i>the groundbreaking</i> <i>ceremony for the</i> <i>U.S. Capitol</i>	5	20 FEC Monthly Report Due	21	22 Yom Kippur 1961: President Kennedy signs Peace Corps legislation
23	Autumn Begins	24	25 passes Congress	26	21	28	29 VFW Day Gold Star Mother's Day

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