

appropriations for discretionary accounts are enacted for contingency operations related to the global war on terrorism that, pursuant to this subparagraph, the President designates as a contingency operation related to the global war on terrorism and the Congress so designates in statute, the adjustment shall be the total of such appropriations in discretionary accounts so designated and the outlays flowing in all fiscal years from such appropriations.”.

(d) **SEPARATE HOUSE VOTE ON EMERGENCY DESIGNATION.**—(1) Rule XXII of the Rules of the House of Representatives is amended by adding at the end the following new clause: “13. In the consideration of any measure for amendment in the Committee of the Whole containing any emergency spending designation, it shall always be in order unless specifically waived by terms of a rule governing consideration of that measure, to move to strike such emergency spending designation from the portion of the bill then open to amendment.”.

(2) The Committee on Rules shall include in the report required by clause 1(d) of rule XI (relating to its activities during the Congress) of the Rules of the House of Representatives a separate item identifying all waivers of points of order relating to emergency spending designations, listed by bill or joint resolution number and the subject matter of that measure.

(e) **COMMITTEE NOTIFICATION OF EMERGENCY LEGISLATION.**—Whenever the Committee on Appropriations or any other committee of either House (including a committee of conference) reports any bill or joint resolution that provides budget authority for any emergency, the report accompanying that bill or joint resolution (or the joint explanatory statement of managers in the case of a conference report on any such bill or joint resolution) shall identify all provisions that provide budget authority and the outlays flowing therefrom for such emergency and include a statement of the reasons why such budget authority meets the definition of an emergency pursuant to the guidelines described in subsection (b).

#### **SEC. 203. APPLICATION OF BUDGET ACT POINTS OF ORDER TO UNREPORTED LEGISLATION.**

(a) Section 315 of the Congressional Budget Act of 1974 is amended by striking “reported” the first place it appears.

(b) Section 303(b) of the Congressional Budget Act of 1974 is amended—

(1) in paragraph (1), by striking “(A)” and by redesignating subparagraph (B) as paragraph (2) and by striking the semicolon at the end of such new paragraph (2) and inserting a period; and

(2) by striking paragraph (3).

#### **SEC. 204. BUDGET COMPLIANCE STATEMENTS.**

Clause 3(d) of rule XIII of the Rules of the House of Representatives is amended by adding at the end the following new subparagraph:

“(4) A budget compliance statement prepared by the chairman of the Committee on the Budget, if timely submitted prior to the filing of the report, which shall include assessment by such chairman as to whether the bill or joint resolution complies with the requirements of sections 302, 303, 306, 311, and 401 of the Congressional Budget Act of 1974 or any other requirements set forth in a concurrent resolution on the budget and may include the budgetary implications of that bill or joint resolution under section 251 or 252 of the Balanced Budget and Emergency Deficit Control Act of 1985, as applicable.”.

#### **SEC. 205. PROJECTIONS UNDER SECTION 257.**

Section 257(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by inserting after paragraph (6) the following new paragraph:

“(7) **EMERGENCIES.**—New budgetary resources designated under section 251(b)(2)(A) or 251(b)(2)(I) shall not be assumed beyond the fiscal year for which they have been enacted.”.

#### **SEC. 206. TECHNICAL CORRECTIONS TO THE BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT OF 1985.**

Part C of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended as follows:

(1) In section 250(a), strike “SEC. 256. GENERAL AND SPECIAL SEQUESTRATION RULES” and insert “Sec. 256. General and special sequestration rules” in the item relating to section 256.

(2) In subparagraphs (F), (G), (H), (I), (J), and (K) of section 250(c)(4), insert “subparagraph” after “described in” each place it appears.

(3) In section 250(c)(18), insert “of” after “expenses”.

(4) In section 251(b)(1)(A), strike “committees” the first place it appears and insert “Committees”.

(5) In section 251(b)(1)(C)(i), strike “fiscal years” and insert “fiscal year”.

(6) In section 251(b)(1)(D)(ii), strike “fiscal years” and insert “fiscal year”.

(7) In section 252(b)(2)(B), insert “the” before “budget year”.

(8) In section 252(c)(1)(C)(i), strike “paragraph (1)” and insert “subsection (b)”.

(9) In section 254(c)(3)(A), strike “subsection” and insert “section”.

(10) In section 254(f)(4), strike “subsection” and insert “section” and strike “sequesterable” and insert “sequestrable”.

(11) In section 255(g)(1)(B), move the fourteenth undesignated clause 2 ems to the right.

(12) In section 255(g)(2), insert “and” after the semicolon at the end of the next-to-last undesignated clause.

(13) In section 255(h)—

(A) strike “and” after the semicolon in the ninth undesignated clause;

(B) insert “and” after the semicolon at the end of the tenth undesignated clause; and

(C) strike the semicolon at the end and insert a period.

(14) In section 256(k)(1), strike “paragraph (5)” and insert “paragraph (6)”.

(15) In section 257(b)(2)(A)(i), strike “differenes” and insert “differences”.

Mr. HASTINGS of Washington. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The SPEAKER pro tempore (Mr. LATOURETTE). The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Ms. SLAUGHTER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this matter will be postponed.

#### **REVISING THE CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2005 AS IT APPLIES IN THE HOUSE OF REPRESENTATIVES**

Mr. DELAY. Mr. Speaker, pursuant to the order of the House of June 22, 2004, I call up the resolution (H. Res. 685) revising the concurrent resolution on the budget for fiscal year 2005 as it

applies in the House of Representatives, and ask for its immediate consideration.

The Clerk read the title of the resolution.

The text of House Resolution 685 is as follows:

#### **H. RES. 685**

*Resolved*, That the conference report on Senate Concurrent Resolution 95, and the accompanying joint explanatory statement, as made applicable to the House by section 2 of House Resolution 649, shall have force and effect in the House as though such conference report and accompanying statement included the following modifications:

(1) In section 101 (relating to recommended levels and amounts for the budget year):

(A) In paragraph (4) (relating to the deficit), the amount of the deficit for fiscal year 2005 shall be reduced by \$4,675,000,000.

(B) In paragraph (1) (relating to Federal revenues), the recommended level of Federal revenues for fiscal year 2005 shall be increased by \$12,285,000,000 and the amount by which the aggregate level of Federal revenues should be changed shall be increased by \$12,285,000,000.

(C) In paragraph (2) (relating to new budget authority), the appropriate level of total new budget authority for fiscal year 2005 shall be increased by \$14,200,000,000.

(D) In paragraph (3) (relating to budget outlays), the appropriate level of total budget outlays for fiscal year 2005 shall be increased by \$7,610,000,000.

(2) In section 103 (relating to major functional categories):

(A) In paragraph (1) (relating to National Defense (050)), the amount of new budget authority shall be increased by \$1,000,000,000 and the amount of outlays shall be increased by \$740,000,000, to improve the quality of life and provide livable housing for military personnel and their families.

(B) In paragraph (5) (relating to Natural Resources and Environment (300)), the amount of new budget authority shall each be increased by \$825,000,000 and the amount of outlays shall be increased by \$550,000,000, to provide clean water and open spaces for future generations.

(C) In paragraph (6) (relating to Agriculture (350)), the amount of new budget authority shall be increased by \$380,000,000 and the amount of outlays shall be increased by \$330,000,000, to inspect and secure our Nation's food supply and to improve economic opportunities, infrastructure, and the quality of life for rural Americans.

(D) In paragraph (10) (relating to Education, Training, Employment, and Social Services (500)), the amount of new budget authority shall be increased by \$6,075,000,000 and the amount of outlays shall be increased by \$2,430,000,000, to create opportunities for our children and young adults, and to address the needs of low-income communities and assist the long-term unemployed.

(E) In paragraph (11) (relating to Health (550)), the amount of new budget authority shall each be increased by \$1,370,000,000 and the amount of outlays shall be increased by \$530,000,000, to provide health care for children and others in need, control infectious diseases, foster medical research, and alleviate shortages of nurses and other health professionals.

(F) In paragraph (13) (relating to Income Security (600)), the amounts of new budget authority shall each be increased by \$250,000,000 and the amount of outlays shall be increased by \$170,000,000, to help States provide energy assistance to poor and alleviate the impact of refugees on State and local communities.

(G) In paragraph (15) (relating to Veterans Benefits and Series (700)), the amounts of new budget authority shall each be increased by \$1,300,000,000 (for a total of \$2,500,000,000 above the President's request) and the amount of outlays shall be increased by \$1,210,000,000, to maintain quality health care for veterans.

(H) To improve our hometown response capabilities, strengthen our borders and meet our security mandates, amounts of new budget authority and outlays for fiscal year 2005 shall be further modified as follows:

(i) In paragraph (9) (relating to community and regional development (450)), increase new budget authority by \$1,200,000,000 and outlays by \$240,000,000.

(ii) In paragraph (16) (relating to Administration of Justice (750)), increase new budget authority by \$950,000,000 and outlays by \$830,000,000.

(iii) In paragraph (8) (relating to Transportation (400)), increase new budget authority by \$550,000,000 and outlays by \$460,000,000.

(iv) In paragraph (11) (relating to Health (550)), increase new budget authority by \$300,000,000 and outlays by \$120,000,000.

(3) On page 113 of House Report 108-498, the section 302(a) allocation made to the Committee on Appropriations shall be adjusted by modifying amounts in the table titled "Allocation Spending Authority to House Committees for Budget Year 2005—Committees on Appropriations" as follows:

(A) By increasing the amount for "Discretionary Action: General Purpose: BA" and the amount for "Total Discretionary Action BA:" by \$14,200,000,000.

(B) By increasing the amount for "Discretionary Action: General Purpose: OT" and the amount for "After Section 313 Adjustments of Discretionary OT:" shall each be increased by \$7,610,000.

(4) In section 211 (relating to reconciliation in the House of Representatives), by inserting at the end the following new subsection:

"(c) REDUCTION IN TAX CUTS FOR TAXPAYERS WITH INCOMES ABOVE \$1,000,000.—The Committee on Ways and Means shall also include in the reconciliation bill reported pursuant to subsection (a) changes in tax laws sufficient to increase revenues by \$18,900,000,000, to be achieved by reducing or offsetting the tax reductions received during tax year 2005 by taxpayers with adjusted gross income above \$1,000,000 for taxpayers filing joint returns and comparable amounts for taxpayers with other filing statuses as a result of the Economic Growth and Tax Relief Reconciliation Act of 2001 and the Jobs and Growth and Tax Relief Reconciliation Act of 2003."

The SPEAKER pro tempore. Pursuant to the order of the House of Tuesday June 22, 2004, the gentleman from Texas (Mr. DELAY) and the gentleman from California (Ms. PELOSI) each will control 45 minutes.

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

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

Mr. Speaker, I rise in strong and, frankly, enthusiastic opposition to this resolution. But I should add I rise in strong and enthusiastic support for its addition to the House calendar this week.

The resolution before us, bravely introduced by the gentleman from Wisconsin (Mr. OBEY), crystallizes the debate in this country between Republicans and Democrats to a degree rarely witnessed in these days of homogenized, air conditioned, political dis-

course. And for this debate, I thank the gentleman from Wisconsin who, even in an election year, has the courage and confidence to know that vigorous partisan debates between conservatism and liberalism are all together good and healthy for American democracy.

What this resolution before us comes down to is two questions: First, are small business taxes in America too high or too low? And, second, does the Federal Government spend too much money or too little?

Now, if you pay attention, you will notice the proponents of this resolution will speak grandly about the needs for shared sacrifice and will assert that this resolution would only impact taxpayers earning more than \$1 million in 2005. It is a clever debating trick, this impression that this tax increase will only get the idle rich to pay their fair share, but it is false. As proponents of this resolution no doubt know, 83 percent of the taxpayers fleeced by this resolution report business income.

Small businesses, Mr. Speaker, sole proprietorships, subchapter S corporations, partnerships, family farms, we are not just talking about the cast of "Friends" here. Instead, we are talking about the people, the entrepreneurs, the risk-takers, the opportunity makers who are creating the jobs that are fueling what is now, beyond dispute, a full-fledged economic recovery. Indeed, these are the exact same taxpayers for whom Democrats just last week proposed cutting taxes. I guess it is just another example of Democrats voting for something before they vote against it.

Mr. Speaker, this resolution is a direct punitive attack against the men and women of American small businesses, against the owners who have risked and invested to compete in the marketplace, against the managers who have generated the economic growth of the last 2 years, and against the new employees who have leapt at the opportunities those owners and managers have created.

Hiking taxes on those small businesses, farmers, doctors, and families would immediately stifle the economic recovery that we are now enjoying, a recovery it must be noted, that is already producing government revenues greater than would have been generated without the Republican tax relief this resolution is trying to undo.

How bad would it be? Estimates suggest damage in the neighborhood of 100,000 lost jobs, \$11 billion in lost GDP, and \$30 billion in lost family income in just the first 5 years. The 12-digit tax increase that is being proposed, therefore, would only serve to increase government revenues by \$19 billion over the next 5 years, and thereby add to the deficits he says he wants to cut, add to them, in fact, by more than \$82 billion in the same time frame.

And as if that is not enough, Mr. Speaker, this resolution, after gutting the economic expansion and failing to generate sufficient government rev-

enue to meet our needs, would then go for the Triple Crown of fiscal suicide, massive spending increases.

I know Democrats often complain that Republicans try to cast them as just tax-and-spend liberals. Well, Mr. Speaker, this resolution only does two things, tax and spend. I would love to call them tax-cutting, fiscally-sound supply-siders, Mr. Speaker, but if a party wants to tax like Mondale, spend like Dukakis, and stagnate the economy like Carter, and the worst thing we call them is liberal, frankly, I think they are getting off pretty easy.

Mr. Speaker, the ideas at the very core of the proposal of the gentleman from Wisconsin (Mr. OBEY), indeed at the core of the Democrat Party today, is that the government will be making more decisions, and individuals families and small businesses should be making fewer; that Washington should have more money and more power, and the American people, they should have less. That is what the Democrats believe is what this resolution would write into law, and that is why it must fail.

Now, while I thank the gentleman from Wisconsin (Mr. OBEY) for bringing this, albeit bad idea, to the floor for debate, I must urge all Members to vote "no" and make sure American jobs, economic health, and fiscal security are protected from the bone-crushing futility of liberal economic incompetence.

Mr. Speaker, I reserve the balance of my time, the remainder of which is to be controlled by my designee, the gentleman from Iowa (Chairman NUSSLE).

Mr. OBEY. Mr. Speaker, as the designee of the minority leader, I rise in support of the resolution.

The SPEAKER pro tempore. The gentleman from Wisconsin is recognized for 45 minutes.

Mr. OBEY. Mr. Speaker I yield myself 9 minutes.

Mr. Speaker, this resolution is bringing to the House floor a debate on how best to make this country stronger and more just. The distinguished gentleman from Texas has just said that this is about raising taxes. One of the worst problems that can happen to you in Washington D.C. is when you begin to believe your own baloney. That is not what this resolution is about.

The situation is very simple: we have a war. That war by next year will have cost us \$250 billion. And the question is, how are we going to pay for it? We have two choices. One is to charge the bill mostly to our kids by raising the deficit, which is what is happening, and along with that making every American pay through the nose with less security for our homeland on our borders, in our ports, in our air ports, less security for veterans who are not receiving adequate health care, less educational opportunity for middle-class families because of budget squeezes, less health coverage for hundreds of thousands of children all over this country, less help for workers who are

out of work; or will we choose the other way, as this resolution seeks to do.

Will we choose to ask the most well-off 200,000 people in this country, less than 1 percent of all taxpayers, will we ask them to make the supreme sacrifice? Those who make more than \$1 million a year, will you ask them to make the sacrifice of limiting their tax cut to \$24,000 on average rather than the \$120,000 average that they will otherwise get under the existing budget of this House? I think the answer is quite clear.

I plead fully guilty to wanting to see the most privileged and blessed people in this society accept a somewhat smaller tax cut in order to provide greater opportunity for others in society to get the basic requirements on education, health care, veterans health care, and the rest.

□ 1145

Now, this resolution is very simple. It raises over \$18 billion by limiting the average size tax cut for persons who make more than \$1 million a year to about \$24,000 a year. That is what the average tax cuts will be for someone who makes between \$500,000 a year and \$1 million. We are asking those that make \$1 million to live by that same amount. That is hardly an outrageous sacrifice.

We then use 25 percent of that money for deficit reduction. We use the remaining \$14 billion to eliminate the real reductions in domestic appropriations that are contained in the President's budget. If this amendment is adopted, we will simply be adjusting education, health, veterans programs and all the rest by the amount that is equivalent to inflation plus population growth. That is all. We would get back to a standstill level on that score.

We put \$3 billion into homeland security. Why? Because the Hart-Rudman Commission told us we have a need of \$190 billion at the local level, and we have only met 15 percent of that need so far. We do it because only 13 percent of fire departments in this country are equipped to handle a full-blown hazardous material attack. We do it because only a tiny fraction of cargo in passenger planes is presently inspected for explosives. We do it because we have some 2,000 fewer people on the northern border protecting our border than the PATRIOT Act told us that we would have. We do it because only 20 of the most important 45 ports in America which ship goods into the United States have adequate inspection systems to make certain that there is not nuclear material or explosive material in ships that come to our shores.

We then put \$1.3 billion into veterans health care so that we can cut the claims backlog of 327,000 veterans so that we can shorten the waiting time of veterans at VA hospitals, so that we can strengthen critical mental health services for returning veterans. We add \$1 billion to military housing because

more than 120,000 of military families in this country serve in lousy housing, and they deserve better.

We put \$5.7 billion into education to close the gap between what this Congress promised it would provide local schools and what it is actually giving them. We put a billion and a half dollars into Title I so that 500,000 more poor kids and disadvantaged kids can get better instruction in reading and math.

We put \$1.2 billion into special education so that local school districts will receive more help from the Federal Government to meet Federal mandates to educate every disabled child. We put \$300 million in in order to help 400,000 more children receive adequate child care and after school care.

We put \$2 billion in so that we can increase Pell grants to help those who otherwise could not afford to go to college. We want to increase the maximum grant by \$450. Pell grants today pay only for 35 percent of the cost of instruction at a 4-year university. Twenty years ago they paid for 75 percent. Can we not do better than that?

Then we use \$200 million to provide additional employment and training opportunities for people who have lost their jobs. We also address a number of other matters. We fund a number of other programs that are high priority programs, as demonstrated by the letters from the minority side as well as the majority side of this House to our own committee, asking that our committee provide funding for these programs.

So that is what we do, and I would ask support for this resolution, and I repeat the same thing that I said when I began. We have one choice. We can either pay for this war by shoving the bill to our kids and by cutting back on educational opportunities, cutting back on veterans health care, cutting back on decent housing for the military, squeezing dangerously our homeland security expenditures, or we can ask the most well-off, the most prosperous people in this country to share a little bit more of the load by limiting the size of their tax cut to \$24,000 rather than the average \$120,000 tax cut they would ordinarily get.

I believe the majority of those people are patriotic enough to say, "Do it, we do not need that extra supersized tax cut as much as this country needs to have its fiber strengthened by providing the investments that I have just talked about." I would urge a "yes" vote for the resolution.

The SPEAKER pro tempore (Mr. LATOURETTE). The gentleman from Iowa (Mr. NUSSLE) is the designee of the majority leader.

Mr. NUSSLE. Mr. Speaker, I yield myself 1 minute before I yield to the gentleman from Ohio.

Mr. Speaker, I hear from Members on both sides of the aisle that this is really a waste of time today. It is kind of a silly exercise. We ought to be having appropriation debate on the floor. We

have got appropriations bill that are waiting in line with no prospect of getting them done on time this year, and yet we have got to do this.

I hear from some that this is really an exercise as a price to prevent obstructionism on the floor for consideration of appropriation bills, that if we do not debate that, somebody is going to obstruct the floor.

Regardless, let me say a couple of things. There is a budget. The House has deemed the budget. We await consideration in the other body of the budget, and this is a nonbinding resolution that we are about to talk about for the next couple of hours here instead of talking about appropriation bills, but I guess we are going to go through this exercise.

As the majority leader said, we are going to have some fun because we get to point out our differences, but let us just face it. This is a nonbinding, somewhat silly exercise, but we are going to go through the process and talk about the differences.

Mr. Speaker, in order to do that, I yield 5 minutes to the gentleman from Ohio (Mr. PORTMAN), a member of the Committee on Ways and Means and a member of the Committee on the Budget.

Mr. PORTMAN. Mr. Speaker, I thank my chairman for allowing me to speak this morning, and it is true, this is a non-binding exercise. On the other hand, it is a very important debate, and it is a philosophical difference.

I appreciated the comments from my colleague from Wisconsin talking about the need to get the deficit down. I think what we have learned over the last couple of decades is the only way to get the deficit under control is to grow the economy and restrain spending. We learned it in the 1990s. We are relearning it now, and what is exciting to me is the fact that part of that, which is restraining spending, we are doing with regard to the budget and the budget that the House passed and based on the deeming resolution will keep our spending under control in the House this year. That is very important, keeping spending at about 4 percent, trying to keep it close to what the family budget is is extremely important.

Second, we are growing the economy, and there is an incredible story out there. It is probably the most under-reported story of the year. The only economic indicator that is not improving right now is what we are hearing from the other side of the aisle about the economy. Jobs are increasing, fastest growth in 20 years. The unemployment rate is now 5.6 percent in this country, down from 6.3 percent. That makes it lower than the average unemployment in the vaunted 1990s, in the 1980s or the 1970s. People are going back to work.

Just last month, we created over 225,000 new jobs in this country. We have created over 1.4 million jobs in this country in the last 9 months. People are going to work, and not only are

jobs increasing but they are good jobs. Wages are going up. Wages are going up faster than they did in the 1990s. We are seeing actual take-home pay going up. We are seeing productivity high, inflation low, interest rates are low. We are seeing the economy that is the envy of the rest of the industrialized world.

Part of the reason for that, I believe a big part of it, is that this Congress has taken the right steps in terms of fiscal policy, keeping spending under control and growing the economy by smart tax relief that provides incentives for growth. That is what the Bush tax cuts were all about. That is what is under attack today.

If my colleagues are to vote for the gentleman from Wisconsin's (Mr. OBEY) amendment, my colleagues are showing that they have a philosophical difference with that. Instead, my colleagues believe that just as the economy has turned, just as jobs are coming back, just as we have seen real growth and real wages, that we ought to be repealing the very tax relief that has led to that. I do not get that.

Here is a chart showing that today there are more Americans working than ever before. Employment is at a record high in May of 2004, 138.8 million people. Here is what unemployment would be without the tax relief that we passed in the last 3 years. Again, 5.6 percent unemployment today. Without the tax relief, we believe it would be over 7 percent. Now, what does that translate into? Over 2 million jobs. Over 2 million jobs.

I just think it is crazy that at the point at which we are turning the corner, we are bringing back jobs, things are going so well, that again the rest of the world is looking up and saying now America is the engine of economic growth again, that the people back home who punch a time clock every day are seeing their wages going up, that we would want to jeopardize that.

Increasing spending is, again, a philosophical divide. We can talk about whether we should be increasing spending within the allocation we have for homeland defense, intelligence and so on as we did yesterday on the floor of the House, but let me show my colleagues what would happen with the gentleman from Wisconsin's (Mr. OBEY) amendment.

He said it is an increase in spending of about \$14.2 billion next year. Well, over a 10-year period, that is \$150 billion. Here is the spending increase that is in the legislation that is before us today or in the resolution before us. Again, we are not going to get the deficit under control unless we restrain that spending. Adding another \$150 billion over 10 years is not the solution, \$194 billion over 10 years. It is more than 150.

Now, let us talk about the tax increase. The tax increase, the gentleman from Wisconsin (Mr. OBEY) said, is \$18.9 billion in fiscal year 2005, and it is, but we have to take that over

10 years, too. Let us look at the 10-year number there. We are talking about individual income tax increases by \$269 billion, over \$250 billion over the next 10 years.

I know, again, we have a philosophical difference on who should be paying. Let me just make the point that if those tax returns that the gentleman from Wisconsin (Mr. OBEY) talked about, that he wants to affect, over 75 percent of those tax returns have business income. Why is that? Because 90 percent of small businesses in this country are not C corporations. They are so-called pass-through entities. What does that mean? They pay taxes at the individual level.

So part of what my colleagues are doing, there is no free lunch around here. When they are saying they are going to go after the rich, who are they going after? They are going after a lot of businesses. These are the entrepreneurial businesses, the small businesses that are pass-through entities, so-called subchapter S companies, sole proprietors, LLC companies, partnerships that are creating the jobs out there.

Look, in our districts, it is not the large companies that are creating these net new jobs. It is these companies that are taking a risk, that are pass-through entities. Ninety percent of small businesses pay taxes at the individual level. We are hitting them hard if we do this.

Again, let us not take this risk. Let us go back to what we know works. Let us restrain our spending. Let us grow this economy. Let us not go back to taxing and spending. That does not work. It is going to hurt our economy. It is going to hurt the very workers the gentleman from Wisconsin (Mr. OBEY) said he would like to help.

Mr. OBEY. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from New York (Mr. RANGEL), the ranking member of the Committee on Ways and Means.

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

Mr. RANGEL. Mr. Speaker, first let me thank the gentleman from Wisconsin (Mr. OBEY) for giving us an opportunity to define who we are as a Congress. There are some who truly believe that we are going through a political period of polarization and disdain for each other and that this is corrupting the system. That may be so, but I think we might look at it in a more optimistic way is that we are making it abundantly clear to the American people, especially those who decide not to participate politically, that they will never, never be able to say this year that there is no difference between Republicans and Democrats, and I think that this is so important.

We do not need lectures on Economics 101. All we want to know is are you working, do you have health care and do you think you are getting a fair

shake from the government, and not as a Democrat, but also as an American, I would also add, and do you think our kids in the Armed Forces and our Reservists and the National Guard are getting a fair shake? Are we doing all that we can to protect them?

□ 1200

I do not really think people are going to be looking at our label, Democrats and Republicans; but they want to know what we stand for. If some of you believe that it is more important to excite the economy by finding the wealthiest people in America, that God has already blessed and given them large incomes, that by exciting them that you are helping the guy looking for a job, do not explain it to us. And do not get annoyed with us if we do not understand it.

Explain it to the people out there listening to us each and every day. Ask them whether or not the Republican majority has made their life any easier. Ask them why over half of the budget is appropriated for things that do not concern education and health care and improving the quality of life. Ask them whether or not they are prepared, given the opportunity, to pay for it.

I really, truly believe, from the bottom of my political heart, that most Americans are willing to say, if you can make this great country of ours better educated, if you can make them healthier, if you can make them more productive, then this is what I do not mind spending my dollars for.

If you believe that obligation is not a national obligation, but should be one that should be picked up by local and State governments and charitable organizations, even as the IRS steps up the investigations of not-for-profit organizations, then, for God's sake, between now and November do not change your minds. Stick to your guns. Provide the tax cuts for the rich, and let those people who are not as fortunate fend for themselves. If they cannot do it, let the mayors do it. If they cannot do it, let the government do it. And if they cannot do it, vote with your feet and forget about them.

We have to vote for the bottom line, as you say, and that is profits. So stick with your guns, and we will be here to publicize your position every chance we get. And that is why we appreciate the gentleman from Wisconsin (Mr. OBEY). He is not saying tax and spend, he is saying invest and give Americans an opportunity to have the revenues to do it.

For those of us who have grandchildren, we wonder what we can say, if we live long enough and they ask us, well, granddad, what were you doing when they sold away our country? What were you doing when this debt increased to such an extent that you knew that they were leaving it for me to pay? Well, the gentleman from Wisconsin (Mr. OBEY) has given us a chance to say what we would do is to vote against those injustices.

It is wrong. It borders on being corrupt. And the people understand what this body is all about. Thank you, thank you, thank you, Mr. OBEY.

Mr. NUSSLE. Mr. Speaker, I yield 3 minutes to the gentleman from Florida (Mr. MARIO DIAZ-BALART), a member of the Committee on the Budget to continue the debate on the Democrat increase-taxes-and-spending proposal.

Mr. MARIO DIAZ-BALART of Florida. Mr. Speaker, I was moved by this last speech. I really was. It was beautiful rhetoric and impressive rhetoric. But what I have learned here since I have been in D.C. is there are some Members of the Democratic Party who just will not let the facts confuse the issue.

Let us look at some of those facts. You see, there is a huge difference, I agree with the gentleman from New York who has just spoken, there is a huge difference between the two parties; and these are the facts. The big difference is that our friends in the minority party will find every opportunity to raise the taxes of every living American. No, no, let me correct myself. Not only every living American, but they will even try to raise taxes of Americans who have died, at every single opportunity, including a non-binding resolution that will do absolutely nothing, by the way, if it were to pass. But they just cannot help it. They have to try to raise taxes on every single hardworking American family and every single hardworking American business and every single small business, which are the ones that create the jobs in this country.

This resolution would raise taxes by almost \$19 billion, with a B. billion dollars in just 2005. It would increase spending by \$14.2 billion next year. And according to the Joint Committee on Taxation, this resolution, again which is nonbinding, would be equivalent to a tax increase of \$4.62 on those families and those small businesses in this country. And, again, that would cause possibly the loss of 130,000 jobs.

They keep saying, well, some of these people can afford that tax increase. But how about those 130,000 people who would lose their jobs if this were to happen? Can they afford more taxation? Can they afford this kind of resolution? The answer is no.

But, you see, they are consistent. Democrats are consistent. They are consistent because they offered three amendments to the Republican budget that would have raised taxes by over \$100 billion. They offered alternatives to major legislation just last year that would have added close to \$1 trillion to the deficit. And yet their rhetoric is beautiful. Actually, it is very nice. Mine cannot compare with that.

This is right off the page of Senator JOHN KERRY: raise taxes, increase spending, decrease the family budget in order to grow the Federal budget, in order to hire more bureaucracy, more bureaucrats up here.

American families and American small businesses do not need more tax

employees. American families do not need more bureaucrats taking more money out of their hard-earned pockets to send to D.C. It is their money, not the government's money.

What they need is for us to continue growing this economy. And the way to do it, and it has been proven, is cutting taxes, cutting taxes like we have done. That is why the economy is doing well. We do not need tax increases on every American. What we need is to, again, continue to have sound fiscal policy.

Mr. OBEY. Mr. Speaker, I yield myself 30 seconds. Let me simply say, Mr. Speaker, that this is no less binding than is the budget resolution passed by the Republican majority.

Let me also say that we have heard a lot of concern about small business. I would like to see how many small businesses in each of our districts have profits of \$1 million per owner to qualify under this bill.

Thirdly, we are not raising taxes; we are asking people who make \$1 million a year or more to limit themselves to a \$24,000, on average, tax cut, which is still 25 times as much as the average person in this country making \$50,000 a year will get.

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

Ms. PELOSI. Mr. Speaker, I thank the gentleman for yielding me this time and for his exceptional leadership in this House on behalf of America's working families. He is a champion for middle-class families in our country, and once again that is reflected in the initiative that he has put forth today. Democrats are united behind the gentleman and his efforts.

As we all know, the budget should be a blueprint for meeting our obligations and moving forward as a country. But the Republican budget is a blueprint for disaster. Today, thanks to the gentleman from Wisconsin (Mr. OBEY), we have an opportunity to have a real impact on the budget. We have a chance to correct some of the imbalance in the Republicans' distorted priorities.

This vote matters. Congress will choose between giving tax cuts to people making over \$1 million a year or making critical investments in homeland security, education, our veterans, health care, and the environment.

Mr. Speaker, we all know, and it has been said over and over again on this floor, that our budget should be a statement of our national values. What is important to us as a country should be reflected in that budget. So I ask my colleagues, is it a statement of your values to give a tax cut, an additional tax cut to people making over \$1 million per year and leaving children behind because they are not receiving the proper education? Would you rather give a tax cut to people making over \$1 million a year or would you rather improve education by adding \$1.5 billion for disadvantaged schools, putting us on a path for full funding of the No Child Left Behind?

If the Republican budgets had prevailed over a 10-year period, nearly \$20 billion would have been spent on education, and they can see this. It is below the line for every year except fiscal year 2002, and it is just slightly above the line. Ask any economist, and certainly Bob Rubin would attest to this, educating the American people is the best investment that we can make, certainly from a humanitarian standpoint; but from a practical budgetary and fiscal standpoint nothing brings more money into the Treasury than educating the American people.

Early childhood, K through 12, higher education, post-grad, and life-time learning brings more money into the Federal Treasury than any tax cut or anything that you can name. And yet, and yet, the Republicans reject that, despite what it does for the growth of our country, what it does to bring money into the Treasury, and, instead, want to give tax cuts to people making over \$1 million a year.

Is it a statement of my colleagues' values to give a tax cut to people making over \$1 million a year instead of improving veterans health care and shortening waiting times at VA health care facilities? The Paralyzed Veterans of America call this bill vital. They call this bill vital because, instead of those tax cuts, it truly honors our veterans. We talk a lot about veterans on this floor and how we honor their service to our country, but we dishonor them if we say they do not get the proper priority they should have; that we do not value them in our budget.

Is it a statement of Republican values that in this time of uncertainty in terms of our homeland security to give a tax cut to people making over \$1 million a year instead of improving our homeland security; adding \$3 billion to give our first responders the equipment and training they need to increase security at our ports and at our airports? Most of the wealthy people I know who make over \$1 million a year say they do not need the tax cut, and they would rather have investments in America's children and in America's security. They know that it comes to them at a cost to our society.

This bill is also fiscally responsible. What the gentleman from Wisconsin (Mr. OBEY) has proposed would reduce the deficit by almost \$5 billion. That would be about 25 percent of this money that comes from these people making over \$1 million a year. He has investments in education, in veterans, in homeland security, in the environment, and a major investment in deficit reduction. What happened to the Republican deficit hawks? Have you become an endangered species?

Let us be clear. This bill does not raise taxes. The previous gentleman from Florida spoke about this raising taxes on every living being. If everybody he knows makes over \$1 million a year, maybe that is the circle he travels in; maybe that is his awareness of society. But it simply ain't so. And the

gentleman is right, the speaker previous to him said "there ain't no free lunch." There certainly is not. We should be paying as we go, and we will be addressing that in the substitute of the gentleman from South Carolina (Mr. SPRATT) later.

But let us be clear that this does not raise taxes. It does make major investments in our education, health care, homeland security, and environment. It does reduce the deficit by nearly \$5 billion, but it does not raise taxes. It halts a future tax cut, for those, again I keep repeating, making over, making over \$1 million a year, and stopping the fiscally irresponsible giveaway of \$19 billion next year to those who need it least.

And let us be equally clear, we would not spend one penny more than the Republicans would. We just spend it differently. They have passed an ill-conceived Medicare bill that will cost taxpayers \$534 billion and which gives \$149 billion in windfall profits to big drug companies. They have chosen to ignore a bipartisan approach to pay as you go.

Today, we see the stark difference between the two parties: Democrats are focused on the aspirations and the needs of all Americans; Republicans are solely focused on tax cuts for the wealthy few, many of whom, as I have said, realize that these tax cuts for them take a tremendous toll on society in general.

□ 1215

The gentleman from Wisconsin's bill is a fiscally sound bill that invests in the American people. I urge my colleagues to support this bill.

Mr. NUSSLE. Mr. Speaker, I yield myself 30 seconds to read the last line of the bill. The minority leader may want to read page 5 of the resolution she just defended. It is not a tax increase? My goodness. What does "changes in tax laws sufficient to increase revenues by \$18 billion" mean? I heard one time if it walks like a duck, it looks like a duck and quacks like a duck, it might be a duck. This is a tax increase.

Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. BRADY), a member of the Committee on Ways and Means, to talk further about this Democrat tax increase resolution.

Mr. BRADY of Texas. Mr. Speaker, I know that this resolution is offered in good faith, but this is just a terrible idea for America. It offers something for nothing, like we often do here in Washington, D.C. We say, let's tax a few people behind the tree over there, the super wealthy, and then let's give everyone else in America something good. It almost sounds like a lot of things, too good to be true, and it is.

Let us start with the tax increase. They will tell you it is for the super wealthy, but eight out of the 10 people that they propose to tax more are just small businesspeople. Eighty-three percent of those in this category are small businesspeople who do not file as big

corporations but rather as individuals like you and me. And so we are not talking about taxing Bill Gates. We are talking about taxing Bill's dairy farm, Bill's print shop and Bill's grocery stores. Make no mistake, when we tax them more, we will send 130,000 Americans out of their jobs, out of work because we chose to tax these small businesses at a time we are just recovering our economy as a Nation.

And then it promises spending increases on good things, no question about it. But here is the catch. The tax increase is for 2 years. The spending goes on forever. At the end of 10 years, not only have we cost 130,000 people their jobs, we have added \$130 billion to the national debt. 130,000 jobs we lose, \$130 billion we add to this debt. This is a terrible idea.

I will finish with this. What we ought to be doing is cutting wasteful spending up here. In Washington, every program duplicates five others. We have got 340 economic development programs stretched across 13 different agencies. We waste your money just horribly. If we want to increase spending on certain areas, I am all for it as long as we cut out the horrible waste we have. The bottom line is Washington has all the money it needs, it just does not have all the money it wants, and it needs to learn the difference.

Mr. OBEY. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from South Carolina (Mr. SPRATT), ranking member of the Committee on the Budget.

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

Mr. SPRATT. Mr. Speaker, we have sat here for 3 or 4 years and watched tax cuts erode away the surplus and then, after the surplus was gone, watched tax cuts add to the budget deficit. We have asked ourselves where are we headed? What is the point of all of this? And we have suspected, long suspected, that the next step was to take us to the stage we are in now where we will hear increasingly, we just don't have the funds to meet our obligations for veterans' health care, we don't have the funds to fund education at the level we promised when we passed the Leave No Child Behind bill, and the pitch will be that all of this has been forced upon us by some outside events and we can't help it, we simply have to conform the budget to fiscal reality.

Well, we do have a choice and this bill today shows us in one clear illustration what that choice is. We have a choice. It is not inevitable that we cut veterans' health care. It is not inevitable that we do not fully fund education or health care generally. We have a choice. We can move around, just a little bit, \$18.9 billion and do a world of good. Where does the money come from? From those making over \$1 million. How much do we take? \$18.9 billion and still leave them a tax cut. And where does it go? \$4.7 billion goes

to deficit reduction. \$14.2 billion goes to various selected needs.

Let me give my colleagues just a few examples. Veterans' health care. Our own Veterans' Committee tells us we have funded veterans' health care at \$1.3 billion below what is needed to meet our obligations. We have promises to keep and surely this is one we could keep, should keep, to our veterans. Selected pay increases for junior officers and senior NCOs. We did not fund it this year. We could fund it with this bill.

Education. We passed a bill called Leave No Child Behind. We set a high level because we were imposing mandates on school districts across this country. We promised them money. We are \$8.8 billion below the level that we set for ourselves in passing Leave No Child Behind.

Homeland security. There are a host of unmet needs here. We are skating on thin ice. One is port security, funded at all of \$124 million in this year's bill. That is twice what the administration requested. The Coast Guard tells us they need \$5.8 billion over the next 10 years. We are not on that track. We can at least provide more for needs like that, glaring needs in that particular area.

After 9/11, one of the questions quickly raised was what about the fire next time? What if this had been a radiological attack or a biological attack? A number of Members went down to CDC, the Centers for Disease Control, in Atlanta. They were really troubled when they saw those facilities and security at that facility in particular. So what do we do with CDC this year? The budget request from the President called for a \$410 million cut in CDC. This amount of money would allow us to plus it up.

Allied health care professions. We all know there are acute shortages of nurses coming up. The President's request this year cuts allied health care professions by 64 percent. Will this money be used better? Will it do more good for more people if we take some away from those whose AGI, adjusted gross income, is above \$1 million and put it to these pressing needs? You better believe it will. That is why we should vote for this bill.

Mr. NUSSLE. Mr. Speaker, to continue the debate on this small business job-killing bill, I yield 2 minutes to the gentleman from Texas (Mr. HENSARLING), a member of the Committee on the Budget.

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

Mr. Speaker, since coming to Congress, I have heard a number of bad ideas, but I cannot think of one worse than raising taxes on small businesses in America, the job-creating machine in America.

Let me just give you one example of why this is such a bad idea. Recently I was in Jacksonville, Texas touring a plant, Jacksonville Industries, a zinc and aluminum die cast business. Because of competitive pressures, they



were considering laying off two of the 22 workers that they had. But thanks to President Bush's economic growth program that we passed in this House, that tax relief for that small business enabled them to buy a new piece of machinery, I could not tell you what its name is, I could not tell you what it does, it is big, it makes a lot of noise, but most importantly, it makes them more efficient. And instead of having to lay off two people, they hired three new workers in just one plant in one small town in Texas, thanks to tax relief. That is five people who could have been on welfare, five people that could have been on unemployment. But instead it is five people with good, productive, tax-paying jobs.

Mr. Speaker, we have a choice today. We can choose to continue the historic economic growth we have seen over the past year or we can turn back the clock to recession and stagnant growth. We can choose to keep creating hundreds of thousands of new jobs or we can send Americans back to the unemployment line. We can choose to limit the growth of government or we can expand the Federal bureaucracy by another \$150 billion over the next decade.

Mr. Speaker, thanks to tax relief that Congress has passed, our economy is growing at the fastest rate in two decades. Thanks to tax relief, we have created 1.4 million new jobs since last August. Thanks to tax relief, the stock market is up, incomes are on the rise and the national rate of homeownership is at an all-time high.

Mr. Speaker, I urge all of my colleagues to choose tax relief. I urge all of my colleagues to choose economic growth. I urge all of my colleagues to choose jobs for American families and soundly defeat the Obey amendment.

Mr. OBEY. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from California (Mr. GEORGE MILLER).

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

Mr. GEORGE MILLER of California. Mr. Speaker, it is unfortunate that we are forced to debate these very important topics within a nonbinding resolution, but the public ought to know that we are forced to debate these topics within a nonbinding resolution because of the corruption of the process by the Republican leadership in this House where we cannot debate these same items in the budget resolution.

Yesterday we saw that they would not face up to the debt limit extension, so they had to hide it in the defense bill to be added someday in the dark of night in some conference committee in the future. We have seen the corruption of legitimate debate and the exchange of ideas on the floor of the House. I do not know if the Republicans would really want the American public to know that over the last 10 years, the House Republicans have voted for \$20 billion less in education

spending than was finally appropriated by the Congress of the United States. I do not know if the Republicans really want in real debate the public to know that the House Republicans have decided that we will never have full funding of special education, special education that is very expensive for the school districts of this Nation, where school boards and superintendents and parents and children have come and lobbied this Congress and we have a bipartisan coalition to vote for full funding of special education.

But the Republicans will never get there. They have turned back the promises, they have turned back their votes of the past, they have decided they will add \$1 billion a year to special education, and that means we will never get to the promise we made to this country of full funding. The gentleman from Wisconsin adds another \$1.2 billion to that and in 6 years we would achieve the goal of full funding and take the pressure off those school districts to increase taxes at the lower level, but more importantly to be able to provide them the resources necessary for the education of those children with special needs.

I do not think the Republicans want to have a real debate about their position on the Pell grants that they have frozen over the last 3 years after the President of the United States promised that these young people would have access to a Pell grant to help them achieve their college education. But the Republicans do not really want to have a real up or down vote on increasing the Pell grants. Once again, they have promised to do that, they simply do not want to get caught voting against that promise, so they have us in a nonbinding resolution.

I do not think the Republicans want to get in a real vote on whether or not they are going to fully fund No Child Left Behind, where currently they are \$29 billion behind the curve that they have promised America's schoolchildren, their parents, their families that they would provide because we have provided the most significant reforms in the last 35 years in Federal education policy.

What does that mean? That means that if they do not adopt this resolution, and it is nonbinding, that means that 500,000 low-income children will not get the academic assistance that they need. That means that over 350,000 children will not have access to after-school care that they need where they get tutored and they get mentored and they get academic help. That means that thousands of teachers will not complete the process by which they become highly qualified teachers in the classrooms of our children. So another year goes by and thousands of more teachers enter the classroom without the professional development, without the credentials, without the certifications necessary to provide a first-class education to America's children.

The Republicans have so corrupted the process that they can continue to

make the promises to the public that they are for full funding of No Child Left Behind, they are for increasing the Pell grants to \$5,100, they are for full funding of special education, but they do not have to deliver on them because they hide their budget in a conference committee. It was due out here weeks, months ago, it has not been passed, so they deemed a budget, not a budget that they voted on, they just deemed a budget. What incredible dishonesty in the face of the needs of America's families and children to acquire a good education to participate to the full extent of their potential in the American society and in the American economy. What corruption. What dishonesty by the Republican leadership.

Mr. NUSSLE. Mr. Speaker, I yield 4 minutes to the gentleman from New Jersey (Mr. GARRETT), a member of the Committee on the Budget, to continue the debate on this more-money-solves-all-problems proposal.

□ 1230

Mr. GARRETT of New Jersey. This amendment, and furthermore any move that would raise taxes on American workers and businesses, is going to reverse the positive effects of the progrowth economic initiatives that this House passed just last year. Those initiatives were the largest tax relief since Ronald Reagan. The U.S. economy is strong, it is growing stronger, and it is proving that the Republicans' clear, comprehensive progrowth agenda is working for America.

This Republican-led Congress understands that the best way to expand the economy and further great jobs is simply to leave more money in the hands of the people who earned it.

Now, if the Democrats do not believe this, all they have to do is look at the negative effects that States such as California, the Democrats there have spent with the tax-and-spend policies, it has had on that State.

California's tax and regulatory structure crippled that State. In 1 month alone, California lost 21,000 jobs, more than any other State, more than the rest of the country combined. When you compare that to other States, the once invincible California economy was suffering from competitiveness crisis.

Simply this, when taxes are raised, businesses leave, and jobs and wages are lost, negatively affecting the economy.

This week in my home State of New Jersey, the Democratic Governor, Jim McGreevey, passed what he is calling the millionaire's tax, a tax increase on New Jersey taxpayers. It is set to increase the marginal tax rate by 41 percent, the fifth highest now in the country. It is really a Robin Hood-like grab Democratic Governor Jim McGreevey has taken from these taxpayers, money that the Federal tax relief measures that we passed before restored to them, that were put in place by this Republican Congress to spur the economy along.

The Democratic Governor, Jim McGreevey justified his scheme of this millionaire's tax by saying, "I will only tax that which the rich have gotten back from the Bush tax cuts."

Well, now the gentleman from Wisconsin wants to eliminate that Bush tax cut altogether. So I ask, when is enough enough? The Democrats really are speaking from both sides of this argument, and they have shown their true colors: if given an inch, they will take a mile.

The small business owners of New Jersey, they are the ones who have spurred on the economy, and it was due to the tax cuts initiative of last year. And now under this initiative in our own State, they would lose the State tax cuts, and now by the initiatives on the other side of the aisle, they would lose the Federal tax cuts as well.

So I say to the Democrats in my home State of New Jersey in Trenton, and the Democrats in Washington as well, I say stop killing the Nation's economic recovery. No more taxes.

Mr. Speaker, the Democratic Governor of New Jersey's, Mr. McGreevey, move to take away this tax savings will wreak havoc on the positive economic upswing that is occurring right now in my home State of New Jersey. As a matter of fact, the Center For Policy Research in New Jersey has shown that the tax cuts that we are talking about now will result in 28,000 jobs lost in the next 5 years, proving that this tax hike will only hurt the people of New Jersey.

Today, many of the new jobs that are created in New Jersey are by employers that were fleeing to the other States' higher tax levels. Businesses will flee now out of New Jersey, just as businesses fled out of California.

With this amendment on the other side of the aisle, we will now be raising taxes across the entire country, and the question will be, where are we telling businesses to flee to, then?

I would ask the sponsor of this amendment and Governor McGreevey, the Democrats in New Jersey as well, to take a look at the crippling effects that their policies have had in New Jersey and California and to say let us have some common sense to leave our economic recovery alone and let the people keep their own money. I urge my colleagues to vote against the amendment.

Mr. OBEY. Mr. Speaker, could I inquire how much time is remaining.

The SPEAKER pro tempore (Mr. FOSSELLA). The gentleman from Wisconsin (Mr. OBEY) has 23½ minutes remaining. The gentleman from Ohio (Mr. NUSSLE) has 21½ minutes remaining.

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

Mr. HOYER. Mr. Speaker, the Republicans in this House believe if you say something enough, long enough, somebody somewhere will believe it. I have

heard on this floor somebody refer to the famous Russell Long, who said, "Don't tax me. Don't tax thee. Tax the man behind the tree." They did so, of course, properly with derision, and the public who hears that must hear it with derision as well; but my friends, the Republicans have found out how to do that; and during the 8 years of the Reagan administration, they plunged this Nation deeper and deeper and deeper into debt, and during the 4 years of the Bush One administration, they plunged this country deeper, deeper, deeper into debt.

And then in 1993 those Republicans who were here came on the floor and said those Democrats are proposing a program that will plunge us deeper into debt, cause large unemployment and destroy our economy. You have heard me say it before on the floor. They were 180 degrees wrong, absolutely, incontrovertibly wrong. And they are wrong today.

The Republicans have said charge overseas. Spend more money overseas, \$25 billion in a bill just yesterday. Did we pay for it? We did not. Who was the man behind the tree who will pay for it? My three daughters and my three grandchildren. They are the man behind the tree. They will pay this bill, because you continue to spend. You spend more than was spent before. You create more debt than was created before. In fact, in the last 4 years of the Clinton administration, we never once raised the debt. Not once. Because we had a responsible economic policy. But you will raise it \$2.1 trillion in 4 years. That is a pretty stark difference, my friends.

What the gentleman from Wisconsin (Mr. OBEY) says is we need to invest in America. If we are going to invest overseas, if we need to help the people in Iraq, that is fine, but do not leave behind America's children. Do not leave behind America's veterans. Do not leave behind America's infrastructure while we help those overseas.

That is what the gentleman from Wisconsin (Mr. OBEY) is saying. And the gentleman from Wisconsin (Mr. OBEY) is saying, yes, we have a problem. Terrorism needs to be confronted, needs to be defeated, and America needs to be kept safe. So what does the gentleman from Wisconsin (Mr. OBEY) say?

Let us follow what the gentleman from Florida (Mr. YOUNG), the Republican chairman of the Committee on Appropriations and the gentleman from Wisconsin (Mr. OBEY), the Democratic ranking member, said we ought to do 2 years ago: invest further funds in the safety of our people here in America. Invest in homeland security.

Mr. Speaker, we have heard it and the public has heard it. Eighty-three percent of the small businesses are going to be affected by that. That is baloney, baloney. That is the politest word I can think to use at this present period of time. The IRS says there are 3.8 percent of small businesses who

claim more than \$1 million in taxable income. That is almost as much of a mistake as you made on your Medicare bill and almost as much of a mistake as this administration made in terms of telling us how much their Medicare bill was going to cost. They only missed by 25 percent.

And we heard about waste, fraud, and abuse, as if somebody else is in charge of Washington. For 40 months, 40 months, the Republicans have had the Presidency, the Senate, and the House; and there is still waste in Washington.

What is wrong with your administration? We have a larger infrastructure than we had when you took office. You talk about smaller government. It was smaller under President Clinton.

Mr. Speaker, vote for the Obey amendment. Vote for honesty and investment in America and Americans.

Mr. NUSSLE. Mr. Speaker, to continue our debate on this Democrat increased-taxes bill, I yield 4 minutes to the gentleman from Georgia (Mr. BURNS).

Mr. BURNS. Mr. Speaker, I thank the chairman for yielding me this time.

I have heard a lot of baloney, and there appears to be a good bit in the House. I have great respect for the minority whip, but there is beef in the gentleman from Wisconsin's (Mr. OBEY) job-cutting proposal.

This is about jobs. This is about taxes. This is about spending. And I have only been here a short time, but this has got to be one of the worst ideas I have ever seen come from our colleagues across the aisle. It is bad for the Nation. It is bad for working America. We are going to cut the heart out of a recovering economy. We are going to destroy the momentum that we are enjoying all because the Democrats want to tax, and they want to spend. They want to tax, and they want to spend. And they want to do it at America's expense. At America's expense.

Just last week, just last week, they were complaining about our not doing enough to create jobs. We created 1.1 million jobs just this year. They want to take away that momentum.

It really is about the people who create jobs, the small businesses, the farmers in the 12th District of Georgia. It is about people who create jobs; 200,000 hardworking taxpayers, of which 80-plus percent are small businesses, will see their taxes go up. And that is the engine that creates the jobs for America. These are precisely the small businesses and farms that we need to protect and to encourage by providing them the deserved tax relief that they currently enjoy.

Mr. Speaker, we need to finish this business pretty quickly because there is no telling whose jobs or whose money the Democrats are going to go after next.

Mr. OBEY. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from Texas (Mr. EDWARDS).

Mr. EDWARDS. Mr. Speaker, the previous speaker has not listened to the



debate. We are going to ask people making over \$1 million a year to make a small sacrifice during this time of war. That is who is going to pay for investment into America's future.

In Congress, our values are expressed more by our budget priorities than by our speeches. And the Obey resolution reflects American values far better than this year's Republican budget, and this is why: the Republican budget continues the same old status quo, a failed philosophy that has led to unprecedented deficits. That philosophy was expressed by the gentleman from Texas (Mr. DELAY), majority leader, on March 12, 2003: "Nothing is more important in the face of war than cutting taxes." A direct quote.

That bizarre philosophy flies in the face of the basic American value of shared sacrifice during time of war. Can anyone imagine Franklin Roosevelt having stood here on December 8 of 1941 saying to the American people it is time to cut taxes, nothing is more important than that after Pearl Harbor? In World War II, fortunately, President Roosevelt did something different. He inspired all Americans to make sacrifices to support the war and our servicemen and -women, and it was the right thing to do.

Unfortunately, as we now face the war on terrorism, the Republican budget reflects the gentleman from Texas's (Mr. DELAY) flawed philosophy that tax cuts should trump sacrifice and services for veterans and military families during time of war. What is the result of this ideologically driven budget? First, the consequence is that this year's deficit is the largest deficit in American history. With massive unpaid-for tax cuts, we are borrowing billions of dollars to pay for the Iraqi war, and that means that young soldiers from my district at Fort Hood fighting in that war today will have to come home and help pay for it after the war is over. Billionaires living safely here at home, getting multimillion-dollar-a-year tax cuts while young soldiers have to fight for the war in Iraq and then pay for it. Where is the fairness in that?

To add insult to injury, the Republican budget pays for its tax cuts to the wealthiest 1 percent of Americans by reducing veterans health care and freezing military housing improvement programs. If the American people find out about this dirty little secret in the Republican budget, they will be outraged, as they should be. And as a representative of nearly 40,000 soldiers who fought in Iraq over the last 18 months, I am certainly outraged.

These are the facts: fact number one, the gentleman from New Jersey (Mr. SMITH), Republican chairman of the Committee on Veterans' Affairs, has said it would take \$2.5 billion of increased VA health care spending just to keep from having to reduce veterans health care services because of health care inflation.

□ 1245

Fact number two: The Republican budget underfunds present services for VA health care by \$1.3 billion. That means real cuts to millions of real veterans.

Fact number three: several weeks ago, on the same day the House Republican leadership voted to give Members of Congress a tax cut, they pushed through a Defense authorization bill that will freeze the most important military housing improvement program in American history. Over 24,000 military families will not receive the new housing they deserve. No new housing for thousands of military families, while we get thousands in tax cuts, we Members of Congress. Where is the fairness in that? Where is the American value in that?

There is a better choice, a clear choice, a choice that reflects the true values of the American people. The Obey resolution will prevent cuts in veterans health care and will prevent cuts in military housing. It is the right thing to do for America.

Mr. NUSSLE. Mr. Speaker, to continue our debate on this tax-increase, job-killing bill, I yield 5 minutes to the gentleman from Georgia (Mr. KINGSTON).

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

Mr. Speaker, I wanted to put in my comments on this very good debate here, and it is a debate that is good, because it shows clashing two philosophies: one of higher taxes for more spending, versus lower taxes for more private sector growth, more jobs through the private sector.

The proposal in front of us today is for a \$270 billion tax increase over a 10-year period of time. So taxes would go up in a fashion like that, \$270 billion; and the justification that we are hearing is so that we can spend more money.

But I want to say this as a fiscal conservative: if you look at what we have been doing since 1994, we have in fact been spending a lot of money, and, ironically, in the very areas where we are being accused of not spending enough.

But this is a Committee on the Budget chart, and it shows since 1994 how much our spending has in fact increased. We are being accused of not spending enough on education; but here is one education program alone, title I. Since 1999, it has gone up this much, nearly, I am going to guess, about \$6 billion. The exact math is available, but I just want to show the chart to illustrate.

Pell grant funding, an important scholarship program, has increased in a similar fashion of about maybe \$5 billion. The gentleman from Iowa can correct me if my quick, on-the-spot-math is wrong.

No Child Left Behind. The irony about No Child Left Behind, an important Bush initiative on education, is

we hear a lot of critics say, you are not funding it. Yet look at No Child Left Behind. Growth in education under President Bush has increased 40 percent.

Special education, something that has a lot of bipartisan support, since 1999 we have gone from about \$4 billion in spending to nearly \$12 billion in spending. So where is the cut in education? There is not one to show.

Veterans programs. Often the liberals hide behind veterans programs and say, you are not spending enough. But here, again, since 1985 to 2004, budget authority has gone from \$27 billion to \$60 billion. The gentleman from New York (Chairman WALSH) and the gentleman from New Jersey (Chairman SMITH) have worked hard to champion that and done it on a good bipartisan basis. Spending per veteran during that period of time has gone from \$950 to \$2,400. Veterans spending has in fact increased.

Another criticism we are getting is spending to combat terrorism has not increased. Here we are, from 2001, spending about \$20 billion, to \$87 billion today. So where are these cuts that we are suffering from? There are not any cuts.

Now, as I said, I am a fiscal conservative. I wish these charts did go in a different direction in many cases. I wish that I could honestly be accused of cutting a lot of government programs. Unfortunately, we failed in that. But the will of the House, the will of the Senate takes a long time for the process to go through. I am just saying that the spending cuts are not there.

But who do we propose to get the income from? We keep hearing about these big, bad, horrible people called millionaires in American society today. Let us examine who these millionaires are.

These millionaires, for the most part, are small business owners; people who are farmers, people who own bicycle shops, people who are contractors. They have \$1 million in revenue, and therefore they are taxed in the 35 percent bracket. How many? Is that just a few? Hardly. It is 73 percent of them.

What about in the group that earns from \$200,000 to \$499,000? 68 percent. What about in the big bad group that grosses from \$500,000 to \$1 million? 76 percent. And \$1 million in revenue and above, 82 percent of them are small business owners.

So what are we talking about doing? What we are talking about doing is beating up on the small employers out there, the folks who are turning this economy around.

Here we are looking at the job charts, what is happening in the economy. Right now we have nearly 140 million Americans working, the highest level in history. Yet we want to reverse that trend by killing the goose that is laying the golden egg, and that is the small business owner.

If you are for jobs, the correct vote on this is "no." If you want to kill economic prosperity, if you want to kill

the small business employer, if you want to kill jobs, vote "yes," because that is exactly what will happen.

Mr. OBEY. Mr. Speaker, I yield myself 10 seconds.

Mr. Speaker, despite the fiction we have just heard, you have to make \$1 million a year profit in order to be covered by this. To suggest small businessmen are hurt by that is laughable.

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

Mr. OBEY. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Pennsylvania (Mr. FATTAH).

Mr. FATTAH. Mr. Speaker, let me thank the ranking member for yielding me time.

Mr. Speaker, the majority started this country on a ride a few years ago, and the signposts along the way are fairly clear. We have a record-high deficit, hundreds of billions of dollars; we have a record trade deficit; we have a 50-year high on mortgage foreclosures; we have 3 years in a row of historic highs in personal bankruptcies. And yet, they suggest that we should operate on the same forecast that they were operating on when they started out on this trip, when they said we had 10 years of surpluses coming our way, trillions of dollars; and we can afford to give the wealthiest among us a tax break.

So they did that, and they do not see the other signposts: \$200 billion for a war in Iraq. They do not look at the other signposts along the road that show that we have lost millions of jobs.

Now we have replaced 1 million-or-so of those jobs that we lost, and they want to say that we have created new jobs. They are a long way off from creating a new job that is a net new job, but they do not want to talk about that. They do not want to look at these signposts. They want to keep going down this road.

What the Obey resolution suggests is we should take a different course. We should say to millionaire taxpayers that rather than take \$124,000 in tax cuts, take \$24,000. Let us pay our way for this war. Let us pay our way in terms of investing in the needed resources of our country.

Albert Einstein said a long time ago that we have to have a different level of thinking to solve problems than the level of the thinking that we used when we created these problems.

This program that the Republican majority has taken us toward as a country is leading us to fiscal bankruptcy. This majority has to understand that we have to take into account that we live in a different forecast now, with dark clouds on the horizon. We are at war. We should pay the costs now, and we should do it by saying a little less tax cut for those who are doing very, very well. That is what the gentleman from Wisconsin (Mr. OBEY) does. I ask that this resolution be supported.

Mr. NUSSLE. Mr. Speaker, to continue the debate on the Democrat tax-

increase proposal, I yield 2 minutes to the gentleman from Wisconsin (Mr. RYAN), a member of the Committee on Ways and Means.

Mr. RYAN of Wisconsin. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, I want to repeat a couple things said in the past. If a small business makes \$1 million, what does that mean? That means they are making money and hiring people. Two-thirds of our jobs in America come from small businesses. Two-thirds of all those who file in the top bracket are small businesses. In this new rate structure being proposed, this new tax increase, 75 percent of those people are small business people.

Why would we want to tax the recovery of this economy at this time? What we accomplished in the last tax bill was finally lowering the tax rate on small businesses down to a level large corporations pay.

Remember, Mr. Speaker, that before the July tax cuts, we were charging small business owners higher tax rates than we charged the largest corporations in America, like Exxon or IBM or General Motors. What this bill will do is do that again. It will increase taxes on small businesses and make small businesses pay higher tax rates than the largest corporations in America. Why would we want to reintroduce that injustice back into the Tax Code?

We want to keep low tax rates on small businesses. That is who are creating jobs right now. Two-thirds of our jobs today come from small businesses. This big tax increase on small businesses is not the way to go. We want small businesses making money. This is a tax on their income that they reinvest in their businesses.

More importantly, this proposal adds \$130 billion to our deficit over the next 10 years. It is fiscally irresponsible, taxing small business and spending more money. Adding to the deficits is what has given us this hole we are trying to dig out of in the first place.

Mr. OBEY. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, again, despite all of the misinformation that we have just heard, the IRS has told us that fewer than six-tenths of 1 percent of all returns with small business income have incomes of more than \$1 million. To suggest that this is even laying a glove on small business is a colossal red herring fiction.

Mr. NUSSLE. Mr. Speaker, I yield 1 minute to the gentleman from Wisconsin (Mr. RYAN) to respond.

Mr. RYAN of Wisconsin. Mr. Speaker, two-thirds of all those who file their taxes in the top bracket are people who report small business income, subchapter S corporations, limited liability corporations. Seventy-five percent of all those in this new tax bracket covered in this bill are those who report small business income.

Small businesses do not pay taxes as corporations; they pay taxes as people.

So we are not talking about tax increases on millionaires who are hanging out on yachts. We are talking about tax increases on people who are running businesses. They have 25 employees, they have 50 employees, they have 100 employees, they have two employees, they have five employees.

The point is, these small businesses, the engine of economic growth, the job creator of this economy, pay their taxes on the individual rate; and these are the people whose taxes are being increased under this proposal.

Mr. OBEY. Mr. Speaker, I yield myself 30 seconds.

The gentleman refers to one-third of the top bracket. This does not touch everybody in the top bracket. The top bracket is \$319,000 or more. We do not touch anybody with an income of less than one million bucks, less than one million bucks. That is not \$300,000. Do not try to bamboozle people.

Mr. NUSSLE. Mr. Speaker, we do not want to "bamboozle," so I would yield 1 additional minute to the gentleman from Wisconsin (Mr. RYAN).

Mr. RYAN of Wisconsin. Mr. Speaker, my friend and I, we get along very well personally when the mikes are not on; but I just have to say, that is not what this proposal says. This proposal says "reduction in tax cuts for taxpayers with incomes above \$1 million," period, end of story. The committee figures out how to do the rest of it.

The point is, if businesses are becoming successful, that means they are going to start hiring people again. We do not want to raise their taxes.

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

Mr. RYAN of Wisconsin. I yield to the gentleman from Iowa.

Mr. NUSSLE. Mr. Speaker, the point of this all is, this is a tax increase. They are admitting it. There were so many Members who came to the floor and said, oh, no, no, no, we are not really increasing taxes. But what the colloquy between the two gentlemen from Wisconsin proves is, once and for all, this is a tax increase.

So if one wants to come to the floor today in the middle of an economic recovery and vote to increase taxes on small business, knock yourself out.

Mr. OBEY. Mr. Speaker, I yield myself 30 seconds.

Line 22 and line 23 of page 6: The only taxpayers that are affected are "taxpayers with adjusted gross income above \$1 million." Period.

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

□ 1300

Mr. OBEY. Mr. Speaker, I yield 1½ minutes to the gentleman from Massachusetts (Mr. OLIVER).

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

Mr. OLIVER. Mr. Speaker, I rise to support the resolution offered by the gentleman from Wisconsin (Mr. OBEY) to address priorities that have been severely underfunded by the House leadership's budget. I will mention only

two or three of those, depending upon the time, but ones which effect millions of people.

The Obey resolution provides \$500 million for the National Park Service, which has been forced to absorb huge unbudgeted items over the last 3 years, including natural disaster damage, competitive sourcing contracts, and antiterrorism requirements. The Park Service has been forced to cut personnel, reduce services, defer maintenance, and ignore resource protection. One million visitors every day to our national parks this summer are going to be the victims of that neglect.

Second, for education, this resolution adds \$1.5 billion in additional Title I funds toward keeping this Congress's promise to Leave No Child Behind. No Child Left Behind challenged America's public schools to achieve higher standards and promised Federal dollars to help. But Congress has failed to provide schools full funding. The budget resolution for 2005 falls far below the \$20.5 billion for Title I grants authorized by No Child Left Behind. The \$1.5 billion added by the Obey resolution does not meet the whole promise, but without it, we will surely leave more and more children behind.

Mr. NUSSLE. Mr. Speaker, I yield 1 minute to the gentleman from Michigan (Mr. SMITH).

Mr. SMITH of Michigan. Mr. Speaker, I think it would be good for history's sake to look at the last time that we dramatically increased taxes. We did that; when President Clinton came into office, we had the largest tax increase in history, and what was the effect of that on spending? During those years of the Clinton administration, we increased spending by 33 percent. During those periods, we increased the debt limit three times. So we have dramatically demonstrated that if we have more money, we are going to have more spending.

I would suggest that there has to be some limit, and the overall bill gives us some intestinal fortitude, gives us some guts to resist the temptation to promise more and spend more has to be incorporated.

Mr. Speaker, I hope we can have the kind of votes and support to give us that discipline in this kind of budget reorganization.

Mr. OBEY. Mr. Speaker, I yield 1½ minutes to the gentleman from New York (Mr. ENGEL).

Mr. ENGEL. Mr. Speaker, I rise in strong support of the Obey resolution.

Mr. Speaker, I feel like this is Alice in Wonderland. In 3 years, at the end of the Clinton administration, we had the largest surpluses in American history, and now, after 3 years under Republican rule, both the presidency and the House and the Senate, we have the largest deficits in American history.

The Republicans used to call themselves fiscal conservatives. They cannot say that anymore. What has happened to the heart and soul of the Republican Party? We are having an orgy

of tax cuts and we are leaving a legacy of debt to our children and grandchildren. It is unconscionable.

Every day people come into my office and need more money for desperately needed programs. Veterans are pleading; they need more money for health care. The Republicans say no. People who have kids in schools want more money for No Child Left Behind in education. Republicans say no. In health care, we want a prescription drug bill, seniors tell me, that will really help seniors; not the phony one passed by the House. Republicans say no.

So what Democrats are trying to say is that in programs that we desperately need, homeland security, first responders for police and firemen, putting homeland security dollars for trains and things where people know we need it, Republicans say no. And what is the Republicans' proposal? To give great tax breaks to millionaires and billionaires.

The Obey proposal would simply say, if your adjusted income is \$1 million or more, you ought to give back a little bit of those tax breaks to help us with priorities in this country. The borrow-and-spend Republicans say no.

The Obey proposal ought to be voted on. It ought to set priorities for our country. Let us help our veterans. Let us help our kids. Let us help our seniors. Support the Obey proposal.

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

Respectfully, because I know the Speaker is from New York, let me yield myself 30 seconds and say I think a lot of that money we borrowed was sent up to New York. So when the gentleman is talking about what happened and Alice in Wonderland, let me just remind the gentleman that we sent a lot of that to New York. We had a terrorist attack. I know the gentleman knows that, and he voted for it then, and he did not say a word about it then. He said send the money. We need it. Do whatever it takes. Now he comes to the floor and he says, gee, I guess we borrowed too much money.

Well, maybe we did, but the gentleman should have complained about it then.

Mr. Speaker, I yield 2 minutes to the gentleman from Kansas (Mr. TIAHRT).

Mr. TIAHRT. Mr. Speaker, I thank the chairman, the gentleman from Iowa, for yielding me this time.

I just think we ought to remember how we got in the situation we are in today, because we have seen charts and heard rhetoric that said the reason Federal revenues are down is because of Republican economic policy, but they have overlooked some of the hard and cold facts; and facts are stubborn things, some hard and cold facts that have happened over the last few years.

For example, in 1999 we had a huge tech bust. The NASDAQ dropped more than half. It was not based on Republican policy. Then we had the recession that happened while President Clinton was still in office. It began in Novem-

ber of 2000, before President Bush was sworn in. And then on September 11, 2001, terrorists attacked our homeland and drove our economy down the tubes. The result was a 14 percent reduction in federal revenue. That reduction was not based on Republican policy at all; it was based on those series of events, the most tragic being the attack by terrorists on September 11.

Well, what did the Republicans do to respond to that? We lowered taxes across the board for everyone, including the top 1 percent, the same percentage as everybody else, and the result was that today we have more Americans working than ever before in the history of our Nation. And the income of our workers is up higher than it has ever been in the history of our Nation. Homeownership is up, higher than ever before in the history of our Nation, as well as minority ownership of homes.

We have had tremendous success because of Republican policy. But now we are trying to regress and tax those people who are creating the jobs. Mr. Speaker, 83 percent of the people in the top 1 percent of income earners in America are small business owners. They are farmers, they are people who own little machine shops, they are the people down at the local drugstore, or retailers.

If we start taxing them in addition, up to near 40 percent of their income, less money will be available to create jobs.

So there are two different philosophies we are hearing today. We have the dark and stormy liberalism that says raise taxes, and we have the bright and sunny conservatism that says lower taxes and let Americans become successful, because the result is more Americans working, greater jobs, stronger economy.

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

Mr. OBEY. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from New Jersey (Mr. ANDREWS).

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

Mr. ANDREWS. Mr. Speaker, I thank my friend, the gentleman from Wisconsin, for putting this very important motion forward.

The Republicans cannot win this argument in the world of reality, so they have created a world of illusion that they are speaking to today.

One of their illusions is that this is a tax increase bill. If you make less than \$1 million a year of taxable income, this bill has absolutely nothing to do with you. The second illusion is that this bill will have a devastating and crushing effect on those who do file more than \$1 million a year of adjusted gross income.

Well, first of all, we have heard the statistic over and over and over again about small businesses. Fewer than 4 percent of the small businesses in this

country file more than \$1 million a year of adjusted gross income. And for those that do, under this proposal, their taxes would be \$24,000 a year lower than they were 3 years ago. This makes their tax cut smaller than it was; their taxes would still be \$24,000 a year lower than they were 3 years ago.

And the third illusion is that we are disrupting this masterful economic strategy that is bringing this boon to our country.

Well, this masterful economic strategy has lost 1.9 million more jobs than it has created. The rate for people making more than \$1 million a year that is in this bill is the strategy that resulted in 23 million more jobs being created than were lost. So much for the world of illusion.

In the world of reality, the Republicans cannot explain this vote, if they vote no, because when they go to the VFW hall and they are asked by the members of the VFW why they are not doing something about reducing the waiting lines at the VA health clinics, they will not be able to explain why they did not vote for more money for VA health care. When they sit down with the members of the Board of Education in their towns and the board members say, why do you not fully fund special education, and they all sign letters that say they support that and they introduce bills that say they support that, they will not be able to explain why they did not vote for a \$1 billion-plus increase in special education that would lower property taxes and go right to the local schools.

When they visit with the environmental community in their hometowns, and they hear, why can you not do more to clean up the Superfund sites that are in our area, and why can you not do more to bring environmental progress to our area, they will not be able to explain why they voted against a bill that significantly increases investments in environmental protection.

This bill is filled with all of the promises that everyone here makes: more veterans' health care, more money for education. When they visit the fire company and police department in their hometown and they are asked why those guys and women still do not have biochem suits and training to deal with the terrorist attack, they will not be able to explain why they voted against this bill, which adds money for those firefighters and first responders.

So because they will not be able to explain this vote at the fire station or the Board of Education or the VFW hall or the local Sierra Club, they have created a world of illusion: It is a tax increase. No, it is not. It will crush small businesses. No, it will not. It will interfere with the masterful management of the U.S. economy by this administration, which has lost nearly 2 million more jobs than it has created.

Mr. Speaker, if the argument against this bill is that it disrupts the Bush

economic policy, I say that is the finest argument I could hear to vote yes on this bill. If there ever was a policy that needed disruption, this is the one.

Vote yes for the things that you say that you support when you are back home.

Mr. NUSSLE. Mr. Speaker, I yield 3 minutes to the gentleman from Connecticut (Mr. SHAYS), the vice chairman of the Committee on the Budget.

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

My favorite Member of Congress is the gentleman who just spoke, Robert Andrews of New Jersey. I consider him the most articulate Member of Congress; but I think as articulate as he was on this issue, he is missing the whole point.

This is a bill that spends more money and increases taxes. And we believe with all our hearts and souls that when we added 58 percent more on veterans' spending in the last 4 years, that is a spending increase for a very good cause and has enabled us to improve veterans' services every year, we are continuing to include more and more for our veterans. Only in Washington when you spend so much more money do people call it a cut.

On No Child Left Behind, we have increased spending by 40 percent in the last 4 years. It is not funded at the highest level the authorizers have allowed but we are spending far more than we have ever spent.

We are at war. We are at war not just in Iraq, but against terrorism around the world. And I think a 9 percent increase in Defense and Homeland Security is a huge increase in spending. The huge increases in spending that we have in our entitlements shows a tremendous amount of concern that our government has for the people of our country.

But when President Bush inherited a recession and then inherited September 11, and then inherited a breakdown in the structure of the business community with Enron and WorldCom, it is remarkable how well our economy has grown, with new jobs being created and new revenue coming into our coffers, and an incredible increase in productivity.

□ 1315

We believe in large measure growth in our economy is the result of economic policy centered around tax cuts.

And so for me I am happy to have this debate, happy to go into the election this fall and emphasize we are against tax increases and ever increasing spending.

When we had the budget meeting and the budget votes, our colleagues on the other side of the aisle said we voted against veterans, we voted against this, we voted against that. They failed to say in each one of those amendments was a tax increase. We voted against the amendments because there were tax increases at a time when we think it is unwise. So we have a dif-

ference of opinion that we will obviously fight out this fall.

So I thank the gentleman from Wisconsin (Mr. OBEY) for providing this opportunity to distinguish the differences between the two parties. We do not want a tax increase. We do not want a lot more government spending.

Let me end by saying this: 5 percent of the American people pay 55 percent of the taxes. 50 percent of the American people pay 96 percent of the taxes. When we passed our tax cuts, we gave the tax cuts to the people who pay taxes. That is the reality of what we did.

Mr. OBEY. Mr. Speaker, I yield 30 seconds to the gentleman from Illinois (Mr. EMANUEL).

Mr. EMANUEL. Mr. Speaker, this bill is very clear. With the war on terror going on, what this bill says is that every American has their skin in the game. I have seen my Marine units going. And on the war on terror, not all of America is fighting. So when it comes down to investing in the war on terror, when it comes to making sure that we have access to higher education, health care so our veterans are taken care of, every American has their skin in the game to make sure the 21st century is the American century.

And I have seen many, many a wealthy American. I would stop and ask our colleagues to appeal to their patriotism, not just their selfishness. There are patriotic wealthy Americans who are ready to make sure America is safe and secure in the 21st century.

Mr. OBEY. Mr. Speaker, I yield myself the remainder of the time.

Mr. Speaker, this amendment is pure and simple about shared sacrifice, as the gentleman from Illinois has just indicated. What we are asking is that those lucky people in this country who make more than \$1 million a year, that includes the one-half of 1 percent of small businessmen who make profits of over \$1 million a year, we are asking them to accept a scaled-back tax cut so that they only get, on average, \$24,000 in tax cuts. That is 24 times as large as someone will get if they make \$50,000 a year.

And, instead, we are saying please, for the sake of the country, take a little bit smaller tax cut so that we have some room in the budget to strengthen protection on our borders, to strengthen protection in our ports, to strengthen protection at our airports, to provide stronger opportunities for education, to provide more civilized health care for our veterans, to provide better housing for our military personnel, to provide a little better shot at protecting the environment, to help local communities so that they do not have to lay off hundreds of thousands of kids from health care programs like SCHIP and Badger Care in my own State. This is an effort to see to it that we can enrich the many and enrich the few at the same time.

Trickle-down economics is what we have heard from our friends on the

other side of the aisle today. They say if you just give enough to the people at the top, eventually some will trickle down to people at the bottom.

My old friend Harvey Dueholm in the legislature used to describe it this way. He said trickle-down economics is the theory that if you just feed the horses enough oats, eventually some of it will filter down to the sparrows. Think about it. And vote "yes." It is the fair, it is the right, it is the just thing to do.

Mr. NUSSLE. Mr. Speaker, I yield myself the balance of the time.

Mr. Speaker, that is the difference between Republicans and Democrats. It all comes down to who is doing the feeding of the oats. The government does not feed oats. That is not where the economic advantage of this country comes from. We do not pass out money to people here and say here is government money, we printed it, you get to have it. They get it from working. They get it from farming. They get it from taking risk. They get it from unlocking their door in the morning and letting in the public to their flower shop, to their shoe store, to their bank, to whatever it might be, unlocking that door and letting the energy and the economic engine of this country work.

That is what we want to continue: working. We do not want this to kill jobs. Just at the moment when we are increasing jobs, look what we have done. Yes, there was a downturn. In the aftermath of 9/11 and in the aftermath of the dot-com bubble busting and the aftermath of the Clinton recession, there is no question, look right here; that is what that is, that little downturn. But look how it is going back up.

And it is going up because the engine of America is working. It is not going up because of the chart on spending. When we increase spending in Washington, that does not drive the economy. That does not do anything except it spends money in Washington. What drives the economy are people in Wisconsin and Iowa taking a risk, building a business, employing people so that when they balance their checkbook around their kitchen table and they meet their obligations and pay for their kids' college and pay for health care and turn on the lights and pay for groceries, they can do it. It is not because, with all due respect to the gentleman from Wisconsin (Mr. OBEY), we send them a check. Because that does not do anything.

The check they want to make is a paycheck, not a government check. Every single person in America wants a paycheck. And that is what we have done. We have created paychecks. Look what the spending side of this does. They are saying we are not spending enough in Washington. Look at all of this increase. Look at all of the debt that they are complaining about. And on top of all of that, they say, no, the problem is we are still not spending enough money in Washington. And the thing they misconnect is that that

money in Washington came from somebody, a taxpayer.

Money does not start in Washington. Money starts in Iowa, in Wisconsin, across the country, in people's pockets, in small businesses. That is where it starts. And they want to take more of it, they want to kill those jobs, so that they can hand out more money, so that they in Washington can have the power. We do not want that to happen. We want the power to be around the kitchen tables of Iowa and Wisconsin. That is why we have opposed their big tax increases.

As far as the spending, the taxes, that is obvious those increases are ridiculous. But the increases in spending, one can always say we want to hand out more money in order to demonstrate our compassion. And we have told them about the increases in education, the increases in veterans, the increases in health care, the increases for the environment, for all sorts of programs, and to make sure our country was protected. But on top of that, they say, you know what, I think we can even be more compassionate. We are going to hand out money and tell people we care.

Well, quite honestly, I think it is time for to us start looking around for the waste. I believe that, instead of this debate on the floor today, what we should have done is had an appropriation bill come up. That is what we should have done. We should have started going through all the accounts and look for ways where the Federal Government is not spending that money as wisely as the people back home in Iowa and Wisconsin.

We do not want to kill jobs; we do not need to increase spending. We do not need a resolution like the Democrat proposal on the floor today to tax and spend and tax and spend and tax and spend and tax and spend more and more in Washington. This needs to be done around the kitchen tables of Iowa, not the committee tables in Washington.

Mr. Speaker, I hope Members vote against this ill conceived proposal.

Mr. HASTERT. Mr. Speaker, I want to thank DAVID OBEY for offering this budget amendment, even if I fundamentally disagree with it. I have great respect for Mr. OBEY, and I think he makes a valuable contribution to this House. And the Obey amendment is important, because it clarifies the distinctions between the two parties.

As then candidate Ronald Reagan said to then President Jimmy Carter, "There they go again." The Obey amendment is a return to the traditional Democratic philosophy of tax and spend. If the Democrats were to create their own "Contract with America", the first two promises would be tax more and spend more. This budget amendment raises taxes by \$18 billion in the first year, more than \$250 billion in ten years. These tax increases are aimed at the job creators, the entrepreneurs, the small business owners. This amendment raises taxes on these job creators by about five percent. Increasing costs on a business by five percent is the difference between success and failure.

If you increase costs on a small business by five percent, the small business owner has two choices. They can pass the cost increase onto consumers by raising prices. Or they can cut costs elsewhere. Because of stiff price competition from our competitors, the usual result is cutting costs elsewhere. That means a small business owner won't hire that extra worker.

The Heritage Foundation says that a tax cut of this size will kill 130,000 jobs in the next year. Increasing taxes now, just as the economy is ready to take off, is a cruel joke to play on Americans who need a job.

Remember several years ago, when Democrats decided to increase taxes on luxury items like yachts. The Democrats thought they were being clever. But those middle class boat builders who lost their jobs because of that tax increase didn't think it was so funny. We ended up repealing the so-called luxury tax a year later.

The second part of the Obey plan is also familiar: Increase government spending. Clearly, today's Democrats reject President Clinton's promise that the era of big government is over. We need to control spending in the Federal government. We don't need another spending spree. But by spending over \$200 billion over ten years on a variety of politically attractive programs, the Obey amendment is just that: Another spending spree.

Mr. Speaker, I urge my colleagues to vote against this budget amendment. Let's support smaller and smarter government. Let's support more job creation in this country. And let's reject this tax and spend scheme once and for all.

Mr. EVANS. Mr. Speaker, I rise in support of the amendment offered by the gentleman from Wisconsin, Mr. OBEY, and I want to express my appreciation to the gentleman for recognizing the great need in the veterans' health care system.

I also want to state my opposition to some of the other measures we are considering today that would cap discretionary spending and reinstate pay-as-you-go measures through fiscal year 2009. These rules would have significant impacts on VA health care and many other domestic discretionary and mandatory programs.

This February, Veterans Affairs Chairman CHRIS SMITH and I recommended that the budget committee add \$2.5 billion to the President's request for VA discretionary programs. We agreed, on a bipartisan basis, that this was the bare minimum necessary to continue to operate current services in fiscal year 2005.

Mr. OBEY's amendment adds the other half of the recommended funding that the House neglected to provide in passing its budget resolution. This will ensure that veterans can rely upon the system created to serve their special needs rather than being subjected to increased copayments, new enrollment fees and the waiting lists for care that could reappear and worsen in the absence of adequate funding.

As dangerous as the budget proposed by the Administration for fiscal year 2005 is, the budget planned for future years is even more perilous for our veterans' programs. Ranking Member SPRATT and I have produced a report to be released tomorrow that will identify some of the scenarios that could come from the planning guidance issued by the Office of Management and Budget.

The planning guidance leaked to the press recently indicates that VA should find \$910 million to cut from its fiscal year 2006 budget request for VA discretionary programs. This guidance was offered in the absence of discretionary caps and pay-as-you-go enforcement for mandatory funding. We could expect even worse if there were an overall ceiling applied to discretionary spending. In the Spending Control bill, only the tax cuts that benefit our wealthiest Americans are protected.

We could do things far differently and far more fairly. If we must impose discipline upon ourselves, we should subject tax cuts to the same enforcement we would impose upon our veterans' benefits. As it now stands, tax cuts are driving vital funding and policy decisions for all of our veterans' programs. Tax cuts have taken so much out of the pie that all of our appropriated programs are fighting to keep what they've got rather than growing to fulfill new or evolving needs. There is no question that we must provide adequate resources to our fighting men and women in Iraq and Afghanistan for as long as we choose to continue these engagements. Prioritizing tax cuts in a time of war is flat out irresponsible.

If we trust ourselves to impose self-discipline on decisions regarding tax cuts, why shouldn't we trust ourselves to have the same restraint in regard to high-priority programs? Why subject Congress to the double standard H.R. 3973 would impose?

I hope Congress will wake up and realize that we do have limited resources and our funding choices must reflect our priorities. Those who value tax cuts from the wealthiest Americans more than social programs for veterans, for the environment, for our less fortunate Americans, for children and education, and for our seniors will make that clear by supporting Mr. NUSSLE's bill.

Mr. OBEY's resolution on Democratic priorities is a much better reflection of my values than the standing House-passed budget resolution. I urge my colleagues to support it.

Mrs. LOWEY. Mr. Speaker, I rise today in support of the Fiscal Year 2005 budget authored by Ranking Member OBEY. I also want to thank the House Leadership as well as Chairmen NUSSLE and YOUNG for allowing an up-or-down vote on an alternative budget. Until today, the budget process had operated under severe restraints—doing a disservice to this chamber and an injustice to the millions of Americans whose lives are improved by Federal government programs.

My colleagues, federally-funded programs are critical. We provide the children of working parents with safe places to go after school. We recruit young professionals into nursing—a profession with a looming shortage that will affect all Americans who seek health services. We help law enforcement officers and public safety officials obtain needed equipment and training. We prevent our most vulnerable from having to choose between food and heat. We make owning a home—the pinnacle of the American dream—a reality. We help put kids through college.

These activities benefit every fabric, every member of our society. Yet, many of these services will be cut short if we continue down the current path.

It is important my colleagues remember that on the heels of this year's limited budget will come an even skimpier spending proposal in fiscal year 2006. America was put on notice in

May, when the Administration circulated a memorandum indicating that the future spending cuts outlined in this year's budget will be implemented. What does that mean?—huge reductions in spending on health, education, and homeland security.

Whether you vote for the Obey budget today or not, the sad reality is the forecast for our future is troubling. That is, unless we change course.

Mr. Speaker, I urge passage of the Obey budget. Too many of the initiatives and programs that benefit our constituents and our communities are at stake.

Mr. BLUMENAUER. Mr. Speaker, House Resolution 685 is an alternative to the Republican leadership's failed economic policies. Unbalanced priorities, escalating spending, and three rounds of tax cuts have led to the highest budget deficits in history while short-changing our children, seniors, and our troops and veterans. Before "borrowing" from the Social Security trust fund, this year's deficit is expected to total \$638 billion.

This resolution is a small but significant step to reverse the unfortunate trend of the last three years. By limiting tax reductions for those earning over \$1 million annually, we can help fund promises this Congress made to the American public, to make our country safer, improve our schools, and provide real healthcare benefits to those who need it the most.

Mr. LEVIN. Mr. Speaker, the choices we make define us, our priorities, and our values. The Obey resolution before the House today gives members of Congress the clearest choice possible. Our vote on this measure today will speak volumes about our priorities and values and what we stand for as representatives in the People's House.

Four years ago, the President came before Congress and proposed a sweeping tax cut. Citing a large projected surplus in the budget over ten years, the President said that he was here to claim a refund on behalf of the American people. I voted against the President's proposal for two key reasons: The lion's share of tax relief in the President's plan goes to the very richest households in America, instead of the middle-income families I represent. Indeed, millionaires receive annual tax cuts averaging over \$120,000, while middle-income families receive annual tax cuts averaging somewhere between \$317 and \$1,186 a year.

The other reason I voted against the President's tax plan is because it relied on improbable blue-sky economic forecasts that left no margin for error. As we have seen, the economy has not performed as well as the Administration predicted. The tax plan has left this nation with insufficient resources to fund the wars in Iraq and Afghanistan as well as the improvements needed in this country's homeland security in the aftermath of 9–11. This has led the Majority Party in Congress to short-change fundamental commitments we have made in the areas of education, veterans health care, medical research, public health, homeland security, and protecting our environment.

The resolution before the House presents us with a clear choice. We can stay on the path we are on and continue to underfund the most basic needs of our children, veterans and communities, or we can make a small adjustment in the tax code and ask the very richest among us—those with incomes exceeding

\$1 million a year—to accept a smaller tax cut next year than they currently receive. The taxpayers affected by this resolution would still receive tax cuts that average thousands of dollars—even tens of thousands of dollars—more than most other American families receive.

This small adjustment in revenue would generate \$18.9 billion. This resolution would redirect a quarter of this, \$4.7 billion, to deficit reduction. The balance would go to fulfill basic needs that this Congress and the Bush Administration have underfunded. It would invest \$3 billion to bolster homeland security and ensure that first responders have the equipment and training they need. The resolution would also provide \$1.3 billion to keep our promise to fund veterans' health care. It also provides \$5.7 billion for key education programs and help our community schools meet the requirements Congress imposed on them in the No Child Left Behind Act. In addition, it provides additional funds for Pell Grants to help families afford college. It would also invest in critically needed medical research at the National Institutes of Health and help control infectious diseases and expand immunizations.

Mr. Speaker, the answer to every problem is not to throw money at it. But we must acknowledge that some problems won't be addressed without spending money. As I said, this Congress faces a defining choice today. Do we stay the course we set four years ago, or do we act to address the most pressing needs confronting this country? For me, this is not a difficult choice. Vote for the Obey resolution.

The SPEAKER pro tempore (Mr. FOSSELLA). Pursuant to the order of the House of Tuesday, June 22, 2004, the resolution is considered read for amendment and the previous question is ordered.

The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. NUSSLE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

Pursuant to clause 8 of rule XX this 15-minute vote on adopting House Resolution 685 will be followed by 5-minute votes, as ordered, on ordering the previous question on House Resolution 692; adopting House Resolution 692; and suspending the rules and adopting House Resolution 676.

The vote was taken by electronic device, and there were—yeas 184, nays 230, not voting 19, as follows:

[Roll No. 301]

YEAS—184

Abercrombie	Berry	Capuano
Ackerman	Bishop (GA)	Cardin
Allen	Bishop (NY)	Cardoza
Andrews	Blumenauer	Case
Baca	Boswell	Chandler
Baird	Boucher	Clay
Baldwin	Boyd	Clyburn
Becerra	Brady (PA)	Conyers
Bell	Brown, Corrine	Cooper
Berkley	Capps	Costello



Cramer	Kildee	Pomeroy	McCotter	Platts	Simpson	Boehner	Hall	Pearce
Crowley	Kilpatrick	Price (NC)	McCrery	Pombo	Smith (MI)	Bonilla	Harris	Pence
Cummings	Kind	Rahall	McHugh	Porter	Smith (NJ)	Bonner	Hart	Peterson (PA)
Davis (AL)	Klecicka	Rangel	McInnis	Portman	Souder	Bono	Hastings (WA)	Petri
Davis (CA)	Kucinich	Rodriguez	McKeon	Pryce (OH)	Stearns	Boozman	Hayes	Pickering
Davis (FL)	LaHood	Ross	Mica	Putnam	Stenholm	Bradley (NH)	Hayworth	Pitts
Davis (IL)	Lampson	Rothman	Miller (FL)	Radanovich	Sullivan	Brady (TX)	Hefley	Platts
DeFazio	Langevin	Roybal-Allard	Miller (MI)	Ramstad	Sweeney	Brown (SC)	Hensarling	Pombo
DeGette	Lantos	Ruppersberger	Miller, Gary	Regula	Tancredo	Brown-Waite,	Herger	Porter
Delahunt	Larsen (WA)	Rush	Moore	Rehberg	Tanner	Ginny	Hobson	Portman
DeLauro	Larson (CT)	Ryan (OH)	Moran (KS)	Renzi	Taylor (MS)	Burgess	Hoekstra	Pryce (OH)
Dicks	Lee	Sabo	Murphy	Reynolds	Taylor (NC)	Burns	Hostettler	Putnam
Dingell	Levin	Sánchez, Linda T.	Musgrave	Rogers (AL)	Terry	Burr	Houghton	Radanovich
Doggett	Lewis (GA)	Sanchez, Loretta	Myrick	Rogers (KY)	Thomas	Burton (IN)	Hulshof	Ramstad
Dooley (CA)	Lipinski	T.	Nethercutt	Rogers (MI)	Thornberry	Buyer	Hunter	Regula
Edwards	Lofgren	Sanders	Neugebauer	Rohrabacher	Tiahrt	Calvert	Hyde	Rehberg
Emanuel	Lowe	Schakowsky	Ney	Ros-Lehtinen	Tiberi	Camp	Isakson	Renzi
Engel	Lucas (KY)	Schiff	Northup	Royce	Toomey	Cannon	Issa	Reynolds
Eshoo	Lynch	Scott (VA)	Norwood	Ryan (WI)	Turner (OH)	Cantor	Istook	Rogers (AL)
Etheridge	Majette	Serrano	Nunes	Ryun (KS)	Upton	Capito	Jenkins	Rogers (KY)
Evans	Maloney	Sherman	Nussle	Sandlin	Vitter	Carter	Johnson (CT)	Rogers (MI)
Farr	Markey	Skelton	Osborne	Saxton	Walden (OR)	Castle	Johnson (IL)	Rohrabacher
Fattah	Matsui	Slaughter	Ose	Schrock	Walsh	Chabot	Johnson, Sam	Ros-Lehtinen
Filner	McCarthy (MO)	Smith (WA)	Otter	Scott (GA)	Wamp	Chocola	Jones (NC)	Royce
Ford	McCarthy (NY)	Snyder	Oxley	Sensenbrenner	Weldon (FL)	Coble	Keller	Ryan (WI)
Frank (MA)	McCollum	Paul	Paul	Sessions	Weldon (PA)	Collins	Kelly	Ryun (KS)
Frost	McGovern	Pearce	Pearce	Shadegg	Weller	Cox	Kennedy (MN)	Saxton
Gonzalez	McIntyre	Pence	Peterson (MN)	Shaw	Whitfield	Crane	King (IA)	Schrock
Gordon	McNulty	Peterson (PA)	Petri	Shays	Wicker	Crenshaw	King (NY)	Sensenbrenner
Green (TX)	Meehan	Strickland	Pickering	Sherwood	Wilson (SC)	Cubin	Kingston	Sessions
Grijalva	Meek (FL)	Stupak	Pitts	Shimkus	Wolf	Culberson	Kirk	Shadegg
Gutierrez	Menendez	Tauscher		Shuster	Young (AK)	Cunningham	Kline	Shaw
Harman	Michaud	Thompson (CA)		Simmons	Young (FL)	Davis, Jo Ann	Knollenberg	Shays
Herseth	Millender-	Thompson (MS)				Davis, Tom	Kolbe	Sherwood
Hinche	McDonald	Tierney				Deal (GA)	LaHood	Shimkus
Hinojosa	Miller (NC)	Towns	Barton (TX)	Doyle	Weeks (NY)	DeLay	Latham	Shuster
Hoeffel	Miller, George	Turner (TX)	Bereuter	Gephardt	Quinn	Diaz-Balart, L.	LaTourette	Simmons
Holden	Mollohan	Udall (CO)	Berman	Granger	Reyes	Diaz-Balart, M.	Leach	Simpson
Holt	Moran (VA)	Udall (NM)	Brown (OH)	Hastings (FL)	Smith (TX)	Doolittle	Lewis (CA)	Smith (MI)
Honda	Murtha	Van Hollen	Carson (IN)	Jones (OH)	Tauzin	Dreier	Lewis (KY)	Smith (NJ)
Hooley (OR)	Nadler	Velázquez	DeMint	Linder		Duncan	LoBiondo	Souder
Hoyer	Napolitano	Visclosky	Deutsch	McDermott		Dunn	Lucas (OK)	Stearns
Inslee	Neal (MA)	Waters				Ehlers	Manzullo	Sullivan
Israel	Oberstar	Watson				Emerson	McCotter	Sweeney
Jackson (IL)	Obey	Watt				English	McCrery	Tancredo
Jackson-Lee	Oliver	Waxman				Everett	McHugh	Taylor (NC)
(TX)	Ortiz	Weiner				Feeney	McInnis	Terry
Jefferson	Owens	Wexler				Ferguson	McKeon	Thomas
John	Pallone	Wilson (NM)				Flake	Mica	Thornberry
Johnson, E. B.	Pascrell	Woolsey				Foley	Miller (FL)	Tiahrt
Kanjorski	Pastor	Wu				Forbes	Miller (MI)	Toomey
Kaptur	Payne	Wynn				Fossella	Miller, Gary	Turner (OH)
Kennedy (RI)	Pelosi					Franks (AZ)	Moran (KS)	Upton

## NAYS—230

Aderholt	Cox	Harris
Akin	Crane	Hart
Alexander	Crenshaw	Hastings (WA)
Bachus	Cubin	Hayes
Baker	Culberson	Hayworth
Ballenger	Cunningham	Hefley
Barrett (SC)	Davis (TN)	Hensarling
Bartlett (MD)	Davis, Jo Ann	Herger
Bass	Davis, Tom	Hill
Beauprez	Deal (GA)	Hobson
Biggart	DeLay	Hoekstra
Bilirakis	Diaz-Balart, L.	Hostettler
Bishop (UT)	Diaz-Balart, M.	Houghton
Blackburn	Doolittle	Hulshof
Blunt	Dreier	Hunter
Boehlert	Duncan	Hyde
Boehner	Dunn	Isakson
Bonilla	Ehlers	Issa
Bonner	Emerson	Istook
Bono	English	Jenkins
Boozman	Everett	Johnson (CT)
Bradley (NH)	Feeney	Johnson (IL)
Brady (TX)	Ferguson	Johnson, Sam
Brown (SC)	Flake	Jones (NC)
Brown-Waite,	Foley	Keller
Ginny	Forbes	Kelly
Burgess	Fossella	Kennedy (MN)
Burns	Franks (AZ)	King (IA)
Burr	Frelinghuysen	King (NY)
Burton (IN)	Kingston	Kirk
Buyer	Garrett (NJ)	Kline
Calvert	Gerlach	Knollenberg
Camp	Gibbons	Kolbe
Cannon	Gilchrest	Latham
Cantor	Gillmor	LaTourette
Capito	Gingrey	Leach
Carson (OK)	Goode	Lewis (CA)
Carter	Goodlatte	Lewis (KY)
Castle	Goss	LoBiondo
Chabot	Graves	Lucas (OK)
Chocola	Green (WI)	Manzullo
Coble	Greenwood	Marshall
Cole	Gutknecht	Matheson
Collins	Hall	

## NOT VOTING—19

Doyle	Weeks (NY)
Gephardt	Quinn
Granger	Reyes
Hastings (FL)	Smith (TX)
Jones (OH)	Tauzin
Linder	
McDermott	

□ 1352

Mrs. EMERSON, Ms. HART, and Messrs. CRANE, NEY, KENNEDY of Minnesota, KING of Iowa, BACHUS, BRADY of Texas and HALL changed their vote from “yea” to “nay.”

Messrs. HINCHEY, CLYBURN and BISHOP of Georgia changed their vote from “nay” to “yea.”

So the resolution was not agreed to. The result of the vote was announced as above recorded.

Stated against:  
Mr. LAHOOD. Mr. Speaker, on rollcall No. 301 I inadvertently voted “yea” I meant to vote “nay.”

# PROVIDING FOR CONSIDERATION OF H.R. 4663, SPENDING CONTROL ACT OF 2004

The SPEAKER pro tempore (Mr. FOSSELLA). The pending business is the question of ordering the previous question on House Resolution 692 on which further proceedings were postponed earlier today.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on ordering the previous question on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 217, nays 197, not voting 19, as follows:

[Roll No. 302]

## YEAS—217

Aderholt	Barrett (SC)	Bilirakis
Akin	Bartlett (MD)	Bishop (UT)
Bachus	Bass	Blackburn
Baker	Beauprez	Blunt
Ballenger	Biggart	Boehlert

## NAYS—197

Abercrombie	Conyers	Ford
Ackerman	Cooper	Frank (MA)
Alexander	Costello	Frost
Allen	Cramer	Gonzalez
Andrews	Crowley	Gordon
Baca	Cummings	Green (TX)
Baird	Davis (AL)	Grijalva
Baldwin	Davis (CA)	Gutierrez
Becerra	Davis (FL)	Harman
Bell	Davis (IL)	Herseth
Berkley	Davis (TN)	Hill
Berry	DeFazio	Hinche
Bishop (GA)	DeGette	Hinojosa
Bishop (NY)	Delahunt	Hoeffel
Blumenauer	DeLauro	Holden
Boswell	Dicks	Holt
Boucher	Dingell	Honda
Boyd	Doggett	Hooley (OR)
Brady (PA)	Dooley (CA)	Hoyer
Brown, Corrine	Doyle	Inslee
Capps	Edwards	Israel
Capuano	Emanuel	Jackson (IL)
Cardin	Engel	Jackson-Lee
Cardoza	Eshoo	(TX)
Carson (OK)	Etheridge	Jefferson
Case	Evans	John
Chandler	Farr	Johnson, E. B.
Clay	Fattah	Kanjorski
Clyburn	Filner	Kaptur