bill, I was detained out of the building and away from the Capitol, and I missed the following votes and would like to have recorded in the appropriate place of the transportation bill that on the Graves amendment if present I would have voted "no"; on the Kennedy amendment if I was present, I would have voted "no"; on the Osborne amendment if I was present, I would have voted "aye"; on the Conaway amendment if I was present, I would have voted "no."
Last year was really the first year that we have been able to move beyond the crisis mode that we have had in our budget in response to September 11, 2001. We began a path to get hold of our out-of-control spending and to reduce the deficit. We had, I think, some pretty good success. We ought to recognize that we made some progress last year and realize it happened. Despite cries from many different quarters in the country that all we need to do is just raise some taxes, the wealthy is always what people say, tax all those small businesses that are creating jobs, tax those farmers, tax those families that are sending their kids to college and are trying to make ends meet around their kitchen table, just give them a tax cut. We did not want to do that. We decided we were not going to raise taxes. As a result of that, the economy continued to expand, and, due in large part to those economic policies, we now have strong, sustained economic growth and job creation. We also, for the first time in a long time, managed to slow the rate of this non-security spending that has been out there, for the first time below the rate of inflation. I think that is a whole lot more reasonable than what we saw in years past.

Let me just show my colleagues what we did last year. This is what happened in just one year. The President when he came in, almost a year ago right now, the budget deficit was going to look like this, $521 billion. We all said that was not what we wanted, that we did not want to do that. We wanted to see if we could get our arms around it last year. We knew it was going to be tough. We knew there were going to be all sorts of complaining, claims that we were not keeping the priorities straight, but when the President started, this is where we started, at $521 billion. In one year alone, 20 percent, $109 billion was reduced on that deficit. $109 billion was reduced in just one year. That is automatic. This is the dirty secret of the unsustainable growth on the other side of the budget, the 55 percent of the spending that simply operates automatically. This is the dirty secret of budgeting that most Members do not want to talk about and that is what we call mandatory spending. What is mandatory? What could possibly be mandatory about spending in Washington? When Congress sets up a law that says if certain eligibility is met and regardless of any other changes in demographics or anything else, money just keeps going out, the program keeps chugging along, without any checks, without any balances, without any opportunities to take a look at whether the program is meeting the needs. That is automatic spending. That is the mandatory spending.

What we did a number of years ago in welfare reform is we said the program is not helping people. It is not helping families, it is locking people into the dependency on government, asking no personal responsibility in return. Un-
Let me explain what I am saying here. What I am saying here is that in Washington, if you do not get what you expected from one year to the next, if you do not get the increase you thought you were going to get, they run to the press conferences, run to the floor, and say, "You should love your son. You should love what he does to your lawn, that he should get an increase to $15. My goodness, what an outrage, instead of recognizing that it was a $2 increase. That happens so often and everybody goes." I understand that we are going to hear some of that rhetoric today, but we are slowing the rate of growth. We are just saying it needs to be slowed down. Just slow it down. Let us reform the programs. Let us get the people in a room who need to be part of the discussion to reform these programs and let us slow down the spending and make sure that the programs that we are talking about, which are so vitally important to people, take the food stamp program. That is for people who are hungry. Take the Medicaid program. That is for people who do not have health care. Take a number of these programs and suggest that they should be allowed control? Or suggest they should meet the changing needs of a population, and that is something that we have to continue to do and it requires constant weeding of the garbage and constant attention if we are going to get that done.

The problems facing our mandatory spending did not happen overnight. We are not going to fix this overnight. We are not suggesting this is being fixed overnight. It is like going from 60 miles an hour to a stop. You take the brakes off? No. That is not what we are doing. We are just saying, slow down, figure out a way to make these reforms.

One thing I will guarantee you is that if there is no budget, if you do not put these kinds of instructions into the budget, if there is no budget or if an entity or a Member comes to the floor with a budget today that does not have these serious kinds of instructions in the budget to reform the programs, I will guarantee you they will not get fixed. They will not get fixed. They will not get fixed. Nothing is not an option. You cannot complain about Medicaid and offer no solution. You cannot complain about the error rate in food stamps and say there is no solution. You cannot complain about these programs and say there is no solution. We do not think there is a silver bullet but we want to set up a process to begin the discussion to fix these programs. We can do this. It is not going to be easy. This budget recognizes that, the budget we brought to the floor today, that we need a reasonable pace to get there. We set September as a deadline so we can invite all of the interested parties in to begin this. It will take work that we have done over the past number of years to shore up and strengthen national defense and create jobs and make sure that we continue our reductio in spending. I believe it is a doable, a fair and honest budget, one that we can work with the President in order to make sure it gets put into place.

I want to end with this. We plan to enforce this budget. This is a good budget. This is a budget that we want to enforce this budget. Whether this is by way of announcement or however you want to do it, do not worry if we do not get an agreement with the Senate, with the other body. I understand that the other body has decided to walk away from the President on the budget. They are not going to do real reform. It does not look like they are going to try and control spending. I am very frustrated with what I see over from the other body. They are watering it down and now everybody is unhappily we have got some of these big changes that I think our Nation demands at this time. But I will tell you that in the House, just like last year, we enforced the budget. There was a controversy for those Congress watchers that have been brewing on the floor this week about people who wanted to really enforce the budget. Thank goodness we do that. Last year we enforced the budget. I did. We were able to hold the line on spending, keep within that budget. As a result, we got the deficit reduction that we needed. Just like last year, we will do that again this year. I do not need any special rules. I do not need any Member to tell me that that is how we ought to do it. That is my commitment. That is the Speaker’s commitment. That is the majority’s commitment. When we pass something, we mean it. That is what we lived under last year.

We have had terrible extra budgetary spending in an emergency basis. I understand people are frustrated with all the extra spending. I want to show it to you. Every year we have had to do extra spending, I understand that. On September 10, 2001, we had a surplus.

There is no question, we had a surplus on September 10 of 2001. We all know what happened the next day. And we all know and we all joined in the spending to meet the needs of our changed world. None of that was in the budget. We knew we had to do it. We knew we had to keep the economy strong. We knew we had to support our troops. We knew we had to combat terrorism. We knew we had to protect the country.

We decided we would do whatever it took. That is what it took. And it meant we had to run deficits. But just like last year, we made a commitment to reducing the deficit. We did it 20 percent last year. We are going to do it again this year. We will get the deficit in half by 2009. We will get that accomplished and then some, and we will get back to balance. But we have got to stick to a plan. We will do whatever it takes, not only to protect the country, but we will do whatever it takes not to pass on that legacy to the next generation. We cannot do it all in 1 day. We cannot do it all in 1 year.

We made progress last year. This budget builds on that progress, meets the needs of our country, and it is a good budget that I hope my colleagues adopt.

Mr. CHAIRMAN, I reserve the balance of my time.

Mr. SPRATT. Mr. Chairman, I yield myself such time as I may consume.

Mr. SPRATT asked and was given permission to revise and extend his remarks.

Mr. SPRATT. Mr. Chairman, it is hard to believe that just 5 short years ago we were sitting on a pinnacle of surpluses totaling $236 billion. And it did not come easily. It did not come easily. It was not the fall, out from some fantastic economy, some serendipitous result.

Democrats, beginning in 1992 and 1993, made the hard choices that moved the budget to surplus in unprecedented fashion. $290 billion was the largest deficit in our Nation’s peacetime history.

The President, as his first legislative act, sent us a budget to cut that deficit by more than half over the next 5 fiscal years. I will never forget the day we passed it here on the House floor by one vote, and in the Senate by the Vice President’s vote. I will never forget the taunts, the claims that we were cutting the economy off at the knees, buying ourselves a one-way ticket to a recession, and ballooning the deficit instead of resolving it.

Mr. CHAIRMAN, every year thereafter, after adoption of the Clinton budget in 1993, every year the bottom line of the budget got better, to the point where in the year 2000 we had a surplus of $236 billion. We made the hard choices to make that happen. And that is the surplus inherited by President Clinton when he came to office, as this chart will show. $290 billion was the largest deficit in our Nation’s peacetime history.

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We told the President then that while we may seem to be sitting on an island of surpluses, we were surrounded by a sea of red ink, a sea of debt; and we needed, now that we could, to attend to our long-term needs, our obligations to Social Security in particular.

He defied and ignored all those priorities and went solely with the budget whose primary thrust and emphasis was the biggest tax cuts we have passed in the history of this Congress.

Unfortunately, the prophecies and predictions we made have come to pass. The boost to the economy imparted by those tax cuts did not replenish the revenues to the Treasury of the United States. As a consequence, today we have the largest deficits in our Nation's history. Not just this year. It is not just something episodic. Two years ago we had a deficit of $375 billion. This past year we had a deficit of $412 billion. This year, according to OMB, we can expect a deficit of $427 billion. Each of those deficits, 375, 412, 427, each of those deficits is a record deficit.

And now what do we look at for the long-term future? The President tells us he is going to cut the deficit in half. And his budget which we expect to report roughly to do that. But he conveniently omits from his estimation of what will be incurred in the way of cost over the next 5 years major items such as the cost of the war. We have 140,000 troops in Iraq and an equal number more in Afghanistan. That war cost is not going away or tapering off any time soon. And any budget that is straightforward should include some estimation of the likely cost now that we have been over there for 2 or 3 years and know what the costs should be based upon.

Secondly, there is nothing in the President's budget to account for fixing the Alternative Minimum Tax, which is a problem that is growing increasingly inevitable. His own Treasury Department has told us if we do not fix it, it will go from four million tax filers to 30 million tax filers by the year 2010. It will have to be fixed in the near term. There is not a single thing in the President's budget that accounts for that. Even though he asks for additional tax cuts, he leaves out that $640 billion item.

And then the cost of fixing Social Security, privatizing Social Security. The President would like to see workers take 4 percentage points off their FICA payments and put it in a private account. Well, if you do that, you are taking money out of public trust funds, putting them in private trust funds; and, therefore, money will have to be borrowed to meet the obligations of Social Security; to wit, $754 billion beginning in the year 2009 and extending to the year 2015. That is not my number. The White House gave us that estimate. And yet they did not put it in their own budget.

When you add all of these things together, what you get is not a deficit that is going to be cut in half over the next 5 years, or the next 10 years, for that matter. What you get is a deficit that moves from $427 billion next year to $621 billion in the year 2015. Let me just show you in three simple lines what this means looking backward over the last 5 years of our history. When the Republican colleagues passed the President's budget and his tax cuts in the year 2001, his offices at OMB told us in earnest, we will not be back here in hand to hand to ask to increase the debt ceiling of the United States, the legal limit on what we can borrow, again until 2008. So confident are we that these tax cuts will be replenished, we do not think we will be back here until 2008.

They were back here in the year 2002, asking for an increase in the debt ceiling of $450 billion.

The next year, 2003, they came and asked for a debt ceiling increase of $384 billion. Let me tell my colleagues for reference purposes how big that is. The entire debt of the United States when Ronald Reagan came to office was less than $984 billion. In one year, in one year, the Bush administration asked and the Republicans in the Congress, both Houses, acceded to a debt ceiling increase of $384 billion. That was May 22, 2003. Within 15 months, Secretary Snow from the Department of Treasury was back and said, we need more; we need more. And consequently, before we adjourned last November, the Congress again, with Republican votes, increased the debt ceiling by $800 billion.

That means in 3 fiscal years, 3 of the 4 fiscal years represented by the Bush administration's first term, the debt ceiling of the United States had to be raised by $2.234 trillion in order to accommodate the budgets of the Bush administration.

Today, we have before us a budget resolution which was crafted by the Republicans and by the gentleman from Iowa (Mr. NUSSLE) and his colleagues on the Committee on the Budget. The gentleman from Iowa (Mr. NUSSLE) to his credit said we know we have the largest deficits in our Nation's history. Not just this year. It is not just something episodic. Two years ago we had a deficit of $375 billion. This past year we had a deficit of $412 billion. This year, according to OMB, we can expect a deficit of $427 billion. Each of those deficits, 375, 412, 427, each of those deficits is a record deficit.

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Today, we have before us a budget resolution which was crafted by the Republicans and by the gentleman from Iowa (Mr. NUSSLE) and his colleagues on the Committee on the Budget. The gentleman from Iowa (Mr. NUSSLE) and his colleagues on the Committee on the Budget have prepared some cuts in domestic discretionary spending. The irony here is they and the President both go to one sector in the budget that has not been growing over the last 3 to 4 years, and they take their cuts almost exclusively out of these domestic programs, programs like education and veterans health care and the environment.

Yet where the real cost increases, spending increases, are coming in those accounts, which constitute about $350 billion and have basically disappeared in the past. This chart shows, over the last 4 years, 90 to 95 percent of the spending increases have come from defense, understandably, the reaction to 9/11, post-9-11, and to an account in the budget that did not have this. That is defense. And I tell my colleagues while we can take a hit this year, $150 billion over 5 years, a significant reduction, and maybe some more next year, pretty soon we are going to reach the tolerable limits of what we can do in the way of cutting education, law enforcement, infrastructure improvements, and things like that in the United States.

So there are limits to where we can go in the budget where they are choosing where to cut, and that is why I say this is the path we are taking. Here it is when CBO sends us their report: $5 trillion. And, by the way, that does not include anything for the additional cost of the war past the year 2006, and that is because the President does not have it in his budget. The gentleman from Iowa (Mr. NUSSLE) to his credit said we know we are going to be there in 2006. We know basically what it costs, we should put something in our budget to reflect that cost, and he did that in his budget. The President did not. If we adjust his budget, as represented here in CBO, for the likely cost of being in Iraq and Afghanistan for some years to come, it adds another $900 to $400 billion to the tally. It pushes it up even higher.

So that is what we have before us, a very tough, almost intractable problem. And I wish I could say that for all of this arduous effort I thought that we were beginning to get our hands around the problem. I do not think so.

We have offered a substitute that we think is better fiscally and better in terms of our core values, the values
that we support and we think the American people share: the education of our children, for which we do more; the health care of our veterans, for which we are committed and do more; the development of our communities; and the quality of our environment. We do that simply by bringing spending in the domestic discretionary accounts back to baseline, that is, to current services, enough to prevent them from being eroded away by inflation, but not by any significant increase.

Those changes plus the plan we laid out will bring our budget to balance by the year 2012. We think that ought to be the effort and aim of every budget that is presented here in the well of the House, getting back to balance as soon as possible and will incur less debt than the budget resolutions being offered to us.

So we have got plenty to debate here today, but we have got an alternative on our table today that protects our unique and priorities, the education of our children, the health care of our veterans, the development of our communities, the quality of our environment, and the last thing that is fiscally responsible. We also know that is fiscally responsible. We also know will move us to balance sooner in time more assuredly than the Republican resolution.

We look forward to the debate. We believe that we have the better choice, the better resolution; and we will be presenting in the course of the day the reasons why.

Mr. Chairman, I reserve the balance of my time.

Mr. NUSSLE. Mr. Chairman, at this time I would like to have our Members talk a little bit about our continued strength as a Nation.

Mr. Chairman, I yield 5 minutes to the gentleman from Florida (Mr. CRENSHAW), a member of our committee, to talk about our national defense.

Mr. CRENSHAW. Mr. Chairman, I thank the chairman for yielding me time, and want to commend him for his hard work in crafting this fiscally responsible budget which fulfills Congress’s commitment to protecting American citizens.

As the chairman just stated, the driving force of this budget is to make sure, first and foremost, that our most critical priorities are met, and there is no greater priority in this budget than making sure that America’s continued strength are intact. Our number one commitment to the American people continues to be the protection of their security.

Five years ago when I decided to run for Congress, I decided because I looked at our country, I saw that it was underfunded, and I saw that it was overdeployed. In fact, in the late 1990s, the service chiefs had warned Congress that our Nation was on the brink of a hollow military, with inadequate funding for troop training and maintenance of equipment.

This became painfully clear when we were attacked on September 11. Our Nation had severe defense and homeland security deficits that had to be addressed immediately. Since that day, Congress has shown that we are more than willing to spend whatever is necessary to protect and defend our Nation and support our troops.

Since September 11, we have spent $1.9 trillion, almost $2 trillion, to provide for the defense and homeland security of this Nation, and that does not include the supplements that we have already passed, which add up to $348 billion. The whole lot of very necessary and very costly building, rebuilding and across-the-board updating to correct those deficits, and we acted quickly, deliberately, and in a bipartisan way to address those needs.

I am glad to say that this year’s defense and homeland security budget builds on the substantial progress we have already made.

Our national defense base budget continues the multiyear plan to enable the military not only to fight the war against terrorism today, but to transform our military to counter some of the unconventional threats that will come in the future, and Congress has shown that we are more than willing to do whatever it takes.

I am going to show you a chart, and this shows that since 2000 we have increased spending for the military by 66 percent. You can see it goes from $287 billion to $476 billion these last 5 years. So that is the spending.

Now, this budget accommodates the President’s request for the Department of Defense and increases our spending this year up to $419.5 billion, almost $120 billion. That is an increase over last year of 4.8 percent. It also proposes a sustained average increase of 3 percent over the next 5 years.

I think we all know that the most important part of our defense funding is for the people, the men and women who serve in our military personnel in the world. To support them and to allow the Department of Defense to continue to recruit and train first-rate forces, this budget builds on the critically needed funding increases of the past few years for military personnel.

Since President Bush took office, we have increased spending in military personnel accounts by approximately 40 percent, providing such quality of life additions as, one, an adjustment in military pay of 21 percent. We have reduced the average out-of-pocket housing expenses for military people from 18 percent down to zero. They do not have to pay on average any out-of-pocket expenses for their military housing. And we fully funded the health benefits for active duty members, for retirees and their dependents as well.

We spend money in operations and maintenance. That is the way our readiness to fight this global war on terrorism. This budget provides for increases in training and education, operations and support for the military forces, maintenance of field weapons systems and equipment, and operation and maintenance of facilities. In total, operations and maintenance has gone up by 20 percent over the last 4 years.

To continue our effort to replace worn out or obsolete equipment, we provide for procurement of new ships, aircraft and vehicles, as well as the purchase and initial fielding of weapons systems, ammunition and other combat-related systems. Over the past 4 years, funding for procurement has increased by 25 percent to protect American lives, and I am proud to say that this budget does just that. I urge its adoption.

Mr. NUSSLE. Mr. Chairman, I yield 4 minutes to the gentleman from Kansas (Mr. RYUN) to talk about homeland security.

Mr. RYUN of Kansas. Mr. Chairman, I thank the gentleman for yielding me time, and I want to compliment the gentleman and the staff for putting together what I consider an excellent budget. Your work will be recognized as we move this.

Continuing our progress in providing for homeland security, this budget provides for a total homeland security spending of $49.9 billion, an increase of 8.6 percent. About 55 percent of that would go to the Department of Homeland Security or other homeland security-related funding spread through the government, including the Department of Defense, Health and Human Services and Justice as well.

These funds will work to meet the needs in three key strategic areas of homeland security, including, first of all, preventing attacks. We provide for increased funding in funding for homeland security programs and agencies specifically designed to help prevent attacks from occurring, including border security, counterterrorism and counterintelligence.

Secondly, we reduce other vulnerabilities. Our budget works to reduce and eliminate the risk of attacks at our ports, rails, in the skies, our food supply and roads by allowing for increases in many of the programs and agencies to help provide for the protection and defense of the most important areas of commerce and travel.

Thirdly, ensuring preparedness. This budget also helps to ensure that our first responders have the necessary material and equipment to handle emergencies as well as adequate disaster preparedness through FEMA.

Key initiatives of the President’s proposal supported by this include: $40.4 billion for total homeland security spending, excluding the Department of Defense homeland security spending; $38.3 billion for the Department of Homeland Security, a 17.5 percent increase for agencies moving into the department from fiscal year 2001;
and the increase in this year's budget follows on the heels of truly substantial increases over the past few years.

As you will see from the chart we are going to put up now, this chart shows only the non-defense discretionary spending and illustrates what we have done since 2001, the year the President took office.

In 2000, spending in this category, as you can see from the bottom over here, was $9 billion, so over the past years we have increased that by about 28 percent, where we are now up to an estimated $32 billion. So the increase has been there and we are doing what is right.

We have invested more than $50 billion to create the Department of Homeland Security, reorganizing 22 agencies consisting of 180,000 employees and their missions and invested heavily to protect the homeland against threats such as bioterrorism.

As I said a moment ago, there is no higher priority in our budget, or certainly in the budget of the past few years, than providing for what is needed for the protection and security of our country and support of our troops. That said, we want to ensure that the money we are spending is being spent wisely, with proper planning and oversight. As the chairman has often said, and we are working on here, many times two often around here we judge our progress simply on how much we are spending, instead of how well we are spending it.

Aside from the increases the President has proposed for both homeland security and defense, his budget recommends reducing total funding for non-security discretionary programs by about 1 percent from the current level. Particularly under these circumstances, we want to make sure that every dollar we spend is spent wisely and with proper planning and oversight. The homeland security defense spending is certainly no exception.

Mr. SPRATT. Mr. Chairman, I yield for the purposes of a unanimous consent request to the gentleman from Virginia (Mr. MORAN).

(Mr. MORAN of Virginia asked and was given permission to revise and extend his remarks.)

Mr. MORAN of Virginia. Mr. Chairman, I thank my friend the gentleman from South Carolina for his leadership. His ranking member colleague from South Carolina, who is one of the most able members of this body, also want to congratulate the gentleman for having put together a budget that reaches balance.

The Congressional Budget Office predicts that the administration's policies expressed through this budget will result in deficits of $250 billion or more each year over the next 10 years. The programs I just cited represent only 16 percent of the deficit but are charged with nearly 100 percent of budget cuts. While the tax cuts represent the cause of the majority of our deficit, they will not be pared back but instead are made permanent.

Mr. Chairman, the annual budget resolution is not a legally binding document, but a guide, a blueprint for our Nation's budget. While the House regrettably—and irresponsibly—failed to pass a budget resolution last year, we should not by our inaction diminish its importance. The budget resolution should reflect this year's tax cuts and priorities and those of the American people. Unfortunately, Mr. Chairman, the majority's 2006 budget resolution does not reflect the American people's values, priorities and needs, let alone their children's needs. This budget will, in fact, hurt the vast majority of Americans for years to come.

This budget resolution makes tax cuts for the wealthiest in our society its top priority. By contrast, it puts little or no priority on programs to serve veterans, provide funding to protect the environment and eliminate numerous education programs. Low-income households and underserved communities take the worst hit through excessive cuts to health care programs, education, critical infrastructure and housing.

These funding cuts include the elimination or substantial reduction of 150 programs. For example, the Department of Education eliminates 48 programs, costing a total of $4.3 billion, and the Department of Health and Human Services eliminates 33 health and social services programs costing $2.0 billion. Some cuts are implemented over a 10-year budget window, but many are eliminated entirely in fiscal 2006. For example, all vocational education programs are eliminated immediately. The budget slashes $522 million for all environmental, veterans health care, education, basic scientific research and housing programs for cuts, while advocating permanent tax cuts that benefit the highest income tier, is not the way to balance the budget.

These discretionary programs represent only 16 percent of the deficit but are charged with nearly 100 percent of budget cuts. While the tax cuts represent the cause of the majority of our deficit, they will not be pared back but instead are made permanent.

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This budget resolution makes tax cuts for the wealthiest in our society its top priority. By contrast, it puts little or no priority on programs to serve veterans, provide funding to protect the environment and eliminate numerous education programs. Low-income households and underserved communities take the worst hit through excessive cuts to health care programs, education, critical infrastructure and housing.

These funding cuts include the elimination or substantial reduction of 150 programs. For example, the Department of Education eliminates 48 programs, costing a total of $4.3 billion, and the Department of Health and Human Services eliminates 33 health and social services programs costing $2.0 billion. Some cuts are implemented over a 10-year budget window, but many are eliminated entirely in fiscal 2006. For example, all vocational education programs are eliminated immediately. The budget slashes $522 million for all environmental, veterans health care, education, basic scientific research and housing programs for cuts, while advocating permanent tax cuts that benefit the highest income tier, is not the way to balance the budget.

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on our debts. There will be no national defense, there will be no Social Security, there will be no Medicare, there will be no government left. The Republicans have put us on a road to ruin.

One of the speakers recently just said, well, we have a strong defense. That is wrong. We are borrowing more and more of the money from the Chinese, or Prime Minister Koizumi of Japan, or do you want Tony Blair of Great Britain? Because these creditors have more and more power over this country because we are borrowing more and more of their money.

Mr. SPRATT. Mr. Chairman, I yield 2 minutes to the gentleman from Hawaii (Mr. CASE).

Mr. CASE. Mr. Chairman, I thank the gentleman, and I am very happy that the gentleman from Tennessee (Mr. Cooper) previous speaker spoke of what happens next. Because I think as I look at this budget and I ask myself what is really wrong with this budget, of course, we are going to hear a lot of detail this afternoon and it is easy in the detail and frankly it is easy for detail to obscure the underlying principles and rationale for a budget.

But let us get beyond the detail and ask ourselves a basic question, how long does the budget go? Can you believe that this budget only goes 5 years? It only goes out 5 years.

Now, what if I came home and I told my wife, I have got a great family budget, it goes one year, knowing that I have a balloon payment on my home mortgage the following year? What if my accountant gave me a 3-year budget for my family, knowing that I would retire in the fourth year? What if my business ran a 5-year budget and I knew that I had to replace my entire plant inventory in the sixth through the tenth year? I think I would be told to get out of budgeting.

And what if I told you that this budget goes 5 years, because the consequences of the budgetary policies that are inherent in this budget come to roost after that 5 years. And what if I told you that for that exact reason in prior years we have run 10-year budgets, but we did not do it in the last couple of years. And why would we do this? Because the consequences are obscured beyond that 5 years.

I know what I think about that, and I know what the Democrats think about budgeting only until it hits the fan, and that is wrong.

Mr. SPRATT. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. CARDOZA).

Mr. CARDOZA. Mr. Chairman, I rise today to express my disappointment with the lack of attention to our Nation’s fiscal crisis. We have a budgeting process that simply defies logic. The system is broken, plain and simple. We need to focus our efforts on finding a cure for our addiction to budget deficit spending.

This dog of a budget does not hunt, but the Blue Dog Coalition has introduced a 12-step reform plan that is a good place to start with reforms. It requires a balanced budget, stops Congress from buying on credit and puts a limit on spending. It requires an accurate account, cost estimates and allows sunshine to purify the process. It is no secret that debt is out of control. We are expected to run a $427 billion deficit in 2005, with more deficits projected as far as the eye can see. We do not even have a firm grip on where our money is going. Within the Department of Defense, only six of 63 departments are able to produce a clean audit. That is less than 10 percent.

This budget omits so many major expenses that it is a sham. The administration has essentially cooked the books using Enron-style accounting and Congress continues blindly going along with the program.

We find ourselves trying to pass a budget that hides half of our problems. We know that foreign holding of U.S. debt is on the rise. Interest on the national debt is the fastest growing area of the Federal budget, and the trade deficit is totally out of control.

What are we doing about it? Not a darn thing.

I hope that this Congress will wake up and restore fiscal responsibility and accountability. It is time to stop digging this hole deeper.

Mr. SPRATT. Mr. Chairman, I yield 2 minutes to the gentleman from Kansas (Mr. MOORE).

Mr. MOORE of Kansas. Mr. Chairman, we have in this country a $7.7 trillion national debt. We have deficit for the past 4 years of over $400 billion a year. We have interest between a half a trillion dollars and three-quarters of a billion dollars a day, interest a day on our national debt.

We have got to change the way we are doing business in this country, or our children and grandchildren and future generations will not have a chance. The first rule of holes is when you are in a hole and you do not want to go deeper, stop digging. We just keep digging this hole deeper and deeper and deeper.

This should not be about Republicans and Democrats. This should not be partisan at all. We are all in this together. We ought to be working together to return to fiscal responsibility. Some people talk fiscal responsibility, but they are not willing to practice it.

I proposed a couple of years ago that we reinstate what is called PAYGO, pay-as-you-go rule. That would require if you have a new spending proposal or a new tax cut proposal, you have to say how it is going to be paid for. Pretty simple, pretty commonsense.

Chairman Alan Greenspan has recommended that to the Committee on the Budget, to the House of Representatives that we should return to the PAYGO rule and we should do that. That would keep us from putting our country deeper in debt. But we are not doing that, and we have got to change the way we are doing business here.

We are putting our kids and grandchildren in a hole so deep I am concerned that they will never be able to climb out if we do not turn things around here.

We could all come together, Republicans and Democrats, and say we are going to restore fiscal responsibility; we will take care of business. But we cannot have just unlimited tax cuts. It is like a kid going into a candy store saying, I got a dollar, when what he wants to buy is a $1.50 worth. They say, You do not have enough money. But I want it. Well, we cannot have everything we want. We can have selected tax cuts, we can have selected spending; but we cannot have everything across the board and keep our country in the black.

Mr. SPRATT. Mr. Chairman, I yield 2 minutes to the gentleman from Tennessee (Mr. TANNER).

Mr. TANNER. Mr. Chairman, I do not think the American people realize how bad the situation here is in Washington and how financially mismanaged our government has been over the last 4 years.

Can we, Mr. Speaker, borrow $1.1 trillion in 2001, this country has borrowed in hard dollars? We are borrowing $80 billion a year overseas in interest checks. We are bankrupting America while this country, this Congress fiddles. And this situation is not only dire and getting worse by the second. We are borrowing $13,000 a second, paying interest at about $5,000 a second.

If you took 1,000 dollar bills and stacked them on top of one another, 1,000 dollar bills about a foot high. A billion dollars would be about as high as the Empire State Building, and a trillion dollars would be a thousand times as high as the Empire State Building. This government has borrowed over $1 trillion in the last 48 months, and we are doing nothing in this budget to address that problem.

We are lording over the largest budget deficits in the history of the United States. That is the record. I mean, people are entitled to their opinion. They are not entitled to their own set of facts. This is not something that is going to happen in the future. This has happened and is happening now.
The director of GAO was before the Committee on Ways and Means last week. Do you know what he said? He said if we continue on this course, if we do what the administration and this Congress recommends, and that is make the tax cuts permanent, and spending on that, the growth of the economy, in the year 2040 every dime that comes into Washington D.C. will be going to pay interest. There will be nothing left, 35 years from now.

I do not know if I can impress on the American people enough to demand that something be done about this horrible mismanagement of their country and their country’s finances.

Mr. NUSSELE. Mr. Chairman, I yield myself 30 seconds.

I say they have demanded and we are responding; but I do not hear any of them saying we want a tax increase like the Blue Dog budget is going to offer. That is not what they are saying.

We do not need more taxes to come into Washington from this oversized government. We do not need that from the Democratic substitute. We do not need it from the Blue Dog budget. We do not need a tax increase. There is not anything in our balancing their checkbooks around their kitchen table in Iowa saying, gee, Mom and Dad, let us figure right down to the veteran in your district.

They want us to control spending. So we will talk about controlled spending.

Mr. PUTNAM. Mr. Chairman, I appreciate the chairman’s leadership in this effort. As he noted in his opening statement, we have spent a great deal in these past few years to secure our Nation in the wake of the September 11 attacks. But at the same time we were directing a huge new share of resources to those urgent needs, we were also continuing to keep pace in our domestic nonsecurity programs like education, health care, veterans, agriculture, a whole host of other issues outside of defense and homeland security that people associate with their government.

On 9/11, our priorities shifted as a Nation, but our fiscal priorities remained the same. We kept growing our domestic programs by the same levels we had been. That, which would have been unsustainable even without a September 11. Over the past decade, we have increased programs almost across the board, and in many cases doubled, tripled or even quadrupled the rate of inflation.

It say that because out of one side of the mouth of the opposition comes a plea for fiscal restraint and out of the other side comes a hue and cry at the devastating terrible cuts that are being beset upon the American people.

Let us look at what the impact of domestic spending has been over the past decade. A Mount Everest of increases in discretionary spending. As we can see, overall discretionary spending grows since 1994, a very steep line. With the exception of last year which was the first time in a long time that we began the process of slowing growth, on average we have increased discretion spending by 6.1 percent per year for over a decade.

Let us look at some of the key areas that make up that portion of the spending. In the last 5 years, the Republican Congress has increased education funding by an average of almost 12 percent per year during that same period of time, spending for the Department of Education has increased by 75 percent, almost doubling our commitment. In fact, aside from the newly created Department of Homeland Security, the Department of Education has grown faster than any other Federal agency or Department during this period.

Let us look at some of the key programs that make up two-thirds of the Department of Education. Title I, since 2000 title I funding for low-income schools has increased by 55 percent. Pell grants which help provide lower-income students with funding for college has increased by 57 percent over the past 5 years. And that will be left up to the authorizing committee, the President’s budget request called for increasing that amount that students are eligible to receive under this program.

Let us look at funding for our special needs students. IDEA, the Individuals With Disabilities Education Act, or IDEA, provides for those needs of our most important and sensitive children in the school system; funding has increased by 87 percent in the past 5 years.

In addition to increased funding, Congress also passed the No Child Left Behind Act which demands results in exchange for dollars. It works to forge a &euro;∑&euro; union between parents and classroom achievement while focusing resources on underperforming schools.

Now let us look at veterans, those men and women who have done so much to secure the freedoms and liberties that we enjoy and take for granted on a regular basis. I think that everyone should be proud of the commitment that we have made and continue to make in the area of veterans benefits.

Since Republicans took control of the Congress in 1995, tremendous strides have been made in improving benefits for our Nation’s veterans through hefty increases. Budget authority since 1995 has increased 77 percent, beginning at $38 billion, ending up at $67.6 billion. A tremendous increase. In fact, that 77 percent increase compares to only a 40 percent increase over the previous 10 years.

Spending per veteran. Let us get right down to the veteran in your district. Spending per veteran since 1995, increased payments per veteran have gone up 103 percent compared with 43 percent during the previous 10 years. You could walk into any Legion Hall or VFW complex in America and be proud of that number.

Since 1995, we have increased VA medical care funding from $15.2 billion to almost $30 billion. And in 1995 and 2005, the President’s budget for medical care and as a result the number of veterans utilizing VA care has nearly doubled.

The Montgomery GI bill. Those veterans who return home to improve their lot and develop their education skills, since 1995 Montgomery GI education benefits have gone from $405 to $1,004, an increase of 147 percent. And I will also note that prior to the Republican take over in 1995, under 40 years of Democrat control, there was no progress whatsoever on concurrent receipts. Now military retirees injured in combat or while training for combat who are 50 percent or more service disabled, are able for the first time in over 40 years to receive retirement benefits at the same time as their veterans disability compensation.

About a month ago, the Charleston Gazette ran this quote, and I will share it: “Bush increased VA spending by 27 percent in his first term. A factcheck.org pointed out, funding for veterans is going up twice as fast under Bush as it did under Clinton. And the number of veterans getting health benefits is going up 25 percent.”

The bottom line is that domestic discretionary needs have been met and continue to be met under this blueprint that the gentleman from Iowa (Mr. NUSSELE) presents today.

Mr. NUSSELE. Mr. Chairman, I yield 7 minutes to the gentleman from Mississippi (Mr. WICKER) to talk about automatic spending or mandatory spending. We do not need a tax increase. We need to control spending.

Mr. WICKER. Mr. Chairman, I thank the gentleman for yielding me time, and I thank him for saying what he did earlier about tax increases.

I have been watching these budget debates for 11 years now as a Member of Congress, 3 years as a member of the Committee on the Budget; and year after year the argument is the same.

Our colleagues from the other side of the aisle criticize our budgets in two respects. They say Republican budgets do not spend enough, and they say that it would be bigger if we put way more into veterans’ benefits. So I am glad to see the chairman pointing out his opposition and join him in adding my opposition to tax increases.

Now, I do want to talk as the chairman has asked me about mandatory spending. And I appreciate this opportunity as a member of the Committee on Appropriations, as well as a member of the Committee on the Budget.

As the chairman has noted, Congress spends a lot of time talking about discretionary spending, that part of the budget that makes up only one-third of total spending. The last time we made
any real effort to restrain the bulk of our spending, that part on auto-pilot, was back in 1997 and before that 1990.

Now if we look at this pie chart, we can see how much of our total spending has come to be mandatory spending: 48.7 percent, 54.3 percent, and 64 percent. And if we do not get a rein on it, by the year 2015, the portion of the budget over which we have little control or have chosen to have little control will grow to 62.1 percent.

Eventually this spending will crowd out other priorities which we also need to address.

Let us look at the other chart if we might. This one deals with student loans. We address much of our student spending with discretionary money, but student loans are mandatory programs, so we need to control entitlement spending even to discuss getting it back under control without causing concern to good, deserving people who worry that their benefits will be changed. So we have a big problem to deal with, not only to get our hands around the problem, but also to do it in a way that is fair for today's recipients and tomorrow's recipients.

The President's budget addressed this problem by including savings in mandatory programs, just slowing that rate of growth, as part of our effort to get the growth rate under control and to help reduce the current deficit. Our budget, while not an exact duplicate of the President's proposals, begins the process.

It is important to remind everyone that this is not happening in a vacuum. As the gentleman from Florida (Mr. PUTNAM) pointed out, we have already taken the first steps toward getting a grip on discretionary spending. Specifically, what does this budget do? It provides, for the first time since 1997, reconciliation instructions to the authorizing committees. It directs each of them to find a specified amount of savings. What it does not tell them to do is where to find those savings. That will be left up to the committees. The budget has a number that is given to each committee, and it directs the committee of jurisdiction to find that amount of savings. This is a critical step, and part of our effort to get our mandatory spending back to a sustainable level, simply slowing the rate of growth of programs such as the one demonstrated on this poster.

It is a critical step, and I ask all of my colleagues to support this effort by supporting the budget, and I thank my chairman again for putting together a resolution that addresses the very needed mandatory spending restraint that is going to be necessary for our future economic progress.

Mr. SPRATTS. Mr. Chairman, I yield 2½ minutes to the gentleman from Tennessee (Mr. FORD).

Mr. FORD. Mr. Chairman, I thank the gentleman for the time.

It has to be tough. I am a friend of the gentleman from Mississippi (Mr. WICKER) and a friend of the gentleman from Florida (Mr. PUTNAM). It has got to be tough for them and the chairman.

Back when they were on the committee a few years ago when this President was in office, we had surpluses, and it was easy to go before the committee and debate how we would spend money we actually have or actually had and projected we would have. But today we are out of it, so much out of it that we have to come to the floor and almost pretend that we are doing something that we are not.

As much as I respect the gentleman from Tennessee, Governor Barbour, and ask him his feelings about the Medicare increases he bragged about here on the floor.

Governor Bentley of Alabama was faced with an enormous shortfall, as most Governors are. I might add that the Governors were here not long ago, Democrats and Republican, and expressed their outright opposition to President Bush's budget as it related to Medicaid and even this budget as it relates to it.

The thing that is clear today, Mr. Speaker, is that our priorities are just very different than theirs. They accuse us of wanting to spend more. Yet the two most previous speakers bragged about how much spending they have done over the last several years. I would, too, if I was actually cutting budgets.

The VFW Hall that the gentleman from Florida (Mr. PUTNAM) said I should be proud to go into and explain what we have done over the last few years, it is funny. They were here passing out ribbons and arm bands, urging us to do more because this budget here actually cuts the budget for the Veterans Affairs Department by $740 million when we consider keeping up with inflation.

We ask those returning from Iraq to pay higher copayments for their drugs, and we even ask them to pay a $250 dollar entry fee.

All of these numbers we use here could be confusing to people back home, but here is the short of it. We are going to do less for those who need the least and we are going to do more for those who need the least in this budget.

I would be embarrassed if I had to vote for this budget. Thankfully I do not, and frankly I do not even know if I am going to vote for all the things we are going to present on our side, for one reason. It is not balanced. Ours is more balanced than my colleagues, and as much as my colleagues may want to pretend that they are doing something not happening here in the conference. The increases, ask any State education commissioner how far we are with our numbers for the No Child Left Behind Act, how far we are off for the poor children in this country. If my colleagues are proud of making those kinds of cuts, go for it; vote for that budget.

The last point I would make is on Medicaid and Medicare. We want to say to poor people in this country that we are taking care of them and doing all that we can. Yet we will not say to drug companies in the country that we want them to negotiate directly with Medicare so we can ensure we get the
best price for seniors, for the disabled and for the poor working people across this country.

Vote no if my colleagues care about America and care about our future.

Mr. SPRATT. Mr. Chairman, I yield 1 minute to the gentlewoman from California (Ms. PELOSI), the minority leader.

Ms. PELOSI. Mr. Chairman, I thank the distinguished gentleman from South Carolina (Mr. SPRATT) for yielding me this time, and I, more importantly, thank him for his tremendous leadership, for his leadership on the Committee on the Budget. He has presented budgets that are statements of our national values, that are balanced in terms of their priority and balanced in terms of their fiscal soundness. He has been a great teacher to the country and the Congress on this issue. We are indeed blessed by his exceptional leadership.

Mr. Chairman, with today’s vote on the previous question, Republicans told their constituents exactly where they stood on Social Security. They want to privatize it. Defeating the previous question would have ensured that payroll contributions of millions of Americans are protected and are not diverted away from Social Security to fund private accounts, but Republicans voted unanimously to undermine Social Security with private accounts.

Even though Social Security privatization is the President’s number one priority, the Republican budget hides the cost in and the harmful effects of Social Security privatization by refusing to include any details on the plan in the budget.

The Republican budget also continues the Republican raid on the Social Security Trust Fund by spending every penny of the Social Security Trust Fund over the next 10 years, totaling $2.6 trillion.

The previous speaker or colleague, the gentleman from Tennessee (Mr. FORD) referenced that when President Bush came into office he came in at a time of surplus. Indeed, for the last 3 years of the Clinton administration, there was zero deficit. In fact, there were surpluses, and that tightening of the government’s budget under President Clinton enabled the Clinton administration to pay back over $350 billion of our indebtedness, reducing the nation’s unemployment rate, and create 6 million new jobs.

Yet, President Bush came into office with his reckless tax cuts for the superwealthy. Not all of them were for superwealthy. We supported those for the middle class, but because of the size of the tax cuts for the superwealthy, we have driven us deeply into debt to the tune of $350 billion, and of course, the supplemental, of about a half a trillion dollars in debt for 1 year, this is unconscionable.

The course of action that the Republican administration is on makes it nearly impossible for them to pay back the Social Security Trust Fund, the money they have taken from it to date.

Secondly, the private accounts and the transition costs of about 2 trillion for the transition over the next 10 years, is huge and, again, undermines Social Security.

The deficit in the budget is directly related to undermining Social Security. It is essential that the President be stopped in creating these private accounts which drain money out of the Social Security Trust Fund, thereby weakening Social Security. It is essential that the President and the Republicans be stopped from their reckless deficit spending, their raid on the Social Security Trust Fund and their further deficit spending with their tax cuts for the superrich that will make it impossible for them to pay back the money to the trust fund.

This is the America where workers have placed into the trust fund, that American businesses have matched by placing into the trust fund for retirement insurance. This money belongs to the American people. It is not a slush fund for President Bush to give tax cuts to the superwealthy at the expense of working families in America.

Democrats are committed to addressing the challenge which faces Social Security down the road. The first step in strengthening Social Security is ensuring that Social Security contributions are used only to pay for the guaranteed benefit that American workers have earned through a lifetime of work, for retirement; for disabilities if, God forbid, that happens, a tragedy befalls their family; and again, for survivors and families who have lost a loved one.

Privatization makes the challenge facing Social Security worse by slashing benefits by 40 percent for future retirees, the survivors; the people with disabilities, if what we know of the President’s plan, indexing to prices rather than wage is proceeded upon, saddling our children and grandchildren with massive debt and jeopardizing the retirement lifeline provided by Social Security’s guaranteed benefit.

Rather than diverting trillions with a T-R, trillions of dollars from the trust fund to fund risky private accounts, Democrats are committed to strengthening Social Security. Once privatization is off the table, Democrats want to work with Republicans in a bipartisan way to make any adjustments to keep Social Security solvent.

Indeed, Mr. Chairman, the issue is what we do about Social Security from the year 2050 to the year 2100. Contrary to the President’s plan, put out there, there is no crisis facing Social Security. There is a problem down the road. We have time to deal with it in the right way, in a way that does not slash benefits, that does not increase the deficit, does not rob our trust fund of its funds and does not burden our children with all of that debt.

So we will go to the table and say, with us into 2050. And after that, the benefits would be at 80 percent, and that is what we have to deal with. We can deal with it soon. We can deal with it in a bipartisan way. Just as President Reagan did working with Speaker Tip O’Neill in 1983, we can work it out in a bipartisan way to strengthen Social Security.

Some say that the private accounts are an end in themselves. There are people who believe in private accounts. Of course, I believe that the accounts are just a decoy, just a Trojan horse that looks appealing to people because it is a new idea, that once they get it past the gates of the city that rotten underbelly of huge deficits will destroy Social Security.

Either way, private accounts have got to go. They take money out of the trust fund, and this administration has no visible means of paying that money back.

Today, again, the Republicans said with their vote that they want to undermine Social Security by privatizing it, while Democrats voted unanimously to strengthen Social Security for future generations. Let us honor our responsibility to future generations, to our children, also to America’s workers. Morally and legally we are bound to give them the promise of America to pay their Social Security and Medicare; and, if in time of tragedy, their disability and survivor insurance as well.

Mr. NUSSLE. Mr. Chairman, we do not need a Democratic tax increase. We need to keep the economy growing.

Mr. Chairman, to speak about that issue, I yield 10 minutes to the gentleman from Ohio (Mr. PORTMAN), vice chairman of the Budget Committee.

Mr. PORTMAN. Mr. Chairman, I thank the chairman of the Budget Committee for yielding me this time, and I am delighted to have the opportunity to talk about the importance of keeping the economy growing. And this budget certainly does that.

But let me take a moment, if I could, and respond to some of the comments by the minority leader with regard to the Social Security system. First, to say the criticism that your budget, Mr. Chairman, does not honor Social Security, is kind of an unusual one, given that as the gentleman from South Carolina (Mr. SPRATT) knows, under the Budget Act of 1974, Social Security is off budget. And even if the Budget Committee, in all of its wisdom, decided we were going to reform Social Security, we would not have the ability to. You cannot do it in the budget.
And, secondly, although we heard a lot of criticism about some of the President's ideas and some of the other ideas to indeed modernize and save Social Security, we did not hear even outlines of a plan on the other side. So it is kind of a bunch of rhetoric, not together, even if you could under the Budget Act, when there is no plan.

There is a lot of denial about the problem we just heard. And there is a lot of criticism about those who would like to address the problem. I commend the President for addressing it. There can be no greater sense of leadership around this place, Washington, D.C., than someone who is willing to take on the third rail in American politics, Social Security.

Traditionally, it has been one that politically is very tough, hard to take on, referring to that third electrified rail in the New York subway system. You use your legs to make it, but the President is taking it on, as are Republicans, because it is the right thing to do. It is the right thing to do for our seniors, to be sure they have strong Social Security. And as the President said, nobody who is age 55 or older will not have their benefits changed one bit.

But more importantly, it is important for those succeeding generations. I have my 14-year-old son with me today. We want to be sure that his generation has an opportunity to have the same kind of peace of mind in retirement and the retirement security that we have all enjoyed.

And quite frankly, the math does not lie. The Social Security system was funded in a way that does not permit us to continue to provide those benefits to future generations because of the fact that we have people living longer, because we have more people who are about to retire, my generation, the baby boom generation, and because therefore we will have fewer people working to pay in those benefits.

We need to do something. We need to do it sooner rather than later because the sooner we do it, the less impact it will be on our economy, on our budget, and on our young people.

The gentleman from California (Ms. Pelosi) talked about the reckless tax cuts that have driven us into debt. Well, what have we seen over the last 4 years? It is not tax relief that drove us into debt. Over the last 4 years we have seen remarkable changes in our Nation's economy and our fiscal picture.

The stock market is rebounding. Despite all the problems we have gone through with the markets we talked about earlier, the Dow-Jones Industrial Average has been at its highest level in 4 years. The Dow has nearly tripled in value over the last 4 years. These are not just figures or abstractions; these mean real jobs for real people we represent. It means we have higher investment in plants, in business, and equipment; we have higher wages, higher take-home salary. This is happening in America right now. We need to be sure that continues.

Expanding job opportunities and solid income growth is what this budget is all about so every American who wants to work can work and find a job. That is what makes this a Nation of opportunity and prosperity. Today, because we have had an improved economic picture, things are better; but we are not finished. We need this momentum to continue. We need to be sure we continue to see the kind of economic growth we have seen, and that means that once we passed through tax relief we passed in 2001, 2002, and 2003.

The minority leader earlier talked about the reckless tax cuts that caused the deficit. We talked about what caused the deficit. Here is what has resulted from those reckless tax cuts: 3 million jobs in the last 21 months. There are a lot of factors in the economy; but the one we can control is the
In the interest of full disclosure, we ought to acknowledge that advice was given to us three times, and it is in our budget resolution. We recommend it in two places in our budget resolution. The one discipline proven to work that we ought to institute at the very least is PAYGO: to stop entitlement spending increases and to additional tax cuts, per the recommendation of Chairman Greenspan.

Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey (Mr. Pascrell).

Mr. PASCRELL. Mr. Chairman, while the majority cynically tells America that they will cut the deficit in half by 2009, here we go begin. A simple review shows that the budget will add $127 billion, 5 years from now and make the situation even worse.

This is the legacy we are giving to our kids. We are telling them, "We've got a deal for you. We're going to privatize part of Social Security." They are going to need the money to pay the interest on the debt. They better save their money.

My friend from Ohio has presented probably the best defense of deficit spending that I have ever heard. Along with the false claims and the budgetary sleights of hand, remember, these are the same folks who since 2001 have converted a budget surplus into a deficit of $1 trillion, a $9 trillion turnaround. Defend that.

It really takes a special talent to underfund education, to underfund veterans' programs, to cut Medicaid, to raise taxes on the middle class and still raise the deficit. Over and over again it is clear, Mr. Chairman, the leadership in Washington has no credibility when it comes to handling the people's money. We are good at giving tax cuts to Sammy Sosa and we forgot the very people who are fighting on the front lines.

Mr. SPRATT. Mr. Chairman, I yield myself such time as I may consume.

To respond to the gentleman, I would say that Mr. Greenspan has told our committee three times that we should borrow from the experience of the 1990s, reinstate the so-called pay-as-you-go rule, and apply it both to entitlement spending increases and additional tax cuts, including renewal of expiring tax cuts as a means of diminishing the deficit and improving the bottom line.

This budget cuts $20 billion from Medicaid. Our friends on the other side of the aisle claim that this is not a cut, just a reduction in growth. But it is a cut. When prices increase, and they surely have in health care, and spending does, and the report has found, you are reducing the program's purchasing power. You are cutting the program. This budget is going to deny States, health care providers and low-income working families $20 billion for the health care services that they have, or without evidence that closing loopholes or fighting waste, fraud and abuse would save anywhere near this amount.

Medicaid provides health care, irreplaceable health care, to 52 million of our poorest children, poor pregnant women, parents and the elderly. It is a critical source of acute and long-term care for 13 million elderly and disabled people. These are real people who would be affected by cutting $20 billion out of Medicaid.

Mr. Chairman, since the President took office, the number of uninsured has increased by 5.2 million. Without Medicaid, this number would surely have grown much higher. Medicaid enrollment grew by 1 million over the same period, covering many people who would otherwise have been uninsured. Even so, Medicaid costs have grown about half as fast as private health insurance premiums have grown. Between 2000 and 2003, Medicaid per capita spending went up 6.9 percent while private insurance premiums shot up over 12.5 percent. The growth we have seen is a result of the skyrocketing health costs that the President has allowed, not Medicaid itself.

If these cuts in Medicaid are made, the ranks of the uninsured will surely increase, the economy will become weaker, and health care costs would skyrocket even more because fewer people would be unable to afford regular checkups and preventive measures but would be stuck by going to the emergency room as a last resort. That is why the National Governors' Association opposes these cuts. It is why faith-based organizations oppose these cuts. And it is certainly why organizations, which I have a list of here, like the March of Dimes, the National Association of Children's Hospitals, the American Academy of Pediatrics and the AARP, all of these groups and many more oppose the cuts that this budget puts into Medicaid.

I urge my colleagues to vote against this budget and these draconian cuts in Medicaid.

Mr. NUSSLE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. PORTMAN) having assumed the chair, the Clerk, Mr. LaTOURETTE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution (H.
Con. Res. 95) establishing the congressional budget for the United States Government for fiscal year 2006, revising appropriate budgetary levels for fiscal year 2005, and setting forth appropriate budgetary levels for fiscal years 2007 through 2010, had come to no resolution thereon.

PERMISSION TO OFFER AMENDMENT OUT OF SPECIFIED ORDER DURING CONSIDERATION OF H. CON. RES. 95, CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2006

Mr. NUSSLE. Mr. Speaker, I ask unanimous consent that during consideration in the Committee of the Whole of H. Con. Res. 95 pursuant to House Resolution 154, the gentleman from Texas (Mr. HENSARLING), or his designee, be permitted to offer amendment numbered 2 in House Report 109-19 out of the specified order.

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

There was no objection.

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2006

The SPEAKER pro tempore. Pursuant to House Resolution 154 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution, H. Con. Res. 95.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution, H. Con. Res. 95.

The Clerk read the title of the concurrent resolution.

The CHAIRMAN. When the Committee of the Whole rose earlier today, the gentleman from Iowa (Mr. NUSSLE) had 1 hour and 7 minutes remaining and the gentleman from South Carolina (Mr. SPRATT) had 1 hour and 26 minutes remaining.

Mr. SPRATT. Mr. Chairman, I yield 3 minutes to the gentleman from Maine (Mr. ALLEN).

Mr. ALLEN. I thank the gentleman for yielding me this time.

Mr. Chairman, the budget is a reflection of our values and priorities as a Nation. Congress should support a Federal budget that will make us more competitive in the global economy, spread prosperity to more Americans and reestablish fiscal discipline to ensure a better future for our children. This budget resolution takes us in the wrong direction. In order to cover up the President’s mismanagement of the economy and the resulting mountains of debt, the Republican budget sacrifices important domestic priorities like Medicaid. This budget resolution cuts Medicaid more deeply than the President’s proposal, as much as $20 billion over 5 years. Slashing Medicaid will have a devastating impact on the most vulnerable in our society. Medicaid is the safety net for impoverished children, elderly and the disabled. Reductions to Medicaid will cause lasting harm to current Medicaid beneficiaries and make the system less viable for health care providers.

Exactly who will be affected by cuts to Medicaid? Thirty-nine million low-income children and parents, including one in every five American children; 13 million elderly and disabled individuals who are receiving acute and long-term care through Medicaid.

This budget would set back the quality of nursing home care. With Medicaid funding half of the Nation’s nursing home care, cutting or block granting the program will set back efforts to improve care for millions of care providers to seniors and people with disabilities in the Nation’s nursing homes.

This budget would unravel an already fraying health safety net, jeopardizing support for providers like hospitals, clinics, doctors and health plans that serve low-income Americans.

This budget would increase the number of uninsured which has already risen to 45 million people under the President’s watch. Sick people cost more when they are uninsured and receiving care in emergency rooms than when they are covered by Medicaid.

This budget would put children at risk. If children have less health coverage, they are more likely to compromise their ability to learn in school and to grow into healthy, contributing members of society.

Cuts to Medicaid will shift costs to States, increasing their already significant fiscal burdens. Cuts in block grants do not address the real challenges States are facing. Medicaid enrollment increases which have occurred as a result of more people losing their health care coverage. Shifting additional costs to the States will likely drive them to cut Medicaid coverage and services.

This administration has provided huge tax cuts to the highest earning households in the Nation over the last few years. Now we see the rest of the plan. To reduce or eliminate health care coverage for poor, elderly and disabled people in order to finance tax cuts for the wealthy is inequitable and not in line with our Nation’s values.

Mr. SPRATT. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin (Mr. KIND).

Mr. KIND. Mr. Chairman, I thank my friend from South Carolina for yielding me this time, and I also want to thank him and commend him for the leadership that he has shown during the course of the Budget Committee work and for the alternative Democratic substitute which we will talk about a little bit later today.

Chairman, there are few moments during the legislative year here in Congress which really defines who we are as a Congress, who we are as a Nation and where we are going with our priorities. It is one of these moments today when we have a discussion about our budgets and the priorities that we place in the budget.

For some reason, the Republican budget that we have before us only is budgeted for 5 years rather than the typical 10 years. I submit that one of the reasons I think they are doing a 5-year budget instead of a 10-year budget is because of the complete breakdown in fiscal responsibility and what the costs of their budget will entail and the expansion of budget deficits in the second half of the decade that we do not talk about during the course of these next couple of days during the budget.

We, on the other hand, will be presenting a Democratic alternative, one that does, I believe, reflect the values and priorities that we share as Americans in this Nation.

Our budget will reinstate the pay-as-you-go rules to instill budget discipline again in the decisions that we are making in these budgets. We achieve a balanced budget under our plan by 2012, just when the massive baby boom retirement wave really starts to hit, and we protect important investments, in defense, in veterans’ programs, education and health care to keep America strong and to help us grow the economy and create jobs. By reinstating the pay-as-you-go rules, we will be in a better fiscal position to better preserve and protect the long-term solvency of the Social Security program.

While this chart demonstrates next to me is the result of budget decisions over the last 14 to 15 years. This green line which shows an upward trend that resulted in 4 consecutive years of budget surpluses is Congress operating under pay-as-you-go rules. The red lines that show the plummeting of the surpluses into historically large budget deficits shows Congress without pay-as-you-go rules. What is hard to understand about reorienting pay-as-you-go rules as part of budget discipline and for the alternative Democratic substitute which we will talk about to right the fiscal ship again?

With pay-as-you-go rules, it gave us 4 years of budget surpluses, 2 in which the Congress was not raiding the Social Security Trust Fund and using that money to balance our budget by spending priorities or other spending priorities and enabled us to start reducing the national debt which was an incredible economic dynamic at the end of the 1990s.

This chart demonstrates the current raid on the Social Security Trust Fund under the Bush administration. Every dime in surplus that is being run in the Social Security account right now is...