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NATIONAL PRESS CLUB NEWSMAKER LUNCHEON WITH REPRESENTATIVE DAVID OBEY
(D-WI)

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MR. ZREMSKI: Good afternoon, and welcome to the National Press
Club. My name is Jerry Zremski, and I'm the Washington bureau chief
for the Buffalo News and president of the National Press Club. I'd
like to welcome our club members and their guests who are with us here
today, as well as the audience that's watching us on C-SPAN.

We're looking forward to today's speech, and afterwards, I will
ask as many questions as time permits. Please hold your applause
during the speech so that we have as much time for questions as
possible. For our broadcast audience, I'd like to explain that if you
hear applause during the speech, it may be from the guests and members
of the general public who attend our luncheons and not necessarily
from the working press

I'd now like to introduce our head table guests and ask them to
stand briefly when their names are called.

From your right, Jonathan Nicholson of BNA; Josh Rogan of
Congressional Quarterly; Amanda Carpenter of Townhall; Brian Falter of
Bloomberg News; Jack Torry of the Columbus Dispatch; skipping over the
podium, Katherine M. Skiba of the Milwaukee Journal-Sentinel and the
former chair of the speakers committee here at the National Press
Club; speaking over our speaker for one moment, Jonathan Allen of
Congressional Quarterly and the NPC member who organized today's
event; Naftali Bendavid of the Chicago Tribune; Mike Saroyan (sp) of
The Hill; Jean Chemnick of Platts Inside Energy; and Shira Toeplitz of
Roll Call. (Applause.)

Today's luncheon speaker was elected to the House of
Representatives from Wisconsin in 1969, before several of his current

colleagues were even born. Back then, the nation was gripped by an increasingly unpopular war, and a Republican president insisted on vetoing Democratic-written domestic spending bills, saying they cost too much.

Nearly 40 years later, David Obey must be feeling déjà vu all over again. But this time, rather than watching it all from the back bench, Congressman Obey is in the thick of things as chairman of the House Appropriations Committee. Not only has that panel taken the lead in pressuring the president on funding for the Iraq war, but it is also writing the spending bills that President Bush has labeled as "veto bait."

This is Obey's second stint as chairman. He first led the panel in 1994, just before Republicans took control of the House. The basic task of passing annual spending bills has become much more difficult since then. That was the last year that each of the annual appropriations was sent to the president and signed into law before the end of September.

This year, more than a month into the new fiscal year, Congress has yet to send President Bush a single regular spending bill. After years of explosive federal government growth under President Bush, Republicans say they want to return to fiscal discipline. That has set the president and the Congress on a collision course over a \$23 billion gap in his prescription for spending and theirs.

Now, that sounds like a lot of money even by Washington standards, but it amounts to less than one-tenth of 1 percent of the annual budget. And Democrats say that critical domestic priorities have been shortchanged in recent years by President Bush's signature tax cuts and defense spending.

Democrats are expecting to send the first appropriations bills to the president this week in a package that contains funding for labor, health, education, military construction and veterans' programs. And the president vows to reject those bills, largely because of the overall price tag.

Congressman David Obey, who just finished his memoir, "Raising Hell for Justice," is here to talk about Congress's impending spending battle with the president.

Chairman Obey, welcome to the National Press Club. (Applause.)

REP. OBEY: Well, thank you, and good afternoon.

If this cold of mine will allow me, I'd like to talk to you today about the coming manufactured controversy over appropriation bills that will afflict this town over the coming weeks. In doing so, I hope that those of you who are concerned about the level of civility in this town will take some comfort in the knowledge that we have not yet descended to the level of invective sometimes found in British politics; for example, if you take the comment of John Prescott, the deputy to Tony Blair sometime back, who described the Conservative Party as "the most desperate, despicable, seedy, grubby, hopeless, lying, hideously incompetent bunch of third-rate double-dealing disasters this great nation has ever seen." (Laughter.)

I don't think we've quite reached that level. But we are facing an unpleasant and, in my view, unnecessary period of contrived posturing that will unfortunately further discredit government and frustrate the American people, not to mention the White House and

members of Congress.

The president's threat to veto any appropriation bill that departs from his budget is just the latest manifestation of the Bush-Rove strategy to govern this nation by dividing rather than uniting. It's a far cry from the leadership style of another Republican president, Gerald Ford, who once said, "Compromise is the oil that makes government go."

This fight is being described as a confrontation between the president and the Congress, but it's much more than that. It's also a struggle between the president and the American people.

Last November the American people sent two messages to Washington. First, they wanted a change of policy in Iraq, and secondly, they wanted a new set of priorities here at home. What they are getting instead is a president who is determined to stiff the American people. The president is not just telling Congress that he doesn't care what they think. He's telling the American people, "I don't care what message you thought you sent to the last election. I'm the great decider, and we're going to do things my way."

Well, that's not the way that things are supposed to work in a democracy. The great decider is supposed to be the American people. That's what elections are for, and that's when the public servants get their marching orders from the American people. But President Bush has decided it's still going to be his way or the highway. It's clear that regardless of what the American people want, he feels he can govern as a minority government so long as he's supported by one-third of the American people and one-third plus one of the Congress.

The president's speech to the country after General Petraeus's report made that quite clear. His speech was a case study in public deception. His speech was intended to leave the impression that the president was beginning a long drawdown of American forces in Iraq, but instead it was really intended to mask the fact that he intends to have as many troops in Iraq six months from now as he had six months ago.

He could have used the Baker-Hamilton report as an opportunity to modify his approach and unite the country in a new direction, but instead he chose to intensify and deepen our involvement in Iraq. Now he's asked for another \$200 billion in new spending for that misguided enterprise. And rather than paying for the effort, he's sending the bill to our grandkids. His newest request raises the cost to date to over \$600 billion, and the long-term cost to well over \$1 trillion, adding a new mountain of debt to the nation's balance sheets.

He's asking military families to sacrifice again and again and again, but the only thing he's asking from the rest of society is that we go shopping. At the same time, he's pouring mountains of cash into the Iraqi civil war at the same time he's pouring \$60 billion in tax cuts into the pockets of people who make more than a million bucks a year. He is refusing to make the investments at home that will make this a stronger and better society with a greater capacity to pay off those long-term debts.

The American people know that that's the wrong economic choice and the wrong moral choice. They understand that if we're to have -- if we're to strengthen the economy enough to pay off those huge bills, we have to invest in kids, in workers and in national infrastructure.

It's clear that after the president has followed a course of

greater fiscal irresponsibility than any president in history, borrowing huge amounts of money for tax cuts and war in Iraq, he is now desperately trying to shore up his remaining strength on the far political right by engaging in an unnecessary diversion of a fight over this year's appropriation bills.

So let's take a look at those bills. Before we appropriated a single dollar this year, I asked each subcommittee chairman to take a look at the president's budget through long-term glasses. I asked them to think about what this country would be like in five or 10 years. How much is our population expected to grow? How many more students will there be in elementary and secondary education and in college? How is the world job market expected to change? How many more cars are there going to be on the road? What do we have to do in order to stay on top of technological change? What will our energy needs be? And what kind of investments do we need to make in order to prepare ourselves for the kind of country we want America to be rather than the kind of country we want to try to avoid?

I asked them to look at the federal budget deficit and to also examine other deficits faced by American families in this society -- opportunity deficits, education deficits, health care deficits, energy needs deficits, and, if it isn't too idealistic, fairness deficits.

It's no accident that the title of my new book is Raising Hell for Justice. As the son of a Wisconsin -- or, as a son of Wisconsin and as a descendent of Bob La Follette, I spend my entire public life fighting for the same economic values that were pursued by early 20th century reformers such as George Norris, Bob La Follette, Teddy Roosevelt, and Woodrow Wilson.

They are all today regarded as secular reformers, but they were really part of a movement rooted in the Jewish prophetic tradition and the Christian social gospel. They were rooted in the belief, as Bill Moyers has said, that politics must be more than transactional, that it must try to even the starting gate so that people who are equal in humanity but not in resources have a reasonable opportunity to pursue a full and decent life.

With that in mind, let's take a look at the context in which this appropriations fight is taking place. That context shows that the bottom 40 percent of this society is being squeezed out of a decent share of American prosperity. In 1928, the average income for the top 100th of 1 percent was 890 times the average income for the bottom 90 percent. By 1980, that multiple had dropped to 175. Today it's back up to 880. In 1975, the top 1 percent had 9 percent of the nation's income; today it has 22 percent.

Do you understand what that means? Example: Between 1980 and '89 alone, the Reagan years, the transference of wealth up the income scale was so large that the richest 500,000 families doubled their income from 2-1/2 (trillion dollars) to \$5 trillion. They could have paid off the entire national debt and still had 10 percent more in their pockets than they did in 1983.

From World War II to 1980, more than 70 percent of increased productivity in this economy would up in the pockets of workers, through higher wages. Since then, they receive less than 25 percent. Decades ago, an American president said the following: "In many countries of the free world, private enterprise is greatly different from what we know here. In some, a few are fabulously wealthy, contributing far less than they should in taxes and are indifferent to the plight of the great masses of people. A country in this situation

is fraught with continued instability." That wasn't a liberal Democrat talking; that was Dwight Eisenhower.

That's the context in which the White House is threatening to veto appropriation bills passed by the House. Today domestic

discretionary spending -- that means appropriations -- represents one-half of the percentage of GDP that it did in 1980, dropping from 5.6 (percent) to 2.9 percent, and the president's budget would take it down to 2.3 percent by the year 2012. That's the context in which this debate is occurring. And it's in that context that we passed our appropriation bills, all with bipartisan support, that would increase the president's recommendations for domestic appropriations by less than 2 percent.

Now, he particularly objects to the \$10 billion we have added to education, health, and worker training. Well, much of that difference simply restores what he tried to cut in the first place. If we complied with his budget, what would the impact be? He wants us to cut vocational education by 50 percent; he wants us to eliminate all student aid but work-study and Pell grants. In all of my years in Congress, I've never had anybody come up to me and say, "Obey, why don't you guys get your act together and cut cancer research?" And yet that's what's happened over the last two years. The president and the Congress have cut 1,100 grants from the National Institutes of Health.

He wants us to cut law enforcement grants by a third, education for handicapped kids by 300 million bucks, mental health services by 160 million bucks, physician training at children's hospitals by 63 percent, rural health programs by 54 percent, clean water revolving fund by 37 percent, disabled housing assistance by 47 percent, low-income heating assistance, a program that I started about 1,000 years ago with Ed Muskie and Sil Conte, he wants to cut that program by 18 percent.

He ordered his secretary of Veterans Affairs to send us a letter indicating they did not need the \$4 billion we've added to veterans' health care. He says we can't afford the \$16 billion that we've tried to add back for domestic appropriations, and the \$4 billion we seek to add for veterans' health care. But he insists that we continue to provide almost \$60 billion in tax cuts to people with incomes of over a million bucks, and he's insisting that we provide almost \$200 billion for the war in Iraq.

All we're doing, on a bipartisan basis, is asking that we devote to crucial domestic priorities enough money to equal what the president would have us spend in Iraq in six weeks. It is simply not credible for the president to ask us to spend 10 times as much again this year for the never-ending war in Iraq and then, with a straight face, objecting to our efforts to invest one-tenth that amount in key education, health, science, law enforcement, energy research and medical research, on the grounds of fiscal rectitude.

Last year, the Republican Congress failed to pass even a budget resolution, and they failed to pass even a single domestic appropriation bill. That required us, when we took over this year, to spend the first six weeks finishing that work. We then completed

action on the budget resolution in both houses, which restored pay-as-you-go rules, and we produced appropriations that held spending to the amounts provided in that budget resolution.

Those bills cut over 300 programs, totaling over \$6 billion. The record shows those are bipartisan bills. If they had not been -- or, if it had not been for the pressure from the White House, I believe those bills would have passed with at least 80 percent support. In spite of that pressure, we got 53 Republican votes for the Labor Health Education bill. We averaged 65 votes for all of the other appropriation bills. That's exactly two-thirds of the House membership, on average. If there hadn't been pressure from the White House, I have no questions that all of our bills would have passed by a four-to-one margin.

Those rank-and-file Republicans who did vote with us did so even as the most conservative and obstructive portions of their party were trying to delay our ability to get our work done. I invite you to compare what those bills encountered from the minority with how we handled appropriations last year when we were in the minority. Last year, even though I opposed several appropriation bills produced by the then-Republican majority, I cooperated with that majority and helped them to finish action on every bill they brought before us, because I believe that the way politics is supposed to work is that we're supposed to first define our differences and then, like adults, find out ways to resolve them.

In contrast, this year we were treated to filibuster by amendment by the Republican minority. Last year, the Democratic minority offered a total of 57 amendments on which a vote was requested. This year, Republicans pushed 209 amendments to a vote, almost four times as many.

Total debate time consumed by consideration of those amendments was 68 percent longer than it was a year ago. Despite that foot-dragging, we were able to pass every single appropriation bill through the House before the August recess -- only the second time that that has been achieved in the Bush presidency. And despite the fact that under Senate rules we are required to have 60 percent, rather than 50 percent of that body to vote to end debate, despite the fact that the Senate minority party has forced that body to hold more than six times the normal number of cloture votes to proceed, when the seven bills that the Senate has considered were finally brought to a vote, they passed with more than 80 percent support.

Now, I have on more than one occasion asked the administration to sit down and begin negotiating reasonable compromises on these bills, but we received no positive response. The White House has declared that they will veto every appropriation bill that departs from the president's budget in any significant way, and the House Republican leadership has announced that they have enough votes to sustain every appropriations veto.

That leaves us with two choices. We can either sit by like potted plants and do nothing but meekly comply, or we can try to make it as difficult as possible for the president to be irresponsible and artificially confrontational. We've begun by combining the Labor, Health, Education, and Military Construction Appropriations bill. We'll vote on that bill in the House tomorrow.

We've tried to be as responsive as possible to the Republican minority in fashioning these bills.

We've cut \$1 billion from the House-passed Labor-H bill and we've included a number of provisions at the request of the Republican minority, even though some of those requests give majority party members heartburn. We've increased funding for veterans by \$3.7

billion above the president's request. When that bill was first reported, the president objected to those increased funds and called them, quote, "excessive." The White House then ordered the VA secretary to send us a letter urging us to pass the veterans budget without those added funds. The president then grudgingly indicated he would reluctantly accept those increases, but only if we cut other domestic investments by an identical amount. We declined to do that because the president has already insisted on 16 billion (dollars) in reductions in important domestic programs.

We have combined those two bills so that the public will have a better understanding of the programs the president is insisting we slash if we provide for that increase for veterans' health care. The White House and House Republican leadership are objecting to combining those bills. They want us to make it easy for the president to cherry-pick so that he could consider the bill without facing the consequences of that bill for other portions of the budget. They say our actions aren't precedent-setting -- nonsense.

During the 12 years the Republicans controlled the House, they sent 56 appropriation bills to the president as parts of consolidated bills. President Bush himself has approved 27 appropriation bills that were sent to him in combined fashion by Republican Congresses. The president had no objection when the bills came from a Republican Congress. I find it interesting that he now raises objections because we are doing what his party has done for so long.

With newly discovered concern, the House Republican leadership is also asserting that this approach will delay passage of the military construction bill. That claim is enough to give hypocrisy a bad name. Dare I point out that last year when they controlled the Congress, they neglected to send any military construction VA bill whatsoever to the president. They simply shut down the Congress and went home. In contrast to their neglect, we've added \$7 billion to veterans' health care above the president's request since we've taken control. The fact is, only once in the past five years when they controlled the House did our Republican friends pass a freestanding military construction bill. On three occasions, they tied the Military Construct and Veterans Bill to other bills and on one occasion they never managed to pass the bill at all, as I've indicated.

I find it particularly disingenuous for Mr. Nussle, the president's budget director, to complain about our management of appropriations and budget issues. Mr. Nussle was chairman of the House Budget Committee for six years. Congress failed to pass a budget resolution only four times since the budget act was passed in 1976. Three of those four times occurred during Mr. Nussle's six-year tenure as chairman of the committee. During his tenure, Congress passed three omnibus appropriations and one full-year continuing resolution. Instead of looking at the ribbon that we have on appropriations, it seems to me we ought to be focusing on the contents of the package. And without a doubt, the contents are much more consistent with public desires than is the president's budget.

Now I raise these points simply because the White House and House Republican leadership have attacked our stewardship of the public purse, and I want to set the record straight. But I really hope we can get beyond all of this. Several weeks ago in a conversation with Mr. Nussle, I told him that our -- that the kind of politics that I believe in was one in which we first define our differences and then resolve them. That's what adults ought to do.

I renew my call for the administration to sit down with us and

work out reasonable compromises. It is not reasonable for the president or the Republican leadership to insist that we must exactly comply with the president's budget level or he will veto our work product. It is not reasonable for the president to demand that we give him another \$200 billion for the quagmire of Iraq and then try to reclaim the mantle of fiscal responsibility by requiring shortsighted reductions in key domestic investments that will make our country stronger. It is not credible for the president to make a federal case out of our desire to provide \$20 billion for veterans' health care, cancer research, Pell Grants, energy research and law enforcement while he wants to spend 10 times that much in the Iraqi black hole. The country cannot afford to wait for a new president before reasonableness is restored to Washington. We need to start now.

Thank you very much. (Applause.)

MR. ZREMSKI: Thank you very much, Congressman. We have a lot of questions about the appropriations bills and other issues, starting with this.

If there are any compromises to be made on the appropriations package to avoid a veto, what are they likely to be? And if Bush does make good on his veto threats, how do you plan to proceed?

REP. OBEY: Well, all I can do is to report to you a conversation which I had with Mr. Nussle a couple of weeks ago.

After he was confirmed, I asked him to come on down to the Capitol. We went out on our balcony and had a drink and talked for a while. And I told him -- I said, "Look, even while the Senate is

proceeding, why don't we simply try to sit down and see if we can't begin to talk about how to narrow these differences or resolve some of them?" And he said, "Well, I'm new to the job, but," he said, "as I go around the White House, I don't find anybody in any quarters interested in any kind of a compromise at all." I said, "Well, I'm sorry to hear that, but I would hope that you would call me if and when that changes."

Then I said, "Look, if we can't agree to resolve our differences at this point, at least why don't we try to work out -- if the president feels he wants to veto some bills, why don't we at least try work out which bills he'd like to have sent to him first? Let's see if we can at least do that." No takers. So at this point, I can't negotiate with myself. (Scattered laughter.)

If you examine the Labor-H bill, you will see that I have gone to considerable extent to try to see to it that we respect the values and the programmatic desires of the Republican minority. We've added significant funding for vocational education at the request of the Republican minority. The level in the bill for special education for disadvantaged kids is there because Jim Walsh, my Republican ranking member, succeeded in the full Appropriations Committee in increasing that amount, even above the amount that I had suggested in the chairman's mark.

We have also included a number of other pieces of language in the bill and included additional funding for some family planning items that Democrats don't like and Republicans do. Example -- the issue of abstinence education, where despite considerable objection from my side of the aisle, I insisted that we keep the money in that the president had asked for because I didn't see any sense in simply slapping the president's priorities. And so I'm trying to send as

many signals as possible that we're ready to compromise any time the White House wants to sit down and do so. But I can't, as I say, compromise with myself, so I'm still hoping that we will get a phone call from the White House saying, "Let's talk."

MR. ZREMSKI: Why do you think the White House is drawing such a hard line on spending issues now after not having done that for all these years?

REP. OBEY: The polls. I think the president simply has decided that now that he has gone so low in the polls that the only place left that he has left to turn to maintain support is the right wing of the country. And so he thinks that he can get them back on the cheap by having a newfound interest in fiscal responsibility. You know, I think that all of the country would be far more impressed with both of us if we could simply sit down and work out some of these differences.

But I think he -- I think his standing in the polls largely driven down by Iraq has in his view been compounded because everybody in the country, not just the right wing, sees this administration as being essentially fiscally irresponsible. But I don't think you can credibly say it's because of these appropriation bills.

If you take a look, for instance, when we were talking about the possibility of combining education or the labor H bill with the military construction bill and the defense bill before we changed our mind on that, \$39 billion of that increase was requested by the president for defense items, \$15 billion of that increase was for veterans' health care, and only \$6 billion of that increase was for the labor health education bill. So I think that that indicates that it's not our domestic priorities on the appropriation side that's causing that deficit. It's the \$60 billion in tax cuts for the very wealthy. It's the \$200 billion in Iraq all paid for with borrowed money.

MR. ZREMSKI: How will the expected override of President Bush's veto of the water resources bill affect the veto showdown between the Congress and the president?

REP. OBEY: I don't really know. I think each member will have to decide for himself or for herself how they're going to vote on each of those independently. I can't get into members' minds enough to know whether there's any relationship or not.

MR. ZREMSKI: Do you foresee a continuing resolution being extended into February and the eventual agreement of the FY '08 appropriations bill as being linked to the Iraq supplemental request?

REP. OBEY: I certainly don't want to see a continuing resolution extend beyond whatever it takes to finish our work this year. I know that our leadership wants to get out by early December. I personally would be surprised if we're out before December 22nd. But I certainly don't -- I think it'd be most unfortunate if we wound up extending that continuing resolution that long. Whatever the decisions are going to be we need to make those decisions. We have a new presidential election cycle coming up. You wait until next year you are totally immersed in politics.

What drives me nuts about this place is that when I came here it used to be that you had at least a year after you were elected where you could get people's business done before the next election

intruded. Now, the way politics has been nationalized the election

intrudes virtually every day and it becomes more and more intense at an earlier time. So I just think that we need -- whatever decisions we're going to make, win or lose we need to clear the deck and get on with next year's business next year.

MR. ZREMSKI: Why do you think it is that there are House Republicans, particularly those on appropriations, whom you have assisted and supported over time and who are now opposing the bill that's coming before you this week?

REP. OBEY: Well, I think Republican legislators like Democratic legislators don't want to embarrass their own administration, and so I think they try to lean over backwards to give the administration the benefit of the doubt. But if you talk to those same Republicans privately they will tell you that the labor H bill they think is a pretty good bill but they're being shoved and pushed by the hard right within their caucus, and I hope that they will listen to their constituents more than they will listen to their more extreme caucus members.

MR. ZREMSKI: Is this the first time that the VA's funding bill has been bundled with other funding bills, and what is your strategy for bundling the VA and labor HHS bills together?

REP. OBEY: Well, I think I explained that in my speech. No, this isn't the first time. In four of the past five years it's been put together by other or by Republican Congresses. And as I explained, the purpose of putting the bills together is to prevent the president from cherry picking, number one. And number two, to illustrate when the president says, "Well, if I do sign this VA bill I -- you have to cut other priorities by the same amount." We want to illustrate which of those programs would be the programs on the chopping block if we did that. I think the American public generally understands that which is why if you look at the polls they generally agree with what -- with our budget priorities but we want to make clear in specific terms what those tradeoffs would be.

MR. ZREMSKI: The military will be needing more war funding before year's end. How is that likely to be handled by the Congress?

REP. OBEY: I would prefer not to telegraph what we intend to do. I certainly have my views about how we ought to proceed and I think I know how we're going to proceed, but I would rather take things one step at a time and first dispose of the issues we have before us this week.

MR. ZREMSKI: Now, you vowed not to send an Iraq supplemental spending bill to the House floor until Bush changes course. Have you seen any signs that his course has changed, and if not, how would you deal with accusations that you're not supporting the troops if you don't provide the funding?

REP. OBEY: I think it's fair to say we provided more support for the troops financially than the president even asked for. We certainly provided much more for veterans' health care than the president asked for. We provided that money in the -- (inaudible) -- objection in the case of veterans and I'm sorry, I forgot the first part of the question.

MR. ZREMSKI: Well, you vowed not to --

REP. OBEY: Oh, yeah.

MR. ZREMSKI: -- supplemental to the floor unless you changed course.

REP. OBEY: Yeah. I mean, what I said is very simply this. When the president gave his speech after General Petraeus' comments, that was the last straw for me because it made clear to me that he has no intention of really extricating ourselves from that mess. And so what I've said very simply is that I have no intention of supporting his supplemental request unless it is in the context of a policy change, and what I would want to see as a policy change would be the establishment or the flat-out stating that it is now a national goal for us to be out of combat in Iraq by December of '08. I think it's hardly asking too much -- that's hardly a precipitous withdrawal to ask that we be out of there by the end of next year.

MR. ZREMSKI: Some Republicans now say the casualties are going down in Iraq. There seems to be signs that the surge is working. Do you think that that is true and if so or if not, you know, how does that -- how does what's happening there now affect what'll happen with the funding?

REP. OBEY: The issue has never been military. The issue has always been political. The question is whether or not the Iraqi political leaders -- the various factions -- will get together and agree on arrangements that will allow that civil war to come to an end. That's the issue. And I would say one of the reasons that you had incidents of violence -- of sectarian violence -- go down is because you're running out of people to kill. I mean, they've killed so many in so many areas that there are fewer opportunity targets, if you want to put it that way, for each side. So I welcome any reduction in the level of violence for whatever reasons that it occurs, but I don't think that tells us much about what the future is going to be in terms of whether the Iraqi politicians will step up to their obligations or not.

MR. ZREMSKI: One questioner writes, "If Congress really has the power of the purse why doesn't the Democratic House leadership move to cut off funding for the Iraq war and to prevent an attack on Iran?"

REP. OBEY: Well, first of all, because it's not that easy. A lot of people say, "Why don't you do what you did in Vietnam and cut off funds for the troops?" That ain't what we did in Vietnam. I was here. I know. We never passed the Addabbo amendment, which was the first major amendment in the House during Vietnam. We never passed that amendment until we had fewer than 500 American troops left in Vietnam -- not 500,000 but 500. What the Addabbo amendment did was to cut off aid to the South Vietnamese government. So the Congress has never in its history, to my knowledge, cut off troops or cut off money for troops in the field. Having said that, what I have said is that I have no intention of voting for the president's supplemental request until we have a change in policy. We're not trying to cut off funds for the troops. We're trying to change the policy.

MR. ZREMSKI: What prospects remain for an Iraq War tax after Speaker Pelosi's rejection of the idea?

REP. OBEY: There was never any prospect for that. (Laughter.) I mean, when Jim McGovern and Jack Murtha and I announced that proposal, we weren't trying to pass legislation. We were trying to make a point. And the point was that we have no sense of shared sacrifice in this country. We're asking military families to lay it on the line day after day after day after day. Go back to Iraq again and again

and again. Go back to Afghanistan for training missions again and again and again. And yet, what's being asked of everybody else?

The most affluent among us are being told, boy you have to sacrifice and you've got to take a tax cut. Name me one other president in American history who, at a time when we were fighting a major war with a major drain on the Treasury, told the country, I'm going to ask you to sacrifice by taking a tax cut? I mean that's absolute nonsense. It's fiscally irresponsible. And when people attack me for favoring a war surtax, based on ability to pay in order to pay for the cost of Iraq, that may not be a pleasant thing to do, but it sure is a hell of a lot more responsible than sending the bill to your kids. (Applause.)

MR. ZREMSKI: In your opinion, will the Pentagon request additional money to help the Iraqi military to fight the Kurdish PKK and to stop the PKK attacks on Turkish soldiers?

REP. OBEY: I'm not going to anticipate what the Pentagon will do.

MR. ZREMSKI: Congressman Moran and others have spoken against the administration request for money for bunker busters. They say that this is funding that would be aimed at the Iran situation. How do you feel about that?

REP. OBEY: I think our whole policy toward Iran has been spectacularly stupid for over 50 years. If you go back -- and you know, we don't like the fact that Iran is messing in Iraqi affairs. Well, I don't like that either, because Iran is a very dangerous country. But I would note: It just might be that some of the neighbors in that region resent us for messing in Iraq as well.

Second point, our country was so unhappy when Mosaddeq took over in the '50s that we engineered a coup and dumped their government. I haven't seen the Iranian government trying to dump the American government lately. So if we're going to be rational about it, I think you have to ask: Wouldn't we be better off if we had left Mosaddeq in place? He wasn't a nice fellow. He was pro-Soviet and Marxist, but at least, in my view, he was more of a legitimate nationalist than some of the mullahs running Iran today. And I would submit that if we had -- if we had left things alone in Iran, we would probably have a whole lot better relationship with whatever government that Iran has today than we have now, because we would not have had an involvement of that government to the mullahs and the ayatollahs. So I just think that we need to cool our rhetoric.

And the third thing that amazes me is the way President Bush has single-handedly built up Ahmadinejad into a person of consequence. He was a country rube with virtually no real following in the country that counted, until we started focusing our rhetoric on what he was saying all the time. So then we let him puff himself up: Look it! I must be an important man, because the United States government is taking me on. I mean, I just think that we have mishandled the Iranian situation in a way which has made it easier for them to pursue their nuclear ambitions, and made it easier for them to justify to their neighbors their conduct in the region, because our conduct in the region has been so miserable.

MR. ZREMSKI: Will you fund the bunker busters?

REP. OBEY: Well, I don't have the power to determine whether we

will or will not do anything. I certainly think that the bunker busters raise very serious questions about what the administration's intentions are and I'm very skeptical that we ought to proceed, but that's going to have to be a collective decision.

MR. ZREMSKI: Secretary of State Rice is reported to be reviewing U.S. aid to Pakistan in light of President Musharraf's assumption of emergency powers. Do you believe that U.S. aid to Pakistan should be increased, decreased or remain the same in light of these recent developments?

REP. OBEY: I don't think the important question is the level of aid. I think the important question is the conduct of the government and how that conduct impacts our image and our interests in the region. In the 10 years that I chaired the Foreign Operations Appropriations Subcommittee, there was no relationship that was more troublesome or more unstable at the time than the relationship between India and Pakistan. And it's only become more troublesome, as the inability of the Pakistanis to control people with access to nuclear information has become obvious.

I'm not sure what ought to happen with respect to the aid. I think this is one case where the administration and the Congress ought to sit down together and see if we can work out a common purpose. But I have to say that our ability to have any significant influence in Pakistan is severely reduced by what we've been doing in Afghanistan

-- not in Afghanistan -- in Iraq, because to the average man on the street in many countries in that region, we've allowed ourselves to be put in a position where it appears that we are conducting a war against Muslims. And that is going to make it very difficult for any government in that area to be responsive to what it is we'd like to see done.

MR. ZREMSKI: In the last week, the Wall Street Journal and The Washington Post have criticized the amount and number of earmarks that Congressman John Murtha has received. Do you believe he has appropriately used the earmarking process?

REP. OBEY: I find it interesting that we have so much focus on such a tiny portion of the budget. Earmarks make up less than 1 percent of the budget. And if you're going to talk about abusive earmarks, I would suggest that you start with the executive branch. Example: Labor-H bill.

If you take a look at the Reading First program, you will see that the administration has shelled out billions of dollars on the basis of what -- well, I want to be careful about this. Let me put it this way, when I am told by the Madison, Wisconsin school district that they were told that they would not get a Reading First grant unless they chose to use a different model being pushed by the Department of Education, rather than some of the more well-reviewed and peer-reviewed models such as that at Johns Hopkins pushed by Bob Slavin; when I'm told that millions of dollars have been shelled out in every state in the Union to persons whose main qualification seems to be that they have great political and financial connections with the White House, then I'd suggest that we've got a real problem.

The White House has earmarked more money and I'd prefer to use the term "directed spending" because -- so that people understand what you're talking about.

Whether spending is directed by a congressional committee or

whether it is directed by an executive agency, if it is not subjected to full competition, it is effectively an earmark. And the administration has shoveled out great amounts of money to their friends, to the point where a number of school districts have simply said, "We don't want any part of the money."

Also, if you take a look at, for instance, the Army Corps of Engineers, 78 percent of the funds provided to the Army Corps two years ago were provided in accordance with administration determination as to where that money should be spent, not congressional hearings.

So if we're going to start talking about earmarks, let's talk about them all. And let's take a look and compare the record of the Congress in earmarking and directed spending with the executive branch.

Having said all of that, I simply want to point out that the last time I looked, it wasn't the Republican Party that tried to restrain earmarks. The last year I was chairman of the Appropriations Committee, there were no earmarks in the Labor-HEW bill. The last year that Labor-H bill passed, there were 3,000 of them under Republican leadership.

It was the Republican Party that expanded them by a factor of four when they took over the Congress. And it was Bob Byrd and myself that put a one-year moratorium on earmarks, and it was me, along with Steny Hoyer and Nancy Pelosi, who announced that we were going to try to achieve a 50 percent reduction in earmarks this year. We won't quite get there, but we're going to be awfully close to 50 percent.

MR. ZREMSKI: If you don't like executive branch earmarks, what can the Appropriations Committee do about that?

REP. OBEY: Well, you either leave the money on the table for the administration to distribute as it wants or you make decisions yourself about how to distribute that money. Those are the only two options. If you do the latter, it's called an earmark. So Congress is damned if it does and damned if it doesn't.

The issue, really, shouldn't be how many earmarks or what the dollar amounts are. The issue should be, are they spent for useful purposes? Now, we spent a lot of time this year having our staffs go over every single earmark to try to make certain there was nothing there that will embarrass the institution, and we will always miss something. But I would say that if you compare the situation this year with what it was two years ago, we have a far healthier process today. We have far more rigorous screening of those earmarks today than we've had in the history of the Congress.

MR. ZREMSKI: Roll Call today has an article saying that Speaker Pelosi has taken power from committee chairs. Do you see any difference in your authority today compared with a dozen years ago?

REP. OBEY: I think those stories are ridiculous. You know, look, there are two ways to manage the House. Under the old way, when the Democrats controlled 15, 20 years ago, chairmen had too much power. Then they were the be all and end all. And so the chairmen really, to a great extent, set the agenda.

Then Newt took over, and Newt centralized it all. And then the central leadership had too much power, and they literally would take a

committee product if they didn't like it and they'd simply reverse the problem, go up to the Rules Committee and reverse the committee decision routinely.

They took an amendment which I offered -- I offered an amendment for the National Endowment of the Arts to add some money to that program, and it passed in the full committee, then went to the Rules Committee. The Republicans on the Rules Committee knocked out my amendment and then made an order, an identical amendment, to be offered by a Republican to put the money back, and they passed it. Now, that's what I call real central control.

There has to be a happy medium. What you have to have, if you want the Congress to work, you have to have a program that is put together by congressional leadership, but then that has to be leavened by the knowledge that individual members pick up when they've been on a committee for 10 and 15 years.

And when you have the proper balance between top-down pushing of a program, modified by bottom-up modification of that program by people who know the details of these programs, that's when you have the right kind of a legislative balance. That's when your product can survive its first encounter with reality.

And that is, I think, what's happening under Nancy Pelosi. I mean, why should anyone be shocked that the party leadership thinks that they ought to be involved in committee decisions? This isn't a matter of dictation. It is nine times out of 10 a simple matter of making collegial decisions that, in the end, strengthen the product rather than weaken it. So it's not a zero-sum game. And some people are always looking to find a fight even where there isn't one, and I think this is one of those occasions.

MR. ZREMSKI: You spoke of the great Wisconsin progressive tradition in your speech. I was wondering, which of the presidential candidates best seem to be articulating that, from your point of view?

REP. OBEY: I'm glad you asked that. (Laughter.) I called John Edwards the week after the last presidential election and said, "John, if you're nuts enough to run, I'm nuts enough to endorse you." And so I'm for John Edwards, lock, stock and barrel, for two reasons: First of all, because I care about issues of economic justice, and I think that issue is first and foremost in his mind and in his gut, and I trust his gut on those issues.

Secondly, I think it's important that whoever we nominate be strong enough -- frankly, I think all three of the front-runners can win. I think it's a question of who can win by the largest margin in the most places so that we pick up the most House seats and the most Senate seats, and I think Edwards is better positioned to do that because I think he is seen as a fresh face and he comes from a region of the country where we need all the help we can get.

And frankly, there's a third reason, and it's human. I think the best judge of human nature I've ever met is my wife, and she thinks that Mrs. Edwards is mother earth. And I think she's an incredible woman, and I think any man who can inspire the kind of love and devotion that she's demonstrated toward him has to be all right in my book. (Applause.)

MR. ZREMSKI: Okay, we're almost out of time. But before I ask the last question, I've just got a couple of other important matters to take care of. First of all, let me remind our audience of our

future speakers. First of all, today at 3:00 p.m., right here, Turkish Prime Minister Recep Tayyip Erdogan will be here after his meeting with President Bush. On December 5th, Lieutenant General Idriss Deby, the president of Chad, will speak at an NPC luncheon. And on December 10th, Jonathan Fanton, the president of the MacArthur Foundation, will be here.

Next, we have traditions here at the National Press Club, one being the presentation of our certificate.

REP. OBEY: Thank you.

MR. ZREMSKI: And for your next latte with fine Wisconsin dairy products -- (laughter) -- a National Press Club mug.

REP. OBEY: Thank you very much. (Applause.)

MR. ZREMSKI: And the last question, as it often is in the National Press Club, this is a little bit of an unusual one. It's about Archy the Cockroach. Let me say, Archy is not welcome here at the National Press Club, but I'm going to ask this question anyway. What would Archy the Cockroach say about the upcoming budget battle?

REP. OBEY: I think he'd say, "Did you ever notice that when a politician does get an idea, he gets it all wrong?" (Laughter/applause.)

MR. ZREMSKI: Thank you very much, Congressman Obey.

I'd like to thank you all for coming today. I'd also like to thank National Press Club staff members Melinda Cooke, Pat Nelson, Jo Anne Booz and Howard Rothman for organizing today's lunch. Also thanks to the NPC library for its research.

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Thank you. We're adjourned. (Applause.)

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