

have concluded that this tax cut plan will increase the Federal budget deficit. And they are right, because we will now have to increase our debt limit \$894 billion.

Mr. Speaker, the American people have got it right, because they have common sense. In the midst of this situation, we ought to create jobs, not debt. In the midst of this situation, we ought to be favoring working people, not just the wealthy.

The American people have got it right; and I will tell you, they are not buying this used car from this President.

#### CIVIL SERVICE REFORMS: REINSTATING A WORKERS' BILL OF RIGHTS

(Ms. LORETTA SANCHEZ of California asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. LORETTA SANCHEZ of California. Mr. Speaker, I rise today in frustration over the Committee on Rules' failure to allow the Cooper Civil Service Bill of Rights to be offered today as an amendment to the defense authorization bill.

On the day that Congress left for the Easter recess, the Department of Defense presented Congress with the largest civil service reform package in nearly half a century. Impacting nearly 620,000 Department of Defense civilian employees, the proposed bill strips workers of fundamental protections, including the right to collective bargaining and the right to belong to a union without fear of discrimination. In fact, it does not even guarantee overtime pay for firefighters.

Although I agree that the Department of Defense civil service reforms are necessary, the manner in which these reforms have been moving through this body is disgraceful.

Congress is doing a disservice to our hard-working men and women at the Department of Defense by failing to bring this issue up for a debate. The Cooper amendment would have restored, among many things, critical worker protections, including veterans' preferences, freedom from political patronage, collective bargaining rights, membership in labor organizations, and protection from discrimination.

Mr. Speaker, the leadership in this body has failed our Department of Defense employees.

#### BURDENS BEING PLACED ON BACK OF VETERANS

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

Mr. STRICKLAND. Mr. Speaker, as we approach the Memorial Day weekend, I think it is important for the veterans across this country to understand what this body is doing. We are placing additional burdens on the

backs of our veterans for the health care they receive through the VA system in order to give a larger, more generous tax cut to the richest people in this country, many of whom have never served this country in the military.

Why do I say that? We passed a budget in this House supported by the President that asked for a \$250 annual enrollment fee so that many of our veterans will be able to participate in the VA health care system. If they do not pay the enrollment fee, they cannot participate.

The President has asked for an increase in the co-payment for prescription drugs from \$7 to \$15 a prescription. They have placed a gag order on their health care providers, saying they can no longer actively inform veterans of the benefits they are legally entitled to receive.

So here is what we have: a decision by the President and the Congress to put an additional financial burden on the backs of our veterans so that we can give a more generous tax cut to the richest people in this country. It is wrong.

#### PROPOSED TAX PLAN KILLING JOBS

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

Mr. GEORGE MILLER of California. Mr. Speaker, Members of the House, 2 years ago President Bush brought a \$1 trillion tax cut to the American public in the name of creating jobs and stimulating the economy. Since the time that he has done that, the economy has lost 2.7 million jobs; 2.7 million Americans out of work, the deficit has soared dramatically, and the economy is moving sideways, at best.

Now what does the President suggest? Today he suggests we cut taxes again, another \$1 trillion, and that \$1 trillion is supposed to create jobs. Very shortly President Bush will reign over the loss of 3 million jobs since he has come to office.

The President keeps putting forth this plan as a means of creating jobs. What it has done is it has killed 3 million jobs. The President's economic plan has yet to create its first job, its first job; but it has killed 3 million jobs in the American economy. The American public ought to understand, it is a \$1 trillion giveaway to the richest people in the country and a job killer for working Americans.

#### APPOINTMENT OF CONFEREES ON H.R. 2, JOBS AND GROWTH RECONCILIATION TAX ACT OF 2003

Mr. THOMAS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 2) to provide for reconciliation pursuant to section 201 of the concurrent resolution on the budget for fiscal year 2004, with a

Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

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

There was no objection.

MOTION TO INSTRUCT OFFERED BY MR. STENHOLM

Mr. STENHOLM. Mr. Speaker, I offer a motion to instruct conferees.

The Clerk read as follows:

Mr. STENHOLM moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the Senate amendment to the bill H.R. 2 be instructed—

(1) to include in the conference report the fiscal relief provided to States by section 371 of the Senate amendment, and

(2) to the maximum extent possible within the scope of conference agree to a conference report that will neither increase the Federal budget deficit nor increase the amount of the debt subject to the public debt limit.

□ 1030

The SPEAKER pro tempore (Mr. LATOURETTE). The gentleman from Texas (Mr. STENHOLM) and the gentleman from California (Mr. THOMAS) each will be recognized for 30 minutes.

The Chair recognizes the gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in his State of the Union address, the President told us this country has many problems, and that we will not deny, we will not ignore, we will not pass along our problems to other Congresses, other presidents, and to other generations.

As a proud grandfather who wants to leave a better future for my grandchildren, I applauded that statement; and I applaud it today. Unfortunately, our current budget, our current economic game plan, our current budget policies, would do precisely what we all applauded we should not do. Every dollar of the tax cuts passed by the Senate will be added to our \$6.4 trillion debt.

At the same time, we are debating another round of tax cuts, the leadership of this House is trying to slip through an increase in our debt limit of nearly \$1 trillion, the largest increase in the history of our country. Our total debt in this country in 1979 was less than the amount that we will borrow in a period of less than 2 years. That is what we are objecting to in this motion to instruct conferees.

I do not oppose tax cuts. In fact, I have stood with my fellow Blue Dogs and an overwhelming majority of this side of the aisle, and a few from that side of the aisle, and voted this year to do the tax cuts on the marriage tax penalty, to do the child tax credit speed-up. But our budget, our bill, did not borrow the money to do it.

My objection to the tax cuts that we are about to vote on today is that they are being done with borrowed money. It is irresponsible to pass a tax cut for ourselves today that leaves the bill to our children and grandchildren in the form of a crushing national debt.

If my friends on the other side of the aisle honestly believe that tax cuts with borrowed money is good economic policy, they should be willing to stand up and vote to increase the national debt to pay for their tax cuts, instead of relying on parliamentary maneuvers to avoid an up-and-down vote on this issue.

Our current economic and budget policies will increase the most wasteful spending in the Federal budget, the \$332 billion collected from taxpayers simply to cover our national interest payments. The tax bill passed by the House would increase this wasteful spending by \$273 billion over the next 10 years.

The best way to ensure that we, as well as our children and our grandchildren, are all overtaxed for the rest of our lives is to keep borrowing money and running up our debts. Our children will be forced to pay even higher taxes just to pay the increasing interest on the debts we incurred and getting fewer services from the government for the taxes they pay.

Under the majority's budget, the debt tax will consume more than 20 percent of all taxes going to pay the interest on our national debt by the end of the decade; \$520 billion the Congress will have to tax the people in 2012, assuming 4 percent interest, assuming 4 percent interest.

That is under the economic game plan that, if it works exactly like the proponents and the chairman of the Committee on Ways and Means who will defend this, sincerely in his own heart, if it works exactly like they say and it creates exactly the amount of jobs that they propose, we will increase our national debt to \$13 trillion over the next 10 years, continuing to ignore the baby boom retirements that will occur beginning in 2011, continuing to postpone to the next Congress and the next president dealing with the most serious problem facing the economy and this country, which is, how do we deal with the crushing unfunded liability of the Social Security system and the Medicare system, ignoring that in order to pass what they will explain, as we have heard in 1-minute today, is a jobs-creating tax bill.

I hope they are right. As I said 2 years ago when we stood on this floor and opposed the then tax cut of the 2001 variety, I hoped that I would eat the biggest plate of crow in town. I sincerely did. For the good of our country, I hope my friends on the other side of the aisle are right, because it will be better for our country if they are right.

Unfortunately, their track record thus far does not meet the rhetoric that we will hear over and over and over again.

When my Republican colleagues talk about the economic benefits of tax cuts, they conveniently ignore the harm to the economy and the impact on private capital markets from the government running large permanent deficits.

Just yesterday, Federal Reserve Chairman Alan Greenspan told the Joint Economic Committee that deficits do matter in any evaluation. What happens to deficits is an integral part of the analysis. That is why the Congressional Budget Office and the Joint Committee on Taxation both concluded that the tax cuts would actually harm the economy over the long term by increasing the deficit.

I ask my colleagues, as one Democrat who used to vote with them, with my friend who came to Congress at the same time in 1979, when we used to try or we passed the balanced budget constitutional amendment in 1995, what has happened to him? What has caused the gentleman to suddenly start saying that deficits do not matter, balancing the budget does not matter? If we believe that deficits matter, if we agree that we should not be placing a crushing debt burden on our grandchildren, vote for this motion to instruct and then follow it. Do what this motion says.

The motion the gentleman from New York (Mr. RANGEL) has put forward today, or I have been privileged to do on his behalf to this point, is to include in the conference report the fiscal relief provided by the States to the maximum extent possible within the scope of the conference, agree to a conference report that will neither increase the deficit nor increase the amount of debt subject to the public debt limit.

Mr. Speaker, this is a serious matter today. It is probably one of the most serious points in the history of our current generation that we have been to. I hope that those that believe that increasing the debt is not a problem, that there is an unlimited amount of money that the United States can borrow for whatever purposes we wish to borrow and spend it, because if we will look at the spending side of the ledger, we will see that spending is going to increase at the greatest rate in the last 25 years.

So when we hear that it is Congress' spending that needs to be controlled, look at the facts. Do not deal with rhetoric, mine included. Just look at the facts. Somehow, some way we have got to focus on the facts of what we are doing to this country: pursuing an economic game plan that most economists in this country say will not work, cannot work under the conditions we are living in today.

Mr. Speaker, I ask unanimous consent that the gentleman from New York (Mr. RANGEL) be permitted to control the balance of my time.

The SPEAKER pro tempore (Mr. LATOURETTE). Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. RANGEL. Mr. Speaker, I reserve the balance of my time.

Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would ask my friend and colleague, the gentleman from Texas, and I did not know whether he was going to depart the Chamber, having yielded his time, but if he is not, I listened carefully to what the gentleman said. We did come together, and I have read this motion to instruct.

As the gentleman knows, we have to bring the House and Senate together, since two pieces of legislation have passed and they are different in each House. This motion to instruct asks, and we all know that motions to instruct are not binding, but they do focus on what is important to people, the motion asks that we include in the conference report the fiscal relief provided to the States by section 371 of the Senate amendment. That amounts to \$20 billion in two different forms, \$10 billion to be distributed through the Medicaid structure and \$10 billion through a pro rata formulation with minimums to smaller States and smaller territories.

Whenever we have to reconcile the differences between the two bodies, we oftentimes have to listen very carefully to whether or not what one or the other side is asking for is important to them. Having talked to a number of my colleagues, both Democrat and Republican, on the other side of the Capitol, I believe this provision is important to them. I believe it is important to them to the level that, if it is not included, they would seriously consider the way in which they would be required to vote on a conference report that was placed in front of them without this provision.

So I can tell the gentleman that I have every intention of including section 371, as we can mutually agree to internal amendments to that section in the conference report.

The second item in the motion to instruct begins with the language "to the maximum extent possible," which I believe is a very wise and even sage observation that what we are going to do is, as humans, attempt to deal with the situation as best as we are humanly capable of dealing with it, to the maximum extent possible.

I have no problem with any of the language following "to the maximum extent possible", although I did hear the gentleman read that section and not read that portion of the section, as though it was a dictate that certain things must follow; but in fact it is not, the way it is written. It is a desire to the maximum extent possible to do certain things. When I read it that way, I have no objection to what the gentleman is saying in the second section, either, when I read it the way it is written.

I would tell the gentleman, his reference to the time we came and the decisions that we have made, at the time we came the gentleman and his party were in the majority. Currently, the gentleman from California and his party is in the majority.

One of the differences between the time the gentleman was in the majority and the time we were in the majority is that we have actually paid down on the national debt more than half a trillion dollars since we have become the majority. So I think not only in word but in deed we agree with the gentleman.

Mr. STENHOLM. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Texas.

Mr. STENHOLM. Would the gentleman care to revise and extend the remark that he just made about the success of his party in the majority and what has happened to our national debt?

Mr. THOMAS. I did not say what has happened to our national debt. I said "paid down on the national debt," money that went to the reduction of the national debt. That was my statement.

Now, let me go on and talk about his concerns and my concerns about deficits, because when we have a deficit and when we add to a deficit, \$1 added to the deficit in one particular way I believe is substantively different than \$1 added to the national debt and deficit in a different way.

For example, when we have fought past wars, especially significant societal and in fact world wars, when we have to build that battleship, build that carrier, build that bomber, build that tank, we clearly spent money we did not have. That is a dollar spent in deficit, but it was spent as an investment to ensure our way of life. No one would argue that that was not a very high calling for the deficit dollar.

In the decades following World War II, and especially in the 1960s and in the 1970s and to a certain extent through the 1980s, it became a habit when the revenue did not equal the desired spending of the Federal Government that the Congress would spend \$1 it didn't have, a deficit dollar, spent to sustain programs or to create new programs which would then in the future demand more deficit dollars to keep them going, unless there was a decision to raise taxes and bring in the revenue that would be required to cover the new and growing costs of the Federal Government.

What happened was that year after year deficit dollars were spent. What for? To sustain spending programs. That became known as the structural deficit, that they just continued a deficit that was built in because it was easier, more convenient, less painful than asking the American people to contribute more to cover the programs they wanted to create.

I do not believe anyone should support for any length of time a structural deficit. That is just wrong. I oppose and I believe the gentleman from Texas opposes structural deficits. That is one kind of a deficit dollar.

The other kind of a deficit dollar I have talked about in the context of

war, but we can also talk about a deficit dollar in the context of peace.

□ 1045

Mr. Speaker, because the deficit dollar in war was an investment in national security, you can spend a deficit dollar in peace as an investment in national strength, i.e. make sure the economy is strong, create jobs; and when you have jobs, people are being paid, more revenue comes into the Federal Government, and you can see that deficit dollar is not a structural deficit. It is spent in a way to grow the economy to be able to cover the expenses the Federal Government incurs. That is not a structural deficit. That is an investment deficit dollar.

While there is no question we wish there were no deficit, recent history would clearly indicate what has gone on which certainly has contributed to the problems we have; not just external, internal as well; decisions that people made about investments and the ability to convince people that certain things were real when perhaps they were not, where you create investment opportunities that fail.

One of the great things about this country is you can succeed; but in creating a structure that allows one to succeed, it is also necessary that we have a business structure where we allow people to fail. One of the fundamental differences between the United States and Europe in creating jobs is that we understand creative destruction because we can then rebuild. We can start anew. If we hang onto what we have got, if we do not risk, we cannot gain.

What happened was in many of the investments they were not placed wisely. I do not think that the government should deal with that, but nevertheless it had an impact on the economy. We can go over a number of other factors that have placed us where we are today.

The gentleman's emphasis in the motion to instruct is should we spend deficit dollars not for structural deficits, and that is why we are opposed to significant increases in spending, if we do not have the money, but should we spend a deficit dollar investing in the economy so it can grow. There is a legitimate difference of agreement as to whether, and how we do, it is appropriate or not. I have no problem dealing with that. That is the structure we have here and the debate that will take place.

So the way the gentleman has worded his motion to instruct in which I think to be able to bring back a conference report the first one needs to be included in ways that make it more amenable to more people, and the way the gentleman words his second provision to the maximum extent possible, the gentleman from California would accept the motion to instruct. I have no problem with it based upon our clear difference notwithstanding about the way we spend deficit dollars, be-

cause to the maximum extent possible, we will not because it does not say you will not. One does not create a procrustean bed where if you do not fit cramping you in that you are in countervention to your position, no.

Mr. Speaker, I accept what I consider to be a reasonable proposal to the maximum extent possible. I would indicate to the gentleman and if he has now transferred his time to the gentleman from New York, if the gentleman is willing to yield back the balance of his time, I am more than willing to yield back the balance of my time since we are in agreement.

If the gentleman, therefore, and I would recognize the gentleman from New York, is willing to yield back the balance of his time, I will yield back the balance of my time; we will agree to the motion to instruct so we can get on to the conference.

Mr. RANGEL. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from New York.

Mr. RANGEL. Mr. Speaker, I think I should be recognized by the Speaker.

Mr. THOMAS. I am yielding to the gentleman on my time to respond to my question. Is the gentleman willing to yield back the balance of his time?

Mr. RANGEL. I am anxious to be recognized by the Speaker.

Mr. THOMAS. Mr. Speaker, then I will say to Members, everything that is being said after the refusal to accept the offer to yield back so we can go to conference is nothing more than politically motivated. If they were sincere in this motion to instruct, which we are willing to accept, we would be on to the conference. Instead, we are going to hear a whole series of discussions which obviously can be made when the conference report is brought back.

I see on the other side of the aisle the gentleman from Maryland (Mr. HOYER), the majority whip, who has taken the mike more than once asking, What has happened to the comity in this body? Why are we not working together? We should show decent respect for either side. All I am saying is, here is the offer: let us yield back, let us accept the motion to instruct and go to conference. The answer is, no. Clearly the intentions, the motivations, the language probably is here for an entirely different reason; and actually, I am saddened a little bit.

Mr. Speaker, I tell my friends on the other side of the aisle, you have offered, we have accepted.

POINT OF ORDER

Mr. TANNER. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore (Mr. LATOURETTE). The gentleman will state his point of order.

Mr. TANNER. Mr. Speaker, is it permissible for a Member to impugn the motives of another Member? I think he is out of order because he has impugned the motives of the gentleman from New York (Mr. RANGEL) and those of us who want to speak on this issue by his words.

The SPEAKER pro tempore. In the opinion of the Chair, a Member who has only talked about political motivation would not be in violation of the rules.

The gentleman from California (Mr. THOMAS) is still recognized.

Mr. THOMAS. Mr. Speaker, apparently my friends on the other side of the aisle are interested in employing parliamentary maneuvers so I am not able to continue to make a very basic point. The basic point is this: if we had yielded back our time, it would have been a sincere offer and a sincere acceptance.

Since they are not willing to yield back, everybody understands what this is all about.

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

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me first thank the graciousness of the distinguished chairman of the Committee on Ways and Means and congratulate him on the sincerity with which he accepts the motion to instruct the conferees for creating the atmosphere so we can have discussion on what is happening here.

This is a motion to instruct the conferees; and to people who are not aware of it, there is an assumption that there is a conference, a conference that involves Members of the House and the Senate appointed by our great Speaker to resolve the technical differences in a bill from the House of Representatives and the Senate, for us to be represented, Democrats and Republicans alike. And the distinguished chairman of the committee says that he will accept our recommendations that were drafted in parliamentary language to report neither an increase in the Federal budget deficit nor an increase in the amount of the debt subject to the public debt.

Now, while he is saying that this is his conduct in the conference, all of last night and this morning we have heard that the chairman of the Committee on Ways and Means has already reached agreement with his Republican friends in the Senate. I do not know who is going to be appointed as a conferee, but it is abundantly clear that they have reported to the press that they have already decided what they are going to do, and so the whole idea that democracy is taking place here has really been shattered by the fact that the Republicans have yet to come out of the dark room that they have been in to share with us where will the conference be.

I do hope that we understand this, that the eloquence with which the chairman of the Committee on Ways and Means described how repugnant the deficit is to him, that he only found it difficult to live with because it was caused by Members of Congress' propensity to spend money for programs.

I really think that is the key to the whole thing. He has no problem in cre-

ating the deficit for tax cuts, but his problem is when we are spending it for education and housing and Social Security and Medicare and prescription drugs. That is where he draws the line.

It seems as though while the papers are concerned with whether the negotiators, and that is what is referred to on the front page of the Wall Street Journal, not the congressional conferences taking place trying to resolve differences, but what he and his Republican counterpart have decided that they are going to do for long-term economic gain, something similar to what they did several years ago when they said they had a program to create jobs, and it turns out that they had a program to increase deficits.

So here we are today saying that they have agreed on a \$350 billion tax cut when everyone inside the Beltway and in the House and Senate knows that they have agreed to a trillion dollar tax cut and a trillion dollars in borrowed money; and the fact remains that for the next decade the interest that we will be paying on the money that has been borrowed for tax cuts will be more than the money that we ever will be paying for discretionary programs to provide assistance for Americans.

So now that they have come out of the dark room and agreed that they are going to do the best, I can tell Members this: no matter what they come out with, it is the American people who are going to pay the price for this dramatic shift as to when did we start borrowing trillions of dollars in order to reduce the taxes on the precious few already-blessed people with high incomes that will be the beneficiaries of it.

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

Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I will reach my hand out once again; we are willing to accept it. You slapped it away once. I hope the gentleman does not slap it away a second time because as the gentleman from Maryland (Mr. HOYER) has reminded us time and time again, there is not enough comity in this House, that we ought not treat each other the way we have been treated. I thought I would take the initiative.

I find it interesting when the request is made repeatedly on this side, apparently it is just a request. When I accept that offer and reach my hand back, it is denied. So then you wonder why the request was made in the first place, or perhaps it was just a request that they hoped would remain out there, floating ephemeral.

What I have done is I have put my hand out and said let us get to conference. The gentleman from New York (Mr. RANGEL) says he does not know where the conference is or where it is going to meet. I tell the gentleman from New York, I do not know either. Why, as the gentleman well knows, the Senate is organizing this conference. It is the chairman of the Senate Com-

mittee on Finance who will be the chairman of the conference. They will organize it, and they will structure it.

If we can get this motion to instruct behind it, I would have preferred yielding back the balance of my time, but obviously statements need to be made, but then maybe we will find out where it is; and he and I can go together to where it is that the chairman of the Senate Committee on Finance will decide where and when it should meet.

So if the gentleman is concerned he does not know, once again, on a totally equal basis, I do not know either. We will try to pursue that together. Perhaps that is one thing we can do together today because clearly you are not willing to accept the gesture of moving on so we can actually do it by accepting our offer on the motion to instruct.

□ 1100

I guess it just concerns me a little bit because from now on when I sit on the floor and listen to the platitudes about how we ought to work together, we will have a little better understanding of the context in which those statements are made. We understand it is political rhetoric, just as everything that is going to be said from now on is political rhetoric.

I just wanted you to know that in all sincerity, to live up to what you said, I wanted to give you a chance. You offered. We are willing to accept. You are not willing to accept our offer to accept. That really is sad.

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

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

I am even more frightened now that the chairman has indicated publicly how little he knows about what the Senate is doing since he has been on television all night sharing with us that he has been negotiating with the Senate, but I accept his lack of understanding of where the conference is going to be.

Mr. Speaker, I yield 3½ minutes to the distinguished gentleman from Maryland (Mr. HOYER), the Democratic whip.

Mr. HOYER. Mr. Speaker, the chairman can say over and over and over again that he reaches out his hand in comity in seeking bipartisan participation. But no matter how often he says it, no matter how sincerely drips the lines from his mouth, the reality is starkly different. Yes, we reject a sham offer for a sham process, predetermined and not inclusive, a process that is leading to the injuring of our country, the undermining of our economy, the destruction of jobs. Those are the facts, as the gentleman from Texas (Mr. STENHOLM) said earlier. The creation of gargantuan debt. And, yes, as the chairman knows but will not repeat, under Mr. Reagan and Mr. Bush, their budget request, forget about what Democrats did, their budget request requested more spending than the Congress gave them in those 12 years. This

President has asked for more spending than we had last year.

Mr. Speaker, I urge my colleagues to support this motion to instruct, not caveated, not if you mean this or that, as the chairman says. This motion instructs conferees on the tax bill to include the provisions on State aid as provided for in the Senate. Frankly, I know it galls many of my colleagues on the other side of the aisle, none more so I think than the chairman, that the States are now asking the Federal Government for help in weathering their worst fiscal crisis since World War II, caused in large part by the fiscal policies of this administration. Do we ignore the fact that many States are now considering massive layoffs in an effort to save money and balance their budgets? The chairman would say yes. Do we ignore the fact that States are now considering Draconian cuts to Medicaid and other vital services for our most vulnerable citizens? The chairman would say yes. Do we ignore the fact that at least one State, Kentucky, is even considering letting prison inmates out early to save money?

Mr. Speaker, that puffed-up piety, that dripping sanctimony that so often laces the lectures on fiscal responsibility that our Republican friends are so fond of making would have far more credibility if the GOP actually practiced what it preached. But the party that turned record budget surpluses into record deficits, the party that squandered a projected \$5.6 trillion surplus, and the party that later today intends to vote for a \$350 billion bill, it says, but everybody on this floor who is at all honest knows it is a trillion dollars, plunging us deeper into debt, demanding a record increase in the statutory debt limit should not be lecturing anyone on fiscal responsibility.

This motion instructs conferees not to increase the deficit, which the CBO now projects will be well over \$300 billion, and not to include language to raise the debt limit. Our Democratic alternative, of course, was paid for with offsets. The GOP bill is not.

Ladies and gentlemen, if you care about your country, if you care about honesty with the American public, if you care about any personal responsibility that we have as Members of the Congress, you will vote for this motion to instruct and against this package that will harm our country.

Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume.

The gentleman from Maryland called my offer to yield back the balance of the time and accept the motion to instruct a sham offer. All you have got to do is call me on it to see if it is a sham or not. You yield back your time; I will yield back my time. That was rejected.

The next test will be since we have already said we would accept the motion to instruct is when we finish debate, all time has expired and the question will be on the motion. We do not intend to call a rollcall vote. There would be no need to call a rollcall vote

if in fact you have offered and we have accepted. It would be a sham to call a rollcall vote. We do not intend to call a rollcall vote. If you on the other side of the aisle call a rollcall vote after you have offered and we have accepted, then it is pretty obvious where you are going. Words piled upon words cannot bury this simple fact: I offered; you refused.

Of all sad words of tongue or pen, the saddest are these: "It might have been."

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

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. GEORGE MILLER).

(Mr. GEORGE MILLER of California asked and was given permission to revise and extend his remarks.)

Mr. GEORGE MILLER of California. Mr. Speaker, I thank the gentleman for yielding me this time.

It is certainly understandable why the chairman of the committee would not want us to talk about this bill. It is certainly understandable that he would not want the American public to learn from us that this is a trillion-dollar tax bill that plunges this country faster and further into debt than anytime in history. He certainly would not want us to tell the American people that when they did their first tax bill of a trillion dollars 2 years ago, that since that time we lost 2.7 million jobs, the economy has faltered, the market has faltered and the Bush administration and the Republicans in the House and the Senate do nothing.

They do nothing but take care of the Bush class in America against the middle class in America. I am sure the gentleman from California would not like to have us tell that to the American public, just as he did not want us to tell the American public when we had a substitute and they denied us time to talk about it, they denied us the right to offer. Why? Because we had a substitute that was fair and fast acting, would have created a million jobs and no long-term deficit. They could not figure out how to construct one. They did not have the discipline to construct it. They did not have the morals to construct it. They did not have the ethics to construct it, so they just dove into the pit of debt and deficits and red ink.

And now as they emerge from that pit, it drips off of them, deficits, red ink, muck, to be left to the future generations. That is their plan. And I am sure they would not like us to talk about it. And I am sure that he will beg us to yield back our time. But we think this is the House where the people rule. This is where the people ought to hear what is taking place here. The facts that cannot be buried, as he would say, is the exploding deficit, the cost of these tax bills, a \$400 billion deficit this year, a \$7 trillion deficit over the long term and the immorality of passing that on to future generations.

Mr. THOMAS. Might I ask the Speaker the remaining division of time?

The SPEAKER pro tempore (Mr. LATOURETTE). The gentleman from California (Mr. THOMAS) has 12½ minutes, and the gentleman from New York (Mr. RANGEL) has 11.

Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume.

The gentleman from California indicated that they were quite disappointed that their substitute was not made in order. What the gentleman full well knows is that the substitute did not conform to the rules. That they could not construct, or chose not to construct a substitute that did not violate the rules, that was outside the rules. And what they wanted was to ignore the rules.

What the majority did was construct a program that fit the rules. I understand, based upon the way you behaved when you were the majority, that you do not like the constraining aspect of rules. We believe that you ought to play the game according to the rules, and you do not think rules should apply to you. We understand that. But for you to argue that your motion should be made in order in which we had to follow the rules of the House and you did not is to say, let's have a game of baseball. You get nine in the field, we get 28. You get three outs, we get 12.

I certainly understand based upon the way you performed when you were in the majority, you do not get it. Why can we not have 28 in the field? Why can we not have 12 outs? Why can we not spend more than we raise year after year after year when you had the ability not to? But now somehow the Holy Grail is to not spend more than you take in, and we would sip from that cup every day if we did not face the problems we face now. Just as we did in wartime when we spent dollars we did not have to try to save our country, we are trying to do the same thing right now.

I understand your desire to score political points. But the argument that somehow we do not want people to know what we are attempting to do, as soon as we can get to conference, is absolutely the most amazing argument I have ever heard. You know why? Because once you understand what we are doing, it completely blows up your rhetoric. Those old yellowed sheets of class warfare give to the rich are actually going to have to be rewritten. Or maybe you just ignore, as you have done a number of times, reality.

What we are attempting to place before this body is a change in the Tax Code that does not give no taxation of dividends or capital gains to the most rich. Warren Buffett does not get zero. Bill Gates does not get zero. We are attempting, and the longer we stand here the longer it is going to take us to present it to you, to create a change in the Tax Code that gives zero to who? No tax on dividends or capital gains to those who pay the lowest amounts of taxes. In the 10 and the 15 percent bracket, zero. Their modest investment

in the engine that drives our economy, the private sector, should not be subjected to the Federal Government taking money out of that small pot. That is what we want to put in front of you. I think you are a little worried about it because your old syllabus will not work. We do not want to provide zero tax to the richest in America. We want to provide zero tax in the investment of the engine of this economy to those on the bottom and the second to the bottom rung of the ladder, so that they can amass wealth, they can understand what it means to be a capitalist, they can share in the resources of this country; and I believe your real fear is that eventually they will understand what it means to think and be a Republican.

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

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

It is so sad that the gentleman constantly refers to this as some type of a game. I am certain to the millions of people without jobs and without hope that they consider this tax cut just as repugnant as the words that have been uttered about this class warfare. It is a class warfare, and it is the working class that are the victims.

Mr. Speaker, it is a great honor to yield 2 minutes to the gentlewoman from California (Ms. PELOSI), our distinguished leader.

□ 1115

Ms. PELOSI. Mr. Speaker, I thank the distinguished ranking member for yielding me this time.

Mr. Speaker, I listened intently to the comments of the gentleman from California (Mr. THOMAS), the chairman of the Committee on Ways and Means, just now as he talked about the rules of the House and those rules foreclosing the option of the Democrats to be able to bring a bill to this floor.

What I heard the gentleman say is that the rules of this House are rigged against working families in America; that the rules of this House under his interpretation are rigged against bringing a bill that would create jobs, that would invest in infrastructure in our country and immediately create jobs which would help address the concerns of cities, States, and localities in terms of homeland security needs so important to the American people; that it is rigged against extending unemployment benefits to America's workers where the money is there for that purpose and which would inject demand immediately into the economy, immediately creating jobs because of people having to spend that money on necessities; and that the rules of the House are rigged against fiscal responsibility.

The Democratic proposal was at a cost of zero. It paid for itself. It was offset. So if the rules of this House do not allow us to come here and fight in a very direct way for working families in America, for the middle class in America, then the rules of the House should be changed.

The gentleman knows full well that the minority had every opportunity for amendment and substitutes when the Democrats were in power. But it is no use talking about process. Let us talk about jobs. Let us talk about job creation. Let us talk about immediately infusing demand into the economy. Let us talk about fiscal soundness. Let us talk about the debt limit, that this irresponsible, reckless Republican proposal that may be coming to this floor will demand that we lift the debt ceiling once again, further indebting, further indebting America's children well into the future, but without a vote and without a debate and without the American people understanding the damage that the Republicans are doing to our economy and to our future.

Republicans are supporting record debt increases to finance a tax cut that hundreds of economists and Federal Reserve Chairman Alan Greenspan agree will not grow the economy. And sadly what President Bush did by putting forth his proposal has started the unraveling of fiscal responsibility in our country. That is not leadership. How irresponsible that was.

But the Republicans in Congress picked up the baton and started a feeding frenzy of further tax cuts, further responsibility in terms of our budget. And some of their proposals even administration allies, such as Kevin Hassett of the American Enterprise Institute, are saying that what they propose in their dividend plan is one of the most patently absurd tax policies ever proposed.

Mr. Speaker, public policy is important. Fiscal policy, budget policy makes a difference. It has ramifications in the economy. In order to back up their claim that passing this bill will stimulate the economy this year, House Republicans are using gimmicks that border on the absurd and have very damaging public policy ramifications. Their bill delays billions of corporate tax payments, otherwise due September 15, for 16 days until October 1 when the next fiscal year begins. How does delaying taxes for 2 weeks create jobs for American workers?

Again this is process. We want jobs. In order to jam more tax breaks for the wealthy into this bill, Republicans have included provisions to end middle-class-oriented tax cuts, leaving middle-class Americans with a tax increase in 2006. This will force a future Congress to either increase taxes or add billions to our spiraling debt just as baby boomers are retiring.

The tax cuts for the higher end ought to be left alone. The middle class is asked to subsidize the wealthy. That is simply not right. The projected deficit for this year is already a record high, and the Republican's want to add \$1 trillion more in debt to pay for this tax cut. It defies logic. It defies economics, and it contradicts promises made to the American people.

Shortly after taking office, President Bush said, "We should approach our

Nation's budget as any prudent family would." And last August he reiterated, "We cannot go down the path of soaring deficits." We cannot go down the path of soaring deficits? What are we doing today? This tax bill breaks that promise.

The reckless tax bill promoted by Republicans in Congress fails to help those who need it most, the middle class; fails to create jobs; fails to maintain fiscal responsibility.

Democrats have their own initiative, a plan that creates one million new jobs this year and gets the economy moving again without adding to the deficit, and the Republicans tell us that the rules do not allow that.

We are fighting for a return to fiscal responsibility. The motion to instruct is part of that fight. I urge my colleagues to support it, and I commend the gentleman from New York (Mr. RANGEL) for his leadership in putting it forth.

Mr. THOMAS. Mr. Speaker, I yield such time as I may consume.

I find it ironic that the yellowed notes made their way down into the well in terms of, need I say, class warfare, in terms of cuts for the richest people in America and the poor working people do not get a break. If someone would actually examine what it is we propose to do, it is to remove the dividend and the capital gain tax on working Americans, on those in the 10 and the 15 percent bracket, that we retain taxes on the richest Americans, remove them from those in the lowest brackets.

I know it does not fit their yellowed notes, but that is what we propose to do. And I know change is difficult.

I especially know change is difficult when the minority leader takes the well and begins to talk about how fair they were when they were in the majority, but never mind that. And if the Members will read in the CONGRESSIONAL RECORD, it trails off into a failure to present specifics about how reasonable and fair they were. In fact, she said the rules of the House have been rigged against them. I find it ironic because all we say is follow the rules.

But since the subject was brought up, let us visit a little recent history. When they were in the majority, there was not even a motion to recommit guaranteed to the minority. The present rules of the House under this majority are the most liberal rules ever extended to a minority in the history of the House of Representatives. They just apparently do not remember or do not want to remember. Their rules were far more restrictive toward the minorities than the current rules. Guarantees in today's rules; not guaranteed under their rules.

So everything we hear is rhetoric. Some of it comes close to being accurate.

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

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. LEVIN), who has made such an

outstanding contribution to the Committee on Ways and Means and Congress.

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

Mr. LEVIN. Mr. Speaker, make no mistake. The hand the chairman has reached out is one of the hands that has strangled democracy in this institution. It is no longer a deliberative body. It is the rule of one, the Republican majority.

The gentleman from California (Mr. THOMAS) says zero taxation for low-income people. Why? Because in most cases they have no dividends or capital gains to tax. Under his original proposal, and it remains essentially the same, a millionaire gets 90,000 bucks more in tax cuts. The average taxpayer gets a couple hundred bucks.

Mr. THOMAS, whom are you warring on? Middle-income and low-income families in this country.

The President came here today to declare victory. Time will declare this a defeat for the Nation because the Republican party has turned red, red ink, red ink. The gentleman from California (Mr. THOMAS) says he is opposed to structural deficits, but they have built in more and more debt into this structure. The only way it is not a structural debt is the hole is so deep the way they built it they cannot build anything on it.

Now you say you favor creative destruction? Two and a half million jobs lost. That is very creative under this President and under the leadership of the House majority here.

This is a fiscally irresponsible bill for the Nation. It is unfair to individual taxpayers. It will not stimulate economic growth, as the gentleman from Texas (Mr. STENHOLM) and others have said. They are mortgaging the future of my children, of my grandchildren. We should pass this and then go on to defeat this conference report.

Mr. THOMAS. Mr. Speaker how much time remains?

The SPEAKER pro tempore (Mr. LATOURETTE). The gentleman from California has 6 minutes. The gentleman from New York has 6½ minutes.

Mr. THOMAS. The gentleman from New York (Mr. RANGEL) has more time than the gentleman from California?

The SPEAKER pro tempore. By 30 seconds.

Mr. THOMAS. I find that astounding. With all the speakers and all the time that was consumed, he still has more time?

The SPEAKER pro tempore. I will tell the gentleman we are pretty good at that up here. The gentleman has 6 minutes.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Maryland (Mr. CARDIN), an outstanding member of the Committee on Ways and Means and the Congress.

Mr. CARDIN. Mr. Speaker, I thank the gentleman from New York (Mr. RANGEL) for yielding me this time.

Mr. Speaker, I have had a lot of town hall meetings in my district; and I will tell my colleagues what my constituents do not like. That is, they do not like us to charge and spend; and that is exactly what this conference report is going to do. It is going to borrow money in order to give tax breaks.

That does not make a lot of sense. By the Republicans' own number, their budget is going to go from a \$6 trillion national debt to \$12 trillion, doubling the national debt. Every dollar of tax relief has to be borrowed in which we are paying interest. That does not make sense.

Mr. Speaker, this is a reckless bill. They advertise they give help to low-income people. That is for 1 year only. They give permanent relief to the well-to-do. That is not fair. That is not what we should be doing as a Nation.

This bill is reckless. This bill is not affordable. This bill is going to hurt our economy, not help our economy.

What we should be doing is responsibly managing our resources. We should not be borrowing money to give a tax cut. That is wrong.

Mr. THOMAS. Mr. Speaker, where might I find that Jericho clock somebody apparently has in keeping time?

Mr. Speaker, I yield myself such time as I may consume.

I think I finally get it. The gentleman from Maryland (Mr. CARDIN) indicated that some of these provisions are permanent. I actually thought that since it is under the process called reconciliation, governed by the rules of the Senate, by the way, not the House, that anything that is done under the reconciliation process by definition cannot be permanent. In fact, on the one hand they criticize a number of provisions that expire.

Frankly, when we are trying to stimulate the economy and we offer a reduction on depreciable assets, what we want them to do is make a decision to buy that truck, to buy that computer as soon as possible. That helps stimulate the economy. That helps create jobs. If we leave the offer to reduce the cost on depreciation for the entire decade, a decision can be made anytime during the decade.

The whole concept of a stimulus is to get decisions that will be made sometime in the decade near the current time. Those are supposed to expire.

But for the gentleman to say that some of these provisions are permanent tells me there is an underlying fear on the other side of the aisle that, notwithstanding the statutes will expire, they will not be in the majority when they expire.

Mr. CARDIN. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I will not yield at this time. I do not have a Jericho clock like some folks have, and my time actually gets ticked off.

□ 1130

The real fear in terms of their arguments, notwithstanding the yellowed

notes that they use about the class warfare, which simply is not true, based upon the facts in the tax bill, is that when those provisions do expire, as they must under the temporary provisions of reconciliation, the American people might have the audacity to continue to maintain a Republican majority, because they like what we are doing; and when it comes time to decide whether they get extended or not, they might actually get extended.

Now I get it. You are in the minority, and your fear is if this becomes law, based upon what we do and the positive reaction of the American public, your fear is you will remain in the minority. I will trust to the wisdom of the American public. They have done pretty well in recent years.

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

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from Tennessee (Mr. TANNER), an outstanding member of the Committee on Ways and Means.

Mr. TANNER. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, this is the first time I have ever been accused of exercising bad faith because we were given 30 minutes to talk about this and we actually took it.

I think that one other point ought to be made, and that is that on January 1, 1995, our national debt subject to limit was \$4.8 trillion. On January 1, 2004, it will be \$7.4 trillion. That is an increase of 54 percent in 8 years. That is not a political argument; that is a fact, a demonstrable, proven fact.

Now, part two of this motion says, to the maximum extent possible, within the scope of the conference. To me, that means what the Blue Dog plan was that was rejected on the floor, because, to the maximum extent possible, the Blue Dog plan does what we have asked. It neither increases the Federal budget deficit, nor does it increase the amount of debt subject to the public limit. So when one wants to say to the maximum extent possible, we can do that. We could do that by adopting the Blue Dog plan.

The other thing I would simply say is this: if we keep going down this road, we are building in such a structural long-term tax increase called interest on the national debt that the young people of this country are going to be unable to have the options and the choices about what kind of government they want when they are our age, because they will be strapped to the gurney with debt and interest that has to be paid on that debt that we are leaving them.

That is not a political argument either. That is a fact. With interest, compound interest, capitalism, whatever you want to call it, interest must be paid before anything else in our system.

So I would just hope that we would actually take a look at what we are doing.

Mr. THOMAS. Mr. Speaker, I reserve the balance of my time.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. SANDLIN), a member of the Committee on Ways and Means.

Mr. SANDLIN. Mr. Speaker, to quote a popular Republican President, "There you go again." With no apparent sense of irony, the Republican leadership scrambled to complete an irresponsible, unaffordable tax package during the same week that the other body will consider a \$984 billion increase in the public debt, the largest in American history.

The House leadership pushed a massive increase of \$450 billion in the debt limit not even 1 year ago; and here they go again, with a debt limit increase that is more than double the size of last year's record increase. We have about \$7 trillion in debt. We pay over \$1 billion a day in interest in this country, and it is outrageous.

The Democratic motion to instruct conferees attempts to restore at least some sanity to Congress' fiscal mismanagement of the country by insisting that the tax reconciliation conference report should increase neither the debt nor the deficit in this country.

Further, Mr. Speaker, the Democratic motion to instruct recognizes the necessity of relief to our States. Under the Senate tax bill, Texas would receive approximately \$1 billion in fiscal relief, including \$571.4 million in increased Medicaid funding. This is especially necessary at a time when the Texas House approved a budget that would slash Medicaid and eliminate coverage under CHIP for 250,000 low-income children.

If the passage of an irresponsible tax cut is inevitable, despite the highest projected budget deficits and a record national debt, the very least we could do is aid our States.

Mr. THOMAS. Mr. Speaker, it is my privilege and pleasure to yield 1 minute to the gentleman from Louisiana (Mr. MCCRERY), a member of the Committee on Ways and Means.

Mr. MCCRERY. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, the previous two speakers, the gentleman from Tennessee and the gentleman from Texas, talked about the national debt and how much it has increased from 1994 to 2004, and those numbers sound scary to people. But most of that debt, Mr. Speaker, is debt that we are paying to the Social Security trust fund, to the Medicare trust fund; and surely those gentleman are not suggesting that we should not be accumulating that debt in those trust funds and paying interest on that debt.

So I just want to make clear that for several years under the Republican majority we paid down the debt held by the public while we were continuing to accumulate debt in the trust funds. Economists and market watchers distinguish between the publicly held debt and total government debt, and that

distinction needs to be made here on this floor.

So, Mr. Speaker, while the figures they gave are technically accurate, they are far from the truth when it comes to fiscal responsibility in this House.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. ISRAEL).

Mr. ISRAEL. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, earlier I listened to the distinguished chairman of the committee talk about the importance of funding our national security budgets, and I agree with him. But make no mistake about it, this tax plan makes it harder for our kids to fund their national security budgets.

The nonpartisan Congressional Budget Office has estimated that starting in 2008 we are going to require defense budgets of \$464 billion a year. What does that mean? Within a few years, we are going to have to come up with at least \$64 billion a year every year over this year's authorized limits. That is \$384 billion for defense before this tax cut expires. You do the math: \$384 billion more for defense, and \$350 billion less to pay for it. We are draining the Treasury when we need even more for defense.

No conferee would go into a fancy car dealer, pick out the most expensive model, and say, Let my kids pay for it.

Mr. Speaker, this is reckless. For those Members of this body who say they are strong on defense, let them be strong on defense budgets. Strong defense budgets are more important than tax cuts. This plan does the opposite.

Mr. THOMAS. Mr. Speaker, I reserve the balance of my time.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Mississippi (Mr. TAYLOR).

Mr. TAYLOR of Mississippi. Mr. Speaker, the comments from the gentleman from California (Mr. THOMAS) border on fraud. If more debt would stimulate the economy, then you would think that with the \$817 billion of debt that has been added in slightly over 2 years since the passage of the Thomas-Bush tax package and budget, we would have a red-hot economy.

Our friend from Louisiana says that that money we are borrowing goes into the Social Security trust fund. No, I say to the gentleman from Louisiana (Mr. MCCRERY), it is stolen from the Social Security trust fund.

Take the lockbox. Please tell these folks in the gallery where the account is. Because there is not one penny in that account. They cannot find it. It is all IOUs.

They are taking money from working people, Social Security taxes, Medicare taxes; and they are using them to give to other folks in tax breaks, and then they are borrowing the rest, \$817 billion, to run our Nation. I say to the gentleman from Louisiana (Mr. MCCRERY), you obviously do not understand the facts.

Mr. Speaker, this is the theft of the future of America. Those people who claim to be for a balanced budget are running up \$817 billion worth of debt in 2 years, stealing it from your Social Security trust fund, stealing it from Medicare; and now they are saying the only answer to this is more debt.

Please vote against this.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. LATOURETTE). The Chair would remind all Members not to make reference to the visitors in the gallery.

Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume.

The SPEAKER pro tempore. The gentleman from California is recognized for 2½ minutes.

Mr. THOMAS. Mr. Speaker, if we are going to be talking about the greatest threats to our children, we ought to at least get it accurate. The greatest threat to our children is our failure to acknowledge that we are currently engaged in the greatest transfer of wealth in the history of the world. They are called the Medicare and the Social Security programs. The failure to modernize and to reform, given the continued growth of those programs in the Federal budget, will choke out every other aspect of the Federal budget. The threat that they will go bankrupt without our addressing them is the greatest threat to our children, denying them the opportunity tomorrow what seniors have today.

So if we are going to talk about threats, let us talk about the failure, the absolute refusal to give up a political bumper sticker, you have all seen it: "Save Social Security, Vote Democratic." If you do not address change, it is going bankrupt. It is not a partisan issue.

Just like the yellowed papers on "we are favoring the rich and hurting the poor on the tax issue," which is absolutely false, your failure to address this fundamental reform is the greatest threat to our children. And probably the greatest insult to Americans is to argue that while you refuse to seriously engage in modernization and reform, you are doing it to save the system. It is about as old and yellowed as all your other arguments.

The test will be the choice made by the American people. They have made it recently; and I believe we will be able, despite the rhetoric that you offer, to make the changes that the American people agree on and move this country forward.

Mr. Speaker, I yield back the balance of my time.

Mr. RANGEL. Mr. Speaker, I yield myself the balance of my time.

The SPEAKER pro tempore. The gentleman from New York (Mr. RANGEL) has 30 seconds remaining.

Mr. RANGEL. Mr. Speaker, I really think that the chairman of the Committee on Ways and Means has adequately concluded this debate. God forbid, if the safety and the solvency of the Social Security system and the

Medicare system, the future education of our children, affordable housing, be placed in Republican hands, then the situation is worse than I ever thought.

No, you do not have to be an economist to figure this move out. What we are talking about is borrowing money, making insecure the Social Security system, privatizing the Medicare system, not having enough funds to and keeping every child behind. And why are we doing this? Are we borrowing it for spending, or are we borrowing it for tax cuts? I think the American people understand what we are doing.

Mr. Speaker, I have no further requests for time, I yield back the balance of my time, and I move the previous question on the motion.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion to instruct offered by the gentleman from Texas (Mr. STENHOLM).

The motion to instruct was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore. Without objection, the Chair appoints the following conferees:

For consideration of the House bill and the Senate amendment, and modifications committed to conference:

Messrs. THOMAS, DELAY and RANGEL.  
There was no objection.

□ 1145

#### VETERANS COMPENSATION COST-OF-LIVING ADJUSTMENT ACT OF 2003

The SPEAKER pro tempore (Mr. LATOURETTE). The unfinished business is the question of suspending the rules and passing the bill, H.R. 1683.

The Clerk read the title of the bill.

The SPEAKER pro tempore. At this point, the unfinished business will be deferred until a later moment in time.

#### PROVIDING FOR FURTHER CONSIDERATION OF H.R. 1588, NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2004

Mrs. MYRICK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 247 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 247

*Resolved*, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for further consideration of the bill (H.R. 1588) to authorize appropriations for fiscal year 2004 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 2004, and for other purposes. No further amendment to the committee amendment in the nature of a substitute shall be in order except those printed in the report of the Committee on Rules accompanying this resolution and

amendments en bloc described in section 2. Each amendment printed in the report of the Committee on Rules shall be considered only in the order printed in the report (except as specified in section 3), may be offered only by a Member designated in the report, shall be considered as read, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. Each amendment printed in the report shall be debatable for 10 minutes (unless otherwise specified in the report) equally divided and controlled by the proponent and an opponent and shall not be subject to amendment (except that the chairman and ranking minority member of the Committee on Armed Services each may offer one pro forma amendment for the purpose of further debate on any pending amendment). All points of order against amendments printed in the report of the Committee on Rules or amendments en bloc described in section 2 are waived.

Sec. 2. It shall be in order at any time for the chairman of the Committee on Armed Services or his designee to offer amendments en bloc consisting of amendments printed in the report of the Committee on Rules not earlier disposed of or germane modifications of any such amendment. Amendments en bloc offered pursuant to this section shall be considered as read (except that modifications shall be reported), shall be debatable for 20 minutes equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services or their designees, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. For the purpose of inclusion in such amendments en bloc, an amendment printed in the form of a motion to strike may be modified to the form of a germane perfecting amendment to the text originally proposed to be stricken. The original proponent of an amendment included in such amendments en bloc may insert a statement in the Congressional Record immediately before the disposition of the amendments en bloc.

Sec. 3. The Chairman of the Committee of the Whole may recognize for consideration of any amendment printed in the report of the Committee on Rules out of the order printed, but not sooner than one hour after the chairman of the Committee on Armed Services or a designee announces from the floor a request to that effect.

Sec. 4. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentlewoman from North Carolina (Mrs. MYRICK) is recognized for 1 hour.

Mrs. MYRICK. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Texas, Mr. FROST, pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for purposes of debate only.

Yesterday, the Committee on Rules met and granted a structured rule for H.R. 1588, the National Defense Author-

ization Act for Fiscal Year 2004. This rule provides for further consideration of the bill and makes in order only those amendments printed in the Committee on Rules report accompanying the resolution and amendments en bloc described in section 2 of the resolution.

The amendments printed in the report shall be considered only in the order printed in the report, except as specified in section 3 of the resolution, may be offered only by a Member designated in the report, shall be considered as read, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole.

Each amendment shall be debatable for 10 minutes, unless otherwise specified in the report, equally divided and controlled by the proponent and an opponent and shall not be subject to amendment, except that the chairman and ranking minority member of the Committee on Armed Services may each offer one pro forma amendment for the purpose of further debate on any pending amendment.

Finally, the rule provides one motion to recommit with or without instructions.

This is a fair rule. It is a traditional, structured rule for defense authorization, and it provides for debate on 30 additional amendments that deal with pertinent issues, including personnel issues, maritime security, quality-of-life issues for our servicemen and women, and a number of noncontroversial concerns.

The most controversial of these measures is certain to be the modernization of the personnel system. Modernizing the management system is imperative to national security and the retention and recruitment of civilian personnel.

The Committee on Armed Services believes that the important lessons learned from various demonstration projects within DOD should be applied across the Department. These projects have shown to improve the expeditious hiring of qualified personnel, have been valuable in providing flexible personnel compensation and assignment systems, and have improved organizational efficiency. These demonstration projects have also been highly successful in attracting and maintaining high-quality work forces.

The reforms included in this legislation would be similar to the flexibility provided to the Department of Homeland Security.

Finally, I believe that the Secretary of Defense should have more flexible management authority.

H.R. 1588 is more than just a signal to our soldiers, sailors, airmen, and Marines that this Nation recognizes their sacrifices. It is the means by which we meet our commitment to providing them a decent quality of life by providing an across-the-board 4.1 percent pay increase for military personnel, so as to sustain the commitment and professionalism of America's all-voluntary