

to enter the labor market because of the lack of jobs.

Over 760,000 people have exhausted their unemployment benefits between the end of December and the end of February, and two million are projected to lose their benefits by June without an extension of these benefits. To make matters worse, President Bush has proposed to cut nearly \$1.8 billion in job training and vocational education funding since he took office, eliminating training opportunities for thousands of workers. Now House Republicans answer these dire economic conditions by proposing a Budget Resolution without any meaningful help for American workers:

The Republican Budget Resolution would freeze job training and vocational education funding. The Budget resolution utilizes its paltry increase for programs other than job training, leaving no room for an increase for these critical initiatives.

The Republican Budget Resolution contains no funding for an extension of unemployment benefits. The Bush Administration and Congressional Republicans have failed to extend unemployment benefits despite continued high unemployment and lack of job growth, and despite the fact that \$20 billion will be sitting, untapped, in the Unemployment Insurance Trust funds at the end of March.

President Bush's budget severely cuts available child care assistance and the Republican budget resolution does nothing to rectify this situation. Despite the importance of quality child care on later academic achievement and despite research demonstrating how child care is the most important work support keeping low income workers employed, the Republican budgets significantly decrease the number of children served by the federal child care assistance program.

According to the President's own budget documents, his decision to freeze child care funding will lead to more than a 10 percent decrease in child care assistance for low income workers. Despite serving only 15 percent of eligible children to begin with, the Administration chose to cut the number of children served by child care assistance, from 2.5 million in 2003 to 2.2 million by 2009.

Mr. NUSSLE. Mr. Chairman, I yield myself 15 seconds just to say, yes, but you did not, either. You had the choice to put an alternative budget on the floor to fully fund the promises that you are complaining about here today and you chose not to. So be careful what you promise on the campaign trail.

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

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. GILCHREST) having assumed the chair, Mr. SIMPSON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution (H. Con. Res. 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, had come to no resolution thereon.

REPORT ON RESOLUTION PROVIDING FOR FURTHER CONSIDERATION OF HOUSE CONCURRENT RESOLUTION 393, CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2005

Mr. HASTINGS of Washington, from the Committee on Rules, submitted a privileged report (Rept. No. 108-446) on the resolution (H. Res. 574) providing for further 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, which was referred to the House Calendar and ordered to be printed.

APPOINTMENT OF MEMBER TO SELECT COMMITTEE ON HOMELAND SECURITY

The SPEAKER pro tempore. Pursuant to section 4 of House Resolution 5, 108th Congress, and the order of the House of December 8, 2003, the Chair announces the Speaker's appointment of the following Member of the House to the Select Committee on Homeland Security to fill the existing vacancy thereon:

Mr. CHANDLER, Kentucky.

□ 1915

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2005

The SPEAKER pro tempore (Mr. GILCHREST). 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 further consideration of the concurrent resolution, H. Con. Res. 393.

□ 1915

IN THE COMMITTEE OF THE WHOLE

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

The Clerk read the title of the concurrent resolution.

The CHAIRMAN. When the Committee of the Whole rose earlier today, the following time remained for general debate confined to the congressional budget:

The gentleman from Iowa (Mr. NUSSLE) has 37½ minutes remaining, the gentleman from South Carolina (Mr. SPRATT) has 37 minutes remaining, and the gentleman from Wisconsin (Mr. KIND) has 5¾ minutes remaining.

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

Just a quick response to my good friend from Iowa. Just to be clear, the Democratic substitute is offering close to 10 billion more in additional funds over the next 5 years to fund No Child Left Behind and special education; over the next 10 years, \$50 billion more than the President's baseline budget that he submitted in regards to education programs. Yet we still achieve balance, a balanced budget within 8 years, given the limitations that we face with these historically large budget deficits that we have the majority party to thank for.

Mr. Chairman, I yield 3½ minutes to the distinguished gentlewoman from Oregon (Ms. HOOLEY), from the Committee on the Budget.

Ms. HOOLEY of Oregon. Mr. Chairman, I thank the gentleman from Wisconsin for yielding me this time, and I applaud his leadership on this issue.

I do not know about anybody else, but I grew up in a family where if we gave our word, we kept our word. We did not break our promise. And this budget is full of broken promises.

I want to talk about just one of those today. There are many, including for veterans, No Child Left Behind, IDEA; but one of the things we do is we fill niches in education, and education is the one piece that gives everybody equal opportunity in this country. Education is incredibly important. Twenty-nine years ago, this Congress pledged it would fully fund IDEA, which is Individuals with Disabilities Education Act. We would fully fund it at 40 percent of the excess cost. And for 29 years Congress has failed to keep that promise, leaving States to shoulder the brunt of this unfunded mandate. Many of us have voted here. We said we will not have any unfunded mandates; yet this has been going on for 29 years.

This budget continues to fail our students, our schools. It costs on average twice as much to educate children with disabilities than a nondisabled child. With the Federal Government failing to live up to its end of the bargain, the State and local school districts are forced to divert already-meager resources from other students in order to ensure that special needs students also receive instruction.

This year, the appropriations for IDEA was \$10.1 billion, or at 18.65 percent of excess cost, leaving States and local districts with an unfunded Federal mandate of \$12 billion. That is 12 billion that our States and our school districts could be spending to alleviate the school crisis, reduce class size, modernize our schools. The failure to adequately fund IDEA is affecting every student in every classroom across America.

Last year I was very pleased. The Republicans and Democrats got together and said we are going to get to fully funding by the year 2010. I said hooray, at least we know where we are going. But this budget in front of us in the year 2005 increases special education by

half a percent. At this rate we will never reach our obligation of 40 percent funding. In fact, we will continue to fall further behind. In committee, I offered an amendment to increase funding for IDEA, and this amendment was voted down on a straight party-line vote. I thought we were willing to work together to all get there.

The Democratic substitute, which we will consider tomorrow, is better than the Republican budget on IDEA in every single year, putting us on a path to full funding by 2012, finally keeping our promise.

States across this Nation are dealing with an economic crisis facing large State budget deficits and making deep cuts to services. In my home State of Oregon, school districts are facing tough decisions, including shutting down early. In Oregon, fully funding IDEA would mean another \$60 million. That is really important, another \$60 million that our Federal Government is obligated to pay for. This would make a huge difference to our schools in Oregon.

I encourage my colleagues to vote for our students, our schools, and vote against the Republican resolution.

Mr. KIND. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, what we have been doing here all day, and what we will resume doing tomorrow, is talking about the priorities of our Nation, the values that we hold dear; and that is the essence of budgeting, making tough decisions with the allocation of the limited resources that we do have available. And it is true that during times of budget deficits, those who typically suffer the most are those who are most in need and especially our children; and we are seeing that now with the Republican budget proposal before us where they are shortchanging crucial education programs, even though I would think that if we sit down and work through this in a bipartisan fashion, we could reach some common ground in regards to the priority of investing in the future, in education, in job-training programs.

It is the only chance we really have to hold out the opportunity and the hope to the next generation that there will be a place for them in the 21st-century economy. But when they pass Federal mandates requiring certain things of local schools, it is fundamental fairness to require that they be given the tools and the resources to do it, and they are not. We are shortchanging No Child Left Behind. We are shortchanging special education. And that financial burden falls back on local property tax rolls. It affects the local school boards and the ability for them to be able to allocate the resources that they need to make sure that the children are succeeding in their classrooms. And I think it is a disservice that we are doing to the wonderful school districts that we have throughout the Nation, but especially to our children.

If the majority wants to come and talk about fiscal responsibility, there would be wide bipartisan support on this side to embrace new budget tools that worked well in the 1990s, the pay-as-you-go rules that basically said that if we propose an increase in spending in one area or tax cuts, we have to find offsets to pay for it. They worked remarkably well in the 1990s: four consecutive years of deficit reduction, 4 years of budget surpluses. But they do not want to go there for obvious reasons, and unfortunately it is the next generation that will be paying a very high price due to the fiscal management of this Nation.

Mr. NUSSLE. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from New Jersey (Mr. GARRETT), a member of the committee.

Mr. GARRETT of New Jersey. Mr. Chairman, I rise to join in the discussion on a matter of grave concern I think to every American taxpayer, every American worker, every American that relies on a Federal program that is essential to them, to every American that relies on the Federal Government for our safety and security, and that is the issue of fiscal responsibility by our Federal Government, an issue that is really long overdue as we look back. And I stand here and I commend the efforts of the gentleman from Iowa (Chairman NUSSLE) for the work he has done on this committee to bring us a budget that is now responsible.

Right now we are spending \$521 billion in deficit spending. That, very simply put, means we are spending every year \$521 billion more than we are taking in on the other side. I may be relatively new to Washington, being a freshman as I am, but I can tell the Members back in my State of New Jersey, there is not one business that could operate that way. There is not a State government that could operate that way. As a matter of fact, most States have to have a balanced budget at the end of the year.

And yet when I come here to the House, it seems that Members on the other side of the aisle just barely take notice to the problem. And I say that because I serve on the committee, and it was just a week ago when we were in that committee discussing these very same issues and amendment after amendment after amendment was proposed by the other side of the aisle. A total of \$28 billion was proposed in additional spending. I do not know whether those amendments, when they were doing that, whether they were simply playing politics at the time or whether they simply do not care about all this excessive deficit spending. Either way it is not a good example for this House to be setting for the American public. At the end of the day, what all that means is that we are adding to the fiscal drag on the American family budget. We are already looking at some \$20,000 per household, \$20,000 that the average household would say that they

would love to be able to spend as they see fit, whether it is on their kids' education, on their kids' health care, or other such priorities as they deem fit instead of Congress deciding how they are going to be spending their money.

We are stuck under their proposal of spending additional funds even though in the past we have been spending more in Washington at a rate greater than inflation. Opponents on the other side of the aisle agree, I would assume, that deficits are caused by spending more than we are taking in. But they will argue that it is not because we are spending too much money; it is because we are taking in too little revenues. So their answer to the problem, as it has been all day and repeatedly during the committee as well, is that we do not cut spending, we increase taxes.

Mr. Chairman, I strongly disagree. I believe that the American public is already taxed far too much. We are just learning now that there is a correlation between cutting taxes and job growth and an expansion of the economy. Now would be the absolute wrong time to go in the opposite direction and raise taxes. When more people are working because we have cut taxes over this past year in the budget this committee put out last year, when more people are working, when there is more job creation, when consumer confidence is increased, when there is more consumer spending, there is more economic growth. That relates and that causes more revenue to come in. And that also causes people to be less dependent on the Federal Government, which means on the other side of the ledger, we can spend less, all those good things.

But however we look at the issue of making the economy grow, I think that one thing we can agree on is we are in the midst right now of a war on terrorism. We have potential daily threats on every side of us. We have deficit spending in the past years that we have to reconcile. Now is not the time, as the other side of the aisle suggests, that we should be raising taxes. Now is the time that we should move forward with a fiscally responsible budget, as has been proposed by our chairman, to put this House back in order.

Mr. SPRATT. Mr. Chairman, I yield myself 15 seconds.

I say to the gentleman a fiscally responsible budget is our budget because every year, if that is the measure, our budget accumulates, generates a smaller deficit. Over 10 years, our budget accumulates \$1.2 trillion less debt than the Republicans' and ours goes to balance in 2012, a claim they cannot make.

Mr. Chairman, I yield 3 minutes to the gentlewoman from Georgia (Ms. MAJETTE).

Ms. MAJETTE. Mr. Chairman, I thank the gentleman for yielding me this time and for his strong leadership on this very complex issue.

Mr. Chairman, I grew up understanding that it is more blessed to give

than to receive and that to whom much is given of whom much is required.

But this 2005 Republican budget hurts unemployed people, hurts job creation, and it hurts small business owners. This is deeply troubling. In fact, I find it unacceptable.

The Democratic alternative, on the other hand, will restore cuts to the Small Business Administration and the Manufacturing Extension Partnership, and it will fund adult training and dislocated worker programs to retrain those who have lost their jobs. And, finally, it will extend Federal unemployment compensation through June. And that is a necessary change for the more than 750,000 workers who have exhausted their regular benefits.

The President's policies, despite his promises, simply have not created enough jobs for those workers. In fact, it has not even replenished the over 2½ million jobs that have been lost.

Small businesses are the backbone of our economy. They create three out of every four jobs. Many small businesses need loans to begin or to continue their operations. But this Republican budget eliminates funding for business loan programs. And that means no money to open a business, no money to expand a business, and no money to put more people back to work.

The Democratic alternative, on the other hand, is \$150 million higher than the President's budget, and it includes restoring funding to the SBA's signature 7(a) loan program, with \$100 million for SBA loans, \$30 million for small business assistance, and for microloan direct loans.

□ 1930

Amazingly, the Bush budget did not give the 7(a) program one dime. Instead, the administration would hike fees to pay for the program. This flies in the face of the assertion of no tax increases. A fee hike is the same as a tax hike to a small business owner. So the tax cut is no more than a flim-flam, a sham.

This body still refuses to acknowledge the mistake that it made in squandering the surpluses that once existed for tax cuts for the wealthy, and the party that prides itself on fiscal responsibility has produced a budget that manages to increase our deficit, leave our children with a crippling debt and still does not fund a critical need, support for small businesses. This budget does not fund a critical need, support for small businesses.

So I urge my colleagues to vote against the budget and to support the Democratic alternative, which really does meet the needs of our small business community and unemployed workers across America.

Mr. NUSSLE. Mr. Chairman, I yield 8 minutes to the distinguished gentlewoman from Florida (Ms. GINNY BROWN-WAITE), a member of our committee.

Ms. GINNY BROWN-WAITE of Florida. Mr. Chairman, I thank the gentleman for yielding me time.

Mr. Chairman, when I could go home on the weekends and get away from Washington, D.C., where the lobbyists have all the Gucci loafers and the couple of thousand-dollar suits and get home with the real people, what the people back home are saying is, "Ginny, work on cutting the deficit, protect our homeland, and be sure that our military, our brave young men and women who are fighting the war against terrorism, are adequately funded." And then they add a p.s. and the p.s. says, "And don't forget to adequately fund veterans' health care."

In Florida, we have a huge number of veterans. I have a great debate going whether I have the second or third largest number of veterans in my district. But I can just tell you that it is a huge number of veterans, approaching about 300,000. Taking care of the veterans and veterans' health care while meeting all of the other needs that the constituents tell me back home are important to them is something that we were able to accomplish in this budget.

I actually think that the gentleman from Iowa (Chairman NUSSLE) deserves like nine stars up there, or ten stars. He and the Committee on the Budget have done a great job. We have increased funding for the Department of Defense, we have increased funding for homeland security, and in the committee we actually increased veterans' health care funding. The chairman raised his mark by \$1 billion, and I added in another \$200 million, which meets the amount that the Secretary says that he needs.

When I was in the Florida senate, we cut department budgets left and right. We told them, go back and cut your request. We are adequately meeting the needs of veterans, according to Secretary Principi.

When we had a vote on the budget that increased veterans' health care funding by the amount that the Secretary said he needed, because I grilled him in a previous committee, when we had that vote, guess what? The other side voted against the budget.

I was not here when Congress increased eligibility for veterans' health care. As a result, as this chart shows, the number of veterans using VA medical care has increased from 2.5 million in 1995 to 4.7 million today, and is certainly growing.

The next chart shows that also since 1995, total spending on veterans' medical care has increased from \$16.2 billion to \$28.3 billion.

Mr. Chairman, let me remind you that this has been since the Republicans have been in control. You can see the large increases as shown in the yellow bars. This is a 75.2 percent increase, where the Republicans have made sure that veterans' health care and the mandatory programs are adequately funded.

This chart just shows the veterans' medical care increases. When the Secretary took over, he had long waiting

lines in many of the community-based outpatient clinics. He worked to whittle them down. He worked to reduce the amount of time that it takes for a VA disability claim. He made that a priority. They put additional people on. There is still a waiting list, but we funded them to the point where they have reduced the waiting list by more than 50 percent, and we are continuing to work very, very hard to make sure that veterans funding is there for the VA.

Mr. NUSSLE. Mr. Chairman, will the gentlewoman yield?

Ms. GINNY BROWN-WAITE of Florida. I yield to the gentleman from Iowa.

Mr. NUSSLE. Mr. Chairman, has the gentlewoman heard, and I have been hearing some confusion over our numbers, the Senate numbers, the Principi numbers, the Secretary of Veterans Affairs, and I commend the gentlewoman for her work in offering that amendment to increase my committee mark so that we go to a level that the Secretary had requested. But has the gentlewoman heard the same confusion over the numbers that the Senate finally passed off the floor in their budget?

Ms. GINNY BROWN-WAITE of Florida. Mr. Chairman, reclaiming my time, absolutely. When you look at the Senate budget and you look at the potential that they have there for an offset, an unknown offset, I do not know what that is. I cannot go home and tell my veterans that in the Senate budget that offset would not increase fees, because I do not know, when that is a budgetary process that they have in the other body which makes it appear, I believe, as if they have more funding. We do not have that required offset in our budget in the House; and I commend the gentleman for the transparency of the budget.

In both the Senate and the House budget, we removed the President's proposal to establish a \$250 user fee for Priority levels 7 and 8 veterans, or to increase prescription drug plans. That language is included in there, and that is a commitment we made.

I have, as we used to say in New York, now I am from Florida, "agada" over the unknown. I wanted to make sure that the figures that are being portrayed in the Senate as being higher is not a process where they could actually be perhaps in the future including some fees in there, which would be totally unacceptable to us.

Mr. NUSSLE. Mr. Chairman, if the gentlewoman would yield further, this would make their number, a net number, actually lower than what we are considering here today by about \$550 million. They put in this plug that says unspecified fees or unspecified receipts or offsets, which, as the gentlewoman said, could be from fees, it could be from copayments, it could be from means testing.

So our net number in this budget, in the House of Representatives, is higher

than the Senate budget by about \$550 million. I think we not only should be proud of that, but I think we should work with the Senate in order to make sure that as we work through this process, that we work together with the Secretary of Veterans Affairs to come to a common number.

I would hope they would consider the number, because it is so much higher in the House, to be this \$1.2 billion over what the President requested, that we work to get to the higher number rather than the lower Senate number.

Ms. GINNY BROWN-WAITE of Florida. Mr. Chairman, reclaiming my time, obviously Secretary Principi has in a Committee on the Budget hearing that I questioned him extensively on, said this is what he needs to meet the needs of every veteran seeking services, and this should be the number that we honor. Ours is a clear \$1.2 billion, without some offsets, which I am still trying to pursue, definitions of "those offsets."

Mr. NUSSLE. Mr. Chairman, if the gentlewoman will yield further, I commend the gentlewoman for her work on this issue and appreciate her work and service on our committee.

Mr. SPRATT. Mr. Chairman, I yield 15 minutes to the gentleman from Washington (Mr. BAIRD), and ask unanimous consent that he have the right to allocate the time allotted to him.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

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

Mr. Chairman, would the gentlewoman from Florida be so kind as to join us for just one moment for a colloquy?

Ms. GINNY BROWN-WAITE of Florida. Mr. Chairman, I cannot at this moment.

Mr. BAIRD. I appreciate that. What I just wanted to clarify was, we both participated in the same budget hearing, and my recollection in that budget hearing was that in the outyears, the veterans budget increases at a mere 0.5 percent per year. So while it is a fine thing to speak about what we are doing for our veterans, no one seriously believes that 0.5 percent per year in the outyears will keep up with inflation, let alone medical inflation, and, further, let alone the inflation in medical costs of the young men and women who are returning from Iraq.

Mr. Chairman, that illustrates I think one of the fundamental problems with the budget we are considering today. I believe it makes false promises.

Now we are going to shift the topic to the environment and we are going to discuss not only the environment, but the false promises that underlay the President's promises and the majority promises on the environment.

My colleagues from the other side often say people know how to spend their money better than the govern-

ment. There is some truth to that. But I will tell you this, people want to protect their environment, people want to invest in their national parks, people want clean air and clean water and are they willing to invest in that.

Unfortunately, President Bush has a string of unending, almost, broken promises on the environment. Under the President's budget, discretionary spending on environmental programs is slated for a \$1.9 billion reduction, 6 percent below fiscal year 2004, falling \$30.3 billion to \$28.4 billion.

But the cuts do not stop there. The environment takes another whack in the President's long-term budget plan, dropping another \$500 million in fiscal year 2006, with significant cuts falling on the land and water conservation efforts. Funding for the EPA would shrink by more than \$600 million.

The administration has broken their pledge to fully fund the Land and Water Conservation Fund. Large cuts have been made in water quality infrastructure funding for reducing sources of pollution. This includes a broad range of activities, including sewage plants, water purification facilities and targeted pollution prevention interventions.

And I would say, by the way, that many of our local and especially our rural communities depend on this funding to follow Federal mandates to clean up their water. And with that cut, we are going to shift that cost onto our local communities, onto our grandchildren and onto the environment.

In his budget projection, the President includes \$2.4 billion in revenues not yet achieved that would only be realized if we drill in the pristine Arctic National Wildlife Refuge.

The Superfund program is funded under the President, but the funds no longer come from the polluters, they come from the general public in this case.

Finally, and I think most egregiously, this President promised the American public in his campaign that he would fund the backlog in our national parks. My friends, people love their national parks, and this President has broken yet another promise.

If you listened to reports that there were memos from the administration suggesting that Park Service employees deceive the public about whether or not they had real cuts and mislead them about the impacts of these budgetary cuts, it is very disheartening. Yet again we are seeing the administration telling well-meaning and honest people, do not tell the public the truth. We have seen it time and time again. Now we are seeing it on the environment.

I have a number of distinguished colleagues here who have been waiting to talk about this issue because they know well of its importance.

Mr. Chairman, I yield 3 minutes to the gentlewoman from California (Mrs. CAPPS).

Mrs. CAPPS. Mr. Chairman, I thank my colleague for yielding me time.

Mr. Chairman, the Republican budget does ignore critical environmental and public health needs. For example, the budget for the Environmental Protection Agency would reduce actual spending by hundreds of millions of dollars from the fiscal year 2004 enacted level.

For one thing, this means less money will be available for ensuring safe drinking water. EPA has documented a huge unmet need for improvements to our Nation's water infrastructure. As our population grows, our existing water infrastructure will reach the end of its lifespan, and each year we fall further behind. The response to these documented huge unmet needs is to cut funding by \$822 million.

The Republican budget also fails to reinstate the expired Superfund tax levied on corporations. As a result, the polluter-pays principle is abandoned and the corporate polluters will not be held accountable for their actions, leaving taxpayers to foot the entire bill for the cleanup of many hazardous waste sites. It sounds like a tax levy to me.

□ 1945

The Republican budget also leaves thousands of communities on the hook to clean up leaking underground storage tanks. Never mind that the leaking underground storage tank program, the LUST fund, is paid for at the pump by all of us. It has \$2.4 billion in it, yet this budget asks for only \$73 million to clean up leaking tanks, even though there are 136,000 confirmed releases where leaking tanks and MTBE are contaminating the ground water and drinking supplies. It is a pathetic response.

Finally, the budget calls for fewer brownfields grants than authorized by the new law signed 2 years ago. Contamination is hampering redevelopment efforts in thousands of our communities. And while States have begun addressing the brownfields problem, the Republican budget fails to provide Federal assistance to jump-start these efforts.

We can no longer shortchange the American people when it comes to protecting our health and environment. So the Democratic budget fully funds the Drinking Water State Revolving Fund, restores funding for cleanup of leaking tanks and brownfields, and we make polluters pay for cleaning up toxic sites, not the taxpayer.

Mr. Chairman, good environmental policy is also good for the economy. The Democratic budget recognizes that the public has a right to clean air, safe drinking water, and a well-preserved environment. So I urge a "no" vote on the Republican budget and a "yes" vote on the Democratic budget.

Mr. BAIRD. Mr. Chairman, I thank the gentlewoman from California for her insightful words.

Mr. Chairman, I yield 3½ minutes to the gentleman from Oregon (Mr.

BLUMENAUER), my dear friend who is a leader in the Nation on liveable communities and environmental issues.

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

Mr. BLUMENAUER. Mr. Chairman, I appreciate the gentleman's courtesy in permitting me to speak on this.

Mr. Chairman, the budget is an important statement of our values, and I am proud to support the Democratic budget crafted by the gentleman from South Carolina (Mr. SPRATT) because our values are a lower deficit, more direct services to Americans, more Americans put to work in jobs that will not be outsourced; and Democrats maintain the Federal commitment to clean air, clean water, and our Nation's natural places.

How are we able to do so much better a job than our Republican counterparts? Well, the Republicans have placed the highest priority in their budget on meeting the needs of a few Americans, less than 1 percent. They will receive more benefit under the Republican budget than all of the funding that will be spent on our veterans and, bringing it down to the conversation on the environment, their tax cuts for the people who have been already well taken care of, those tax cuts will be over the next 10 years and will be 1½ times all the spending on the environment combined.

Now, I was proud to support the compromise that came forward in 2001. I see our colleague, the gentleman from California (Mr. GEORGE MILLER), here with then-chairman, the gentleman from Alaska (Mr. YOUNG), to bring together dedicated funding for conservation funding. We passed overwhelmingly on this floor CARA, and there was a delicate compromise worked out with our friends on the Committee on Appropriations to do a better job of dealing with the land and water conservation fund. Every year since then, sadly, our Republican friends have turned their back on that commitment.

I am proud that the Democratic alternative budget would provide the entire \$2.2 billion authorized for conservation, preservation, and recreation programs. It keeps faith with this body; and most important, it keeps faith with the Americans who expect us to do so.

The Republican budget cuts and undermines the Conservation Trust Fund's ability to promote smart growth in livable communities, something near and dear to my heart. These funds are for open space programs to assist people who are trying to cope with the forces of growth and change. These programs curb sprawl by protecting lands outside the borders of a city and making efficient and attractive use of open space within it. The Republican budget turns their back on it.

The Land and Water Conservation Fund is one of the most important pro-

grams within the Conservation Trust Fund. Historical funding of less than one-third of the LWCF's authorized level of \$900 million has left us with a backlog of \$10 billion of unmet needs. This program has been underfunded again by my Republican colleagues; but under the Democratic alternative, that is not the case. I could go into greater detail, and I invite people to look at my Web site or the CONGRESSIONAL RECORD, all inserted.

But the point is that we have worked very hard to keep the faith with the American voters to provide the funding for these critical areas that will enrich people in every congressional district in the country, vital funding for a better community, more jobs to help promote it, and a cleaner environment. I would strongly encourage a vote for the Spratt alternative to keep faith with each other and with the environment.

These cuts will undermine the CTF's ability to encourage and promote healthy lifestyles—which was ignored in the "No Child Left Behind Act." Five chronic diseases—heart disease, cancers, stroke, chronic obstructive pulmonary diseases, and diabetes—account for more than two-thirds of all deaths and three-fourths of the \$1 trillion spent on health care annually. Research is clear that aggressive health promotion, especially with regard to daily physical activity, can substantially reduce these chronic diseases. The CTF provides Americans with outdoor places to hike, bike, swim, fish, and camp.

These cuts will also undermine the Conservation Trust Fund's ability to provide critical resources to America's kids through places for recreation and education. Again, the Republicans' budget zeroes out the Urban Park and Recreation Recovery Program (UPARR). Last year I worked with over 110 members of Congress, both Republicans and Democrats to encourage the Committee to include funding for this program that's important for so many districts around the country.

The Republican budget represents missed opportunities and misdirected priorities for the environment. That alone is reason enough to reject it.

The Spratt alternative keeps faith with each other and the people who rely on us. It will result in a cleaner environment, stronger communities, and will keep our families safe, healthy, and economically secure.

Mr. BAIRD. Mr. Chairman, I would like to ask my dear friend a question, if I may. Does the gentleman from Oregon consider the actions of this administration a breach of a promise when it comes to the Land and Water Conservation Fund?

Mr. BLUMENAUER. Mr. Chairman, if the gentleman will yield, there is no question about it. We came to the floor of this Chamber when we had the Presidential election in 2000, and we were very, very concerned, because we had seen in the State of Texas when it was then-Governor Bush sounding positive and not following up when it came time to put money on the table and meet those commitments.

Mr. BAIRD. Mr. Chairman, if I may ask another question related to that.

Our friends all day have been saying the Democrats want to raise our taxes, presuming that everyone over there must be a millionaire, because the only tax increase we have talked about are on people who make \$1 million a year or more. But this Land and Water Conservation Fund, is that an income tax? I do not believe it is. That is funding coming from oil and gas revenues from offshore drilling, is it not?

Mr. BLUMENAUER. Mr. Chairman, if the gentleman will again yield to me, the gentleman from Washington is 200 percent correct, if I may use Republican mathematics in this budget context. This is money that is owed to the American public. It is in a trust fund. It is available today. It will not affect any taxes, other than the royalties that have already been paid. This is not going to require a change in taxation, other than the fact that my friends on the other side of the aisle want to add over \$1 trillion of additional tax benefits to Americans who need it the least.

Mr. BAIRD. Yet another broken promise; yet another trust fund raiding.

Mr. BLUMENAUER. Mr. Chairman, I could not have said it better myself.

Mr. BAIRD. Mr. Chairman, I yield myself such time as I may consume to just close with this. We have talked a lot about, I think, deception and broken promises. Let me read to my colleagues the comments of a memo from the Park Service administration to Park Service employees. They were talking, trying to prepare the employees in case someone asks, has our budget been cut, and here is what they said in their memo:

"If you think that some of your plans could cause public or political controversy, we need to know which ones are likely to end up in the media or result in a congressional inquiry."

They then suggested to the administrators of the parks, the local parks, that "you state what the park's plans are and not directly indicate that this is a cut in comparison to last year's operation. If you are personally pressed by the media in interview, use the terminology of 'service level adjustments due to fiscal constraints' as a means of describing what actions we are taking."

Mr. Chairman, the American people want us to support our parks. The American people want clean air. They want clean water. This budget fails to meet those goals. It fails to live up to the promises made by the administration and our colleagues on the other side. We need to reject this budget and put the priorities where the American people want them, and I guarantee that one of those priorities is environmental conservation and protection of our national parks.

Mr. Chairman, I yield back my time to the gentleman from South Carolina (Mr. SPRATT).

Mr. NUSSLE. Mr. Chairman, at this time I yield 4 minutes to the gentleman from South Carolina (Mr.

BROWN), a distinguished member of our committee).

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

Mr. BROWN of South Carolina. Mr. Chairman, I thank the gentleman for allowing me this second opportunity to address this body.

As chairman of the Subcommittee on Benefits of the Committee on Veterans' Affairs, serving under our esteemed chairman, the gentleman from New Jersey (Mr. SMITH), I want to assure my colleagues that veterans and their benefits has been our number one priority. I want to share some facts to support that.

In fact, just today, we had a press conference with the chamber, a roundtable, and a lot of the star corporate citizens around this Nation, encouraging them to hire veterans, and they all came up with outstanding results of what has been happening recently to hire the veterans who are coming back. But the goal that I want to speak on tonight is to help prepare those veterans when they do return under the Montgomery GI Bill.

Mr. Chairman, since Republicans took control of Congress in 1995, we have fought to increase funding for the educational benefits veterans have earned through their service to this Nation.

We have this chart before us. 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. Payments for veterans has risen by some 79 percent.

Our next chart. One way that these increases have been utilized is as an investment to veterans educational benefits. Since 1995, educational benefit payment levels under the Montgomery GI Bill increased from \$405 to \$985, an increase of 143 percent. This compares with only a 35 percent increase under the previous administration. This year, a veteran who served on active duty for 3 years or more will receive \$985 a month for 36 months.

These educational benefits can be used for, number one, courses at colleges and universities leading to associate, bachelor, or graduate degrees; number two, courses leading to certificates or diplomas from business, technical, or vocational schools; number three, apprenticeships; number four, correspondence courses; and, number five, flight training and other training.

This budget provides for the October 1, 2004, scheduled COLA increase in veterans education benefits.

With this budget, Mr. Chairman, we have continued our commitment to ensuring that those who have served their country with pride, valor, and dignity receive the best of America's appreciation; and we are grateful for the veterans.

Mr. SPRATT. Mr. Chairman, I yield 3 minutes to the gentlewoman from California (Mrs. CAPPS).

Mrs. CAPPS. Mr. Chairman, I thank the ranking member for yielding me this time.

Mr. Chairman, the budget before us does not reflect the values of this country, particularly in the area of health care. More than 40 million Americans are uninsured, according to Kaiser. Children, including unborn children, and pregnant mothers are particularly hard hit by this crisis.

But instead of trying to do something to help hard-working people, instead of acting to shore up what little health care low-income, working Americans have, this budget wastes resources and cuts important funding.

We can all agree that when budget deficits are soaring, we cannot afford to throw money down the drain on inefficient proposals, but this President's proposal to offer \$70 billion in tax credits to working poor people is a waste of taxpayer dollars. According to experts, it is going to help only 5 percent of the uninsured.

We could spend this money more efficiently to help far more of the uninsured. Instead of squandering the taxpayers' money on an inefficient tax credit, we should direct Federal resources to expanding already existing public programs that have proven effective.

The Republican budget, however, cuts \$2.2 billion from just such a program: Medicaid. Medicaid currently provides health care to 52 million Americans, including 39 million low-income children and their parents. This is nearly one in four children in this country. It is a critical source of acute and long-term care for 13 million elderly and disabled. Without Medicaid, the ranks of the uninsured would be almost double what they are today.

Now, with the economy on life support and the ranks of the uninsured growing, sustaining Medicaid makes even more sense. Last year we provided, in a bipartisan fashion, an extra \$10 billion to States facing fiscal crises to preserve Medicaid coverage. And today, States are still in financial crisis. The National Conference of State Legislatures projects that States are going to face a \$35 billion shortfall as they face 2005. Many have already made severe cuts in Medicaid, and many others are preparing to do so.

But instead of acting to shore up Medicaid and protect health care for a quarter of our Nation's children, this budget cuts billions from those efforts. These cuts are opposed by the bipartisan National Governors Association, the American Hospital Association, American Medical Association, Nurses Association, Cancer Society and many other groups and organizations. In fact, AARP's letter to Congress says, "AARP has serious concerns about proposals to reduce Federal Medicaid funding. Arbitrary reductions in Medicaid would be particularly harmful at this time, as those who rely on this program are already losing access to care just as States continue to wrestle

with budget shortfalls and adjust to the loss of temporary assistance provided last year."

Twenty-nine of our colleagues from the other side of the aisle wrote to the gentleman from Iowa (Chairman NUSSLE) on March 9 asking that these cuts be removed, but they were not. We cannot afford to cut Medicaid now. Such cuts would hurt low-income children, parents, pregnant women, the elderly, and disabled.

□ 2000

What do we stand for in this place? The budget of the Democratic Party is superior by comparison. Instead of cutting \$2 billion for Medicaid, our budget would provide \$8 billion over 10 years to expand Medicaid and to fund the bipartisan Family Opportunity Act, allowing families with disabled children to buy into Medicaid to get critical health coverage.

I urge our colleagues to show their support for health care for hard-working Americans. Vote against this resolution and support the Democratic alternative.

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

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

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

The history of the Bush administration when it is written will be a story of three grand obsessions: Iraq, missile defense, and tax cuts for the wealthy. Those who are obsessed with the cause often cannot absorb enough information or focus on new emerging challenges.

This Republican budget is the price inflicted on the American people by the Republican obsession with tax cuts for the wealthy. One enormous emerging challenge is the bleeding of the American manufacturing jobs overseas. This administration has no plan to save American jobs. We have lost 3 million private sector jobs in 3 years. Business investment is down. Long-term unemployment is up.

So how do the Republicans respond to this emerging crisis of job loss in this country? This budget will follow President Bush's proposed cuts in job training, the President's proposed cuts in vocational education, the President's proposed cuts in SBA programs, including a microloan program that has been very important and effective in my State.

We will force a 60 percent reduction in the Manufacturing Extension Partnership which is there to try to help manufacturers, start-up manufacturers, get a foothold in this economy. And this Republican budget at a time of economic crisis in this country will pull the rug out from under small businesses who are trying once again to start up and compete globally in manufacturing. All of this to protect tax cuts for people in this country who earn \$1 million a year. It is unbelievable and outrageous that they would do this.

Back in my home State of Maine, my State legislature, my governor are struggling with the impact of Medicaid. Medicaid is very tough to maintain, and this Republican budget will lead to Medicaid reductions. This Republican budget will make the economic plight of our State much worse than it is today. And why are we going down this path? Because we cannot possibly even consider, according to the Republican majority, a refusal to continue these tax cuts for the wealthiest people in America.

This is the most distorted sense of priorities that I can imagine. And as I said before, this is the price inflicted on the American people by the failure of this Congress to be honest with the numbers that were proposed and put forward in its tax cut last year. This Republican budget will do no good for the American people.

By contrast, the Democratic budget will restore investments in manufacturing, health care, and the environment and be a better deal for the American people.

Mr. NUSSLE. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, first, let me speak to Medicaid since the subject has come up a couple of different times.

Since 1995, let us be very clear about this, since 1995 Medicaid spending has grown 95 percent, a 95 percent increase. The average increase was 7.7 percent per year. Federal Medicaid outlays increased from \$108 billion in 1999, as an example, to \$173 billion this year, an average of 10 percent a year just since 1999 alone.

Federal SCHIP, that is the program for kids that has been mentioned here, spending grew from \$1.4 billion in 1999 to an estimated \$4.8 billion this year, an average annual increase, listen to this now because we are hearing from the other side that Medicaid is being cut, and I want you to listen to this number for kids, an average annual increase of 27 percent, 27 percent.

It is mind-boggling to me how we can be talking about cuts at a time when we are increasing at 27 percent for SCHIP and 95 percent over the last 10 years for Medicaid.

Let me also bring up another subject that we just had a colloquy on on the floor with regard to veterans spending, and I want to be clear because I know that there are many colleagues out there that are listening to this debate, particularly with regards to veterans' health care.

In our committee, we increased veterans spending to meet the request that Secretary Principi put forth in our committee in a hearing that he said, when he made his request to the Office of Management and Budget, his request was \$1.2 billion higher than the President finally acquiesced and gave his department. Included in that were fees and were copayments, things such as that.

We decided to do something in our committee in order to achieve not only

a \$1.2 billion increase, but to do so without any offsetting receipts. The Senate did something similar on their floor. They increased veterans spending as well, but when they did it, they offset some of that spending, so that while the gross number does look higher, they have offsetting receipts there that could be accomplished either through mandating copayments or mandating a means test of some sort.

So when you look at the House versus the Senate budget on veterans spending, the House is higher in the net effect of spending for veterans than the Senate. We will work out the differences in conference, and we will arrive at a number, I believe, that will be \$1.2 billion over the President's budget, the budget that the Secretary of Veterans Affairs requested in the first place, and that is an agreement I believe we can achieve.

But just so we are clear for those Members that have been listening, that have been hearing from some veterans that the Senate number is higher, it is wrong. Be careful. They have hidden costs, hidden fees, the possibilities of means testing in their budget. We do not have that. Our number is higher and we ought to stick with that number.

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

Mr. SPRATT. Mr. Chairman, I yield 4 minutes to the gentleman from California (Mr. GEORGE MILLER).

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

Mr. Chairman, I wanted to take a moment to talk about this budget. What we really have seen here now, as the Republicans have taken over the House, is a complete and total loss of any sense of fiscal discipline. What they have done, and certainly since they have been joined with the Bush administration, its takeover of the White House, is they have simply done nothing more than add trillions of dollars to the debt of this country and run annual deficits of about \$500 billion a year over and over and over again.

Why is that so? Because they could not stand to have to engage in any kind of fiscal discipline. They want to blame it on President Clinton. They want to blame it on the economic cycles. They want to blame it on war. They want to blame it on terrorism. They want to blame it on the vernal equinox. But the fact of the matter is, the problem resides at home. It resides within the Republican philosophy of government. And that is simply to run deficits. It is what they did all during the 1980s when they were in control.

Back 22 years ago I came to this Congress and I asked that the Congress adopt pay-as-you-go rules. The Congress argued about it for a decade. The Republicans did not like it because they said they could not do tax cuts. And the Democrats did not like it because they could not spend on some of their programs. The conservatives were nervous and the liberals were nervous.

But a decade later, George Bush, Sr., signed pay-as-you-go into law, and that became the means by which we engaged in fiscal discipline. After a decade of arguing, we adopted it and what happened? The deficit shrank, the economy soared, the budget, dare we speak, was balanced for the first time in 40 years, because people had to make choices and choose priorities, something you do not have to do any longer in Congress.

You can just charge it to the deficit. You can just run crazy. You can just romp through the halls of government, run across the country and charge it all to the deficit.

You want to engage in a war? You do not have to ask anybody to sacrifice. You can have a tax cut. You can do whatever you want. But when you do that, you end up where we are today, with trillions of dollars in Republican-created debt. Trillions of dollars will be sent to the next generation. We all know the arguments.

But why did that happen?

I remember when I lost one of the votes on pay-as-you-go by one vote. Senator Gramm, at that time a Democrat, would not vote for it. He said it was too weak. Just before he left the Senate, he asked for its repeal because it was too strong. He could not live within the fiscal discipline any longer. I guess he could not stand the surpluses that we were running, the money we were sending back to Social Security, the paying down of the deficit, Alan Greenspan talking about that we would not have 30-year bonds anymore. The government had no debt to sell.

We could not stand those halcyon days of fiscal responsibility, of balanced budgets and a roaring economy. So the Republicans jumped in the car. They got their good friend George Bush with them and they drove right over the cliff. Not a bad idea if it is just Republicans in the car; it is kind of like that joke about lawyers.

But they took the Nation with them. They took the Nation with them into trillions of dollars of debt that was not here before.

I do not think we need any lectures from the Republicans about fiscal responsibility, because when you took over the government, we handed you a surplus. We handed you a healthy economy. Gentlemen, you have run it into the ground. A little pay-as-you-go, but you could not do it. You just could not bring yourselves to do it in this budget.

The Senate did it. I am sure you can negotiate it away from them so you can keep spending your money and you can keep having your tax cuts and you can have your war on credit and you can hide the costs of veterans.

I appreciate your tortured discussion of veterans. If it is so good, how come the Disabled American Veterans are asking people to vote against it? Maybe on the Beltway it sounds good. It is bigger. It is more. It is larger. But it just will not supply enough health care to the veterans who need it. That is what the disabled vets say.

Mr. NUSSLE. Mr. Chairman, I yield 4 minutes to the gentleman from New Mexico (Mr. PEARCE).

Mr. PEARCE. Mr. Chairman, I appreciate the gentleman yielding me time.

When I go to the district, I get the very reasoned question, why would we give tax cuts in a time of deficit? I think there are important reasons to understand.

First of all, the governor of New Mexico said it best, tax cuts create jobs. He said that to the Democrat legislature last year just before they passed the tax cuts in New Mexico that had been sought for over 8 years under the Republican governor. They passed those tax cuts. We passed the tax cuts here nationally and jobs began to create. In July, New Mexico was number two in the Nation in job growth because tax cuts do create jobs.

One of the ways they do it is small business. The tax cuts we gave, the small business expensing created tremendous jobs in our local district.

Good friends of mine at Watson Truck & Supply reported to me just before we gave the tax cuts that they were out of back orders. There were no more units to be built. They have a manufacturing facility that builds equipment for the oil fields. They were out of back orders, no more orders for their equipment.

The day after we passed the tax cuts, they got more orders than they had had in their entire history. They have 2 years of back orders now. People were hired, jobs were created, and for each new piece of equipment they put out, four to five new jobs were created additionally.

The accelerated depreciation as one of the most dramatic things that we did for small business in the tax cuts last year. Small businesses began to buy equipment.

My wife is the chairman of our board. She called me the day we passed the tax cuts, especially the one with accelerated depreciation and said, we should buy new equipment. So we ordered a large new pump that we had been waiting on to order. That is the way that tax cuts create jobs.

If we want to stop the outflow of jobs in America, we will continue to cut the taxes for American business, but also, Mr. Chairman, we will have a continued action on the part of the other house to pass the tort reform that we passed out of this House.

□ 2015

Frivolous lawsuits will drive all major corporations out of America if we do not do something about them.

We have heard a lot about what we should do as far as the deficits. My friend from New Jersey (Mr. GARRETT) said it best, we do not have a problem with the amount of money that Washington collects from its people. We tax enough. The problem that we have is that we spend too much.

Much has been made out of the deficits that we are facing right now, but

very little response is made that actually tells the beginning of those deficits. If we think back to the end of 1999 and 2000, in the last years of President Clinton's term, we remember that the dot-com industry collapsed. We were seeing tremendous capital gains from that industry where stocks escalated to a tremendous height without any product, without any revenue, without any net profit. Those stocks were emotionally driven to a high rate. They were not driven by practicality.

It was a necessity that the dot-com boom would collapse to a certain extent, and when it did, it took all of the capital gains and thrust that surplus that extended as far as the eye could see into a nonsurplus. It was an imaginary ramp up in the economy that could not and would not be sustained.

That was the beginning of a recession that was followed on by 9/11, shocking the economy into a deeper recession and followed still by Global Crossing, Enron, WorldCom and others who drove investor confidence to new lows.

Our economy has had several deep shocks to it. We felt that the tax cuts would create a rate of growth that should create new tax revenues from a higher economy. Those expectations were met in the third quarter of last year with an 8.2 percent rate of growth and 4 percent in the fourth quarter. That is exactly what the tax cuts were intended to do, and I thank the gentleman for yielding me the time.

Mr. SPRATT. Mr. Chairman, how much time do I have remaining?

The CHAIRMAN. The gentleman from South Carolina (Mr. SPRATT) has 11½ minutes remaining. The gentleman from Iowa (Mr. NUSSLE) has 15½ minutes remaining.

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

Mr. Chairman, let me put a few things about this debate in perspective. There has been a lot of talk on the floor today about tax increases, tax cuts and spending increases. Let me try to put the tax cuts, in particular, in perspective.

In 2001, with what seemed to be a substantial surplus, there was a case to be made for tax reduction. I disagreed with the distribution that was proposed and particularly with the size, and I said right here in the well of the House, if my colleagues pass a tax cut of this size and if the surplus does not pan out and it could disappear in the blink of an economist's eye, I said, we are going to find the budget right back in the red again, borrowing and spending the Social Security trust fund. And, unfortunately, that is exactly what has happened.

So a person could have made a case in 2001, but today, that case no longer applies because there is no surplus today. It is gone. It vanished. We only have deficits as far out as the forecasters project their forecast.

CBO, in their analysis of the President's budget, projects the deficits over the next 10 years. If we adopt this reso-

lution and effectively implement the President's budget request, and by their calculation, not mine, their reckoning, that will cause us to accumulate \$5.132 trillion in additional debt over the next 10 years, \$5.132 trillion of additional debt added to the existing debt of nearly \$4 trillion, we will bequeath to our children, the next generation, a debt of nearly \$10 trillion in addition to Social Security, which is underfunded, and Medicare, which is underfunded. That is some legacy to leave our children.

Debt service, as I pointed out earlier, under that same projection will increase from \$153 billion this year to \$374 billion 10 years from now in 2014.

So what happens? I get a tax cut, and I like a tax cut as much as anybody. On the other hand, my grandchildren, Lily and Jack, pick up the tab. They have to pay the debt tax. That is not my idea of the kind of legacy I want to leave my children and my grandchildren, but that is exactly what my colleagues are doing if they vote for this budget today which does not diminish the deficit over time and does not give us a way out of these unending deficits that lead to debt stacked on debt stacked on debt. That is what will happen.

Now, what my colleagues are doing, therefore, if they vote for this resolution and vote to implement the President's budget, they are effectively saying, let us add dollar for dollar every additional tax cut proposed here into the deficit because there is nothing to offset it. There is no surplus to absorb part of it. There are no spending cuts that will offset it. This will go straight to the bottom line and add to the deficit and the accumulation of debt that has already been reckoned, calculated by the CBO, as I said, it was \$5.132 trillion over the next 10 years.

So my colleagues are making a deliberate policy choice that these additional tax cuts are making permanent, the 2001, 2002 and 2003 tax cuts, is more important than deficit reduction.

There is another aspect of this, also. In making this choice for additional tax cuts, my colleagues are effectively saying tax cuts trump Social Security, tax cuts are more important than putting money away to make Social Security, our most important safety net program, and Medicare solvent over the next 75 years. I have a chart right here which is very simple. Anybody can understand it. It is very graphic.

It shows the present value of the tax cuts enacted in 2001 and 2003 extended over 75 years, the amount of tax revenues forgone or forgiven are not claimed or captured if these tax cuts become a permanent part of the code for 75 years. That is the red bar, \$14 trillion.

On this side, we see what it would cost, in blue, to make Social Security solvent in present-value terms over the next 75 years. It is \$3.75 trillion and the amount to make Medicare solvent \$8.2 trillion. Those two sums add up to less

than the present value of the tax cuts that will be made permanent if my colleagues vote for this resolution and implement the President's budget as he sent it up here.

So vote for this resolution and my colleagues are saying these tax cuts, which we enacted back in 2001 and 2002, when we thought we had a huge surplus and, therefore, we could afford them, these tax cuts are much more important than saving Social Security and Medicare. My colleagues are making a choice, a deliberate policy choice. There is an opportunity cost here. There is no way around here.

There has also been talk on the floor about big spending, about the rate at which spending has been increasing in the Federal budget over the last several years, and we have noted the irony of it. Because I am a Democrat, we do not control this place. We do not control the spending that is passed here. We do not control the White House or the Senate or the House. Nevertheless, our colleagues are saying spending, in this institution they control, is just growing at too rapid a rate. Well, let me show my colleagues where the spending increases have actually come.

If we look at the budget, where the spending increases have actually occurred, and look at the current services which just maintain things at an existing rate, and then look at the things that spike up way above the current services level in terms of spending increases, we will find that for the last 4 fiscal years, 90 and 95 percent of all the spending and increases over and above current services have occurred in order to pay for national defense, in order to pay for homeland defense in a category that did not even exist in the budget a few years ago, and in order to pay for the post-9/11 bailout of New York City and the airlines. That is where 90 to 95 percent of the spending has come, if my colleagues look at the budget carefully.

Now, why is that important? Because the President says we have got to rein in spending, but he is not reining in this spending. He does not propose to rein in spending in these categories, and indeed, it is going to be very difficult to do.

The gentleman from Iowa (Mr. NUSSLE) set out to decrease defense spending by just a bit, one-half of 1 percent off the 7 percent that the President was requesting as an increase. Thirty-four members of his party told him they would not vote for the resolution if he did it. Mr. NICKLES took a nick out of defense in the Senate. It was reversed by a vote of 96 to 4. So the likelihood that Democrats and Republicans are going to vote for big decreases here, given the world situation we find ourselves in, at least in the near term, is not very great at all.

Instead, what we have is concentration on this sector here, this blue sector called domestic nonhomeland discretionary. In other words, this is domestic discretionary spending, the

money that we appropriate every year in 13 different appropriations bills, excluding homeland security because it is growing at a pretty fast clip for good reason.

There is that wedge, 15 percent of the budget, and that is basically where all the pressure is being borne. The President's budget would cut discretionary spending in this category by \$303 billion below current services over the next 10 years, but there is only so much blood we can squeeze out of such a small turnip, and so when we do not get the budget to balance in 10 years, we are actually going off into the stratosphere because of the renewal and extension of the big tax cuts in 2001 and 2002 and 2003. They will be renewed and extended in 2011, and therefore, the budget deficit gets bigger and bigger. This will not do. This is not enough.

So what is happening here is, ironically, everyone is decrying this enormous increase in spending, and yet they are not doing anything or proposing anything to do about the categories of discretionary spending where the increases are really occurring, and where they are applying pressure is on a wedge of the budget that is not that large, not that fast growing and not sufficient, not sufficient by any means to wipe out the deficit.

Alan Greenspan was before our committee, and he was a big advocate of using spending cuts predominantly in order to subdue the deficit. So I asked him, Mr. Greenspan, Mr. Chairman, tell me, if we wiped out all of the domestic discretionary spending, we would still have a deficit of \$100-odd billion. Obviously we cannot wipe out the FBI, we cannot wipe out the Federal court system, we cannot wipe out the Federal penitentiary system. These are essential functions of the government. Where are you going?

Then he said, you have got to go to Social Security, you have got to cut Social Security, effectively acknowledging that that is right, that wedge is too small, particularly if you insist upon not doing anything on the revenue side.

What we have brought to the floor is a budget that will have a lower deficit than the Republican main bill. Our alternative will have a lower deficit every year for 10 straight years, lower than the President's bill, lower than the Republican's main bill. In fact, over a period of 10 years, we will accumulate in debt additional to the national debt today \$1.240 trillion less than the Republicans, and we will move our budget to balance in the year 2012.

Less deficits, balanced budget in 2012 and less debt accumulation, that is what the choice is tonight and tomorrow, a budget that is responsible, that makes some bold decisions, in a measured way moves us towards a balanced budget, protects priorities that are important to the American people, that moves us back into the black, as op-

posed to a budget that effectively makes a choice to trump the salvation and solvency of Social Security with the primacy of tax reduction.

That is the choice before us today. It is that simple. It is that basic. That is what is at stake, and basically the moral issue at stake, which in my opinion overarches everything, is more important than the fiscal implications, more important than the accounting aspects is, are we going to take this enormous debt, these huge deficits that are accumulating, about which we are doing next to nothing if we adopt the Republican bill, and shift them off on our children and our grandchildren? Not on my watch, not on my preference.

I would vote for this resolution. I think every responsible Member should.

□ 2030

Mr. NUSSLE. Mr. Chairman, I yield myself the balance of my time.

First, I would like to thank the gentleman from South Carolina (Mr. SPRATT) for the tone of the debate. I think it has been a good debate, a healthy debate, and a discussion, as I said to begin with, about the blueprint for fiscal responsibility as we move into the future and exactly what the priorities would be. I suggested that it is probably very similar to the conversation that a couple might have with their architect as they go in and try and design a new home.

Certainly there are going to be things that they agree on, and there are going to be a few arguments as they come up with that final design. But the long and short of it is we need a blueprint in order to move forward, and I commend the gentleman from South Carolina (Mr. SPRATT) for putting together a budget. We disagree with the plan that he has put forth; we have our own plan that we hope passes. It is one that builds on the principles of strength, growth, opportunity, and fiscal responsibility; and we believe it is the right blueprint at this time to manage the needs as well as manage the economic concerns of our country at this important juncture.

We have heard a lot tonight about the fact that tax cuts caused every problem in the world, that somehow everything would be better without tax cuts, and we wring our hands all day long about the fact that we have such a big deficit, and what we forget is at this exact same moment there are people sitting around kitchen tables across America with their checkbooks and bills in front of them, probably as well as their tax return they just got back from their accountant or their tax preparer, or maybe they actually tried to scratch one out on their own, and it is becoming more and more complicated every year to do that; and it is becoming more and more difficult to pay bills and make ends meet, particularly with the kind of economic challenges that people face.

So at this particular point in time, we believe it is not in order to raise taxes on those people who are having that discussion around their table. What they would say to us if they had the opportunity is the exact same thing they would say to each other, and that is, Can we do with just a little bit less, honey? Can we figure a way to turn the lights off maybe a little more often? Can we buy maybe a cheaper pair of gym shoes than the expensive pair of sneakers Johnnie wants. We still love Johnnie, of course, but maybe we can make ends meet by asking him to do with maybe a little less than the big powerful set of gym shoes that they sell at some stores.

They look at all of their bills and say, Can we do a little bit less? It is not because they do not love each other or they do not care enough about their own situation; but they know, as we know, that at all times we should look for ways to save money and tighten our belt, particularly when times are tough.

But one thing they do not say is let us do with a little bit less when it comes to income. That is one thing we are mindful of in this budget. We want to respect the income of Americans, we want them to be able to spend it, we believe they spend it more wisely; and that is the reason we continue the tax relief within this budget which has been a hallmark of our economic development plans.

Let me be even more specific. When we talk about tax cuts, tax cuts did not cause the deficit. There has been a lot of discussion here tonight that somehow tax cuts are causing all of the problems in our country. Let me show Members the chart, because what we have done is we made that same chart which has been discussed here tonight, and we put it all in there.

The white area here are the tax cuts. The green area here is that new discretionary spending that was just referred to by the gentleman from South Carolina (Mr. SPRATT). The red area is what we call new mandatory. Most of that is the Medicare bill. But the blue area that Members see here is the economic gut-punch that we have gotten as a result of a number of things, the dot-com bubble bursting, corporate scandals, 9/11, and the ongoing challenges as a result of a number of issues within our economy, some natural, some not, within that business cycle.

If we look at this, the tax cuts do not drive us into a deficit; the spending, the economy is what has driven us into deficits. In case Members believe we are just putting the tax cuts on top because it does not work, let us put them on the bottom and see how that works. Let us put the economy on top. The economy alone drives us to a deficit. The economic changes that our economy has had since September 11, in particular, have driven us down into a small deficit; but the new spending for the war on terrorism, the war in Iraq, the war with Afghanistan, homeland

security, protecting our country and a lot of other additional spending for education, for veterans, has driven us even further.

So before we blame the tax cuts, be careful how this is looked at. If you put the tax cuts on top, they do not get us to a deficit. If we put the tax cuts on the bottom, they do not even take us out of the deficit. In fact, the proposals that are put here today are just wishful thinking if you believe you can take away tax relief from Americans, tax relief away from small businesses and assume they are going to continue to be able to drive the economy and make sure we have the kind of economic changes that create jobs far into the future.

One other point with regard to this which is important, the tax relief package is working. It is working. All Members have to do is look at the real gross domestic product over the last number of years and you can see exactly what happened. Here is the recession. That was that recession that President Bush inherited. That is the reason why back in this particular time here we said let us reduce taxes slightly in order to get that economy back on its feet. Then 9/11 hit, and we decided to boost the economy even more; and we not only had a bipartisan tax relief package, we decided to make those tax cuts permanent. What has happened?

As Members can see, the last 2 years now we have seen staggering economic growing. The last 6 months alone have been the fastest growing period for our economy in 20 years. As every single economist will tell you on both sides of the political spectrum, the lagging indicator that always is the last to develop is jobs, and that is because people are tight with their money. They are not going to make an investment decision until they know the coast is clear. And the coast is clear. We are going to continue to make sure that these tax relief packages within this budget are not only extended but are made permanent. We do not want there to be an automatic tax increase, and that is the reason our budget adopts that.

Last but not least, let me talk about spending. We have heard today all sorts of things with regard to spending. We have heard that Republicans have been spending too much, and we have heard that Republicans are not spending enough. In fact, we have even heard that we are not spending enough on volleyball teams. That was even part of the debate here today.

Regardless of that debate, here are the facts. This is the total budget for the last 10 years. This is a chart that many of my Republican colleagues do not want me to show, and I can understand why because it shows that during our period of time we have increased spending; but, there are two parts to this ledger that I want Members to understand. First and foremost, I think it rebuts very clearly the arguments that have been made that somehow we are being Draconian in our cuts, that we

are cutting too far, cutting too deep, that it is going to throw people out on the street and seniors are not going to get the resources they need, and veterans are not going to get the resources they need. That is simply not the case.

Our increase in spending growth has averaged 5 percent each year since our first budget. Now, some of those changes have not been all that positive. Unfortunately, within all this spending there is some waste. There is more waste than we care to admit, and that is the reason within our instructions this year the gentleman from South Carolina (Mr. SPRATT) was suggesting that we only are looking at a very small portion of the budget. We are looking at that portion of the budget, but we have expended the view of the budget. We believe there are weeds within the entire garden of the Federal budget, and we need to look in every corner of that garden to pull weeds.

That is the reason we are going to continue the effort to look for wasteful Washington spending, not only on the discretionary side of the ledger, but also on the mandatory spending.

We know that the Democrats have not been in control during that period of time, and it would be easy to blame the Republicans for some of the spending that the gentleman from South Carolina (Mr. SPRATT) talked about with regard to homeland security and the war in Iraq; and it is true that with regard to that area I was showing Members on the chart where increases in discretionary spending have been large, Democrats voted for it, too. Yes, we were in charge, but most of it was done in a bipartisan way, and I think Democrats are proud of that. I think Democrats are proud of the fact they voted to increase spending for homeland security, I think Democrats are proud of the fact they voted to increase spending for defense, I think they are proud they voted for increases for special education and for a number of those programs that you have come to the floor here today and suggested that you want even more increases. Most of those increases in discretionary spending, in particular, have been bipartisan.

Last, let me say with regard to other spending, yes, there were many amendments in our committee to increase spending far beyond what our budget calls for, but there have been examples of this throughout our history. For example, the Medicare account, there has been a lot of complaints within the media that for some reason we are not taking into consideration the full amount of the costs of Medicare.

First and foremost, the Democratic substitute last year would have spent about \$1 trillion, more than double the amount we had for Medicare. Secondly, if you notice the alternative presented by the Democrats, they adopt the CBO baseline for Medicare spending, meaning they do not believe the actuaries from OMB or from HHS any more than

we do. Nobody is quite clear exactly where Medicare spending is going to go. It is our job here in Congress to control it. Right now the Congressional Budget Office is controlling with regard to that spending, and we both put it into our baseline as the Medicare line item. If they would adopt their rhetoric as part of their budget, they would not balance anytime in the near future.

Let me say in closing that when we come up with a budget like this, or a blueprint like this, there are going to be a lot of people who have to give. There are many people within our conference who wanted to increase spending in some areas; they wanted to go further with decreases in spending in others. What we have tried to come up with is a common-sense solution to a problem that is going to take a number of years to resolve. All of the budgets that Members will see on the floor today, none of those budgets balance it this year or even next year or even within the next 5 years. All of them recognize that we need a path to get back to responsible budgets and balanced budgets.

And so which path are Members going to choose? Are Members going to choose one that respects the family budget and does not increase taxes? Are Members going to choose one that holds the line where we can hold the line on spending? Are you going to choose one that allows us to begin to weed the garden of mandatory spending where we can find waste, fraud and abuse; and are you going to choose one that does what I believe is so important, and that is to make sure that our country is protected first and foremost so our freedom is protected?

I believe that budget provides that strength for our country, that growth for our economy, and that opportunity for our constituents' future; and it does it in a fiscally responsible way. I believe our budget is the kind of budget that can help get us back on the track that we need in order to get back towards fiscal responsibility, and I ask for Members' support and vote on the budget resolution for 2005.

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

The CHAIRMAN. The gentleman from New Jersey (Mr. SAXTON) will now control 30 minutes and the gentleman from New York (Mrs. MALONEY), the designee of the gentleman from California (Mr. STARK), will control 20 minutes on the subject of economic goals and policies.

The Chair recognizes the gentleman from New Jersey (Mr. SAXTON).

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

Mr. Chairman, much has been said here today with regard to the subject of our budget and fiscal policy and its effect on economic growth.

I would like to show as clearly as I can as the vice chairman of the Joint Economic Committee, which of course is made up of Members of the House

and Members of the Senate, the actual effect of budgetary policy over the last few years, monetary policy as carried out by the Fed, and tax policy implemented at the request of the administration and carried out by this House and the Senate.

□ 2045

Actually we have found that there are some very positive effects that have accumulated over the past several years in terms of a variety of good economic trends.

For example, lower inflation that has resulted from various policies actually has improved economic growth through the appearance of lower interest rates directly as a result of lower inflation which can be primarily attributed to the policy of the Federal Reserve. It reduces unnecessary uncertainty and volatility in financial markets, it causes the price system to work better, it acts like a tax cut to have lower interest rates, especially for those portions of the Tax Code that are not indexed for inflation. The Fed's policy of inflation targeting has worked.

I can remember many years ago when the Fed's policies of today were not in place, when we felt good when inflation was at 6 percent or at 5 percent. Today, inflation is at historic lows, probably today under 2 percent. As a result of that, these lower interest rates have worked, as I said before, as tax cuts to help rally economic growth.

Lower marginal tax rates as well as lower interest rates remain in place today, and we are reaping the long-run effects of lower tax rates despite two increases, one in 1990 and one in 1993. Marginal tax rates remain lower today than they were in the 1950s or the 1960s or the 1970s. This is very important.

It is also important not to revise the tax rates that are already in place. We have seen the results of these as demonstrated on this chart, for example. Here, in 2001, when the tax rates were put into place, we see that real economic growth, of course, was bad during the three quarters of 2001, but then the economy started to grow. Real gross domestic product in the fourth quarter of 2001 began to grow, and we had seven straight quarters of economic growth, culminating, as the chairman of the Committee on the Budget said, in the last two quarters that we have just experienced where we saw 8.2 percent economic growth in one quarter and 4.1 percent in the next quarter.

There has been good reason for optimism and, of course, the stock market has rebounded during this period of time, but there have been other factors that have been holding the economy back.

National security and homeland security are two general areas that are essential for securing our peace and security and stable, sustained economic growth. This economic growth is not possible without both security from foreign adversaries and security from

adversaries who threaten the homeland. And so spending on our national security and on homeland security is absolutely essential. Investment spending will not occur without stable property rights or security for investment and investors as well as lenders.

While national security and domestic security are essential, they also depend on what weapons the adversaries employ. In a sense, they depend on the adversary and not entirely on some absolute standard of security.

Investment, on the other hand, is essential to fostering economic growth. Increases in investment improve both supply and demand so it fosters growth without causing inflation. Investment is needed to improve productivity, raise real wages and increase living standards. Productivity-enhancing investment increases economic growth without inflation.

Let me just turn to the next chart we have here which shows fixed private nonresidential investment. Again, beginning in the third and fourth quarter of the year 2000, which coincidentally was before President Bush took office, we see that fixed private nonresidential investments fell sharply. And then as the recession ensued in 2001 and through the first two quarters of 2002, fixed private nonresidential investment was actually in the negative.

But then as the effect of the tax cuts kicked in and as the effects of low interest rates brought about by the control of inflation kicked in, we see that fixed private nonresidential investment begins to improve. This was a very positive thing for the economy.

The U.S. economy currently is expanding at a healthy clip. A wide spectrum of sectors of the economy are contributing to this advance. Consumption, housing, investment, and production among others have all made notable contributions. Fourth-quarter real GDP was up by a brisk 4.1 percent and, as I said before, the third quarter of last year was up 8.2 percent, which certainly again is demonstrated here on the chart that we have.

For the future, the consensus view of economists is that the economy will continue to expand at a robust pace over the next several quarters. Specifically, the consensus is for better than 4 percent growth in the near term. This current and prospective performance of the U.S. economy is superior to most other world economies, including both Europe and Japan.

Business investment, as well, has been a leading sector fueling these healthy economic gains. Real business investment has been up sharply in the last three quarters. A key reason for this strength was the progrowth tax policies adopted by this Congress and by the administration.

Further, gains in profits, the stock market as well as capital goods orders all point to additional advances in investment. Although the stock market has had its ups and downs, particularly as measured by the Dow Industrials,

the stock market has regained much of the ground it lost in recent years. The stock market gains not only encourage investment activity, but because of widespread ownership in stocks, mutual funds, IRAs and other savings vehicles, we have fostered household wealth gains as well. The latest figures indicate that about 50 percent of American households own stock shares in some form, and stock market capitalization was up significantly last year. The tax cuts and expectations of continued economic advance have propelled stock prices to continue to rise until just a couple of weeks ago.

Manufacturing activity, as well, as measured by the Institute for Supply Management, ISM, the ISM index, is also making significant gains. The index shows that manufacturing gains have been quite widespread. Manufacturing production as measured by the Federal Reserve's Industrial Product Index is up sharply as well. We have another chart here which shows that the ISM index fell during the recession, and it shows how we have grown today to the point where 61.4 percent of our businesses are actually expanding.

Employment is one area, however, that has lagged behind output growth. It is quite clear that manufacturing employment softness began in July of 2000. The impacts of investment and stock market weakness were concentrated in manufacturing. Nonetheless, recent payroll employment is up 364,000 jobs since August and payrolls have advanced the last 6 months in a row. During a comparable time period, household employment was up 604,000 jobs.

Let me turn to the unemployment rate which we hear so much about in regard to our economy. The unemployment rate has fallen from a high this year of 6.3 percent to 5.6 percent in recent months. The 5.6 percent rate is lower than the average rate in the 1970s, lower than the average rate in the 1980s, and lower than the average rate in the robust 1990s. It has not been characterized as such, however.

Further, the recent peak in the unemployment rate is considerably lower than the peaks of earlier business cycles. Let me show my colleagues what I mean. In the 1970s during a recession, the unemployment rate peaked at around 9 percent. In the 1980s during a deeper recession, the unemployment rate peaked at just under 11 percent. In the 1990s during a recession, the last quarter of 1990 and the first quarter of 1991, we had an 8-month recession, and the unemployment rate peaked at just under 8 percent. In this recession, the unemployment rate peaked at 6.3 percent and is now at 5.6 percent, as I said, lower than the average rates of unemployment in the 1970s, the 1980s or the 1990s.

Inflation has also remained low during this period. As can be seen on this chart, core CPI inflation has continued to trend down for the past several years. This is good news for all income

earners and all consumers. This is the result of the Fed's persistent anti-inflation policy. Currently there are few, if any, signs of inflationary expectations re-emerging in any significant way. This line speaks for itself. Inflation is historically low today as a result of Fed policy.

Likewise, the Misery Index, we all remember the Misery Index that we got so accustomed to hearing about in the 1970s, the Misery Index measures the sum of the unemployment rate and the core CPI inflation rate. It is premised on the notion that both a higher rate of unemployment and a worsening of inflation create economic costs for a country. The index is used unofficially to assess a nation's economic health.

Currently the Misery Index is relatively low, lower than it has been for most of the past 35 years. Once again, the red line here speaks for itself, the Misery Index is very low today.

Long-term interest rates have continued to trend down as well and remain at near 40-year lows. What is particularly relevant is that long-term rates remain low or even declined in the face of increases in the budget deficit. These low long-term rates are more importantly determined by the rate of inflation than by budget deficits. Again, we have a chart here that has a line on it that shows the 10-year Treasury bond yield at consistent maturity, and once again we see that we have historically low interest rates.

In sum, the economy is currently advancing at a healthy pace. Most key sectors of the economy have contributed to this healthy growth. The consensus of economic forecasters project continued healthy economic growth for the foreseeable future. The policies that have supported this growth, namely, tax relief and accommodative monetary policy as carried out by the Fed, appear to have been quite appropriate. Accordingly, so long as inflation remains subdued, a continuation of these policies and making certain that tax cuts are permanent seems quite appropriate.

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

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

Mr. Chairman, the purpose of a budget resolution is to make the tough choices that will put the budget and the economy on the right track for the future. We do not need budget choices that create tough times for the economy, that are tough for working families, tough for people who cannot find jobs and tough for our children's future.

□ 2100

Once again, the President and his Republican colleagues in the House have presented a budget that is fiscally irresponsible and wrong for the economy. When President Bush took office, the Congressional Budget Office was projecting a \$400 billion surplus for this

fiscal year 2004. Now they are projecting a deficit of nearly \$500 billion, a swing of \$900 billion for just this one year. We can see from this chart how projected surpluses have turned into actual deficits so far in this administration.

And the future does not look any better. Three years ago, President Bush told us we were in danger of paying off the national debt too fast. Well, the President and the Republican Congress have certainly taken care of that problem. In 2001, the President said that even if we enacted his tax cuts, we could pay the debt down to \$1.2 trillion by 2008. But now they say the debt will rise to \$5.6 trillion, a swing of \$4.4 trillion as depicted in this chart, 4.4 trillion more debt in 2008.

Mr. Chairman, what has changed in 3 years to cause such a hemorrhage in the budget and such an explosion in the national debt? The administration and its supporters have been quick to blame events beyond their control like 9-11 and the bursting of a high-tech bubble. They have even tried to overrule the experts at the National Bureau of Economic Research about when the recession began. But what they will not admit is that their relentless drive to cut taxes has also played an important role.

We made the same mistakes once before in the 1980s, but at least then we had time to correct our mistakes. We had time to restore the fiscal discipline needed to prepare for the tremendous budget pressures we would face with the retirement of the baby boom generation, but now it may be too late. The retirement of the baby boom generation is upon us, but demographically blind budget policies have left us unprepared for the consequences.

Mr. Chairman, the President keeps telling us that his policies are working to improve the economy; but in the area that matters most to American families, jobs, the facts tell us otherwise. As this chart shows, President Bush is on track to be the first President since Herbert Hoover to lose jobs over the course of his time in office, the only administration in 70 years with a decline in private sector jobs. Three million private sector jobs have been lost on President Bush's watch. When we include public sector jobs, it is a total of 2.2 million jobs lost since President Bush took office.

And what is it that we have to show for 3 years of Bush policies? Just 21,000 jobs were created last month, when we know that we need at least 125,000 jobs created a month just to keep up with the expanding workforce entering the job market. Overall there are 8.2 million unemployed Americans and about 4.6 million additional workers who want a job but are not counted among the unemployed. An additional 4.4 million people work part time because of the weak economy. What is more, this

chart shows that a large portion of people who have become unemployed remain unemployed for over 26 weeks, almost triple the number when this administration took office.

Each week, 80,000 people's unemployment benefits expire, leaving them with no income and no job prospects. Many of them drop out of the labor force and are not counted in the official unemployment rates.

Once again tonight the other side is making optimistic projections about the future. Tonight the majority says their budget will cut the deficit and create jobs. Unfortunately, we know the record of the last 3 years, and that is a record of rosy projections that never come true. As an example, a year ago the administration predicted that its policies would contribute to the creation of almost 2 million new jobs in the second half of 2003. As the chart shows, they fell short by 1.8 million jobs below their forecast. Meanwhile, as this additional chart shows, the typical worker's earnings are barely keeping up with inflation in sharp contrast to the strong growth from 1996 through 2000.

This administration has presided over the greatest average annual decline in household income since the government began keeping those statistics in the 1960s, doubling his father's bad record. The income of the typical household has fallen by about \$1,400 during this Bush administration. Also, 3.8 million Americans lost health insurance under this administration, as this final chart illustrates.

Mr. Chairman, this budget is short on solutions, but long on preserving a failed policy that has led to a loss of 2.2 million jobs and a \$500 billion deficit, the largest deficit in history. This is a policy we cannot afford. Vote "no" on the Republican budget.

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

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

Mr. Chairman, I am not surprised, but I am somewhat troubled that the previous speaker did not recognize that the economic downturn was well under way well before President Bush took office. The administration's critics blame President Bush for his policies for the loss of about 2 million jobs since January of 2001. However, all of this employment decline is accounted for by falling manufacturing employment, and manufacturing employment started declining well before President Bush or his policies were in place. Manufacturing employment has been falling since March of 1998. From this point through January of 2001, over half a million manufacturing jobs had already been lost. It is hard to blame that on President Bush. Thus the trend was well under way before the President ever took office. And it was the policies that were in place during the 1990s that caused that decline.

Manufacturing employment has been falling steadily, well before President

Bush took office. The respected Institute for Supply Management employment index plunged in 2000. By January of 2001 most firms surveyed indicated that manufacturing jobs were falling or stagnating, according to these indices. That was the year President Bush took office. So according to your theories, President Bush's policies that had not even gone into effect yet caused all that unemployment. It is just not true. It cannot be true. President Bush was not here.

After the bursting of the stock market in the first quarter of 2000, there was a sharp fall-off in investment. Because much of this investment is comprised of machinery and equipment produced in the manufacturing sector, manufacturing employment began declining every month since July of 2000.

We know President Bush was not the President before July of 2000 when the policies of the previous administration caused these declines.

In the last month of the previous administration, manufacturing employment declined by 82,000 jobs. That was President Clinton, not President Bush. However, with a strong rebound in investment in the last half of 2003, manufacturing output is growing today at a healthy pace, and monthly manufacturing employment declines have been slowed dramatically because since President Bush took office, he has made it a priority to institute policies that provide for economic growth.

Since last August, payroll employment has gained 364,000 jobs, not declined. We all want to see more job growth, but strong productivity gains have made this harder. Strong productivity growth is good for the majority of the workers who have jobs because it enhances their job security and earnings potential. However, in the short run, it does slow job growth. We had a technological advance during the 1980s and 1990s that was good. It made our workers more productive. The use of computer technology, the use of communications technology, and many other increases in technology across the board made our workforce the most productive workforce in the history of our country. But it had a negative side as well because when the recession hit and the decline started, while President Clinton was President, when the decline started and people lost their jobs, the inclusion of more technology continued to go forward. And when the economy began to grow and people went back to seek their jobs, they had been replaced by technology, adding to the productive nature of our workforce.

The upward productivity trend started in the second half of the 1990s and has been under way for at least 8 years. By the second half of the 1990s, investments in new technology and equipment changed the economy and its relationship to employment. The cumulative effect of these investments was that the economy could grow quite quickly without greatly increased employment. Productivity growth, not

outsourcing, is the primary cause of slow employment growth in the short run. With healthy economic growth now under way, most economists expect employment growth to continue in the future.

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

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

The gentleman referred to the Clinton administration. Under the Clinton-Gore administration, this country created 22 million new jobs. Under the Clinton administration, the deficit was eliminated; and he left office with a substantial surplus and a projected surplus that would continue to grow. And under the Bush policies, this country has lost 2.2 million jobs. We would have to create 200,000 new jobs each month for the next 10 months just to bring this country back to the place it was when President Bush walked into office.

And President Bush has given this country a \$500 billion deficit, a burden for our children and our grandchildren.

Mr. Chairman, I yield the balance of my time to the gentleman from Washington (Mr. McDERMOTT).

□ 2115

Mr. McDERMOTT. Mr. Chairman, I thank the gentlewoman for yielding me time.

Mr. Chairman, it is really wonderful. This is the time of year when we have the big tent put up out in front of the Capitol and we invite the county fair in from Iowa. We always have the county fair come.

I am sure as you look around this hall tonight, there are three of us left, so that means 421 people have gone home. They figure, "It is all baloney, so I am not staying around to hear this." But I know that the people in the Speaker's district and my district are just sitting down to dinner out there on the West Coast, and I think maybe they might be interested in what some of our colleagues do not want to really deal with on this budget.

Now, if I was going to do this the right way, I would put on a top hat and I would tell you about the shell game that we find at the county fair. It is a wonderful game. You know, the guy has a box out there, and he puts one walnut on it, and then he puts another walnut on it, and then he puts a third walnut on it, and then he puts a pea under one of them and then moves them around.

The job of the American people is to figure out, well, where is the pea? I mean, that is what the game is out at the county fair.

That is the same job you have here. You hear numbers, you see charts. I brought a couple just for fun. But you see them moving these around and moving them around, and they say, well, we do not have enough money for Social Security; well, we are taking care of Social Security and Medicare.

You lift up the walnut. Oh, no pea there. Wonder where the money is? Oh, dear. Well, the money must be somewhere here.

Education. That is right. Oh, there is no money for education. They are going to have to call this "Some Children Left Behind" by the time we get to the election. The President has been telling us, "We are not going to leave any child behind." But he does not put any money under the pea for education for kids. He underfunds what he says is the amount he has to put there.

How about veterans? Oh, the veterans. You know, they are over bravely serving us in Iraq: Dying; being wounded; coming back here with amputations; coming back, as recently we read in the newspaper, coming back and finding that the job they had when they were in the Reserves is not there.

So the veterans who are out defending us and doing all of this for us, they say, well, but Uncle Sam promised us. So we will look under here. Oh, they are cutting the veterans benefits too? They are going to ask us to pay more at the veterans hospital?

Oh, well, there must be something wrong. I mean, health care. Health care in this country is a problem. We have 44 million people without health care. Is there anything in this budget for health care? Nothing.

But the President said, "We are going to guarantee universal health care for the people in Iraq." In Iraq. Not in Tennessee, not in North Dakota, not in New York State, not in Washington State, not in California. Iraq. That is what the President said.

Then, his secretary went on to say, "Well, in this country everybody gets taken care of some way, do they not? So that is universal care."

But you do not get preventive care. We will take care of you when the catastrophe strikes, but there is no money in here for prevention, there is no money making it so we take care of all the kids, that we take care of all of the problems up front, because, well, I do not know. I just cannot seem to find the money.

Now, let us see. Oh, yes, the tax cuts. Ha, that is where the money went. You do not have to be a rocket scientist or have a Ph.D. in economics or have gone to MIT.

A Senator from my State used to say that he wished that we had a one-armed economist. Every time he listened to an economist, he said, "On the one hand this, and, on the other hand, that." You have heard a lot of that, "On the one hand this, on the other hand that" tonight.

But the fact is that if you have money in the tax accounts and you give it back to the people, now, that means you do not have money to put under the shells. That is why there is no money for Social Security, that is why there is no money for veterans.

Oh, we have wonderful things to spend it on. Homeland security. I look out here under every seat in the House

of Representatives, and I meant to grab one, and I will grab it for you. Every Member of the House of Representatives is sitting on a gas mask.

Now, all that protection they are putting out there for us, all those policemen and all of what is going on in all the buildings and everything else, and they give us a gas mask. How many people in America have got a gas mask? How many of you think that the American Congress is going to be gassed in the House of Representatives? If you do, then you have got to ask yourself, what is the President doing about that?

I mean, Osama Bin Laden. You remember that guy? How much money did he waste on that whole business? Why is there no money out here for health, education, Medicare, a real pharmaceutical benefit? Well, because we have to spend \$150 billion in Iraq, a war that we did not have to go to, that we went to under fraudulent circumstances. The President did not tell us the truth. He scared us into, "Oh, we got to go get Osama Bin Laden."

Well, they are over there looking for the weapons of mass destruction under the same shells. They say we are going to find it over here; no, we are going to find it over there. Just give me some more money, he says.

Folks, you are sitting there eating dinner. Mr. Chairman, from my point of view, the American public must be just scratching their head and saying, what are these people talking about? A budget is the priorities you set.

Now, in a family you take care of the necessities, food, health care, housing. Our housing situation in this country is awful. In Seattle you cannot find a starter house for under \$250,000. Somebody who takes a job at six or seven or eight dollars an hour cannot buy a house in Seattle, and I know that that is not the only place. Oh, you can do it, if you want to go out 40 miles into the countryside, and then there is no rapid transit to bring you in to get to work. I mean, you are caught coming and going. That is where the average American is in this country.

Now, we have two realities that we have to deal with in this budget, and the President of the United States has failed on both of them. One of them is to provide jobs, and the other is fairness in taxation.

Nobody likes to pay taxes. I do not like to pay them. I am right now in the middle figuring out my income tax, like everybody else in this country. I do not want to pay taxes, but I know that I have to pay some so we can have a civil society, and it ought to be done as fairly as possible.

Let us take the jobs issue. I put this up here just so you understand. Since it is Iowa night at the state fair, you all remember a guy named Herbert Hoover? He was from Iowa. He was a great guy from Iowa. He is the last guy that did to our economy what George Bush is doing.

He sat up there and said, "Well, you know, the rich people, the stock mar-

ket should just go up and up and up." And it was going up and up and up in 1928 and 1929. When it crashed, everybody said, "Oh, my God. I do not have anything." We had no Social Security, we had no unemployment insurance, we had no construction projects, we had nothing.

Franklin Delano Roosevelt came in, and you know the first thing he said when he became the President of the United States? Was it, "The problem with this country is our taxes are too high. We have to reduce taxes in this country. We have to give back all the money we have, and in some magical way it will get better."

Do you think that is what happened? Do you think that is where the WPA came from, and unemployment and Social Security and all these other things, by the President of the United States saying, "My answer is cut the taxes. Give the money back to the people. It is their money. Let them spend it any old way they want."

Of course not. The whole country knows. Everybody in this country over the age of 50 knows that the proposals made by the President of the United States are absolute and total nonsense. He said, "Well, you know, I got that terrible problem from that Bill Clinton. Golly, he was just such an awful guy, created those 22 million jobs, and then he left me a mess, left me a mess when I came in here."

So he said, "Cut taxes." He came out here and said to the Members, stood right here in this well and said, "If you cut taxes, why, everything will be better."

Well, folks, this is zero jobs created. If it was up here it would mean there was something going good. But in fact it has been going down. We have lost 2.8 million manufacturing jobs since George Bush has been here.

Now, you can blame maybe how much you want to blame on Bill Clinton. Do you want to blame two-thirds? Or three-quarters? Would you not think after 3½ years he would have figured out some way to get it turned around? Franklin Delano Roosevelt did. He put us to building bridges and highways and buildings and all kinds of things, and, lo and behold, if you spend the money you have, not giving it back to the rich, but spend it on things investing in the country, you create jobs. That is what Franklin Delano Roosevelt did.

The private non-farm payroll in this country has gone down by 3 million people, and in the non-farm payroll employment, that is only by 2.2 million. Now, that is in addition to these two.

Do you know what I heard from my colleague just a few minutes ago? "Things are really getting better." Do you know how many jobs were created in February? 21,000. Now, let us see, 50 into that, that would be 400 jobs per state. That is really pretty good. I mean, I bet they will have a lottery for

those jobs. And they were all government jobs. There was not a single private sector job created.

That is why we ought to vote no on this budget.

Mr. SAXTON. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, the facts bear out that the economy is growing. Like the previous speaker, I wish that jobs were growing faster, and I believe they will. But the previous speaker's examples were not exactly examples that I would have used.

For example, to compare this recession to the Great Depression I find, I guess I would say amusing to a certain extent, because while we know that the unemployment rate today is at 5.6 percent and topped out at 6.3 percent in this recession, the unemployment rate during the Great Depression was 25 percent. So I think that is a rather poor example, and I think goes to show the extent and the lengths to which the minority will try to bend things to make their story look like the one that they would like the American people to believe.

A lot has been said about tax rates. One of the charges that has been made about our tax policy and our tax cut, and the last speaker repeated it again for the last of many times today, is that when we reduced taxes for the American people, when we did away with the marriage tax penalty, when we created the child tax credit, when we passed the other tax cuts that provided for economic growth, we created the deficit.

Well, I would like to show one final chart which demonstrates that that is not true either. This chart to my left shows, and the Congressional Budget Office, which works on a bipartisan basis, came up with these numbers, it shows that the projected surplus in 2001 was \$281 billion, and shows in the first year that the tax cuts went into effect the static cost. "Static" is a word we use around here to mean as exactly as we can the amount of money that will not flow into the Treasury if you assume no economic growth at the same time because of the tax cuts.

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We assume that there is a static loss of revenue to the Federal Government, and it is shown here in blue. This is what the tax cut cost. Out of the \$281 billion surplus that was projected to exist, only \$70.2 billion went for tax cuts, and we actually would have had a surplus of \$210 billion, after the tax cuts. The actual surplus turned out to be \$127 billion because, as I pointed out before, during the last year of Bill Clinton's administration, the economy began to decline. So less growth in the economy, less people working, less people paying taxes, less revenue.

And then, if I move on to the next year, the projected CBO surplus was \$313 billion, and the actual cost of the tax cuts that year, \$73.7 billion; and for the first time in 4 years, we went into

a deficit situation of \$158 billion. We had a \$158 billion deficit. So if we go from a \$313 billion projected surplus to a \$158 billion deficit, it is a swing of \$471 billion, from surplus to deficit. The cost of tax cuts: \$73.7 billion.

I will not bore everybody with the third year, but the same trend continues: the cost of the tax cut, \$172 billion out of a \$359 billion projected surplus, and we ended up with a deficit of \$375 billion, a big swing from a \$359 billion surplus to a \$375 billion deficit.

The fourth year is the most dramatic. We went from a projected surplus of \$397 billion to a deficit of \$477 billion, a swing of \$874 billion, and the actual cost of the tax cuts: \$264.8 billion, which would have left us with a surplus of \$132 billion if it were the fault of the tax cuts. Other factors mitigated to have that tremendous swing. The war was taking place, the economy fell, and other factors played into it, such as the loss in the stock market.

So as is evident from this chart and the CBO numbers, and the numbers from the Joint Tax Committee, all of which are bipartisan, the tax cut did not cause the deficits at all, unlike what our minority opponents would like America to believe.

One of the most important accomplishments of our budget policy, and this budget reflects this, in this year, in the past few years, is the enactment of this tax package for families all along the income spectrum. The budget before us today continues and preserves the key elements of this tax relief, allowing families to keep more of their hard-earned money.

Over the 4-year period, from 2002 to 2004, just three key tax reductions out of the dozens enacted have produced savings for American taxpayers. These three provisions are a new 10 percent tax bracket. Previously, low-income people paid 15 percent in the bottom tax bracket. Pursuant to these tax cuts, that 15 percent dropped to 10 percent. We enacted a child tax credit worth \$1,000 in 2003 and \$1,000 in 2004; and we enacted a marriage penalty relief through an increased standard deduction for couples filing joint returns. For married couples with two children and who use the standard deduction, the savings from these tax reductions total approximately \$5,500 over these 4 years, according to the Joint Economic Committee report that was published recently.

If one is interested in that report, click on our Web page. It is there for everyone to see.

Consider these figures for 2004 from the JEC report. First, the child tax credit, now \$1,000 per child, double what it was back in 2000. For a two-child household, the increases translate to \$1,000 in tax savings. Second, thanks to the 2001 and 2003 tax relief cuts, there is now a new 10 percent tax bracket, which applies to the first \$14,300 of income this year for joint tax returns. Without this new bracket,

that income would otherwise be taxed at 15 percent. These are for the lowest wage-earners. This tax cut is for the lowest wage-earners. In 2004, this 10 percent tax bracket will save taxpayers \$715.

Third, married couples have finally received some tax relief on the marriage tax penalty. A quirk in the law required married couples to pay more taxes than the same individuals paid if they were single. Tax legislation enacted in 2001 now provides new tax relief such as a standard deduction for married couples that is double the standard deduction for single couples. Families taking advantage of this increased standard deduction will save \$233 this year. Total tax savings from these three provisions alone amount to \$1,948 in 2004. Over the 4-year period, 2001 to 2004, combined savings total \$5,480 for low-income and middle-income American families.

Mr. Chairman, these tax cuts are not for the rich. These tax reductions benefit everyone who pays income taxes. In fact, the threshold to receive all the dollar savings described here is just \$36,400 for a married couple with two children claiming a standard deduction.

Mr. Chairman, this budget, while all of us would have written it differently, is a budget that deserves to pass; and the tax cuts and the economic growth provisions provided by this budget are important for the future of America's families and for America's economy.

Mrs. JO ANN DAVIS of Virginia. Mr. Chairman, I rise today in support of an amendment to the Fiscal Year 2005 Budget Resolution, offered by my colleague from Virginia, VIRGIL GOODE. His amendment was offered in the Rules Committee today, but unfortunately, the Rules Committee did not allow it to be offered on the floor of the House.

Nonetheless, I want to clear my support for his amendment, had it been offered. The Goode Amendment would cut foreign aid funds by \$8 billion, and use that money to pay down the deficit and take care of our veterans. From the \$8 billion cut from foreign aid spending, \$5 billion would be put towards the deficit and \$3 billion would be put towards veterans' health care. I would have voted for this amendment, with the clarification that the \$8 billion cut from foreign aid spending would not be taken from U.S. aid for Israel. Israel is our most-valued ally, and we need to do everything we can to support her.

Mr. Chairman, this amendment is commensurate. It takes away money from foreign aid, and gives it back to the hard-working Americans who earned the money in the first place.

\$5 billion would be used to put down the deficit, something we have got to start doing more. We cannot spend taxpayer dollars recklessly without thinking about our national debt, which is now up to \$7.1 trillion. We owe it to our future generations to spend taxpayer money wisely so that the important programs our government provides are still around for our children and grandchildren.

Also, \$3 billion would be used towards veterans' health care. Mr. Chairman, since I was elected to Congress, I have done everything I

possibly could for our Nation's veterans. They have done more for our country than most people will ever be asked to do, and it is important to make sure they have adequate health care. This additional \$3 billion for veterans' health care funding is a step in the right direction.

Again, I commend Mr. GOODE for offering this worthy amendment, and I wish it could have been offered on the House floor.

Mr. ENGLISH. Mr. Chairman, I rise today to express my support for the fiscal year 2005 budget resolution, which I believe strikes an appropriate balance between funding our national priorities and cutting the budget deficit in half over the next four years.

America stands at a pivotal point in history where we are leading a global war against the scourge of terrorism and driving the world's economic growth. We have already laid the groundwork for economic growth through the President's tax program. As a result, growth averaged 6.1 percent in the second half of 2003, the fastest growth in consecutive quarters since 1984.

The Budget Committee has presented to us a framework which allows us to build upon this foundation. This resolution allows us to make permanent the expiring tax relief while upholding our commitment to national priorities at home and abroad. The House Republican budget proposal offers a very different blueprint than what would have been offered by our colleagues from the other side of the aisle. It solidifies a pro-growth policy while assuring there will be no tax increase over the next five years. It takes into account the needs of our troops as well as the veterans who have already fought for our country.

I'd also like to call attention to the fact that we've included an increase in total veterans spending of \$1.2 billion in fiscal year 2005 and removed some of the fees that the President's budget had included for veterans services—fees which veterans communities have opposed.

This is a strong budget that reflects strong priorities and moves us in the direction of fiscal balance.

Mr. DINGELL. Mr. Chairman, I stand here once again watching my Republican colleagues add billions of dollars to the deficit and public debt. I watch them take money out of the pockets of working families so that they may line the pockets of their fat cat friends. This budget is a betrayal to working families across America, to seniors, veterans and especially to our children and grandchildren, who will be left to clean up this Administration's fiscal disaster. I am amazed that my colleagues on the other side of the aisle have managed to turn record surpluses into record deficits in a mere three years. This budget does nothing to remedy the situation and continues further down the same road.

By using a 5-year budget instead of a traditional 10-year budget, my Republican colleagues are attempting to hid the real costs of their outrageous plan. After five years, the cost of making the tax giveaways permanent will grow drastically. Over the next ten years, the tax giveaways in this plan will cost \$1.2 trillion. My Republican colleagues will not even apply the "pay-as-you-go" method to their tax giveaways because they know we cannot afford them. These budget gimmicks and rascality cannot be tolerated. The American people deserve to know the outrageous credit

card bills the Bush Administration is racking up in their name and with their credit.

In addition, this budget does nothing to protect the Social Security trust fund, five years from when the first of the baby boomer generation reach retirement age. These Republicans' fiscal mismanagement will squander the entire \$1 trillion Social Security surplus, adding to the ballooning deficit and throwing the long term economic security of millions of Americans into doubt.

The Republican budget doesn't provide any money this year to protect Medicaid—in fact it cuts the program. As a result, States are going to be forced to cut benefits and coverage for the more than 50 million of our most vulnerable seniors, children, pregnant women, working families and disabled Americans who rely on Medicaid for vital healthcare services. More than 3.7 million have already lost coverage under Bush's watch. We should be shoring up the programs that provide health insurance coverage—not cutting them.

On the Medicare side, Republicans offer no proposals to improve the inadequate and disingenuous Medicare drug benefit enacted last year. Just yesterday, a new stud concluded that the Medicare hospital fund will be bankrupt in 2019, seven years sooner than predicted a year ago, partly due to the new benefit which funnels money into private health plans. Also absent from this budget are other proposals that could improve the Medicare program, such as funding for increase nursing home staffing and quality improvement or fixing the flawed payment system for doctors. Nor are there any proposals to protect the Medicare program from being overcharged and defrauded by private insurance companies and Health Maintenance Organizations. And of course, there is the similarly outrageous effort of this White House to hide from both Democratic and Republicans the true cost of their Medicare privatization bill, which truly makes me wonder whether any of their budget numbers can be trusted.

In education, No Child Left Behind is already dramatically underfunded and this budget will continue this indignity. We cannot leave the States to pick up the tab for this federally mandated program. Special education, after school programs, teacher training, Pell grants, Perkins loans, and vocational education are all either frozen or cut under this dreadful budget. I wonder if my colleagues on the other side of the aisle are trying to ensure that public schools fail so they can privatize the entire system?

This budget continues the Republican war on the environment. The President and Republicans will try to sound like they are environmentalists, but the truth is in this budget which contains drastic cuts to major environmental protection programs. Budget cuts will be felt in a variety of areas including enforcement inspections; less money available than needed for safe drinking water; inadequate funding for cleanups of Superfund sites and leaking underground storage tanks; and fewer brownfields grants than authorized by the new law signed two years ago. My colleagues would rather give tax cuts to their buddies than invest in clean air, clean water and cleaning up toxic waste sites. For the next five years, the Republican budget provides 10.5 percent less than what is needed just to maintain services at the current level. More noteworthy, their funding levels in 2009 will still be

\$901 million below the 2004 enacted level. My Republican colleagues obviously fail to keep our Nation's commitment to a healthy environment.

Our troops and veterans are also betrayed by this draconian budget. Mr. Chairman, we made a promise to our service men and women: Serve your country and we will take care of you. This budget is yet another promise broken by this Administration and Republican Congress. These men and women are willing to risk their lives for this country and this Congress and President will not even guarantee basic benefits for healthcare and housing. We cannot treat our men and women in uniform with such disregard and disrespect. Particularly during this time of war, we must treat our veterans and soldiers with the utmost honor and dignity. Thirty thousand veterans are waiting six months or longer for an appointment at a VA hospital. This is a total outrage, and this budget does nothing to help. In fact, this budget raises healthcare costs for up to 1 million veterans. In addition, my Republican colleagues refuse to eliminate the disabled veteran's tax, which forces disabled military retirees to give up one dollar of their pension for every dollar of disability pay they receive. The Republican budget continues to require nearly 400,000 military retirees with service-connected disabilities to continue to pay the disabled veterans' tax.

Mr. Chairman, I strongly support the Democratic budget and urge my colleagues to do the same because it will keep the promise we made to the American people—unlike the budget being served up by our Republican colleagues. The Democratic alternative will cut the deficit in half by 2007 and balance the budget by 2012. The Democratic alternative matches the Administration request for defense spending and adds funding for homeland security. We need to get back to fiscal responsibility and get the Nation's economy back on track. We need to take care of our veterans, and our children and our environment. We need to make sure our citizens have healthcare and education opportunities. The Democratic budget is responsible and sensible and I urge my colleagues, regardless of party, to support it. The Republican budget is not worthy of support by any responsible American.

Mr. SAXTON. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. Pursuant to the order of the House of Tuesday, March 23, 2004, all time for general debate has expired.

Under that order, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. BURGESS) having assumed the chair, Mr. SIMPSON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution (H. Con. Res. 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, had come to no resolution thereon.