

□ 1345

GENERAL LEAVE

Mr. NUSSLE. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks on H. Con. Res. 393.

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

There was no objection.

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2005

The SPEAKER pro tempore. Pursuant to the order of the House of Tuesday, March 23, 2004, and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the concurrent resolution, House Concurrent Resolution 393.

The Chair designates the gentleman from Idaho (Mr. SIMPSON) as Chairman of the Committee of the Whole, and requests the gentleman from Florida (Mr. MILLER) to assume the chair temporarily.

□ 1348

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 consideration of the concurrent resolution (H. Con. Res. 393) establishing the congressional budget for the United States Government for fiscal year 2005 and setting forth appropriate budgetary levels for fiscal years 2004 and 2006 through 2009, with Mr. MILLER of Florida (Chairman pro tempore) in the chair.

The Clerk read the title of the concurrent resolution.

The CHAIRMAN pro tempore. Pursuant to the order of the House of Tuesday, March 23, 2004, the concurrent resolution is considered as having been read the first time.

General debate shall not exceed 6 hours, with 5 hours confined to the congressional budget, equally divided and controlled by the chairman and ranking member of the Committee on the Budget, and 1 hour on the subject of economic goals and policies, equally divided and controlled by the gentleman from New Jersey (Mr. SAXTON) and the gentleman from California (Mr. STARK).

The gentleman from Iowa (Mr. NUSSLE) and the gentleman from South Carolina (Mr. SPRATT) each will control 2½ hours of debate on the congressional budget.

The Chair recognizes the gentleman from Iowa (Mr. NUSSLE).

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

Mr. Chairman, I appreciate the chance to come before the body to debate yet again the budget for this next fiscal year. Before I start with that debate, let me compliment my ranking

member and friend, the gentleman from South Carolina (Mr. SPRATT), on the way that we have moved this budget through committee and moved it to the floor. The gentleman from South Carolina will be offering a substitute budget tomorrow as part of this debate.

While people who are watching this are going to see us argue today, we are going to argue about priorities, we are going to argue about deficits, we are going to argue about taxes, we are going to argue about just about everything, it seems, but one thing we do not argue about is the importance of this process.

Those who are watching may wonder why it is we are going to be spending 6 hours of general debate over the budget. Let me tell you why. If you have ever built a house with your wife or your husband and you had to go visit the architect, you will discover very quickly why it is important you have a blueprint that you can agree on before the carpenters show up or the plumber or the heating and air conditioning people or the roofer or anybody else, because if the blueprint does not work, if it does not fit, if there is not agreement on that basic foundation, the rest of the process is not going to work very well. The carpenters show up to do their work, they do not have a blueprint, and what you have on your hands is a mess.

The reason that we have gone through this process since 1974, every year, is because we believe in the fundamental decision that is made as part of this budget for spending, for taxes, making so many decisions that flow from this process.

We are going to have some good-natured debate today. Democrats will be arguing with Republicans and Republicans will be arguing back. But when it comes right down to it, we believe in our country, but we believe that we need a blueprint, we believe in this process and as I said to start with, I thank the gentleman from South Carolina for his partnership in working through the process even though we have not come to a bipartisan agreement.

I would also like to thank our staff. When you are going from the beginning of the Federal budget and \$2.4 trillion line items here and there, you have got to count on some good people. I want to thank them for the work they do in getting us to this point because, just like any good architect, they need the engineers behind them to make sure that the structure is sound. I want to thank our staff on both sides for the work that they do.

Even before the end of last year, we kind of had an idea of what the must-do list would be in writing this year's budget. It was already becoming very clear that this budget has got to get spending under control, and it had to begin the work of reducing our deficit. I heard that message from every Member, from our President and from just about every constituent that I visited with back home in Iowa.

It really did not matter where you went. People said, out in Washington, you're spending way too much money. Even worse than that, you're wasting a lot of money. It did not matter, almost regardless of the topic, regardless of the department, regardless of the program, people said you have to control spending.

Even the administration was clearly hearing the exact same thing. As far back as last July, the President of the United States was proposing that cutting the deficit in half within the next 5 years would be one of the most important cornerstones of the budget that he presented to Congress this year.

We all know and we take pause at a time like this to remember the extraordinary circumstances of the past few years. Our country has hardly ever seen the kind of difficulty that we have had to face during these past few years. We had a growth deficit in the economy that produced a slowdown, a recession, of 2000 and 2001. The economy was not growing. We had a growth deficit.

We learned painfully, as well, that we had extensive deficits in our defense and our homeland security. We knew that we were not protected as well as we could be or should be as a Nation, and we made immediate plans to improve that.

We also had a Medicare deficit. A 40-year program that our Nation's seniors had depended on had really failed to keep up with the times, and as a result, we had a deficit in the way that that program was providing help to seniors across the country, particularly with regard to prescription drugs.

All of these were large and important problems and challenges, and I doubt that anyone on either side would have recommended that we ignore them. In fact, no one did. We all decided the economy was important. We all decided Medicare was important. We all decided that security and homeland security and national defense were important. But in addressing them, we took large initiatives and the result was a budget deficit. We made deliberate decisions that drove us to borrow money in order to meet these short-term challenges.

Correcting that budget deficit and getting us back on a path to balance is our next major challenge, and it is one that this budget tackles. We had a growth deficit, a security deficit and a health care deficit that we have dealt with. Now we have to deal with the Federal budget deficit.

At the same time, however, this was not a green-eye-shade exercise. It is not just a matter of getting a bunch of numbers to add up. The budget also has to support an agenda that reflects our principles of governing, which is to advance our Nation's strength, growth and opportunity. I will briefly review each of these principles and then turn it over to colleagues from my committee who will discuss these even further.

First is strength. Our country has to be strong. America is free and will remain free as long as we are strong. We have got to be strong enough to defend that freedom. We have got to be strong enough to defend it here at home and we have got to be able to take that fight to the people who want to ruin that freedom wherever they may be. That is what we are doing around the world right now. America is free and will remain free as long as we are strong enough to defend freedom at home and around the world.

Second is growth. To remain the world's most prosperous superpower nation, America's economy must continue to grow and create jobs. If the budget that is being debated around the kitchen tables of America today, right now as we speak, families are trying to balance their checkbook, they are trying to figure out how to make ends meet, send their kids to college, pay their bills on time, pay a Visa bill that seems to get bigger and larger all the time. If their budgets do not add up, it really does not matter what the rest of the country looks like. We are the sum of our parts and our parts have got to be strong. That is why growth in the economy is so vital.

Finally, opportunity. Strength, growth and opportunity, the third one. America's continued greatness comes from what I believe are the unlimited opportunities that our American freedom provides all of us. We must continue to encourage opportunities for a better life for every citizen in our country. Those are the guiding principles of this budget. The fundamentals for furthering those principles with this year's budget include the following. Let me just outline a few of them.

First is on taxes, and let me be very clear because this is one delineation between the parties and between all of the budgets that you are going to see today. This budget does not raise taxes, period. Our country does not need a tax increase today or tomorrow to meet the needs of our budget.

Our tax relief policies are working, finally. We are starting to see some of these have their effect on the economy. The last 6 months of our economy were the fastest growing 6 months in 20 years. It has been 20 years since we have seen that kind of growth.

Have the jobs been there? Not yet. They are coming, though, because that is the last indicator in economic development. It is what they call a lagging indicator. Economists call it lagging because it is one of the last things you see develop within the economic development, are the jobs being created.

And at exactly the time when small businesses in Manchester, Iowa, or across Iowa or wherever you might be, at the very time when they are starting to think, you know, the economy's starting to turn around, it might be time to add on another product line or maybe to hire another waiter or waitress or two or maybe to figure out an-

other sales clerk that could maybe fill in during some of the times so that somebody can be off a little bit more of the time. At the very moment when they are ready to think about adding jobs, we cannot have a snapback, automatic, come-from-behind, hit-them-in-the-back-of-the-head tax increase that says, oh, by the way, we need that money, you shouldn't be able to spend it back home. That to me does not make any sense.

The tax relief packages are working and we will not allow a snapback of the tax, the 10 percent tax rate, the marriage penalty relief. We do not want to penalize married people in this country.

□ 1400

And we also believe that the tax credit should remain at its current level. So that is taxes.

The next is spending. We cannot begin to address reducing the current budget deficit without getting ahold of our current rate of spending growth. I am going to show the Members a chart because I think this illustrates the spending issue probably better than any others. I want to show the Members what we have been spending the last number of years. Did most of this go to necessary demands? Absolutely. I am not suggesting that the amount of money we have been spending in Washington has gone for naught. Of course it has been for many necessary demands. Can we suspend that rate of growth? I do not think we can suspend it, but we should not sustain that rate of growth over a long period of time.

Let me just show the Members this chart because I think this is important. This is our recent spending history. In the last 3 years, total spending growth has averaged 6 percent. The growth in the economy has not been that strong. I mean, we have not seen that kind of inflation. Why is it that we ask families to only grow possibly at the rate of inflation if they are lucky to even get that kind of a pay increase, but we ask them for more money so that we can increase government spending? Some of this growth has been necessary, as I said. Homeland security, war on terrorism, education, veterans spending. A lot of good spending has been in here, but we need to start going through this with a fine tooth comb so that we can start holding the line on spending, not wasting it and respecting the taxpayers who, I believe, use it much more wisely oftentimes than we do.

I have said many times before that everything in this budget should be on the table for consideration when it comes to controlling spending, and we have looked for ways to control spending throughout the entire budget. And we thought it was fair to start right here at home, right here in this House, by freezing our own congressional budgets. Before we look outside this Chamber and say to anyone else they have got to tighten their belt, it is

time we do it right here first. And that is not only an issue of credibility, but it does save us some money. It does give us, I think, the standing to go to Departments and say they can live with just a little bit less, they can live with the amount that they had last year.

We have also called for holding the line on all nondefense discretionary spending and called for a reduction of $\frac{1}{2}$ of 1 percent from the President's requested increase of 9.7 percent of homeland security. What we are basically saying is that the President deserves to be able to continue to manage homeland security in a positive way to keep us safe at home, but remember too that when we formed the new Homeland Security Department, it was advertised both by Congress as well as the Department of Homeland Security that eventually they could help us save money by coordinating those services, and we have pumped a lot of money into homeland security. But I cannot name one constituent who has come up to me and told me that they have had an experience in the airport where they thought all that money was being spent wisely.

In fact, I get more letters and more conversations of people saying, You know what? I could tell you how the government could save some money. There is a lot of waste in the way that we manage this whole transportation security. Those are the things they see. There are many things that we do not see that we should constantly be looking at, and I know people will come down here saying we must not care about homeland security if we even want to look for any waste or any savings, and that is not fair. That is not fair because we should respect every dollar that is used in every Department for the intended purpose, but we should not waste one penny, and where we can even find a penny or a dollar or a hundred or even into the billions in some instances, we should work to do that.

We also called for a program of savings and elimination based on rooting out waste, fraud, and abuse in what we call our mandatory programs or entitlements. The reason we do that is because we have a lot of spending here in Congress and throughout the Federal Government that is automatic, that happens regardless of what we decide here today, unless we start to work to improve those programs and start rooting out waste within many of those programs. And there are so many examples. I mean, we work hard, and so does the bureaucracy of our government work hard to make sure that when we provide a benefit to somebody who needs help from the government, and so many of us believe that that is what government is for, to help people who cannot help themselves in many instances, every penny of that should make sure it gets to the people whom we intend to help, no one else. No one else should be taking advantage of those programs.

States should not be allowed to just maneuver those moneys around like a

shell game in order to make their budgets look good and then blame the Federal Government for not sending back the money. We have got to make sure that every penny is getting to the people it is intended to get to. Over all the confusion over what Chairman Allen Greenspan said last month to my committee concerning Social Security, there was a much bigger point that got lost, and that was the problem that he talked about in mandatory spending. Most entitlement spending is on auto pilot, and in other words, it just keeps growing year after year in most cases without ever undergoing oversight.

And what we do in this budget is we ask people, we ask our committees of jurisdiction, to begin going into the garden and pulling out the weeds, the places where we can find savings and make sure it is plowed back in to helping people who cannot help themselves. Truly, just about the only time we look at these programs is like last year with Medicare when we wanted to expand it, and we did find savings within that program. We need to do this every year.

This is a problem, and it is getting worse every year. In 1974, the year the Budget Act was adopted, mandatory spending accounted for only 41 percent of the total budget. This year, 30 years later, already over half of our spending is automatic that we cannot affect unless we change the law.

So let me be clear. I am not saying that mandatory programs in and of themselves are bad. No one is saying that. Many of them provide critical services, but I am saying that we had better get ahold of the growing wave of entitlement spending that we have created over the years before it crashes down around all of us, all of us here in Congress as well as all the families across our Nation that we ask to pay for these programs. To continue with our games of political rhetoric with regard to these programs, I believe, is foolish.

This is where I have got to give the little asterisks in attention for those who might be watching. This is where many people will run to the Chamber and say, oh, they are going to hurt the poor; oh, they are going to throw seniors out into the street; oh, they are going to kick a dog, or something like that.

I mean, my goodness, that is not what we are talking about. We had a hearing here where, believe it or not, the Department of Agriculture was proud of the fact that they had a 9 percent error rate in the food stamp program. There is not a business in our country that could survive with an error rate of 9 percent. In fact, CEOs and small businessmen and -women across our country would scour their books for days to find 1 percent if they thought that was in their budgets. We allow 9 percent to go on and say, well, gosh, that is an improvement because the year before it was 18 percent. That is ridiculous. So we are not saying that we should go in and be indiscriminate.

We want food stamps to go to people who are hungry. We do not want it to go in waste, fraud, and abuse to fund an underground economy where food stamps have been used as a currency. And that is wrong. We have got to get our arms around it. We are not suggesting it has to be done immediately today, but let us start the work. Let us not waste one penny that should go to people who are hungry around our country.

We proved last year that there are huge amounts of indefensible waste, fraud, and abuse within our mandatory programs. So in this budget we have begun the process of actually reducing or eliminating some of those most outrageous examples of waste.

Let me turn to spending control. We are calling for a few other spending controls or restraints, whatever the Members would like to call them, for Members of Congress. They are including, for instance, holding the line on our budget. We are calling for no increase in the legislative branch appropriations for Congress. We do not want any new entitlement spending until we go through the process of looking at our current entitlements and no nonwar emergency supplementals without spending offsets. From 1995 until about, I believe it was, 1998, we started a practice here that we should get back to and that is saying if we have an emergency come into our country, let us look to offset the costs of those emergencies by reducing or eliminating other lower priority items that can be put on the back burner for a period of time while we deal with that emergency. Obviously, that cannot happen in a war. That is obvious. I mean, when we are in a war, we are going to do what it takes. The President said that from right here at this podium, and just about every Member agrees with that as well; but we are talking about that with regard to nonwar.

We are also asking that we stop the practice of waiving the Budget Act or waiving the rules for the budget. A lot of people will come down here beating their chest about the budget or how we ought to change the budget process, and then they will vote for or encourage the adoption of waivers for the budget throughout the rest of the year. That has to stop if we want to continue to enforce the budget.

We should also freeze spending on programs that are unauthorized; and for the people who might be listening to this who are not familiar with this process, what Congress does is through some of our committees we determine that a program is needed and then we turn it over to the other side of the building where the appropriators sit, and we ask them to find the money to fund it. But oftentimes the appropriators are asked to fund programs that have never gone through the regular process. And so what we are saying here is if they have not gone through the regular order, if they not had their

program authorized, they should be eligible to have their funding frozen for a period of time until we can make sure that their program is eligible, working correctly, not wasting any money, and continues to be a priority. There are too many things that have continued to receive funding throughout the years that have not been authorized.

One of my favorite examples is that we actually only recently ended the practice of funding the National Helium Reserve. That was an unauthorized program from the time of the dirigibles during World War I when we actually came up with this program. It made sense then. I mean, they have got to make sure the blimps are flying. That was national security back in World War I. But because that program had never been authorized and the appropriators continued to fund it, it was only recently that we were able to dig through the books and find out it was still being funded, and we were able to eliminate that funding.

Finally, with regard to war costs, the budget takes into account the funding for the ongoing war in Iraq. We know without question that there will be costs for the war while this budget that we are voting on today is in effect. Do we know the exact dollar amount? No. But we know it is not zero. And that was well said by colleagues on both sides of the aisle. We support our troops. We want to make sure they know that money is going to be on the way. We want our partners to know that we are making this a priority, and we also want to know that it is included in the bottom line as part of getting to a balanced budget, respecting the need to identify all of our costs. So we had a choice. We could either sit here and wait for an emergency supplemental for the war, or we could do what I believe is the responsible thing, factor in those costs as we know them without question because we know that they are coming. So we have included \$50 billion for funding the war in Iraq. It is a tough choice, certainly one that we would rather not face, I suppose; but one that we felt was the right thing to do and a budgeting priority.

Finally, with regard to fiscal responsibility, we get results with this budget, and it is results that matter. Now, this is clearly not the budget that I would write ideally if it were left to my own choices. But we have to come up with a compromise. And what we have tried to do is we have tried to meld all of the different needs of all of the different Members of Congress as part of this. Taking the initiative to root out waste, fraud, and abuse, doing a little more with a little less, actually restraining spending is a whole lot tougher than just signing off on some huge spending increase. We all know that families, businesses, States, local governments have had to actually go into their budget and cut it. We are not even doing that. We are not saying we have to cut the budget. There may be some who claim that that is what it

does, but we are not cutting the budget. We are just holding the line. There are some people who have actually had to make tougher choices than that. Do we have a list of wants that may go unfulfilled for a while? Sure. We are just asking them to go on the back burner.

□ 1415

We have to follow suit if we are going to get back on the right track.

So we are just asking to hold the line. If we can do that, if we adhere to those principles, this is what we expect to gain:

First, not to increase the deficit in the current year, which I believe is a reasonable goal;

Second, to cut the deficit in half as early as 4 years by both the factor of our economy as well as actual dollars;

Third, we get the ball rolling toward an effort of reigniting our oversight responsibilities to root out massive amounts of wasteful spending here in Washington;

Finally, we win the war, we balance the budget, and we can double the economy if we follow this kind of blueprint. I think that is a huge payoff for just a little bit of fiscal responsibility and restraint in this year. I think it is the least we can do.

This is a good budget. It is a good blueprint. It has come together over a lot of difficult conversations, because if you went to visit your architect to build a home, that would be a difficult conversation, too. They always are when you are making choices. But these choices are necessary at this crucial time in our history to get us on the right track.

I would urge Members to come speak about the budget, learn more about the budget, and vote for the budget when we have the chance.

Mr. Chairman, I yield 1 minute to the gentleman from Texas (Mr. DELAY), our majority leader.

Mr. DELAY. Mr. Chairman, I thank the chairman of the Committee on the Budget for yielding me time.

Mr. Chairman, I just want to associate myself with the eloquent speech that the chairman of the Committee on the Budget has just delivered to this House. I also want to congratulate him on bringing to this floor one of the best budgets that I have seen in the 20 years that I have been in Congress.

This is a very well thought out budget, understanding exactly what it should do and exactly what the American people need it to do; and I congratulate the chairman and everyone on his committee that supported this budget and worked hard for this budget for bringing it to the floor. Now is the time to do something just as this, and I really appreciate the chairman for doing all this hard work.

Mr. Chairman, this budget's priorities are quite simple. First and foremost, it increases funding for our national security and homeland security agencies, so that the United States can

reaffirm our commitment to winning the war on terror and protecting our citizens from attack.

Second, it freezes nonsecurity discretionary spending at current levels, so that while we meet our current needs, our economy will have room to grow, create jobs and cut the deficit.

Third, it provides for necessary measures to protect the national economy from snap-back tax hikes on parents, married couples and working families.

Strength, growth and opportunity, three simple principles vital to America and embodied in this budget, are the reasons everyone on both sides of the aisle should support this budget. However, I understand that unanimous support is probably not realistic, especially in an election year. But no less realistic, Mr. Chairman, are the Democrats' tax-hiking budget alternatives.

Let us just get this straight: The Democrat budgets do not "freeze," "roll back," "defer," or "stop to review" anything. They raise taxes on at least 6 million Americans; on 1.8 million married couples, on 740,000 small businesses, on 535,000 schedule C sole proprietorships, and on 52,000 family farmers.

How exactly will this massive, reckless, job-killing tax hike on families and small businesses, \$28 billion worth supported by Democrats during the Committee on the Budget markup, possibly create the kind of growth that our economy needs to meet the demands of the war on terror and the looming entitlement crises, balance the budget and keep America competitive in the global economy?

Along the same lines, how exactly will \$28 billion in new spending, voted on again by Committee on the Budget Democrats during markup, possibly address the Democrats' supposed concerns about the deficit? They will not. Of course they will not, Mr. Chairman.

Which brings us to the fundamental choice that we have today. On one side of this debate will be a transparent and honest budget supported by clear and simple arguments. On the other side will be confusing rhetoric, dismissive of small businesses and the jobs that they create, hysterical in its advocacy of massive new taxes as an economic stimulus and new spending as a means of cutting the deficit, and belligerent towards anyone who seeks to trim waste, fraud and abuse.

I know what side I am on, Mr. Chairman, and given the current stakes in our Nation and around the world, I urge everyone listening to this debate and contemplating their vote to stand with me on the side of strength, growth and opportunity, and support this budget.

Mr. SPRATT. Mr. Chairman, I yield myself 14 minutes.

Mr. Chairman, let me address the last remark made by my good friend, the Majority Leader, the gentleman from Texas (Mr. DELAY), by saying that the budget resolution we will bring to the floor as a substitute for

the House Republican resolution will generate a lower deficit, that is right, a lower deficit every year from 2005 through 2014. As a result, the resolution that we offer will accumulate \$1.24 trillion less debt over a 10-year period of time, 2005 through 2014, than the President's budget.

Finally, and most importantly, our budget will go to balance, our budget will be in balance, in 8 years, in the year 2012. Lower deficits, less debt, a balanced budget by the year 2012. That is what we set out to do.

Because, you see, Mr. Chairman, we can remember where we were just 3 short years ago. We can remember that 3 short years ago we were in surplus in fiscal year 2001 by \$127 billion. We were in surplus the year before, the last full fiscal year of the Clinton administration, by \$236 billion, an unprecedented fiscal performance.

President Clinton inherited a deficit of over \$290 billion, and every year over 8 years the bottom line of the budget got better, better and better, due to two different budget plans we adopted and imposed during the 1990s; and by the year 2000, we had an unprecedented surplus of \$236 billion. We want to go back to where we were when we were running the budget in the black.

Three years have seen the budget decline from a surplus of \$236 billion in 2000 to a deficit this year in 2004 equal to \$521 billion. That is not my number, that is not my creation. Bush's Office of Management and Budget says that the deficit this year will be \$521 billion. That means that last year, this year and next year, we will accumulate \$1.2 trillion in national debt.

Just 3 years ago, with Washington surpluses, we had an uncommon task before us. We were so accustomed to dealing with deficits, we had to ask ourselves afresh, what do we do now that we have surpluses?

We had several choices: We could do what we said we could do seven, eight, nine times on the House floor, set up what is called a "lockbox," a corny name for a substantive idea, namely that we would quit borrowing from the Social Security trust fund and henceforth only use the trust fund to buy up outstanding Treasury debt.

If we did that, we could pay off most of the Treasury debt held by the public over a period of 8 years, add \$3.5 trillion to net national saving, drive down the cost of capital, make Treasury more solvent because it would have less debt to third parties to pay forever, and take the first stride toward making Social Security solvent, which is the most critical problem we face fiscally and domestically, because the baby boomers are on the doorstep of retirement in 2008, and when they retire, they will have a dramatic impact on our economy and on our budget.

Or we could take some of the surplus and fund priorities like education and defense, infrastructure and health care, that we had slighted during the 1990s as we bore down on spending in an effort to balance the budget.

Thirdly, we could take the surpluses that were projected, not proven, it was not money in the bank, we could take these projected surpluses and pass trillions of dollars in tax cuts.

As we pondered that decision, Mr. Chairman, President Bush took office, and he came to office with this big advantage that no President in modern history has enjoyed, a budget in surplus, big-time surplus. And his Office of Management and Budget looked out over 10 years and they said, We foresee \$5.6 trillion in surpluses between 2002 and 2010.

The President paid little heed to these other options. He forsook the whole idea of the lockbox and saving Social Security. Oh, he paid lip service to it, but his primary, driving, compelling motive was to have the biggest tax cuts possible, and in effect, the Bush administration, as they passed those tax cuts, told us we could have it all, with surpluses this size, we could have it all. We could have tax reduction and debt reduction too. We could have more tax cuts and bigger defense as well.

Let me make the record clear. We were for tax cuts on this side, but we wanted more moderate tax cuts. We wanted to be cautious about over-relying on this forecasted surplus, we wanted to be careful not to make the tax cuts so big that they left no room for other priorities, and in particular, we wanted to stay out of Social Security, because we had sworn never again to dig into the Social Security trust fund now that we were out of deficit.

Those concerns were dismissed in the passage of a huge tax cut, and here you see the consequences. The \$5.6 trillion surplus today, in accordance with the President's 2005 budget, is now a deficit of \$2.928 trillion. That is a swing in the wrong direction of \$8.5 trillion over the last 3 years, a phenomenally incredible fiscal performance over the last 3 years.

We warned that the forecast upon which the President's tax cuts were predicated could be off, could be wide of the mark, and sure enough, it was. The economists now tell us it was 55 percent overstated, misestimated.

As a consequence, there never really was a surplus sufficient to fund or offset the tax cuts that the President was proposing. Therefore, as a result of the tax cuts, the additional spending that we have had during this period of time, mainly for defense, homeland security and response to terrorism, that additional spending has driven the budget deeper into deficit than would have otherwise been the case.

The next chart will show you where we are right now and where we think we are headed if you take the President's budget 2005, if today or tomorrow the House votes for the President's budget.

This is where the Clinton administration started out with a deficit of \$290 billion, this is where they took the budget, to a surplus of \$237 billion, and this is what has happened under the

auspices of the Bush administration on their watch. We have descended from \$236 billion surplus to a \$521 billion deficit.

Now, that deficit is bad enough. The administration would have you believe that they are going to cut that deficit in half over the next several years, over the next 5 years. We do not believe that forecast. When we make what we regard as realistic adjustments to their spending curve, this is what happens on this chart here over the next 10 years.

We get a bounce from the economy. The economy does help the deficit, no question about it. So we get a bounce in the early years. We go from a deficit of about \$478 billion, and it bottoms out \$200 billion to \$300 billion for the rest of the time. As a consequence, we do not ever see this budget going into balance.

Now, we had to do this by what economists call extrapolation. Neither the Republicans in the House nor the Republicans in the Senate nor the Republicans in the White House have given us a 10-year extension of the budget so we can see the real implications over time of what they are proposing in the way of additional tax cuts and additional spending.

But we know, because the Congressional Budget Office takes what the President proposes, applies his policy to their baseline, we know where they are likely to end up. And what you see here is in time, over time, the deficit bottoms out close to \$300 billion and goes nowhere.

□ 1430

To the contrary, look what happens on this blue line. All of a sudden, this blue line, which is the CBO baseline that does not factor in the President's policies, it assumes that the tax cuts, when they reach their expiration date, the sunset date that was written into them when they passed, this line assumes that beginning in the year 2008, the current services bottom line suddenly shoots upwards so that it goes from a deficit in 1 year of \$153 billion to a surplus 2 years later of \$98 billion.

Now, what happens, one might ask, to propel the budget out of deficit into surplus over that period of time. The tax cuts expire. And this chart says volumes about what the source of the deficit problem is. The expiration of the tax cuts passed in 2001 and in 2003, that alone is sufficient to move the budget out of a \$153 billion deficit per CBO's projection to a surplus of \$98 billion in 2 years.

So looking at this kind of study, we have tried to put together a balanced budget, balanced in the sense that the bottom line is black, that revenues are sufficient to cover expenditures; balanced in the sense that we are covering priorities that are essential and vital to the American people, including national defense.

Let me begin with that, just to tell my colleagues what we are presenting in our budget today. We have the same

number for national defense as the gentleman from Iowa (Mr. NUSSLE) has in his resolution; but in fact we have more, because we are adding \$6 billion more than he provides for homeland defense, which many of us regard as the next and most dangerous battlefield for most Americans. We have middle-income tax cuts. Our resolution assumes that, for example, the marital tax penalty provisions will be extended and renewed. It assumes that the 10 percent bracket will be renewed and extended. It assumes that the welfare-to-work credits will be extended. In addition, we have extended the alternative minimum tax for a year. We have extended the research and experimentation tax for a year. We are not against all tax cuts. We want to see and we state explicitly in this budget resolution that our policy is to balance tax fairness and tax moderation for middle-income Americans with a balanced budget.

Now, having met the opposition in defense, what do we do in other areas that are priorities to the American people? In education, because we think it is a critical priority, we provide over 5 years \$9.8 billion more than the House Republican resolution. We provide over 10 years for education \$50 billion more than President Bush's budget calls for. We increase Pell grants. We provide more for the environment. By that I mean the Clean Water Act, the Safe Drinking Water Act, and the Land and Conservation Fund is fully funded. We provide veterans health care at the level that the chairman of the Committee on Veterans' Affairs said he would require, that the veterans health care system would require if we are going to meet our obligations and our promises.

We provide in the defense budget that the survivor benefit provisions be carried out. We provide needed budget authority so that family housing for military families can proceed apace. For science; for health; for the NSF, the National Science Foundation; and the NIH, the National Institutes of Health, we provide a budget that will at least protect them against inflation. We have gotten their funding level up; we do not want to see it whittled away due to inflation.

If my colleagues go down the list like this, they will see in good, solid categories where the need is clear and compelling, we have provided more than they. We have dealt with America's needs and will outline this more explicitly with different groups of Members as the day goes on. But we have done it within the framework where we bring the budget to balance by the year 2012, accumulate less debt, and move out of the mire that we are now in towards the days that we enjoyed just 3 years ago when this budget was in surplus.

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

Mr. NUSSLE. Mr. Chairman, I yield 3 minutes to the gentleman from Connecticut (Mr. SHAYS), the very distinguished vice-chair of the Committee on the Budget.

Mr. SHAYS. Mr. Chairman, I thank the gentleman for yielding me this time.

We heard from the Democratic presentation more spending and more taxes. Once again, our budget is based on three key principles, strength, growth and opportunity, which we will discuss in greater detail during the course of this 6-hour debate; Before handing this off, I would like to make a few observations.

From 1997 until 2001, the books of the Federal budget showed that we were running a surplus. For the 40 years prior to that, the country was running deficits. I was proud to play a role in crafting the budgets in the 1990s that not only got us to balance, but got us there ahead of time. We did it by cutting taxes, controlling the growth of spending, and growing the economy. But beneath the positive balance sheet of the government, there were many other deficits that we would soon have to address.

Many have suggested the projected surplus was squandered as if it simply disappeared into thin air, but we intentionally acted to shore up the areas in which we had serious deficits. As a result, we have a budget deficit today. To suggest that we should not have recognized and dealt with the economic downturn and recession, the needs of protecting the homeland, or providing the resources to our military is extraordinarily shortsighted. Now that we have begun to address these areas, however, it is appropriate that we focus attention on the need to control the deficits, and this budget does just that.

There are only three ways to balance: one, raise taxes; two, grow the economy; or, three, control spending. While some have argued for raising taxes, we think that is completely the wrong approach and not the approach that was successful when we balanced the budget in the 1990s.

We think the right thing to do is the same thing we did last time we set out to balance the budget: control spending and keep growing the economy. For all of the talk we have heard about the deficits, we can just about guarantee that during this debate, most of the rhetoric on the other side will be either direct or thinly veiled calls for higher spending across the board and higher taxes. That is exactly what they did in the Committee last week. In one year alone, they would raise taxes \$28 billion and raise spending \$28 billion or more.

Mr. EDWARDS. Mr. Chairman, I yield 3 minutes to the gentleman from Missouri (Mr. SKELTON), the ranking member of the Committee on Armed Services.

Mr. SKELTON. Mr. Chairman, I rise today to voice my strong support for

the budget resolution offered by my colleague and friend, the gentleman from South Carolina (Mr. SPRATT).

Let me take this opportunity to commend him as well as the other members of his group that put together this resolution. It is far better on defense. Let me repeat that: this is far better, the Spratt resolution is far better on defense than that offered by the majority. The Spratt alternative matches the President's overall request dollar for dollar. The majority resolution, however, falls \$189 million short. Now, that may not be much in the grand scheme of the budget; but when our troops are on the frontline in Iraq, Afghanistan, Haiti and around the world, I do not think we should cut defense one single dime.

The majority resolution also does not do as good a job for the troops or for the families. The Spratt alternative lifts the privatized housing cap by \$1.1 billion for 5 years, allowing this critical program to move forward. This is very important for those soldiers, sailors, airmen, and Marines, and their families. The majority resolution assumes no raise in this cap, so almost 50,000 military families that are supposed to get new privatized housing in the year 2005 and the following year will have to keep on waiting for adequate housing. That is shameful.

Now, I know there is talk about changing this, but I have seen no paper or amendment offered, to my knowledge, whatsoever in the budget that is offered by the majority; that stays in the shameful fashion that it is.

The Spratt alternative also continues TRICARE for Reservists, helping to ensure that all Reservists have health insurance. At a time when we are leaning on our Reservists more than ever, we must fund this program. The majority resolution, like the President's budget, lets the program lapse, leaving the families of Reservists without health insurance to just fend for themselves.

The Spratt alternative also remembers the widows of those who served our Nation. It eliminates the Social Security offset to the Survivors Benefit Program, consistent with a bill known as H.R. 3763, a bill that enjoys broad bipartisan support. The majority alternative sets up a hollow reserve fund, so eliminating the Social Security offset to the survivors benefit program will require cuts to other military retiree entitlements. That is an insult, Mr. Chairman, to our military retirees and to their survivors.

So, Mr. Chairman, the Spratt alternative is much better on defense than the majority resolution.

Mr. NUSSLE. Mr. Chairman, as I said before, strength, growth, and opportunity are the hallmarks of our budget. To speak about the strength portion of our budget, I yield 5 minutes to the gentleman from Texas (Mr. THORNBERRY), a member of the committee.

Mr. THORNBERRY. Mr. Chairman, I thank my chairman of the Committee on the Budget for yielding me this time.

Mr. Chairman, the first priority of the Federal Government is to defend the country, and there is no greater priority in this budget than protecting America. I think all of us realize that the world in which we live and the world in which our children will live is, in many ways, a more dangerous place than the world of our parents and our grandparents. It is certainly more difficult to predict. It certainly changes more rapidly. And the number and diversity of threats to our citizens has never been higher. Yet the fundamental fact remains that our freedom and our individual safety depends upon our strength.

This budget allocates the resources needed to fight the global war on terrorism; secondly, to prepare for future security challenges; and, third, to protect our homeland. In national defense, this budget provides \$419.6 billion. As the chairman noted, over the past few years, we have had to address both a defense deficit and a homeland security deficit. After the Cold War, defense spending declined, eventually reaching the lowest percentage of GDP since World War II. Infrastructure was deteriorating. We were not taking good care of our people. We had what some people described as a hollow force, as we had to cannibalize airplanes and other systems just to keep others operating.

But we have provided significant increases in defense over the last few years. Personnel funding is up 59 percent, operations and maintenance is up 55 percent, procurement is up 43 percent, and R&D is up 76 percent. This budget provides an additional 7 percent increase for fiscal year 2005 to meet the security challenges of our time and to be better prepared for the security challenges that the future may hold. And may I clarify, Mr. Chairman, that this budget funds dollar for dollar exactly what the President requested for the Department of Defense. Any change in the defense function is for the Nuclear Regulatory Commission and some others that are under that old 5-0 function, but it fully funds the Department of Defense.

The other thing, I think, that needs to be clarified in response partly to the distinguished gentleman from Missouri is that a budget cannot do all of the things that he advertises that it can do. That is up to the committee he and I serve on, the Committee on Armed Services, as well as up to the Committee on Appropriations to determine how much we are going to fund individual personnel programs or how much we are going to fund housing and other vital needs for our military.

□ 1445

What the budget can do is set an overall target for Federal spending. And this budget does a good job of fully meeting what the President has told us and what most of our Members believe our security needs are.

But the chairman's mark also stands for the proposition that no part of the

Federal budget, even those agencies assigned to the first priority, is beyond scrutiny, to ensure that each dollar that the Federal Government takes out of some taxpayer's pocket is used as efficiently and productively as possible.

The military has made some tough decisions recently. It canceled a major weapons system, it is restructuring the Army, and it has more tough decisions ahead even with this increase. But we want to be clear in this budget that we will do whatever it takes to defend America. Our Nation will not just sit back and let the terrorists hit us again.

We have taken the fight to them in Afghanistan and Iraq, and in this budget we allocated \$50 billion for those ongoing operations in Afghanistan and Iraq. We assume that they are going to continue, and we put money in there to make sure that they will be provided for.

We are also committed to defending America here at home. Earlier this month we marked the 1 year anniversary of the Department of Homeland Security, the result of the biggest reorganization of the Federal Government in more than 50 years.

Now, we have heard arguments and I am sure we will hear other arguments about whether the glass is half full or half empty with regard to homeland security. And both can be true at the same time. There are those who think we are spending too much, others who think we are not spending enough; and I suspect both are right, and we will find out exactly where the next time that there is an attack. But, again, if you look at where we have been over the last 3 years, you see tremendous increases for homeland security, appropriately so.

This budget allocates \$34 billion for homeland security, which is up from last year's \$29.5 billion. The President has suggested significantly more funding for biological surveillance programs, as well as continuing to push ahead on things like port security, infrastructure protection, emergency preparedness and response.

Mr. Chairman, I am convinced that we could spend the whole Federal budget on things that have the label of homeland security and still we would not be perfectly safe. So the challenge before us in the Committee on the Budget, as well as the other committees, is to move ahead in a common-sense way that makes the country safer. That is what this budget tries to do, and I think it does a good job.

Mr. EDWARDS. Mr. Chairman, I yield 4 minutes to the gentleman from Wisconsin (Mr. OBEY), the ranking member of the Committee on Appropriations in the House.

Mr. OBEY. Mr. Chairman, I thank the gentleman for yielding me time.

Mr. Chairman if this resolution is fiscally responsible, then the town drunk ought to be named the permanent president of the temperance union.

The fact is, this resolution is the greatest demonstration of fiscal and

social irresponsibility in the 35 years I have served in this institution.

In the last 3 years, this Congress has followed this President off the fiscal cliff. Three years ago we had a surplus of \$200 billion; today we have a deficit of over \$500 billion. One-quarter of American workers live on less than \$8.70 an hour, poverty level for a family of four.

The number of Americans without health insurance has grown from 40 to 44 million.

In one generation we have gone from the industrialized country with the smallest gap between rich and poor in the world to the country with the largest. The most-well-off 1 percent of our families control 33 percent of the Nation's wealth. The bottom 50 percent control less than 3 percent of the Nation's wealth.

In the teeth of all of that, this President's and this Congress' idea of how to deal with these problems is to pass this silly budget resolution which guarantees, when it is fully effective, that a person making a million dollars a year will have an annual tax cut of \$155,000.

I absolutely, totally disagree with that trickle-down approach to economics, and I will vote against this resolution. Instead, I have asked the Committee on Rules to allow me to offer an amendment, a 1-year amendment, which would cap the super-size tax cuts for people making over 200,000 bucks a year so that they will receive a tax cut no larger than the folks who are below them on the economic totem pole.

That will save \$19 billion. We would use 6 billion of that for deficit reduction. We would use the remaining \$13 billion for high-priority investments such as homeland security, additional veterans' health care, strengthening education, helping kids who are being dumped off Medicaid rolls by States, helping the long-term unemployed, and strengthening our clean water activities.

Last year, I offered a number of similar amendments such as this in the appropriations process, and our friends on the Republican side of the aisle said, "Oh, OBEY, you should not be doing that on the appropriations bills. You should be doing it on the budget resolution". So here I am at the suggestion of the Republican majority, and I would hope that the Committee on Rules would make that amendment in order so that this House can face the true tradeoffs that we have to face if we are to be mature legislators dealing in a very difficult time.

The purpose of the budget process is to force this House to confront specific tradeoffs such as that. Instead, this process is being manipulated to shield Members of Congress from having to vote on those specific tradeoffs. It is a gutless way to govern, and it hurts the country.

I think we ought to end the binge. You ought to sober up. You ought to join AA, Alcoholics Anonymous, and you ought to vote "no" on this ridicu-

lous and pitifully nonserious budget resolution.

Mr. NUSSLE. Mr. Chairman, I yield 6 minutes to the gentleman from Ohio (Mr. PORTMAN), to talk about the second important pillar of our budget. Strength. The second is growth.

Mr. PORTMAN. Mr. Chairman, I appreciate my colleague yielding me time.

I would like to talk about that second pillar of our budget which is growth of the economy. Let me briefly address the comments from my friend from Wisconsin who just spoke in terms of the spending.

The gentleman from South Carolina (Mr. SPRATT) has told us, as the ranking member of the Committee on Budget, there is more spending in their budget. So if anybody is out of control on spending, the gentleman just outlined he has more spending for education, more spending for the environment, more spending for defense, more spending for veterans, more spending for science, more spending for health care, more spending, more spending, more spending.

How is it paid for? Tax increases.

We have got a deficit problem, but we will not get our hands around it unless we get spending under control as well as grow the economy. That is what I wanted to talk about today.

Back in 1997, I stood down here on this floor, as did many of my colleagues, and talked about our great balanced budget agreement of 1997, which was a wonderful, bipartisan exercise in trying to get some spending discipline. We said we would balance the budget in 5 or 6 years. We were very proud of that.

Within 2 years, the budget was balanced. Within 3, we were in surplus. Why? Yes, because we restrained spending, which was very important; but much more importantly, the economy grew and the economy grew rapidly because we had pro-growth policies in place including tax relief, which some people forget about at that time. And we learned as a Congress, I hope, a very important lesson which is, the way to get back to balance is to grow the economy and restrain spending. It is really pretty simple.

Now, the next couple of years forward when we got into a deficit, how did we get into a deficit? Well, same thing. We did not restrain spending. We allowed spending to grow too fast and the economy took a nose dive. George Bush, when he was sworn in as President of the United States, inherited a failing economy. Within 60 days after he was sworn in, something like that, the economy actually went into a recession, negative economic growth. That is one of the main reasons we are here.

Then we were hit with 9/11, costing the Federal Government billions and billions of dollars and, of course, a bigger hit on our economy. The corporate scandals then hit us, the biggest we have had in our Nation's history. All of

this hurts our economy which decreased the revenues to the Federal Government and we are trying to get back on our feet.

And what I love about this budget, and I commend the gentleman from Iowa (Mr. NUSSLE) for it, is it does those two very simple things. It restrains spending and it grows the economy.

The remarkable changes we have seen in the last year we need to continue. Since last March, a year ago from this time, when we were in the early stages recovering from that 2001 recession, the terrorist attacks and their aftermath, we have had incredible growth in this economy. In fact, the past two quarters, which is the last two quarters of 2003, we had the fastest growth in our economy in 20 years.

We had 8.2 percent growth in the third quarter, and in the fourth quarter, 4.1 percent. Chart 8 shows the GDP growth we have had. This is over the last couple of quarters. That big line there is the third quarter; 4.1 percent, the fourth quarter.

The blue chip forecasts are for continued growth. In fact, the new forecasts are even more optimistic than that. They show a 4.7 percent growth last year; if we continue these policies that are in place, including the tax relief we just passed in 2001, 2002, 2003.

The Democrat budget again increases spending. It also increases taxes, throws balance off, but the fact is, they are going to hurt the economic growth and that is the key, growing the economy, restraining spending.

We have got some more good news. Over the past year, housing starts are running at their highest levels in 20 years. Mortgage interest rates continue to run at their lowest levels in over 3 decades. The prime rate is at its lowest level in 45 years. Inflation is at its lowest rate in four decades. Exports of goods and services rose in the fourth quarter rose at 20 percent, the fastest pace they have been at in 7 years. And we have seen significant increases in the stock market since a year ago as well.

Chart 10: Very importantly, labor markets are beginning to improve. For the past 20 straight weeks unemployment insurance claims have remained below the benchmark that is established by economists as a sign of an improving labor market. Jobs are beginning to come back. This is key. We do not want to change course now that we are finally making progress.

As chart 11 shows, the unemployment rate is now down to 5.6 percent from 6.3 percent last June. That is lower unemployment than the average in the 1960s, 1970s, 1980s, 1990s. Maybe not the 1960s, 1970s, 1980s, 1990s; it is lower than the average unemployment in those decades.

We are making progress. We are going in the right direction. We are getting this under control both on the economy side and with regard to jobs. And jobs are incredibly important.

This budget will help us to be sure that every person that wants a job can get a job by continuing to grow that economy.

Over 300,000 new jobs in the past 6 months, we are on the right track. We have a clearly improved economic picture. There is more to do, of course, there is. But the absolute wrong thing to do is to get off that track and to get back on the track where the economy is going down, where we are losing jobs.

The speed and strength of the economic recovery has been, in large measure, due to the tax relief we put in place in 2001, 2002 and 2003. What this budget does is, it continues that tax relief.

Again, my friends on the other side of the aisle choose to increase the taxes, \$146 billion over the next 5 years. That is what is in the budget. That is what the gentleman from South Carolina (Mr. SPRATT) talked about, more spending, more taxes.

So one of the guiding principles of this budget is that the economy must grow and we must continue to create jobs if we are to remain the world's strongest economy and get the budget under control.

The second way we do it is, we make sure that we keep spending under control.

Mr. Chairman, I would just like to say that in order to get this economy to continue to grow as it has, we need to continue the policies that are in place. We do not want to snap back. We do not want to have taxes increase that we have just decreased, which is what would happen under the Democratic alternative. Second, we need to control spending.

Let me list a couple of things we do on the spending side. We hold the line on our own spending, no increase in the legislative branch at all; no new appropriation earmarks without justification; no new mandatory or entitlement programs without new discipline on them; no nonwar emergency supplementals without spending offsets on those supplementals; no budget waivers, and freezing funding for unauthorized programs. That is in this budget; it is extremely important.

The directives are in addition, of course, to holding the line on spending. All the nonsecurity spending is held at a freeze. And, yes, we provide for priorities, but at the same time we recognize we have got to get this spending under control.

None of this is going to be easy. A lot of us here, certainly many in the Senate, have gotten pretty comfortable signing off on spending increases, on free-flowing spending. We cannot keep that up. We need to get this economy to continue to grow. That is what this budget does and we need to keep spending under control. Success at keeping taxes and spending down will mean a stronger economy, will mean more hope and more opportunity for all the people we represent.

Mr. EDWARDS. Mr. Chairman, I yield myself 15 seconds to respond to the previous speaker.

I certainly hope we will get off the economic track we have been on that has led to the largest deficits in American history and the worst job loss record since the Herbert Hoover administration.

Mr. Chairman, I yield 2 minutes to the gentleman from Maryland (Mr. CARDIN).

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

Mr. CARDIN. Mr. Chairman, I thank the gentleman from Texas (Mr. EDWARDS) for yielding me time.

Let me correct my good friend, the gentleman from Ohio (Mr. PORTMAN) in that in 1997 we exercised discipline on the tax side also and instituted the pay-as-you-go rules, so that we could not just do unlimited tax cuts, which is in the Republican budget.

Mr. Chairman, let me suggest there are many reasons to oppose the Republican budget and support the substitute that will be offered by the gentleman from South Carolina (Mr. SPRATT). The main reason is one of fiscal responsibility. It is important that we bring this deficit down. It is important that we do not add to the national debts.

The Spratt alternative budget does a much better job and brings us into balance, whereas the Republican budget just adds trillions of dollars to the national debt. But let me give you one more reason, if I might, and there are many reasons.

□ 1500

I am the ranking Democrat on the Subcommittee on Human Resources. I just attended a conference on the well-being of children; and for the sake of our children, I hope that my colleagues will vote for the Spratt substitute, which is a balanced approach.

There are 760,000 people in this country that have exhausted their State unemployment compensation benefits since December when we allowed that program to expire. My friend from Ohio is incorrect in that we do have record numbers of unemployed. Many have just given up. They cannot find employment. There are three people seeking a job for every job that is available.

The Spratt Democratic substitute budget provides compensation for these people who have exhausted their State unemployment benefits. The Republican budget provides zero, not a penny.

In the area of child care, the welfare work requirements estimated will cost our States an additional \$7 billion over the next 5 years. The Republican budget provides hardly any increase in child care to make it easier for American families to afford child care. The Spratt budget provides \$11 billion so that a State like Maryland, the only way a person can get on child care today is to go on welfare. What message does that send?

Let us provide help for American families who need safe, affordable child care. This is in the Spratt budget, but the bottom line is we do a better job because we have a more balanced budget on the national debt.

I urge my colleagues to reject this budget and support the Spratt substitute.

Mr. NUSSLE. Mr. Chairman, I yield myself 2 minutes to engage my colleague from California, the chairman of the Committee on Armed Services, in a colloquy.

The gentleman from California is certainly one of Congress' most steadfast supporters of American's servicemen and -women. I understand he has a concern related to military housing and the privatization program.

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

Mr. NUSSLE. I yield to the gentleman from California to engage in that colloquy.

Mr. HUNTER. Mr. Chairman, I thank the gentleman for yielding, and I am concerned that the budget resolution before the House does not address the statutory ceiling on the military housing privatization program. That is a program that was spoken to by my good colleague, the gentleman from Missouri (Mr. SKELTON). Would the gentleman from Iowa clarify the Committee on the Budget's intentions regarding this important program?

Mr. NUSSLE. Mr. Chairman, reclaiming my time, I would just say I appreciate my colleague's concerns. I strongly support the objectives of the DOD's military housing privatization initiatives. As we all know, the program, in existence since 1995, has leveraged the entrepreneurship of the private sector to build housing for our men and women in uniform much more efficiently than the government could do it itself.

As Members will recall, last year the Committee on the Budget, as well as the Committee on Armed Services, achieved consensus on this matter and raised the statutory cap on housing projects in the House legislation. As it happened, the potential cap increase did not occur. The other body opted not to move this program. I repeat, both the House Committee on the Budget and the House Committee on Armed Services were already engaged in housing privatization. It was the other body that chose not to engage.

We are all confronted again this year with the potential cap increase; and regrettably, DOD did not make a formal request on privatization when it submitted its budget in February. The Office of Management and Budget only cleared the privatization request for submission to Congress less than 2 weeks ago. DOD now believes that the cap limit will be reached by November of 2004.

As we move forward, the Committee on Armed Services will be examining the request, and drafting its own legislative provisions I am sure; and when

the chairman of the Committee on Armed Services moves his bill, I commit to work through the Committee on the Budget aggressively with OMB and CBO to come to a consensus to appropriately score this privatization initiative. The committee will also engage the Committee on the Budget, as well in the other body as we move into conference, so that the program can move forward; and, again, I want to stress my support for the program and my commitment to seeing this important quality-of-life initiative for our men and women in uniform move forward.

Mr. HUNTER. Mr. Chairman, I thank the gentleman.

Mr. NUSSLE. Mr. Chairman, I yield 3 minutes to the very distinguished gentleman from California (Mr. HUNTER), from the Committee on Armed Services, in order to talk briefly about our budget.

Mr. HUNTER. Mr. Chairman, I thank the gentleman for yielding me the time; and as we speak, we are undertaking the largest redeployment of troops since World War II right now.

We have the 101st Airborne now moving out of theater in Iraq, and they are being replaced by the 1st Striker Division up in the north part of Iraq. We have the 1st Armored Division being replaced by the 1st Cav in the Suni Triangle in the Baghdad area. We have the 4th Infantry Division moving out in the northern part of that triangle and being replaced by the Big Red One, 1st Infantry Division, and we have the 1st Marine Division replacing the All American Division, the 82nd Airborne to the west of Baghdad.

A massive redeployment is just now coming into place or is set for the new soldiers coming in and replacing those who are rotating out, and with that rotation comes the need to continue to supply armor and ammunition and all the technical support and the technological support that is necessary to not only defeat the enemy but also to provide for our men and women in uniform.

We have a similar situation in the Afghanistan theater, and this budget meets the Commander in Chief's request to give him the tools to get the job done, to supply our military forces. It does what it has to do, and I would simply thank the chairman of the Committee on the Budget for putting together a budget that does just that.

Let me just say about the budget on the other side of the aisle, and if I am wrong, I want to be corrected on this, but my understanding is that dollars are moved from what one would call the discretionary side of the defense budget, this means the operational military, money that is spent on weapons systems, on personnel, on readiness, and some of the money is moved over to the mandatory side to go into programs, good programs but nonetheless programs that are not available to the operational military. If it does that, then it provides less to the operational military that is now engaged in

a shooting war than the budget that has been put together by the chairman of the Committee on the Budget.

So I wanted to thank my colleagues and all the Members who worked together to put together this budget that gives the fighting forces of the United States the tools to get the job done, and I thank the gentleman for yielding me the time.

Mr. EDWARDS. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois (Mr. EVANS) for the purpose of discussing the underfunding of veterans benefits in this budget, a Vietnam veteran and also the ranking Democrat on the House Committee on Veterans' Affairs.

Mr. EVANS. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, we are very disappointed, those of us who are veterans, and all of our veterans throughout the country, by this budget submitted by the administration and are equally disappointed and angered by the Republican budget resolution that was reported to this body.

On February 26, the Committee on Veterans' Affairs reported its views and estimates to the Committee on the Budget, which they largely ignored. We called for an increase of \$2.5 billion over the administration's inadequate proposal. This was not an unreasonable request. We only asked for a current services-level budget for the VA and sought to correct some of the most glaring deficiencies in the administration's budget.

Instead, the Republican majority has presented us with a budget resolution that underfunds VA by at least the tune of \$1.3 billion next year and endangers the delivery of services to our veterans and fails to even keep pace with inflation over 5 years.

A coalition of four of the Nation's largest veterans service organizations has written to each one of us in the past 24 hours calling on us to "reject this half-hearted attempt to fund veterans health care." In their words, "Passage of the budget resolution, as presented, would be a disservice to those men and women who served this country and who are currently serving in Iraq, Afghanistan and around the world in our fight against terrorism."

In contrast, the Democratic budget provides the levels needed to maintain services and improve health care access, and it rejects the fees and copayment increases sought by the administration.

This is a matter of priorities, Mr. Chairman. We believe that veterans deserve adequately funded benefits and services. A vote against the Republican budget resolution and for the Democratic proposal says we support veterans. It is just that simple.

Mr. NUSSLE. Mr. Chairman, I yield 12 minutes to the gentleman from Mississippi (Mr. WICKER), a member of the committee, to speak to our third most important pillar, growth, strength, and, now, opportunity.

Mr. WICKER. Mr. Chairman, I thank the gentleman from Iowa (Chairman NUSSLE) for yielding me the time.

As the gentleman from Iowa (Mr. NUSSLE) noted in his statement, America's continued greatness comes from the unlimited opportunities that our freedom provides us. America is still the land of opportunity, and we must continue to remain the land of opportunity.

We have placed opportunity as the third tenet of this budget because without the first two, strength, ensuring that America is free and remains free; and without growth to remain the world's most prosperous nation with an ever-expanding economy and job market, America's opportunities would quickly diminish.

The opportunity for all citizens of this country to work their way up, to have a better life, to take advantage of all the chances and choices this Nation provides is why we are here. It is why our ancestors came here. It is also why so many from around the world continue to flock to this Nation, often risking their own lives to get here.

This budget continues our commitment to strengthen the very foundations that have provided us with this wealth of opportunity. We have also enhanced and strengthened our commitment to a host of domestic programs, including those that educate us, help our people when they are sick, help those who are unable to care for themselves or their children, and provide for those who fought for us.

First, let's take a look at Medicare. This budget fully funds for the next 5 years, by congressionally certified numbers, historic Medicare reform. Last year, this Congress and President Bush accomplished a feat that policymakers have been struggling with for years. We have enacted legislation to strengthen Medicare and include a prescription drug benefit. It was a truly historic first step in strengthening a program which has lagged behind private health insurance since its enactment in 1965.

As a result of this action, just a few months from now, all beneficiaries will have access to a Medicare discount card that will result in 10 to 15 percent savings for the average beneficiary and up to 25 percent savings on some prescription drug costs. Low-income seniors will receive a \$600 subsidy in conjunction with their prescription drug discount card.

As part of the improvements in benefits and in the way the Medicare program does business, this Congress and President Bush have also acted to expand opportunities for people to save for their own health care through health savings accounts. These accounts will allow for two very important changes: first, they will restore to consumers the ability to plan for and make their own choices about their own medical coverage; and, second, they will help to address the long-term demographic and financial problems facing the Medicare program.

With regard to Medicaid, this budget continues our commitment to preserve and strengthen both Medicaid and the State Children's Health Insurance Program, or S-CHIP, which assists individuals and families who cannot afford health care coverage.

Since 1995, Medicaid spending has grown 95.2 percent, including an 8.2 percent growth last year. Last year, we added additional funds to allow for Medicaid S-CHIP reform, to extend the availability of expiring fiscal year 2000 S-CHIP funds, and to give States the option of extending Medicaid coverage to children with special needs.

Over the next 5 years, CBO estimates that Federal outlays for Medicaid will exceed \$1 trillion. With this budget, we have continued our commitment to provide for this critical program, which provides to those most in need of necessary medical care.

On the subject of welfare reform, we have further continued our commitment to assisting lower-income Americans, by funding such programs as the TANF block grants, (Temporary Assistance to Needy Families), also child care funding, food stamps and child nutrition programs as well as Head Start.

The successful TANF program is reauthorized at the President's level, \$16.9 billion annually for the next 5 years. Since the program was enacted in 1996, welfare rolls have declined by 56 percent, and the vast majority of those who have left welfare since 1996 have done so for work. In fact, since that time more than 3 million single mothers who have gotten off welfare have been lifted out of poverty, mostly because of increased earnings. This is the kind of opportunity that we are providing. Since 1996, funding for child care assistance and assistance to mothers leaving welfare for child care expenses has been increased by nearly 50 percent.

This budget also continues to fund HUD's three major rental assistance programs and accommodates the Low Income Home Energy Assistance Program or LIHEAP, providing \$1.9 billion to assist low-income families in meeting heating and cooling expenses.

□ 1515

Mr. Chairman, I would like to direct the attention of Members to this chart with regard to education. It indicates that since Republicans took control of Congress in fiscal year 1996, the budget for the Department of Education has more than doubled. In fact, education has received an annual average increase of 12 percent sustained over 8 years. No other cabinet-level agency has grown as fast as education over this period.

Mr. Chairman, to take a look at the three large programs that now absorb about two-thirds of the agency's funds: title I funds to low-income schools have nearly doubled, Pell grant funding has more than doubled since 1996, and special education funding has more than quadrupled since 1996. In addition

to increased funding, Congress also passed education reform, the No Child Left Behind Act of 2001. This act demands results from schools in exchange for Federal dollars and works to forge a real link between education spending and classroom achievement, while focusing resources more sharply on underperforming schools.

Many on both sides of the aisle believe that accountability standards in this No Child Left Behind law represent the greatest accomplishment in a generation in terms of K-12 education, and an even more important stride than the funding increases that I have talked about. This budget also continues our commitment to provide for and strengthen those principles.

Concerning veterans, this budget increases veteran funding by \$1.2 billion over the President's budget—funds that can be used for veterans medical care and medical and prosthetic research. I am pleased to say that over the past several years, we have shown a level of gratitude befitting the service of our Nation's 25 million veterans through hefty increases in funding and substantial increases in benefits and services. Since Republicans took control of Congress in 1995, great strides have been made in improving benefits for our Nation's veterans.

Now, Mr. Chairman, sometimes we come down to the floor and we get a little carried away with our rhetoric. I have heard some of my good friends from the other side of the aisle talk today about the accomplishments that we have made with regard to veteran funding and calling them shameful, saying that they constitute glaring deficiencies and that they endanger services to veterans. Nothing could be further from the truth.

Let's look at some of the most important improvements to our veterans programs. These are the facts: the Republican Congress expanded eligibility for veterans medical care in 1996 and in 1999. As a result, as Members can see by this chart, the number of veterans using VA medical care has increased from 2.5 million in 1995 to 4.7 million veterans today, a tremendous accomplishment for which this entire Congress can take pride.

My next chart, this chart indicates that since 1995, total spending on veterans has increased from \$38 billion to \$60 billion. That is a 58 percent increase compared with a 36 percent increase during the previous 10 years of Democrat control of this Congress. Is this a shameful record, I ask my colleagues? And payments per veteran have risen by 79 percent.

With regard to my final chart, this indicates that since 1995, monthly education payments under the Montgomery GI bill, named after former congressman G.B. "Sonny" Montgomery, these benefits have increased from \$405 to \$985, an increase of 143 percent. Is this a shameful accomplishment? Under the 40 years of Democrat control of Congress prior to the Republicans taking over, there was no

progress whatsoever on the concurrent receipt issue. But as a result of action taken by this Congress last year, military retirees injured in combat, while training for combat, or who are more than 50 percent service disabled are able for the first time in over a century to receive retirement benefits concurrently with veterans disability compensation.

I submit this is a proud accomplishment and far from the accusations we have received from some of our friends on the other side.

With this budget, we have continued our commitment to ensuring that those who have served our Nation with pride, valor, and dignity receive the best of America's appreciation.

Mr. SPRATT. Mr. Chairman, I yield 2½ minutes to the gentlewoman from Oregon (Ms. HOOLEY).

Ms. HOOLEY of Oregon. Mr. Chairman, our veterans have made great personal sacrifices, and we have a responsibility to serve them just as they served our country. At a time when men and women are once again at war, what better way to honor their service than by treating their predecessors with respect and dignity. But the needs of our veterans are not being met. Funding for medical care per veteran has actually declined in constant dollars over the past decade while the number of veterans seeking health care has increased.

We must ensure that our promises to provide health care for our veterans is kept. I want to read an excerpt from a letter from Alan Bowers, national commander for the Disabled American Veterans. He says, "Shortchanging veterans is all the more objectionable because it in no way is necessitated by our fiscal situation, but rather is part of a larger objective to make deep cuts in spending on veterans and other domestic programs at the same time far more costly cuts are made in taxes. The House budget resolution is all the more objectionable because it is part of a greater plan to impose cuts in discretionary spending and impose a freeze on any improvements or adjustments in benefit programs such as veterans disability compensation in fiscal year 2006 through 2009. To the veterans of this Nation, it is incomprehensible that our government cannot afford to fund their medical care and benefit program at a time it can afford generous tax cuts costing hundreds of billions more."

I know in Oregon our VA has over a thousand veterans waiting. Seven hundred to 800 new veterans enroll each month requesting medical care. I have heard people are waiting over a year to see a primary care physician. No person, especially a veteran who has served this country, deserves to be treated this way.

If Members can look at this chart, this is both by the chairman and the ranking member from the Committee on Veterans Affairs, of which I am a member. They said, we have concluded

that an additional \$2.5 billion in budget authority would be needed to ensure a current services budget. So this is a bipartisan issue.

The Democratic budget provides \$1.3 billion more than the Republican budget for veterans and \$6.6 billion more over 5 years. The House Republicans may tout the fact that their budget contains more veterans appropriations than the President's budget, but the Republican budget still provides \$1.3 billion less than the Committee on Veterans' Affairs has recommended.

The Democratic budget will improve access and reduce waiting time for all veterans. This is real simple. We have more veterans coming into the system every day. Health care costs are going up. They are skyrocketing past inflation. This budget does not meet veterans' needs. Not one soldier who puts his life on the line should have to worry about getting health care when he returns from battle. I urge my colleagues to vote against the Republican budget and join me in supporting our veterans.

Mr. SPRATT. Mr. Chairman, I yield 5 minutes to the gentleman from Texas (Mr. EDWARDS).

Mr. EDWARDS. Mr. Chairman, "Passage of the budget resolution as presented would be a disservice to those men and women who have served this country and who are currently serving in Iraq, Afghanistan, and around the world in the fight against terrorism."

Those are not my words; those are not the words of some Democrat. They are the words written in a letter yesterday to all House Members signed by the legislative directors of the Disabled American Veterans, the Veterans of Foreign Wars, AMVETS, and the Paralyzed Veterans of America.

Why is it these nonpartisan, respected national veterans organizations are strongly opposing this budget resolution? The answer is simple: they believe, as I do, that it is wrong and unfair to reduce veterans health care services during a time of war.

Now, my Republican colleagues will tell Members that this bill increases veterans health care spending. It is what they do not tell Members that will harm veterans all across America. The truth is this budget for veterans health care does not even keep track with inflation. The truth is this budget will reduce veterans health care services by \$1.3 billion this year and by as much as \$21 billion over 5 years even though our Nation is at war.

Do not trust my word for it. Let us look at a letter written by the Republican chairman of the Committee on Veterans' Affairs, an expert on veterans health care and also consigned by the gentleman from Illinois (Mr. EVANS), the ranking member, dated February 26, 2004. They say, as the gentlewoman from Oregon (Ms. HOOLEY) pointed out, that they concluded that an additional \$2.54 billion in budget authority, the VA's discretionary programs, would be needed to ensure a current services budget.

Well, it looks like the Republican budget comes up about \$1.3 billion short, and that means cuts in real health care services to real veterans.

Mr. Chairman, the bottom line is that House Republicans continue to pass resolutions on this floor honoring our troops in Iraq while at the same time cutting our future veterans, those Iraqi troops today, cutting their health care veterans benefits. Let me be specific. Last year on March 28 at 2:54 a.m. in this House, Republicans voted to cut veterans benefits by \$28 billion over 10 years. At 3:02 a.m. on that same day last year, the same Republicans voted, along with all Democrats, to salute the service of our troops in Iraq.

Can Members imagine that, voting to salute our troops in Iraq 8 minutes after just voting to cut their future veterans benefits, including education, health care, compensation and disability benefits by \$28 billion?

After Americans expressed their outrage last year at that say-one-thing-do-another technique regarding veterans, I thought we would never see that again visited in this House or on this floor, but I was mistaken. Last Wednesday, the House Budget Committee Republicans voted for an effective \$1.3 billion cut in veterans health care services on the same day that we here on the floor of this House passed a bipartisan resolution saying, We want to express our gratitude for the valiant service of our troops in Iraq.

Mr. Chairman, cutting veterans health care services by billions of dollars is an odd way to express gratitude to our troops or to our veterans.

I used to think March Madness was a reference to collegiate basketball playoffs; but it appears March Madness has another meaning, because for 2 years in a row in the month of March, Republicans have voted to cut veterans health care services at the same time they voted for resolutions honoring our veterans and our troops.

□ 1530

Mr. Chairman, I believe veterans understand what is going on. They find it insulting that Congress would cut veterans' health care services during a time of war. It is insulting to America's veterans to have Members on the other side of the aisle voting to cut veterans' health care services 2 years in a row in the budget resolution while passing at the same time resolutions thanking our veterans and our troops for their great service to our country.

Mr. Chairman, it is time we honored our veterans and our troops with our deeds, not just our words. We should honor them with our budget votes, not just with our rhetoric and floor speeches. Maybe that is why DAV National Commander Alan Bowers said very recently, "To the veterans of this Nation it is incomprehensible that our government cannot afford to fund their medical care and benefit programs at a time it can afford generous tax cuts costing hundreds of billions of dollars more."

The Democratic alternative increases veterans' health care spending by \$1.3 billion, so we do not cut veterans' health care during a time of war in Iraq and Afghanistan and the war on terrorism. We increase veterans' health care spending in the Republican alternative by \$6.6 billion over the next 5 years. I say once again, we should honor our troops in Iraq today and tomorrow's veterans, which they are, with our budget votes here on the floor of the House, not just with our rhetoric in speeches in Washington and in speeches back home.

Mr. NUSSLE. Mr. Chairman, I yield myself 15 seconds to respond briefly and say that, using the exact same standard that the gentleman just used, he voted at 7:03 p.m. last Thursday against a \$1.2 billion increase in veterans' spending. A \$1.2 billion increase in veterans' spending the gentleman voted against in committee last week.

Mr. Chairman, I yield 1½ minutes to the gentleman from Kansas (Mr. RYUN), a member of the committee.

Mr. RYUN of Kansas. Mr. Chairman, I want to thank the gentleman from Iowa for his hard work in putting together this very, very good budget.

This budget includes initiatives to allow the Department of Defense to continue to recruit, train and retain the highest quality personnel in the world by including additional funding for military personnel pay and benefits. This additional amount helps protect the most important defense investment in the budget, our people who choose to stand in harm's way so that we might experience the freedoms that we so much expect.

Since 2001, funding for military personnel has been increased by 59 percent. This is in striking contrast to the 1990s, which could be considered a decade of neglect. In the mid-1990s, an estimated 12,000 service personnel were receiving food stamps. But since 2001, basic pay alone has been increased by more than 21 percent. When benefits for food and housing are added, service members' take-home pay has been increased by almost 29 percent.

In the mid-1990s, military personnel were expected to absorb, or pay out of pocket, 15 percent of their housing expenses. In this budget, out-of-pocket costs for service personnel are scheduled to drop to zero in fiscal year 2005.

Additionally, the budget provides for full funding of health benefits for active duty troops, retirees and dependents. The Republican budget also sets aside \$50 billion to pay for the cost of Iraq and Afghanistan operations in 2005. It is from these funds that we can accommodate additional wartime-related benefits like Tricare for uninsured reservists, the increase in imminent-danger pay that we legislated last year, and family separation allowances.

In conclusion, this budget puts us on track to continue the work of the previous 3 years to reverse the neglect of the 1990s and support those who are

supporting us with their daily sacrifices.

Mr. SPRATT. Mr. Chairman, I yield 30 seconds to the gentleman from Texas (Mr. EDWARDS).

Mr. EDWARDS. Mr. Chairman, in response to the gentleman from Iowa, let me say that I proudly voted against this budget resolution in the Committee on the Budget last week because it woefully underfunds veterans' health care. I am certainly in good company with the Disabled American Veterans, the Paralyzed Veterans of America, the Veterans of Foreign Wars and AMVETS. I will proudly stand up with these veterans in opposing in committee and on the floor an inadequate bill that will cut health care services for veterans.

Mr. SPRATT. Mr. Chairman, I yield myself 15 seconds. I would add to what the gentleman just said that we all voted by voice vote to increase veterans' health care by \$1.2 billion in committee. It passed on a voice vote.

Mr. Chairman, I yield 1½ minutes to the gentlewoman from California (Ms. WATERS).

Ms. WATERS. Mr. Chairman, I prepared a statement to come to the floor, but I am not going to use a statement. I am going to simply read from a letter that has been sent to the Members of Congress from the Disabled American Veterans:

"For veterans' discretionary programs, primarily veterans' medical care, H. Con. Res. 393 would provide \$1.1 billion below the minimum amount of funding determined necessary by the House Veterans' Affairs Committee, and \$2.7 billion below the amount of funding recommended by 'The Independent Budget' prepared by the Disabled American Veterans, AMVETS, the Paralyzed Veterans of America and the Veterans of Foreign Wars.

"The inadequate appropriations provided in H. Con. Res. 393 will support medical treatment for 170,000 fewer veterans than the Department of Veterans Affairs could treat with the funding recommended by the House Veterans' Affairs Committee and will support 13,000 fewer full-time employees for veterans' medical care. With the level of appropriations in the House budget resolution, VA will be required to delay medical care for some veterans, and deny it altogether for other sick and disabled veterans, just to enable it to meet inflationary costs, including increases in employee wages."

I could go on and on and on with this.

I have served on the Committee on Veterans' Affairs. When I was first elected to Congress, I served on that committee for about 4 years. I have never seen the level of lobbying, the letter-writing from veterans that I am seeing today. And this letter comes from one of the most vulnerable veterans' populations. It is shameful.

We cannot support this. Listen to what the veterans are saying.

Mr. SPRATT. Mr. Chairman, I yield 5 minutes to the gentleman from Maryland (Mr. HOYER).

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

Mr. HOYER. Mr. Chairman, yesterday on this House floor, the Republican majority leader, the gentleman from Texas, remarked that this budget debate frames the Democratic and Republican Parties' competing visions of America. On that, we are in complete agreement. The Federal budget is indeed a statement of our national priorities. It is a statement of our values. And today, through its budget resolution, the Republican Party tells all of America that it lacks the will and it lacks the courage to address the fiscal crisis that its failed economic policies have created over the last 3 years.

Last week, the chairman of the Committee on the Budget, the gentleman from Iowa, said this: "We don't believe you should have to pay for tax cuts." Well, my Republican friends, you do not. But our children and grandchildren will pay for them.

With a projected record budget deficit of more than \$500 billion this year alone, this budget resolution would dig an even deeper deficit hole. It would increase the deficit by nearly \$250 billion over the next 5 years, and over the next 10 years increase the deficit already projected by the Congressional Budget Office to be \$2 trillion, an additional \$1.6 trillion of deficit, that young people will have to pay off.

Democrats believe that it is irresponsible, indeed immoral, to adopt such a policy and to plunge our Nation even deeper into debt and to force future generations to pay our bills. Republicans apparently are not bothered by that.

This budget resolution would spend the entire \$1 trillion Social Security surplus, all of it, every nickel of Social Security surplus over the next 5 years and in subsequent years. Democrats believe that it is irresponsible, indeed, as I have said, immoral, to rob Social Security and Medicare to pay for tax cuts. Republicans apparently do not.

And this budget resolution would freeze funding for domestic appropriations outside of homeland security to make room for tax cuts. Even a respected Member of your own party, Mr. Chairman, the chairman of the Committee on Appropriations, the gentleman from Florida, has recognized the folly of trying to balance the budget on the backs of children, veterans, the elderly and the uninsured.

In February, Chairman YOUNG, one of the most respected Members of the Republican Party, a leader in this House, said: "No one should expect significant deficit reduction as a result of austere nondefense discretionary spending limits. The numbers simply do not add up."

Why do the numbers not add up? Because nondefense discretionary spending represents only 17 percent of the entire Federal budget.

And then we are told, my friends, that we will eliminate waste, fraud and

abuse. I am for that, and I am shocked that the Republican administration has been in office for 3½ years, controlled this House and the Senate, and we still have significant waste, fraud and abuse in Washington. What is wrong with this administration? Do they not care about waste, fraud and abuse? Why have they not gotten rid of it?

The truth is, we could wipe out all nondefense discretionary spending and we would still be running a deficit of more than \$100 billion. In other words, we would shut down all of government. Maybe some would like to do that. But the people who ride on roads, the people who want the FBI on the job, the people who want the CIA on the job, the people who want NIH researchers trying to find out how to cure cancer would want them on the job.

Mr. Chairman, Democrats fought for pay-as-you-go budget rules that require both spending increases and revenue decreases to be offset. That is what Alan Greenspan said was responsible. That is what the other body voted for. A bipartisan majority of the other Chamber voted for that. And all of us know that our bipartisan agreement on such rules in 1990 led to steadily decreasing deficits, four consecutive surpluses and the strongest economy in our lifetimes.

But House Republicans have refused. Instead, they want to pretend that they are committed to fiscal discipline. They say they want to apply PAYGO rules to spending increases, but not tax cuts. In fact, they will not bring it to the floor. The majority leader says it has got to "ripen." I am not sure what ripening means, but that is what, apparently, it has got to do.

But, of course, it is doubtful whether their budget enforcement bill will ever see the light of day.

For years, Mr. Chairman, House Republicans preened as "deficit hawks." Some even recognized that tax cuts are not, in fact, sacrosanct or freebies. That is what the gentleman from Texas (Mr. DELAY) said.

We ought to reject this Republican budget resolution and adopt the responsible, effective Spratt alternative. The Blue Dog alternative does the same.

Mr. NUSSLE. Mr. Chairman, I yield myself 20 seconds to respond briefly and say that the gentleman from Maryland may want to read his substitute. It is interesting what you find out when you read the substitute. He said that it would be immoral to use one penny of the Social Security trust fund over the next 5 years. Well, guess what? Your substitute spends it all.

Mr. Chairman, I yield 2 minutes to the gentleman from Alabama (Mr. BONNER), a distinguished member of the committee.

Mr. BONNER. Mr. Chairman, our Nation recently marked the 1-year anniversary of the day when the United States, Great Britain and a coalition of our allied troops from around the world

began the campaign known today as Operation Iraqi Freedom. Within just 4 short weeks of that day, the Iraqi military was defeated, the brutal regime of Saddam Hussein was brought to an end, and a people was, for the first time in a generation, able to live free from oppression and cruelty. As significant as this victory was for the people of Iraq, it was also the latest in a growing series of successes in the larger global war against terrorism. This war began on our own shores on that tragic Tuesday morning in September of 2001 and it gave us and indeed the entire world a sudden reminder that the enemies of freedom and peace are still active in the world today.

□ 1545

Since that time, terrorist activities in Spain, the Philippines, Israel, and many other nations around the world have once again reminded us that these same enemies must be dealt with and dealt with quickly. The conflict in Iraq, indeed the global war against terrorism, is still not finished. In order to finish the job, we and our coalition partners must provide the funding that meets the needs of training, equipping, and protecting our men and women in uniform.

In his opening remarks during the recent markup of the fiscal year 2005 budget resolution, the gentleman from Iowa (Mr. NUSSLE), our distinguished chairman, stated that in our budget we were going to do the responsible thing and plan for the costs associated with the ongoing conflict in Iraq and the global war against terrorism. As he said, we do not know the dollar amount necessary for these operations, but we know it will not be zero.

The funding included in the budget resolution for ongoing military operations was indeed a difficult choice, but I submit it was the responsible choice; and I commend the chairman for his principled leadership in this regard.

Mr. SPRATT. Mr. Chairman, I yield 1½ minutes to the gentleman from Texas (Mr. REYES).

Mr. REYES. Mr. Chairman, I thank the gentleman from South Carolina for yielding me this time.

I rise this afternoon on behalf of military families. I am particularly concerned today that the current statutory cap on the housing privatization will hurt our military families because this cap will be reached by November of this year, and it stands to affect nearly 50,000 military families from all services, families like the one that is pictured here, families that are currently living in substandard housing in all of these military facilities.

Mr. Chairman, this past Monday my wife and I were visiting my son, daughter-in-law, and granddaughter in Fredericksburg, Virginia; and coming back on the train, we saw two young mothers with two toddlers and a baby struggling to get on that train. We helped them and we found out subsequently

that their husbands are serving this country proudly in Iraq. In talking to them, they mentioned to us that one of the biggest challenges that they face is substandard housing, substandard housing for our military families while our brave men and women in uniform are fighting and dying in Iraq, Afghanistan and other parts of the world. Unconscionable. We need to lift this cap and allow these 50,000 families to have decent housing.

In fact, just to end with this, Mr. Chairman, in my district there is a segment of military housing that is known as Bedrock. When I asked why is it called Bedrock, they said because the housing is akin to that that was found in the "Flintstones." That is shameful. We need to change it. We need to think about our families.

Mr. NUSSLE. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Florida (Mr. WELDON).

Mr. WELDON of Florida. Mr. Chairman, I thank the gentleman for yielding me this time.

I rise to speak about the NASA component in the budget. The NASA money is not specifically spelled out; but within the overall context of science and technology, there is level funding in this budget.

I would just like my colleagues to get a good understanding of a couple of simple facts as it relates to NASA, particularly as we move through the appropriations process. Aerospace products lead on our positive balance of payments. The investment that we have made for decades in aerospace technology is resulting in a tremendous amount of jobs and a positive balance of payments.

In 2004 dollars, here is where NASA's budget was in 1991, and this is what happened during the previous administration. We actually saw a 30 percent decline in NASA's budget. What this current administration is proposing, and some people have been ridiculing the President's initiative, is to just try to get some slight growth out of NASA, recognizing the tremendous importance of this as well not only for our balance of payments but our national security. And I just want my colleagues to know in this House that if we reduce NASA below the President's budget request, it is going to come out of the shuttle returning to flight and getting the Space Station program back on track. This is not money to go to Mars. There was never money in this project to go to Mars. This is to get the shuttle flying again, and this is to get the program through its construction phase to completion.

I am a conservative. I feel very strongly that we should have a balanced budget. It was one of the things I fought when I came here, and I am going to work to try to get our country back on track for a balanced budget. But NASA already paid. When we were dramatically increasing education spending and many other Departments, the NASA budget was going down and down.

I think this President correctly recognizes the tremendous value of the investment in aerospace research, and we need to continue the President's initiative on space.

Mr. SPRATT. Mr. Chairman, I yield myself 45 seconds.

To complete what the gentleman from Texas (Mr. REYES) was saying, it is significant and Members should understand that we have made special provision in our budget resolution to see to it that the contracting officers of the full military services have the budget authority backup needed to continue the privatization plan for expanding and improving military housing. Without the action we take, without the additional budget authority we provide these contracting officers, military housing will come to a trickle, if not a screeching halt. We provide that in our budget resolution.

In addition, I would say to the gentleman in the well just now talking about NASA that we provide \$4.875 billion over 5 years more than the House budget resolution for the projects that he was just praising.

Mr. Chairman, I yield 16 minutes to the gentleman from Virginia (Mr. MORAN), and I ask unanimous consent that he be allowed to control that time.

The CHAIRMAN pro tempore (Mr. LINDER). Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. MORAN of Virginia. Mr. Chairman, I yield myself such time as I may consume, and I thank my colleague, friend, and leader on the Committee on the Budget for yielding me the time.

We are going to focus on homeland security; but before we do that, I have to expose an issue of hypocrisy that, as much as anything, is a compelling reason to vote for the Democratic budget rather than the Republican budget.

Let me explain what I mean. Most military retirees die before their spouses; and to deal with this situation, they pay extra money in for what is called spousal benefits. With the Federal civilian retiree system, retirees' spouses get 55 percent of their pay. For military retirees as long as they live, they are going to get their full annuity. But there is an anomaly, an injustice in the current system for military retirees' spouses, and that is as soon as they turn 62 years of age, their benefit drops from 55 percent to 35 percent of their breadwinner's benefits. And thus for all that money that a spouse paid into the system survivors get very little out of it because Social Security offsets it. This Democratic budget fixes that injustice.

Let me tell the Members why it is such a hypocrisy in this Republican budget. 272 Members of this House have signed this bill, cosponsored this bill, including 12 Republicans on the Committee on the Budget; and when they were given an opportunity to rectify this injustice, they voted "no." They

get the credit for cosponsoring the bill, and yet they vote not to provide any money. That is as compelling a reason as any to vote for this responsible budget, rather than the Republican alternative that is before us today.

Mr. Chairman, now let me move on to homeland security. We have heard a whole lot of rhetoric about homeland security. We are listening to it on television in both cloak rooms; the American public is thinking about what did we do before 9-11 that could have been done better. What preparations might we have made that we did not? And there is a whole lot of blaming, a whole lot of finger pointing as to who was responsible. People are pointing to people in the Clinton administration and the Bush administration. But one of the things that most of them agree upon is that there probably is going to be another terrorist attack leveled at Americans within our borders, and so there is probably going to be another commission looking back on what did the Congress and the executive branch do to protect American citizens.

We are not going to be able to ensure everyone's safety, but there are certain things we need to do. Port security is one of them. What do we do with our port security? We cut the money. And, in fact, this budget, the Republican budget, cuts it even below the President's budget, cuts out 63 percent of port security grants. We are going to hear from the gentleman from Virginia (Mr. SCOTT) in a few minutes on port security because he represents the largest port on the east coast. But we know we are vulnerable.

When we were attacked in New York City, at the Pentagon, who responded? They were not homeland security Federal employees. They were what we call first responders. They were the local police, firefighters, emergency medical personnel, all of the people that our communities count upon every day; but in a terrorist attack, they are the first line of response. So what does this budget do? It cuts \$2.3 billion from those first responders. And then we have the gall to say that this budget responds to our homeland security needs. It does not. The Democratic alternative does. It restores that essential funding.

We are going to hear from the gentleman from Texas (Mr. TURNER), who is the ranking Democrat on the Select Committee on Homeland Security. We are going to hear from the gentleman from Virginia (Mr. SCOTT) on port security. We are going to hear from the gentleman from North Carolina (Mr. PRICE), and the gentleman from New Jersey (Mr. PASCRELL) on first responders. We are going to tell the Members what this country needs to do to protect its citizens. We are going to start with the gentleman from Virginia (Mr. SCOTT), who represents the largest port on the east coast.

Mr. Chairman, I yield 2 minutes to the gentleman from Virginia (Mr. SCOTT).

Mr. SCOTT of Virginia. Mr. Chairman, I thank the gentleman for yielding me this time and for his leadership on domestic security.

We have to put this in perspective. We have heard a lot about strength, growth, and opportunity. This is a budget deficit that we are in right now. This is the Clinton administration, the Bush administration. When we run up those deficits, we have the opportunity to pay interest on the national debt. By 2010 we will be paying almost \$350 billion a year in additional interest on the national debt over what we were going to pay, and we will have that opportunity to pay it year after year.

We have suffered this kind of growth. This is the number of jobs created every 4 years since this administration, a loss of jobs, the worst in 50 years. This chart includes the Korean War, the Vietnam War, the Persian Gulf War. That is the kind of growth that we have had. When we have that kind of squeeze on the government, there are things we cannot do and one is port security. I represent the port of Hampton Roads in Virginia; 2,700 container ships come in every year. We passed a bill last year that required the Coast Guard to look at what we needed to protect our ports. We have vulnerabilities. These ships can contain anything. They can be used as weapons. And we need more personnel; we need more equipment to protect our ports. They estimated \$1.1 billion was needed by now to protect our ports. We have appropriated about half of that. This budget, as the gentleman from Virginia has indicated, does not have money, in fact, has less money for homeland security. So we are not going to be able to meet those needs for equipment and personnel to secure our ports. Alternative budgets do that. The gentleman from South Carolina's (Mr. SPRATT) budget, the Democratic alternative, the Congressional Black Caucus budget have funds for port security to make sure that we can meet these needs. The Republican budget does not, and therefore we ought to reject the Republican budget.

□ 1600

Mr. MORAN of Virginia. Mr. Chairman, I yield 2½ minutes to the gentleman from North Carolina (Mr. PRICE).

(Mr. PRICE of North Carolina asked and was given permission to revise and extend his remarks.)

Mr. PRICE of North Carolina. Mr. Chairman, I thank the gentleman for yielding me time.

Mr. Chairman, this budget represents the worst of both worlds. It sends our national debt spiraling out of control, yet, in the process, it provides very little stimulus for an economy that is still struggling to create jobs, and it cuts services for those most in need of government support and for those charged with keeping our Nation safe.

That is what I want to concentrate in the few minutes I have here, the Republican budget's significant underfunding for our Nation's first responders.

The administration's homeland security budget cuts the State Homeland Security Grant program by almost 60 percent. It does increase the Urban Area Security Initiative, but overall there is a \$150 million reduction in funding. Moreover, there is a shift in funding toward some higher-risk urban areas at the expense of smaller cities and more rural areas.

Then, if you go over to the Department of Justice budget, you see the problem is compounded. The COPS program that has furnished support for personnel and equipment for our local police departments is cut 87 percent. The Byrne Grant program and the Local Law Enforcement Block Grant program are both zeroed out in the President's budget and are replaced with a Justice Assistance program, but at a net cut of 40 percent.

So when you combine all of this, the homeland security cuts and the Justice Department cuts, the administration is proposing a 33 percent decrease in homeland security-related funding for local police overall, and if you are looking at small- and medium-sized cities, the cuts are more like 50 percent.

But the attack on first responders does not stop there. The President's budget reduces funding for FIRE Act grants by one-third, \$250 million. It provides no funding at all for the SAFER program that was enacted by Congress last year to help our chronically understaffed fire departments.

A recent FEMA study showed that over two-thirds of fire departments in this country operate at staffing levels that do not meet the minimums required by OSHA and the National Fire Protection Association. Our fire departments are understaffed, and under-equipped, and this budget actually compounds that problem too.

There is a dangerous trend at the Homeland Security Department to move funds that had been used for an all-hazards approach toward a terrorism-only approach. Of course, we need to do new things to prepare for terrorist threats, but we also need to make certain that we are not doing worse than we did before in terms of the support we offer to our police, fire and other first responder agencies.

The 9/11 attacks reminded us that our first responders are hometown heroes. The President and the Republican leaders are giving them lip service, but they are asking that our first responders actually do more and more with less than they had before 9/11.

That is hypocritical, and it is dangerous: one of many good reasons to reject this Republican budget.

Mr. MORAN of Virginia. Mr. Chairman, I yield 2¼ minutes to the gentleman from Texas (Mr. TURNER), the distinguished ranking member of the Committee on Homeland Security.

Mr. TURNER of Texas. Mr. Chairman, I thank the gentleman from Virginia for yielding me time and thank him for his leadership on this portion of the effort on the budget resolution.

I am glad to be here today with my colleague on the Committee on Homeland Security, the gentleman from New Jersey (Mr. PASCRELL), who has worked tirelessly on behalf of first responders.

We heard this morning the Director and Deputy Director of the Central Intelligence Agency testify before the 9/11 Commission that we are at war every day against al Qaeda. All of us know that terrorists have attacked our homeland and that they are going to seek to do it again, and it may be soon. We should need no reminders after witnessing the deadly attacks in Spain. That is why we must do all we can as fast as we can to protect our Nation against those who seek to do us harm.

It is shocking to me that in time of war against al Qaeda, that the Republican budget resolution proposes cutting funding for homeland security by a total of \$857 million over 5 years. Instead of correcting the shortfalls in the President's budget request, the Republicans in the House have further cut their President's own budget request on homeland security.

We cannot reduce funding for homeland security in time of war. We must ensure that the needed resources are available to close the security gaps that we have.

The President's budget and the Republican budget fail to provide any improved security for rail and public transit systems. It fails to provide the Coast Guard the things that the Coast Guard itself says it needs. We fail to provide in a rapid fashion the radiation portal monitors that should be installed at all of our ports of entry. The Republican budget does not provide any new funding for security of the cargo that travels on the same passenger planes that we fly on every week. And it cuts resources for our Nation's first responders in their effort to protect us against terrorists.

Mr. Chairman, there are ways to improve this Republican budget. I suggested one just a few moments ago to the Committee on Rules, to suspend the deposits to the Strategic Petroleum Reserve, as was done by the Senate in a bipartisan manner, generating \$1.7 billion for deficit reduction and homeland security.

Mr. Chairman, a budget resolution is an expression of national priorities, and I have no need of reminding anyone in this House that we are at war and that we must provide for the homeland security needs of this country.

Mr. MORAN of Virginia. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey (Mr. PASCRELL).

Mr. PASCRELL. Mr. Chairman, I thank the gentleman for yielding me time.

Mr. Chairman, I want to congratulate not only the gentleman from

Texas (Mr. TURNER) from my own side, but the gentleman from California (Mr. COX). They have done a great job in homeland security.

We can be fiscally responsible and still protect the country. That is possible if we are smart, if we put our house in order, if we understand what our priorities are.

I want everybody in these Chambers to go home this weekend, regardless of where they sit, and go to your fire chief and go to your police chief, and you explain how you cut their budget and you expect them to protect the people in their cities and their towns and in the rural areas.

How dare you pat them on the back and then pull the rug right out from under them?

The most successful program, 285 cosponsors, was the FIRE Act. They cut it one-third. They say that this is fiscally responsible. The most successful part of the public safety equation, the COPS program, that put more cops on the streets in the cities, in the small and large towns of this great Nation, brought the crime rate down.

How dare they cut that program? They zeroed it out.

The most important problem with fire departments is interoperability, one department cannot communicate with another department. They have got zero in the budget. Yet they stand and tell the American people and tell their firefighters and they tell their police officers and they tell the people in their towns that they are protecting them.

It does not jive. It does not jive. And those are the numbers, Mr. Chairman. You know it, I know it, everybody knows it.

So I want you to go home this weekend and I want you to go to your local police department and I want you to go to your local fire department, I want you to go to your EMTs; and you explain what you are trying to do in this budget.

Mr. MORAN of Virginia. Mr. Chairman, I yield 1 minute to the gentleman from Florida (Mr. MEEK).

(Mr. MEEK of Florida asked and was given permission to revise and extend his remarks.)

Mr. MEEK of Florida. Mr. Chairman, I must say that we cannot speak enough about what this budget does to first responders, and I will tell you it is definitely a travesty when we have a budget in this time of the homeland being at threat as it relates to the Secretary of Defense stating yesterday before the 9/11 Commission, cutting by 32 percent, \$959 million, away from the COPS program. I must say that it is something we should really look closely at.

Those are the frontline responders, and for us to cut those dollars is a travesty in the light of making sure that people that make over \$1 million annually are able to get their tax cut so it can be permanent.

I will tell you it is a sad day if this Congress allows this budget, handed

from the President, to come to fruition and become a part of the template we use to be able to fund the necessary means toward protecting the homeland. Every police officer, every sheriff, should call the Members of Congress to let them know these dollars are important to protecting the homeland and local communities and making sure we are prepared to prevent terrorist attacks from happening in the future.

Mr. MORAN of Virginia. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, our point is that this is a deficient budget. We know this country is a target of terrorists. We do not know when we are going to be attacked, but most of the experts say we will be. They are telling us, protect your ports.

So what have we done? We cut 63 percent of the budget for port security. Port security are the things that provide fencing, surveillance technologies, efforts to prevent access to docks and other port facilities. That is where we need to be putting our money. And to save \$79 million, take it out of port security for tax cuts, is that an American priority? I do not think so.

To cut firefighters assistance by one-third? You are going to tell the firefighters around this country, who know they are going to be the first responders if there is an attack, we are going to pull the rug out from under you, cut your funding by one-third? Unbelievable.

And then to eliminate the COPS program, take 100,000 police officers from our local public safety agencies? All over the country jurisdictions are going to suffer by eliminating the COPS program. And then we are going to virtually eliminate the Byrne Grants for local law enforcement?

What kind of a budget is this? We are supposed to be listening to our constituents, putting in the money that addresses their priorities. These are their priorities. And you refuse to fund them so that you can pay for your tax cuts for the wealthiest, least needy Americans.

Mr. NUSSLE. Mr. Chairman, I yield myself such time as I may consume, and just wonder, why all the yelling?

I would like to understand. We are cutting homeland security? The other side has had more than enough time to yell. I would like to have a little time just to set the record straight.

My goodness, all the yelling about cutting homeland security. Let me just tell you, folks, think about this. If you are listening to this debate, I want you to understand what a cut in Washington is. Here is a cut.

Here we go. Since September 11 of 2001, homeland security spending has more than doubled. Let us start with that. During the same period, nearly 61,000 staff people have been added to the Federal Government to protect the country. See, I can yell too. Sixty-one thousand people have been added, doubling the budget. But we are cutting?

Let us go on. The budget increases the 2005 discretionary spending 14 percent above the 2004 levels. A 14 percent increase, but we are cutting?

Let us go on. Significant one-time costs involving starting the Department of Health and Human Services were met during fiscal year 2003 and we funded those start-up costs. But we are cutting?

A \$474 million increase, or an increase of 76 percent, for intelligence and warning; a \$17 billion increase for transportation security; a 13 percent increase for domestic counterterrorism; a \$14 billion increase for protection of critical infrastructure; a \$3.4 billion increase for defense against catastrophic threats; and a 24 percent increase for emergency preparedness and response.

On top of all that, the President has asked us for a 9.6 percent increase, and we are funding it. And you say to us we are cutting it?

Now, just let me tell you something. I am a fireman. You can yell and scream about your firemen. I am a fireman. I was a volunteer fireman in my hometown. I know about local response, I know about EMS, I know about first responders, because I did it. I did not just come to the floor and yell about it.

And I have got to tell you something, they are prepared. They are going to be even more prepared. We are sending them the money. In fact, we are sending it so fast and it is stuck in the pipeline so well that they are not even getting the funds because the States cannot spend it fast enough. That is what we are saying.

So you can come and yell, we can yell, increases, decreases, cutting, gouging, all sorts of things. You want a political insurance policy, that is what you are buying, a political insurance policy for homeland security. We are governing. We are making sure it is getting to the people who need it, and we are going to pass a budget that accomplishes that.

Mr. Chairman, I yield 3 minutes calmly to the gentlewoman from Florida (Ms. GINNY BROWN-WAITE) to talk about education, and get away from all of this bombastic discussion about cutting homeland security when we are increasing.

Ms. GINNY BROWN-WAITE of Florida. Mr. Chairman, I thank the gentleman for yielding me time. Having worked with the gentleman from Iowa (Chairman NUSSLE), I can tell you he is a very calm person, but a very effective person, and somebody who fights very hard for homeland security and also for education.

□ 1615

I would like to speak about the opportunity that we have in this budget for the No Child Left Behind program. Before I got to Congress, this House voted on a bipartisan basis for the No Child Left Behind law because it creates testing and accountability meas-

ures intended to improve academic achievement of all of the Nation's children. The law mandates testing similar to what we did in Florida for all of the students in grades 3 through 8 in reading and math.

This first chart shows how, since No Child Left Behind began, how much more funding we have added; and this year we are adding over \$1 billion to the No Child Left Behind Act. That bar is not on there; but in the 2005 budget, we will be adding additional funding for the No Child Left Behind Act by restructuring some funds within the existing Education Department.

I am an educator and I teach college. Let me tell my colleagues, I have had to apologize to so many students who came to me who could not write a complete sentence, who had very little ability to read a paragraph and understand exactly what that paragraph said. They got a piece of paper okay; they got a diploma. But that diploma was virtually useless.

Many States have remedial reading programs that students who enter into community college need in order just to keep up with community college level work, which means that we have been giving students a diploma, they have this piece of paper, and they really believe they graduated and that they have a high school diploma. Well, guess what, folks? It was a bogus diploma until we actually had accountability, until we said, you are going to be tested in these grades; and that is one of the reasons why the chairman and the members of the committee fought to add an additional \$1 billion to No Child Left Behind.

Mr. Chairman, there are those who argue that even with this additional \$1 billion in funding that that is insufficient; yet the Secretary of Education recently cited the results of a study that found that schools are, in fact, currently receiving sufficient Federal funds under the No Child Left Behind Act to successfully implement the law, including its testing and accountability requirements. Are some people afraid that we actually are having testing and accountability?

This law is a very good law; it needs to be funded. The Secretary of Education is saying that this is adequate as well as many of the States, State education departments that I have been in touch with.

Mr. SPRATT. Mr. Chairman, I yield 30 seconds to the gentleman from Virginia (Mr. MORAN) to respond.

Mr. MORAN of Virginia. Mr. Chairman, I respond because the chairman of the committee suggested that this is about a political insurance policy. Political insurance policy? We are trying to find the money for an insurance policy to protect the lives of American citizens.

Let me remind the gentleman that in his budget, as to interoperable communication grants for local law enforcement, \$85 million last year, zero this year. Metropolitan medical response

teams, \$50 million last year, zero this year. Urban search and rescue grants, \$60 million last year, zero this year. The COPS program was cut by \$600 million.

Go down the list. We are talking about taking money away from insuring the lives of our citizens. Put this money back where it belongs.

Mr. SPRATT. Mr. Chairman, I yield 1 minute to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Chairman, I thank the distinguished ranking member for yielding me this time. He is extremely kind.

I came to the floor on several very brief points. One, I would like to associate myself with the outstanding work of the Democratic Caucus and the substitute budget that is going to be offered by the gentleman from South Carolina (Mr. SPRATT) and our caucus. Let me also associate myself with the Congressional Black Caucus budget resolution, because it embraces, if you will, the understanding that we are all our brothers' and sisters' keeper.

Let me just say to my colleagues, Mr. Chairman, that in listening to the 9-11 testimony, one of the key elements that Mr. Tenet said, and I disagree with him more than I agree, is that our law enforcement have to be a part of the war on terrorism. I am disappointed that the budget offered by the President and the Republicans has faltered in protecting the home front. It has faltered in giving opportunity educationally to those who are most in need by depleting the Pell grants.

I am disappointed in its work on health care and the providing of opportunities for a guaranteed Medicare prescription drug benefit. I am disappointed in its lack of support for veterans in the United States, and I am disappointed in its overemphasis on defense by not allowing us to be able to support the needs of this Nation. I ask my colleagues to vote for the Democratic substitute.

I rise today being very disturbed with the direction that the Republican Party and this administration is taking our great Nation. The prime reason for my concern is the national budget which will come before this body tomorrow. The Nussle budget clearly does not improve upon the severely flawed Bush administration budget. The needs of average Americans are still ignored. The interests of a wealthy few outweigh the needs of an entire Nation in this budget. I say this not out of partisanship, but from a statement of the facts. I want to highlight a few areas in this budget that are particularly egregious.

This President and the majority party in this body have spent so much time talking about their record on education and as hard as I try I can not see what they have to be proud of. It is one thing to address areas of critical need with rhetoric, but to advocate a policy and then not fund it sufficiently is plain irresponsible. At the top of the list of my concerns is the No Child Left Behind Act (NCLB) and the fact that it has become an unfunded mandate. The House Republican resolution provides at least \$8.8 billion less than the \$34.3 billion au-

thorized for education programs under the "No Child Left Behind" Act for 2005. This low funding leaves millions of elementary and secondary school students without the services Congress and the President promised just two years ago. For example, the Republican budget denies Title I services to 2.4 million students who qualify under the Act.

But the irresponsibility does not end with No Child Left Behind. For the third straight year the Republican Party has frozen the funding level for Pell Grants. Both the Republicans and the President freeze the maximum Pell Grant award at the 2003 level of \$4,050, with an average grant of \$2,399. Such small Pell Grants make college unaffordable for millions of students: the College Board reports that tuition and fees at 4-year public colleges today average \$4,694. In any market this gap would be hard to swallow, but with the current state of joblessness that the Republican Party's agenda has created it is near impossible for so many American families to send their children to college. I fear that this agenda if allowed to continue will cause a perpetual state where our American families aren't able to succeed.

Our brave American veterans are another group who were outraged by the President's budget and will unfortunately be disappointed with the Republican House Budget. I hear so much in this body from the majority party about the greatness of our Armed Forces, and they're right, but again it's just empty rhetoric on their part. Those brave men and women fighting on the front lines in our War Against Terror will come back home and find that the Republican Party looks at them differently once they become veterans. Almost all veterans need some form of health care, some will need drastic care for the rest of their lives because of the sacrifice they made in war, but the Republican Party continues to turn a blind eye to their needs. On a bipartisan basis, the Committee on Veterans Affairs recommended that \$2.5 billion more than the President's budget was needed to maintain vital health care programs for veterans. Nevertheless, the House Republican budget provides \$1.3 billion less than what the Committee recommended for 2005.

The entire Department of Veteran's Affairs is going to suffer because of the Republican agenda. Over the next five years the money allocated to the Department of Veteran's Affairs will not even be able to maintain these programs at their current levels. In 2007, the budget is \$227 million less than what the Department of Veterans' Affairs needs to keep pace within inflation. Over five years, the Republican budget cuts \$1.6 billion from the total needed to maintain services at the 2004 level. I've heard from veterans groups throughout my district in Houston and I'm sure each Member of this body has heard from groups in their own district because veterans are one group that come from all parts of this nation. These brave veterans have told me their stories of how they are suffering now with the current state of Veterans Affairs, I am going to have trouble telling them that not only will things continue to stay bad but if this budget passes this body things will only continue to get worse. That is not what our returning soldiers from Iraq and Afghanistan should have to look forward to, a future where their needs are not only not provided for, but are in fact ignored.

Education and Veterans Affairs make up only two areas where Republican budget fails Americans. The truth is there are many other programs and services vital to our nation that are at risk because of the Republican agenda. At this point, an average American may be asking why the Republican Party finds it necessary to cut so many fundamental programs. The answer is simple, yet disturbing; the majority party is cutting important programs in order to finance all their irresponsible tax cuts. They will continue to make the argument that tax cuts provide stimulus for our economy, but millions of unemployed Americans will tell you otherwise. In fact the Congressional Budget Office itself said "tax legislation will probably have a net negative effect on saving, investment, and capital accumulation over the next 10 years."

While the Republican Party continues its offensive for irresponsible tax policies they allow our national deficit to grow increasingly larger. The deficits are so large and their policies are so irresponsible that they won't even make deficit projections past 2009. It's clear that the Republican Party is hiding from the American people. This President and this majority in Congress have yet to advocate a fiscal policy that helps average Americans. Special interests have become king in this budget at the price of sound fiscal policies.

The truth about the budget is that a sound fiscal policy that funds needed programs is possible. The Democratic Alternative Budget and the CBC Alternative Budget are both examples of how we can get out of the quagmire that the Republican agenda has put this nation in.

The Democratic budget achieves balance within eight years through realistic policy choices that protect funding for key services. The Democratic budget also has a better bottom line than the Republican budget every year, meaning a smaller national debt and fewer resources wasted paying interest on the national debt. Chronic deficits crowd out private borrowing, run up interest rates, and slow down economic growth. In addition, the Democratic budget provides \$1.3 billion more than the Republican budget for veterans programs for 2005 and \$6.6 billion more over five years. The Democratic budget provides \$2.1 billion more for appropriated education and training programs than the Republican budget for 2005 and \$9.8 billion more over the next five years. The Democratic budget also provides \$3.7 billion in mandatory funding to make up the current shortfall in funding for Pell grants and additional funding to make college loans cheaper for students. These programs are all funded while maintaining a sound fiscal policy. The Democratic budget achieves balance within eight years through realistic policy choices that protect funding for key services. The Democratic budget also has a better bottom line than the Republican budget every year, meaning a smaller national debt and fewer resources wasted paying interest on the national debt. Republicans will surely try to counter this by touting the benefits of tax cuts. However, most Americans are waking up to the fact that mass tax cuts targeted toward the wealthiest Americans will only bog down our national economy. The Democratic budget accommodates the extension of marriage-penalty relief,

the child tax credit, and the ten percent individual income tax bracket. These tax cuts provide relief to middle-class families whose incomes have stagnated under the current administration's economic policies. This is what a sound fiscal policy really stands for.

This body was made to stand for the will of all Americans; if we allow this budget proposal to take effect we will have failed our mandate. I for one will not stand by silently; I have a duty to my constituents and indeed to all Americans to work for their well-being and I will continue to honor that duty.

I feel it is a sad day when the issue of our national security is compromised by a lack of proper funding. I was deeply concerned when I saw the amount of funding allocated to Homeland Security under the President's budget, but I am appalled at the further cuts taken from Homeland Security in this Republican budget resolution. This Republican budget cuts a further \$857 million from non-defense Homeland Security budget that the President proposed. That statement in itself is the height of fiscal irresponsibility. Somehow the programs the Republican leadership sought to cut were the same ones that all Americans are looking towards protecting their security. As a Member of the Homeland Security Committee I know the shortfalls in our national security system and I am prudent enough to know that under funding these programs will not resolve our vulnerabilities.

First Responder programs are under funded by \$900 million and represent a critical element in our national security apparatus. First Responders make up the local presence that are our first line of defense against possible terrorist attacks. In a way every American is a First Responder because we all must stay vigilant to truly avert future attacks. However, there are groups of people who go beyond vigilance and act as a professional presence to keep America safe. Among the First Responder programs that I believe are so critical is the Community Orientated Policing Services (COPS) Program. The COPS Program has helped nearly 12,950 jurisdictions through 277 different grant programs since 1994. In September 2002, COPS had provided funding for 116,573 community policing professionals across the country. Another critical First Responder program is Citizen Corp. which provides citizens with volunteer opportunities to help their communities prepare for and respond to emergencies. First Responders are not just used to prevent terrorist attacks; they fulfill the security needs of so many Americans dealing with local emergencies. For example, Citizen Corps, is now playing a critical role here in the District of Columbia helping communities deal with the lead contamination that currently affects their water supply. Clearly, First Responder programs like the COPS Program and Citizen Corp. are vital, unfortunately they require funds that are not being provided for in the Republican Budget Resolution.

Port Security Grants are under funded by \$566 million and may be our greatest vulnerability in our efforts to prevent future terrorist attacks. As the Representative of a Congressional district in Houston, Texas I know personally the importance of proper Port Security. The Port of Houston is one of the largest in America; the workers on those docks have an incredibly difficult job managing thousands of ships a year, which is aside from any additional security concerns. I fear that if we do

not provide the proper funding for Port Security we leave ourselves open to another catastrophic event. The numbers attributed to the traffic on our seas is staggering. There are 361 public ports in the United States that handle over 95 percent of U.S. overseas trade. Approximately 7,500 foreign ships, manned by 200,000 foreign sailors, enter U.S. ports every year to offload approximately six million truck-size cargo containers onto U.S. docks. This means that our ports are extremely valuable to our national economy, but with so much ship traffic coming through they are also extremely vulnerable. As a Member of the Homeland Security Committee I have been briefed on how few of those six million truck-size cargo containers are actually inspected. In an age where we are told that nuclear components can be launched from a suitcase, I am loathe to think about the damage that could be caused by a cargo container that has been compromised by a terrorist.

It must be clear to every Member of this body the importance of Homeland Security, but we can not pay mere lip service to the needs necessary to maintain our national security, the risks are too high and the lives of Americans are too important. It is imperative that we fully fund Homeland Security in all its facets. We can not just allocate all our money towards fighting terrorists broad, we must use the necessary funds to truly make our homeland secure.

Mr. NUSSLE. Mr. Chairman, I yield 4 minutes to the gentleman from Virginia (Mr. SCHROCK), a member of the committee.

Mr. SCHROCK. Mr. Chairman, let me set the record straight. I heard the gentleman from Virginia a few minutes ago who said he represented the port of Hampton Roads. Until that time, I thought I did, and my constituents think I do, and the fact is, I do. So let me set the record straight on port security. I served in the Navy for 24 years; I think I know a little bit about this.

As part of our commitment to homeland defense and security, this Republican budget reflects our serious commitment to port security. It provides \$1.9 billion for the Department of Homeland Security-wide port security efforts, an increase of 13 percent, or \$224 million over 2004, and 628 percent or \$1.6 billion over 2001; and they call that a cut.

These funds include \$102 million for the Coast Guard to implement the Maritime Transportation Security Act of 2002, which sets security standards for certain vessels, port facilities, and critical offshore platforms.

This budget also funds \$6.6 billion to maintain and enhance border security activities, a 7 percent or \$447 million increase over 2004, and a 70 percent or \$2.7 billion increase over 2001, and they call that a cut. This budget funds a number of programs specifically tailored to improve port security.

We provide \$102 million for implementation of the Maritime Transportation Security Act of 2002. This initiative will enable the Coast Guard to develop, review, and approve vessel and facility security plans, ensure foreign

vessels are meeting security standards, enhance its intelligence capability, and provide underwater detection capability to maritime safety and security teams.

This budget provides for the upgrading of Coast Guard ships and technology, including support for the Coast Guard's integrated deepwater system acquisition program, which is systematically replacing the Coast Guard's aging fleet of vessels, aircraft, and command and control systems, and they call that a cut. We fund Deepwater at \$678 million, an increase of \$10 million over 2004 levels, and they call that a cut.

This budget also provides funds to improve information and intelligence. We fund the Coast Guard's maritime domain awareness programs, which will help us better understand what transits through or near our Nation's waters, and they call that a cut.

Regulations require certain commercial vessels to install automatic identification systems by the end of 2004. These devices will broadcast certain vessel information that helps identify and locate vessels in the maritime domain.

The Coast Guard established COASTWATCH, a process through which the intelligence community analyzes all-source information and intelligence on ships, crew, and cargo to identify threats. We also fund the container security initiative that allows the Department of Homeland Security to prescreen cargo before it reaches U.S. shores, and they call that a cut.

This budget allows an increase of \$25 million over 2004 funding levels. These funds will support CSI expansion into additional high-volume ports. This they call a cut.

Finally, the Republican budget provides \$50 million for the next generation of radiation screening devices used to screen passengers and cargo coming into the U.S.

Mr. Chairman, we need to continue to secure our ports. We can only do this by approving this budget.

Mr. SPRATT. Mr. Chairman, I yield myself 30 seconds to respond to the gentleman. In each of those items where the gentleman said, "and they call that a cut," we do not call that a cut. We acknowledge that there is a substantial sum of money being put forth. But, in fact, this budget resolution reduces the President's request in nondefense homeland security items by \$857 million. It is a matter of plain fact in the formulation of this budget resolution, and that is a cut. We provide \$6 billion more than the budget resolution presented by the majority.

Mr. Chairman, I yield 1 minute to the gentlewoman from California (Mrs. DAVIS).

Mrs. DAVIS of California. Mr. Chairman, I participated in a number of homeland security simulations with the National Defense University, and I learned that one of the most significant issues in homeland security is the

importance of the local response. This local response falls squarely on the shoulders of our first responders, which is why I am concerned that this budget fails to provide them with the support that they need.

By cutting homeland security funding below the President's request, this budget provides no remedy to address the President's cuts in first responder spending.

People often forget how much we rely on our local first responders to protect our homeland security. Although we have adopted new systems, new technologies, and meaningful homeland security, it requires dedicated people to work the front lines. I believe that we can play a much stronger role in supporting our first responders. In fact, we have played that role in the past by providing them with the funding and the resources they need. Is now really the time, Mr. Chairman, to cut back?

Mr. SPRATT. Mr. Chairman, I yield for a unanimous consent request to the gentleman from Texas (Mr. GREEN).

(Mr. GREEN of Texas asked and was given permission to revise and extend his remarks.)

Mr. GREEN of Texas. Mr. Chairman, I place into the RECORD a statement concerning the majority's defense budget and also an article from The Washington Post that discusses the lack of armor for our troops in Iraq.

Mr. Chairman, I rise today with concerns about the Department of Defense budget proposal.

Last fall before my colleagues and I voted on the Iraq Supplemental, we were told that there was money included in the bill to provide all our troops with necessary life-saving equipment.

Several months after passing the supplemental, however, reports started coming back from Iraq that there were still troops serving in Iraq that did not have Kevlar vests, and there were still humvees that did not have armor to protect the troops riding in them from bullets or shrapnel.

Last week, one year after the war started, Houston's CBS affiliate KHOU reported that there are still a number humvees without bulletproof armor.

Then on Sunday, The Washington Post printed this article about Virginia Guard Units serving in Iraq that were wearing make-shift body armor their friends and family had sent them from home up until January of this year, 10 months after the start of the war.

I would like to submit this article for the RECORD.

Even more startling is the fact that these same troops are still driving around in humvees that have armor only because they were fortunate enough to have extra supplies at a machine shop on their base.

The safety of our troops should not depend on whether or not they have extra supplies on their base.

The Pentagon recently asked Congress to shift \$190 million in FY04 money to pay for kits to armor humvees being used in Iraq, however this will not equip all the vehicles in Iraq and there is no money for this in the FY05 budget request.

I am troubled when I look over the Defense budget.

According to the 2005 Defense budget request there is money to double our investment in a missile defense system, but no money to armor the vehicles our troops drive in Iraq.

The defense budget states that a key part of the military's ability to meet its strategic goals is providing the best possible equipment to accompany any mission.

If this is the case, why did it take so long to provide body armor for our troops, and why are there still unarmored humvees driving around Iraq?

This administration says that there is no immediate need for a supplemental to fund operations in Iraq, but the budget leaves shortfalls in protecting our troops serving there.

Our troops are in a dangerous place, doing a dangerous job, and I hope the administration will correct these problems.

[From the Washington Post, Mar. 21, 2004]
2 MILLION MILES, MAKESHIFT ARMOR AND NO FATALITIES; A VIRGINIA GUARD UNIT SURVIVES IRAQ'S DANGERS

(By Karl Vick)

Of the many perilous things an American can do in Iraq, the most perilous of all is driving a U.S. military vehicle in a line of other U.S. military vehicles, up and down a highway, day after day.

The men and women of the 1032nd Transportation Company, a unit of the Virginia National Guard, have been doing just that for almost a year, logging more miles than any other unit in Iraq—about 2.3 million so far, almost all of them on the potholed asphalt of the region north and west of Baghdad known as the Sunni Triangle.

That the 1032nd came through the past 12 months without a fatality is regarded as exceptional good fortune by its members, a motley, good-natured group that includes truckers, students and at least one police officer, one iron worker, one cell biologist and one bartender.

"We get outside the gate, we keep it to the floor," said Spec. Jeff Combs of Jonesville, in far southwest Virginia, near the Kentucky and Tennessee lines. "So far we've been really, really fortunate."

The absence of fatalities is all the more remarkable, the truckers say, because for the first three-quarters of their tour, the drivers, gunners and mechanics routinely traversed the deadliest sections of Iraq without bulletproof vests.

When a gunman in a speeding black BMW fired an AK-47 assault rifle into the chest of Spec. Nathan Williams, the slug was stopped by a steel plate Williams had purchased with his own money and then fitted into a Kevlar vest designed to stop only shrapnel. Otherwise, the high-velocity slug would have entered his heart.

"They were \$3 apiece," said Capt. Joe Breeding, hefting one of the crudely cut, quarter-inch-thick steel plates a colleague had sent from a workshop in Virginia.

The shortage of body armor for U.S. troops recently emerged as an issue in the presidential campaign. Sen. John F. Kerry of Massachusetts, the presumptive Democratic nominee, has cited the shortage as evidence that President Bush cares too little about the welfare of the troops. Bush TV ads, in turn, have accused Kerry of casting a vote that would have deprived combat troops of body armor.

But it has been a matter of lively discussion for almost a year in Iraq, especially among the Guard and Reserve units that were called up to play support roles but found themselves in the thick of a guerrilla war.

"It was disappointing to me to see units that just got here had vest, and we had been

here six months doing without proper protection," said Spec. Rodney Pilson from Stewart. "Something like that makes you feel kind of segregated."

Breeding, the unit's commanding officer, said the 1032nd arrived in Kuwait last year largely ignorant of the state of the art in personal protection. The Kevlar vests they carried from Virginia were designed to stop shrapnel or a low-velocity slug from a handgun. But they lacked the specially designed boron carbide ceramic plates that can absorb a bullet from an assault rifle.

Too few had been ordered before the war, senior commanders told congress last fall, and first priority was given to dismounted infantry, the foot soldiers most vulnerable in a battlefield setting.

But within weeks, war turned to occupation, and the most basic assumptions were flipped upside down. "When we got here, it wasn't as bad. The war was still going on," said Spec. Cliff Vance, the bartender, from Wise.

An enemy that seldom chose to stand and fight preyed mostly on military vehicles, employing booby traps and ambushes using small arms. Transportation outfits such as the 1032nd, which made two runs a day through Baghdad to and from Nasiriyah, found themselves on the new front line with equipment designed for the rear.

"We realize they had a limited number" of ceramic-equipped vests, Breeding said. "One thing I didn't think they realized is how the transporters are on the front line, too."

Some things the truckers could change themselves. Makeshift armor was cut from steel plates at the machine shops in the sprawling base set up on a former Iraqi airfield outside Balad, about 40 miles north of Baghdad. Driver-side doors got steel plating, later replaced by sheets of an alloy called Armox. Kevlar-coated ballistic blankets were laid on cab floors. Cargo Humvees became battle wagons, their back ends enclosed in steel that protected the soldier manning the .50-caliber machine gun mounted in the rear.

"You came here and basically you took care of yourself," said Spec. David Howard.

The improvised armor made the company, which is due to leave Iraq this month, the envy of incoming units.

Sgt. 1st Class Kelvin Davenport, who will return to work as a sniper on the police SWAT team in Bristol, said the newcomers ask, "When are you leaving? Can we get your vehicles?"

There was a limit, however, to how much the truckers could do to armor their own bodies. The Kevlar vests had no ceramic plates, and there was no space between layers of Kevlar to slip in an improvised plate.

Vests with slots to accommodate plates arrived in June, but the boron carbide ceramic plates did not begin making their way to the unit until November. The entire company was finally outfitted in January.

"We got that stuff after we got off the road," said Sam Stone, a mechanic and part-time driver, shaking her head.

The unit was in fact still driving in January, but by then much of the military transport was being handled by a civilian firm, Kellogg Brown & Root Inc., a subsidiary of Halliburton. The 1032nd provided the armed escort, sending its makeshift battle wagons ahead to scout for roadside bombs—Davenport spotted more than 30 himself—and bringing up the rear, still the most dangerous position.

"KBR was better equipped than we were," said Stone, a student from Chatham. "We used to joke about that. All their drivers had actual bulletproof vests."

Many of the unit's 105 drivers recount close calls. More than a dozen of their trucks were

damaged by roadside explosives. But only five people were wounded, and all five returned to duty.

Two of the wounded were hit not by roadside bombs but by mortar attacks around the 1032nd's original quarters at the corner of Texas and David Letterman Drive on the Balad base. "I think that was scarier than driving," said Pilson, idling with his fellow drivers in the shade of a eucalyptus the other day. "You wake up in the night to a boom, your heart stops, man. You're supposed to feel safe here."

The men behind him nodded and chuckled. National Guard units grapple with a reputation as the military's second-class citizens, frequently accorded less respect than reservists. But the sense of family so often found in shared adversity has a more familiar feeling in a unit where the youngest member is 19 and the oldest 59. The only death in the 1032nd this year was from cancer. It killed a man who had survived Vietnam.

"We've been lucky," said Spec. Michael Bauman, 40, a construction worker from Hillsville. "I mean, you consider over 2 million miles in this area, we've been lucky."

"It's the heat that kills you."

Mr. SPRATT. Mr. Chairman, for purposes of debate, I yield 15 minutes to the gentleman from Georgia (Mr. LEWIS).

The CHAIRMAN pro tempore (Mr. LINDER). Without objection, the gentleman from Georgia (Mr. LEWIS) will control 15 minutes.

There was no objection.

Mr. LEWIS of Georgia. Mr. Chairman, I thank the ranking member for yielding me this time, and I yield myself such time as I may consume.

Mr. Chairman, the Republican budget before us fails the American people. It ignores the very real problems of working families. It will force deeper and deeper cuts to nearly every domestic program that supports our citizens and our way of life.

This Republican budget fails to create jobs. It shortchanges education. It robs Social Security. It cheats seniors out of secure, affordable health benefits at a time in their lives when they need it most. It fails to provide adequate health benefits for the wounded and disabled veterans who have fought so hard to protect our freedom.

This budget is without compassion. In my estimation, this budget is cruel and inhumane. It fails to meet the basic human needs of our citizens. It would slash nearly every domestic program in order to cut the taxes of a few wealthy Americans.

Mr. Chairman, this budget would dig our economy into a deeper, ever-expanding hole that our children and our children's children will have to work long and hard to pay for. This is not fair, it is not right, and it is not just.

As a Nation and as a people, we could do much better. We should be using our wealth to benefit the whole Nation, all of our citizens, all of the people, not just a few.

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

Mr. SHAYS. Mr. Chairman, I yield 3½ minutes to the gentleman from Florida (Mr. MARIO DIAZ-BALART).

Mr. MARIO DIAZ-BALART of Florida. Mr. Chairman, I want to thank the

gentleman from Georgia (Mr. LEWIS) for not yelling. The chairman of the Committee on the Budget asked a few minutes ago why our Democratic colleagues keep yelling, and I think they hope that all their yelling will drown out how wrong they are on the facts. But let us talk about what those facts actually are.

This Republican budget is a fiscally responsible budget. It has no tax increases over the next 5 years. It makes the current tax cuts permanent on the American working people, and it cuts the deficit in half over the next 4 years.

□ 1630

But what we hear from the Democrat side is double-talk, talking from both sides of their mouths. And sometimes you even hear talking from both sides of the mouth from the same individual on the same issue. Let me give you some examples of that.

The very talented Democratic whip, the gentleman from Maryland (Mr. HOYER) said, "The Republicans are spending like there's no tomorrow." But then he also, same person, mind you, again, the distinguished, talented Democratic whip then says as a reaction to the gentleman from Iowa's (Mr. NUSSLE) alternative proposal to cut 1 percent in waste, fraud and abuse, he says, again, I repeat, cutting 1 percent of waste, fraud and abuse would be "senseless and irresponsible." Same human being, same issue.

Let us look at what the Democrats have proposed, and I think it is important, the facts. Again, that is why I am not screaming, because we have the facts on our side of the issue.

Last year Democrats proposed alternatives to major pieces of legislation that would have added almost a trillion dollars to the deficit, and yet America just heard the other side, the Democrats complaining about too much spending in some areas. But they propose almost a trillion dollars to the deficit, increase to the deficit.

They then this year, now the facts are that in the Committee on the Budget they proposed increased spending. These are actual amendments, these are facts. Look it up; it is easy to find, increased spending of \$28.6 billion in just fiscal year 2005.

And here is the kicker: They proposed raising taxes on the hard-working American people by \$28.9 billion. That is more than half the entire budget of the State of Florida. That is this year in committee alone, and yet then they say that we are spending too much money or the deficit is too large. That is why they scream, because the facts are what they are trying to drown out.

Democrats' amendments would have increased spending by almost \$36 billion and increased taxes by \$53.6 billion over the next 5 years. These are the facts that when you cut through all the loud yelling and screaming of the Democrats, good rhetoric, the facts are, the bottom line is, that they are

trying to increase taxes massively on the American people. They are drastically trying to increase the taxes on every single American person in this country, hard-working people.

The budget that we have in front of us has tax cuts, does not increase taxes, makes them permanent. Those are the facts.

Mr. LEWIS of Georgia. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts (Mr. NEAL), my colleague on the Committee on Ways and Means and the Committee on the Budget.

(Mr. NEAL of Massachusetts asked and was given permission to revise and extend his remarks.)

Mr. NEAL of Massachusetts. Mr. Chairman, let me give the gentleman a fact since he raised it today, and that is that the chairman's budget does nothing about the Alternative Minimum Tax. That is a fact that we ought to be concerned about here. You can yell about it, you can speak softly about it, but it is a fact.

The President's budget calls for a 1-year patch fix to the AMT. They at the White House prefer to study the issue once again. We ought to take a test around here on issues that we are asked to study and then find out if we will ever bring them up again.

The Bush tax cut of the past 3 years have exacerbated, emphasis on the word "exacerbated," the Alternative Minimum Tax problem, where many middle-income taxpayers are going to see their tax cuts go back to the Treasury by round trip, courtesy of Alternative Minimum Tax. Alternative Minimum Tax no longer affects the highest-income taxpayers; it falls mainly on middle-income taxpayers. If the Bush tax cuts are made permanent, 97 percent of the taxpayers, and listen to this, with two or more children with income between \$75- and \$100,000 will be affected by Alternative Minimum Tax.

Let me give a quote from Forbes magazine that is an item that Democrats always like to bring up, "Largely as a result of tax cuts in 2001 and 2003, the Alternative Minimum Tax is now poised to devour the middle class in America." Our inability to fund important programs in education, health care, homeland security, veterans and environment, which most citizens, by the way, support, is the result of reckless tax policy which favors the most wealthy Americans while burdening our children and grandchildren with debt. We borrowed the money to pay for tax cuts for high-income Americans.

If the President and Congress saw the need to create a Department of Homeland Security, why are we cutting first responder funding by \$648 million? Cuts to port security? Did my Republican colleagues already forget the sacrifices and courage of firefighters, police and other first responders on 9/11?

The President and the Republican leadership in this institution helped to create our current fiscal difficulties,

and I might emphasize, nonexistent job growth. What are they going to do to fix it? It takes a bit more creativity than tax cuts for the rich to address this problem.

Let us put the best thoughts of Democrats and Republicans in this institution together and fix the Alternative Minimum Tax. It is threatening tens of thousands, if not millions, of Americans in coming years. And when people after April 15 find out about Alternative Minimum Tax and the inability, or I should say, the attitude of this institution in not dealing with it, there is going to be seething anger across the country.

Mr. SHAYS. Mr. Speaker, I yield myself 1 minute. Just to respond to my colleague and say when the Alternative Minimum Tax was passed by Democrats, Republicans warned that it would be not just a tax on the rich but it would be a tax on all income producers.

Mr. NEAL of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. SHAYS. I yield to the gentleman from Massachusetts.

Mr. NEAL of Massachusetts. That may well be. I do not dispute the inception. I do not dispute the philosophy of Alternative Minimum Tax as proposed. What I do dispute is, you have been in charge for 10 years, opportunity to do something about it rather than talk about it.

Mr. SHAYS. When we tried to eliminate it in the past, we were told we were eliminating it for the wealthy. And, in fact, we were saying, it is not a tax on the wealthy, it is a tax on the middle class.

This tax does need to be eliminated. It was passed, regrettably, by our Democratic colleagues, and it is a heck of a problem to get rid of now, but we need to.

Mr. LEWIS of Georgia. Mr. Chairman, I yield 3 minutes to the gentleman from Wisconsin (Ms. BALDWIN), a member of the Committee on the Budget.

Ms. BALDWIN. Mr. Chairman, budgets are about priorities and America's budget ought to reflect America's priorities.

Once again, Republicans have presented a budget that makes spending billions of dollars on tax cuts for the wealthy a higher priority than confronting the issues my constituents worry about, such as fixing our broken health care system and putting America back to work, educating our children, and keeping our promises to our seniors and veterans.

In short, people who make over a million dollars a year come first, while millions of hard-working Americans foot the bill. Those who need it the very least get the most, and those who need the help the most get the very least.

Perhaps some of you have heard of a popular TV reality show called "The Simple Life." It introduces two young wealthy heiresses onto an Arkansas

farm where they are exposed to hard work and a set of struggles they have not witnessed firsthand before.

Under this budget resolution, hotel heiress Paris Hilton would make out big. Given her family's \$300 million fortune and her earnings from filming the show, she belongs to an elite group of Americans who make over \$1 million per year. She would save over \$150,000 in taxes per year under the policies that are embraced in this Republican budget resolution.

So what about the family she stayed with? Well, I confess I do not know the annual income of the farm family that hosted them, but I can tell you that the average farm family in my home State would save roughly \$600 from the tax cut policies in this budget. But at what cost to maintain these tax cuts?

First, the Republican budget resolution pays for them by borrowing from future generations, so we can all pay a little bit of the interest on the debt incurred to pay for Paris Hilton's tax cut.

Second, the Republican budget resolution pays for these tax cuts by ignoring pressing American problems like our health care crisis and job losses.

Lastly, this resolution pays for these tax cuts by cutting or freezing vital investments in our future like education and keeping our promises to seniors and veterans.

Now, I have had a little fun with "The Simple Life," but the bottom line is very serious. I can tell you that putting tax cuts for the wealthy before the needs of hard-working Americans will have serious impacts on their lives and our future.

Mr. LEWIS of Georgia. Mr. Chairman, I yield 3 minutes to the gentleman from Tennessee (Mr. COOPER), a member of the Committee on the Budget.

Mr. COOPER. Mr. Chairman, I thank the gentleman from Georgia (Mr. LEWIS) for yielding me time.

Do not take my word for it. Listen to some of the most distinguished advocacy groups in this country, one, the veterans groups, DAV, VFW, American Legion. They have said that "The Republican budget is a disservice to those men and women who have served this country and who are currently serving in Iraq, Afghanistan, and around the world in our fight against terrorism."

We are proud to have the help of these distinguished veterans groups in this battle. We are also proud to have the help of the AARP that says that the Republican budget is unfair, flawed and should be rejected by the House.

Now, some people watching this debate may think that, well, the Democrats have outspent the Republicans again. Some people may be cynical and say that they may or may not benefit from some of the spending programs involved. They might not be veterans or seniors or some of the other groups that we clearly have a better budget for. But everyone feels they pay taxes. And some people feel, well, there the

Democrats go, they are taxing us again.

Look at the facts of this budget. Democrats and all Americans should be proud of our tax relief in this bill because we have exactly the same tax relief for the middle class and our budget as our friends on the other side of the aisle do. And we are proud of that. That is a good thing. So average Americans, 99.5 percent of the population, that is the same tax situation. They do not need to worry that the Democrats secretly have a plan to tax them.

Now, there is a small group, a very small group of people, who make annually over \$500,000 a year in income. So if you report gross income on your tax return every year of over \$500,000, we do not take away your tax relief. We take away about half of it. The folks I know, and I used to be in this category for a while, make over \$500,000 a year, they are still patriotic Americans.

They know we are still at war. They are happy to make their contribution, and only accepting part of the tax relief they are being offered, I think is something most folks in that elite income category would be delighted to do. These are good people. It is the American dream for all of us to make that much money.

So for 99.5 percent of the American people it is the same tax relief as in the Republican bill. But in the that top, top category, folks who make over \$500,000 a year, we would reduce their tax relief a little bit. Is that too much to ask?

So I would ask the Members who are tuning in to this debate, think who would you prefer helping, our veterans who made the ultimate sacrifice for this country, our senior citizens, or are you so anxious to give 100 percent tax relief to the folks who make over \$500,000 a year in income?

How many Americans have ever reported \$500,000 a year in income? I am not talking capital gains here. I am talking in income on their tax return.

That is an amazing situation, and we can fund this budget with that tax provision.

Mr. LEWIS of Georgia. Mr. Chairman, I yield 3 minutes to the gentleman from Alabama (Mr. DAVIS), a member of the Committee on the Budget.

Mr. DAVIS of Alabama. Mr. Chairman, sometimes I know a lot of the people listening to these debates hear us talking about a lot of sound and fury, and you would almost have the impression, when we hear the words "tax cuts" over and over again, you would almost have the impression that we are talking about real money for some people.

The reality is that for 53 percent of the families who are listening right now around this country, the tax cut they will receive is \$100 or less a year, not \$100 or less a paycheck but \$100 or less a year.

The middle-income Americans in this country will receive a tax cut on average of \$217 a year, which by my math is around \$20-some a month.