

bill, I was detained out of the building and away from the Capitol, and I missed the following votes and would like to have recorded in the appropriate place of the transportation bill that on the Graves amendment if present I would have voted "no"; on the Kennedy amendment if I was present, I would have voted "no"; on the Osborne amendment if I was present, I would have voted "no"; on the Moran amendment if I was present, I would have voted "aye"; on the Conaway amendment if I was present, I would have voted "no."

ELECTION OF MEMBER TO COMMITTEE ON RULES

Mr. MENENDEZ. Mr. Speaker, by direction of the Democratic Caucus, I offer a privileged resolution (H. Res. 161) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 161

Resolved, That the following named Member be and is hereby elected to the following standing committee of the House of Representatives:

(1) COMMITTEE ON RULES.—Ms. Matsui.

The resolution was agreed to.

A motion to reconsider was laid on the table.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 525

Mr. MEEKS of New Jersey. Mr. Speaker, I ask unanimous consent to have my name removed as a cosponsor of H.R. 525.

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

There was no objection.

GENERAL LEAVE

Mr. NUSSLE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on the fiscal year 2006 budget resolution.

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

There was no objection.

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2006

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

□ 1508

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole

House on the State of the Union for the consideration of the concurrent resolution (H. Con. Res. 95) establishing the congressional budget for the United States Government for fiscal year 2006, revising appropriate budgetary levels for fiscal year 2005, and setting forth appropriate budgetary levels for fiscal years 2007 through 2010.

The Chair designates the gentleman from Ohio (Mr. LATOURETTE) as chairman of the Committee of the Whole, and requests the gentleman from Illinois (Mr. LAHOOD) to assume the chair temporarily.

The Clerk read the title of the concurrent resolution.

The Acting CHAIRMAN. Pursuant to the rule, the concurrent resolution is considered read the first time.

General debate shall not exceed 5 hours, with 4 hours confined to the congressional budget, equally divided and controlled by the chairman and ranking member of the Committee on the Budget, and 1 hour on the subject of economic goals and policies, equally divided and controlled by the gentleman from New Jersey (Mr. SAXTON) and the gentlewoman from New York (Mrs. MALONEY).

The gentleman from Iowa (Mr. NUSSLE) and the gentleman from South Carolina (Mr. SPRATT) each will control 2 hours of debate on the congressional budget.

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

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

Mr. Chairman, today we are here to debate the budget resolution for 2006, the Federal Government spending blueprint that will guide all of this Congress' spending and revenue decisions for the coming fiscal year.

Let me start by thanking my staff on both sides, Republicans and Democrats. What Members will hear today, this is probably one of the heartiest debates of the year when we talk about the priorities for the coming year. As Members might imagine, because we come from different backgrounds and different States and different philosophies, we have different ideas of what is important, Members will hear quite a bit of debate from time to time that will sound rancorous. It will sound like we do not agree on anything and everything is going to be difficult, and I do not think it is quite that bad.

We have some pretty important priorities that we all agree upon, and we share a number of the goals. How to achieve those goals is in part the budget process: how are we going to get it done, and how are we going to accomplish it. That, unfortunately, gets into the details where we may disagree.

I thank the gentleman from South Carolina (Mr. SPRATT), my partner and friend who will come forthwith his own budget today, and we appreciate that. Members will hear his ideas and our ideas. We will get to debate those ideas, and we will come out at the other end with a better understanding

of exactly how both sides will approach the problem, the challenges we will have; and we will hear about some of the ways to solve this.

Long before today, long before this debate started and quite honestly before we received the President's budget, we knew what the priorities were going to have to be. If you attend any town meeting in Iowa or across the country, Members are going to hear these same kinds of themes: we have to keep the country strong and defended. If we are not strong, we are not free; and if we are not free, we have lost everything. We have lost the most important gift we have been given, that has been bestowed on us, and that we feel so passionate about being able to bestow on generations to come here in this country and around the world. We need to continue to be strong.

Second, we need to continue to grow the economy. We really do. We need to create jobs and keep the opportunities flowing for our kids and grandkids because we know when we are strong and growing, we are able to accomplish so much in the world. Our economy must continue to grow.

Last but not least, and I can tell Members this is true wherever you go, people around the country are frustrated by the attitude and almost arrogance that government can solve all of our problems, that somehow another government program will solve the problem, or more government bureaucracy or more government regulations or just another law or more employees working in fancy white buildings downtown, if we would only do that we would solve the problem, and that means spend much more money, too much money.

So America's continued greatness comes from, I believe, the unlimited opportunities that our freedom provides, but we have to get our hands around this out-of-control, unsustainable spending. Right along with our well-meaning folks who come along, we have created a government that is too big and spends too much, and we have to get control of that spending if we are going to be successful.

As I have said, these must be our Nation's highest priorities, continued strength, continued growth, and making sure we can restrain spending because none of the rest of it, all of the good things that the Federal Government does in so many areas such as education and health care and veterans benefits and agriculture and transportation and energy and science, I could go on and on, we all have our favorite areas where we think the government ought to invest, but none of that continues to happen, none of that will be achieved if we are not strong, if our economy does not grow, and if we cannot get our arms around the spending.

So we chose to write a budget that ensures that first and foremost our needs must be met, gives all other priorities a fair shake, that is what the

budget process does, it puts in a \$50 billion what we call a place holder, recognizing that we need to fund next year's likely emergency request for the war on terror, we have to plan for that; and it continues the progress that we have made in reducing the deficit and getting our spending on a sustainable path.

□ 1515

Last year was really the first year that we have been able to move beyond the crisis mode that we have had in our budget in response to September 11, 2001. We began a path to get hold of our out-of-control spending and to reduce the deficit. We had, I think, some pretty good success. We ought to recognize that we made some progress last year and realize how it happened. Despite cries from many different quarters in the country that all we need to do is just raise some taxes, tax the wealthy is always what people say, tax all those small businesses that are creating jobs, tax those farmers, tax those families that are sending their kids to college and are trying to make ends meet around their kitchen table, just give them more taxes and we will solve the problem. We decided we were not going to raise taxes. As a result of that, the economy continued to expand, and, due in large part to those economic policies, we now have strong, sustained economic growth and job creation. We also, for the first time in a long time, managed to slow the rate of this non-security spending that has been out there, for the first time below the rate of inflation. I think that is a whole lot more reasonable than what we saw in years past.

Let me just show my colleagues what we did last year. This is what happened in just one year. The President when he came in, almost a year ago right now, the budget deficit was going to look like this, \$521 billion. We all said that was not what we wanted, that we did not want to do that. We wanted to see if we could get our arms around it last year. We knew it was going to be tough. We knew there were going to be all sorts of complaining, claims that we were not keeping the priorities straight, but when the President started, this is where we started, at \$521 billion. In one year alone, 20 percent, \$109 billion was reduced on that deficit. \$109 billion or 20 percent in one year.

Why? Two reasons. Number one, the economy grew. The economy grew faster than anybody expected, because when you unleash this 10-plus-trillion-dollar economy and allow it to just chug along and create jobs and have people investing and creating those opportunities for our young people around the country and others to make money for themselves and deal with their own problems and their own challenges, our economy is a wonderful thing and when it has just a little bit more growth than we expect, that brings in a lot of revenue to our Treasury. In one year, we reduced the deficit

20 percent. In that same year, even with tax reductions, more money came into the Treasury than the year before. This is not a science experiment. It is a fact. When you reduce taxes and you cause economic growth, oftentimes, and last year was an example of this and already we are seeing it this year, more money comes into the Treasury. That combined with holding the rate of growth of spending, we were able to reduce that deficit and get back eventually to balance. We took the first steps by keeping the economy growing, creating jobs, beginning to restrain this out-of-control spending.

But while both of these items are critical alone, they are not going to get the job done. We have so many Members who understand that every year we come down to the floor on appropriation bills and we battle over a million here and a million there, and I know it all adds up, but there is a part of the budget that is not being addressed. I will get to that in just a moment.

This year in the budget, much like the President's budget, we take the necessary next step for slowing spending, at the same time ensuring that our priorities are met. This includes reducing the top line number for all the non-homeland, nondefense spending by eight-tenths of 1 percent. What we are doing is we are saying we are going to take the President's number for defense and for homeland security, we want to keep the country strong, but in all other areas of our discretionary spending, we are going to start weeding the garden. We want to look through all of those programs and find ways to save money, find ways for us to reform programs, find places where we are wasting money, where money is not being spent appropriately, and as a result of that be able to reduce some of those increases.

Additionally, and probably more important, this budget begins to address the unsustainable growth on the other side of the budget, the 55 percent of the spending that simply operates automatically. This is the dirty secret of budgeting that most Members do not want to talk about and that is what we call mandatory spending. What is mandatory? What could possibly be mandatory about spending in Washington? When Congress sets up a law that says a check is going to be written if certain eligibility is met and regardless of any other changes in demographics or anything else, money just keeps going out, the program keeps chugging along, without any checks, without any balances, without any opportunities to take a look at whether the program is meeting the needs. That is automatic spending. That is the mandatory spending.

What we did a number of years ago in welfare reform is we said the program is not helping people, it is not helping families, it is locking people into the dependency on government, asking no personal responsibility in return. Un-

less we reform the program, we are not going to get our spending under control. People are just going to keep getting the checks and nothing is going to ever change. Generation upon generation was going to be locked in this spending. And so what we did just 10 years ago and what we want to do again here is tackle some of that automatic spending.

Let me show you what is happening to it. The yellow area here is the portion of the budget that back in 1995 when we tackled welfare reform was about half of the budget, this entitlement spending or automatic spending. We tackled it back then. Thank goodness we did because it was growing out of control in the welfare programs. We now need to look in other areas because look what has happened in just 10 years. In just 10 years, more than half of the budget is now done automatically, is not going to be done on the floor here, in our appropriations process, is not going to have the oversight, is not going to have the opportunity to reform because we are not paying attention to it in our budget. This year we are. This year we are going to. This year we are going to ask the committees to reform the programs and begin weeding the garden, looking for ways to deliver these programs more efficiently.

Why? Because as we see, if we do nothing, it grows unsustainably out of control, which is the word the Governors use for Medicaid, unsustainable. The Medicaid program is unsustainable. They know it is growing too fast. They know that on an average year, Medicaid grows 7.5 percent. Out of control. 7.5 percent. And so this year what we are going to do is we are going to begin to tackle this automatic spending. Our current rate of growth of spending in this mandatory area is 6.4 percent. All of it is growing at 6.4 percent. Nothing changes. 6.4 percent. Again, every year, another 6 percent, every year growing and compounding and growing and Congress is doing nothing. Our constituents are getting frustrated. And so what we need to do is we need to go in and reduce that growth just one-tenth of 1 percent. That is all we are asking for. We are saying instead of growing at 6.4 percent, it is going to keep growing at 6.3 percent. But let us get the committees and let us get the Congress and let us get the Governors into a room and let us begin talking about these programs, reforming them and getting them under control.

I will note that there is a very interesting phenomenon about this decision to slow the rate of growth which ends up being about one-tenth of 1 percent over the next 5 years. It has created a very interesting phenomenon, because what happens about this time of year is people come to the floor and they start saying things like, oh, these cuts are outrageous, these cuts are unconscionable. Why do they keep calling it cuts? Because in Washington, a cut is a decrease in an anticipated increase.

Let me explain what I am saying here. What I am saying here is that in Washington, if you do not get what you expected from one year to the next, if you do not get the increase you thought you were going to get, they run to the floor, they run to the press conferences, they run to wherever it is they can run and complain and suggest that they are being cut. It would be as if your son came to you and you have been negotiating your lawn mowing fee, his allowance maybe over the last number of years and you were able to pay him 10 bucks every time he mowed the lawn. This year he came to you and he said, "Dad, I want 15." You said, "Son, I love you. You're a great son. You do a great job. I'd like you to trim a little bit more, but you're doing a pretty good job with the lawn. I'm not going to give you 15, I'm going to give you 12." If he ran to the microphones with a lot of people around here, they would claim he was cut \$3. My goodness, what an outrage. You should love your son. You should love what he does to your lawn, that he should get an increase to \$15. My goodness, what an outrage, instead of recognizing that it was a \$2 increase. That happens so often around here.

I understand that we are going to hear some of that rhetoric today, but we are slowing the rate of growth. We are just saying it needs to be slowed down. Just slow it down. Let us reform the programs. Let us get the people in a room who need to be part of the discussion to reform these programs and let us slow down the spending and make sure that the programs that we are talking about, which are so vitally important to people, take the food stamp program. That is for people who are hungry. Take the Medicaid program. That is for people who do not have health care. Take a number of these programs and suggest that they should grow out of control? Or suggest they should meet the changing needs of a population, and that is something that we have to continue to do and it requires constant weeding of the garden and constant attention if we are going to get that done.

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

One thing I will guarantee you is that if there is no budget, if you do not put these kinds of instructions into the budget, if there is no budget or if an entity or a Member comes to the floor with a budget today that does not have these serious kinds of instructions in the budget to reform the programs, I will guarantee you they will not get fixed. I would suggest to you doing nothing is not an option. You cannot complain about Medicaid and offer no solution. You cannot complain about

the error rate in food stamps and say there is no solution. You cannot complain about these programs and say there is no solution. We do not think there is a silver bullet but we want to set up a process to begin the discussion to fix these programs. We can do this. It is going to take time. The budget recognizes that, the budget we brought to the floor today, that we need a reasonable pace to get there. We set September as a deadline so we can invite all of the interested parties in to begin this. It builds on the critical work that we have done over the past number of years to shore up and strengthen national defense and create jobs and make sure that we continue our reduction in spending. I believe it is a doable, a fair and honest budget, one that we can work with the President in order to make sure it gets put into place.

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

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

□ 1530

There is no question, we had a surplus on September 10 of 2001. We all know what happened the next day. And we all know and we all joined in the spending to meet the needs of our changed world. None of that was in the

budget. We knew we had to do it. We knew we had to keep the economy strong. We knew we had to support our troops. We knew we had to combat terrorism. We knew we had to protect the country.

We decided we would do whatever it took. That is whatever it took. And it meant we had to run deficits. But just like last year, we made a commitment to reducing the deficit. We did it 20 percent last year. We are going to do it again this year. We will get to cutting the deficit in half by 2009. We will get that accomplished and then some, and we will get back to balance. But we have got to stick to a plan.

We will do whatever it takes, not only to protect the country, but we will do whatever it takes not to pass on that legacy to the next generation. We cannot do it all in 1 day. We cannot do it all in 1 year.

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

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

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

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

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

Democrats, beginning in 1992 and 1993, made the hard choices that moved the budget to surplus in unprecedented fashion. \$290 billion was the deficit inherited by President Clinton when he came to office, as this chart will show. \$290 billion was the largest deficit in our Nation's peacetime history.

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

Well, Mr. Chairman, every year thereafter, after adoption of the Clinton budget in 1993, every year the bottom line of the budget got better, to the point where in the year 2000 we had a surplus of \$236 billion. We made the hard choices to make that happen. And that was the surplus inherited by President Bush when he came to office in the year 2001.

No President in recent times has enjoyed such an inheritance, and he squandered his inheritance. We warned against it. We warned against going for deep tax cuts and relying upon the projection of surpluses at that point in time, which was \$5.6 trillion.

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

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

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

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

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

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

When you add all of these things together, what you get is not a deficit that is going to be cut in half over the

next 5 years, or the next 10 years, for that matter. What you get is a deficit that moves from \$427 billion next year to \$621 billion in the year 2015.

Let me just show you in three simple lines what this means looking backward over the immediate last 3 years.

When my Republican colleagues passed the President's budget and his tax cuts in the year 2001, his offices at OMB told us in earnest, we will not be back here hat in hand to ask to increase the debt ceiling of the United States, the legal limit on what we can borrow, again until 2008. So confident are we that these tax cuts will be replenished, we do not think we will be back here until 2008.

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

The next year, 2003, they came and asked for a debt ceiling increase of \$984 billion. Let me tell my colleagues for reference purposes how big that is. The entire debt of the United States when Ronald Reagan came to office was less than \$984 billion. In one year, in one year, the Bush administration asked and the Republicans in the Congress, both Houses, acceded to a debt ceiling increase of \$984 billion. That was May 26, 2003. Within 15 months, Secretary Snow from the Department of Treasury was back and said, we need more; we need more. And consequently, before we adjourned last November, the Congress again, with Republican votes, increased the debt ceiling by \$800 billion.

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

Today, we have before us a budget resolution which was crafted by the Republicans and by the gentleman from Iowa (Chairman NUSSLE). Very little collaboration. A lot of civility. We have a great relationship, but little collaboration. They did their thing; we did our thing. Basically, what they have done is a take-off on the President's budget. It is very similar to the President's budget.

So instead of taking my word for what the consequences of this budget are, let me show something that every Member has in his or her office right now. It came yesterday, March 15: an analysis of the President's budgetary proposals for the fiscal year 2006, prepared by the Congressional Budget Office, which, as everybody knows, is neutral and nonpartisan. Members do not have to read the whole thing, although I would commit it to their reading. They just have to read to the second page. Table 1.1 on the second page, if they read there, they will see the implications of what they will be putting in train if they vote for this budget resolution, which is basically the President's budget request.

And that is, according to CBO, we will add to the debt of the United

States \$5.135 trillion over the next 10 years. Another \$5 trillion on top of the \$2.2 trillion that I have just shown will be added over the next 10 years as a consequence of passing this budget. That is not cutting the deficit in half. That is letting the deficit soar and soar and soar.

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

Yet where the real cost increases, spending increases, are coming is not in those accounts, which constitute about \$350 billion and have basically been flat for the last 3 years. As this chart shows, over the last 4 years, 90 to 95 percent of the spending increases have come from defense, understandably, the reaction to 9/11, post-9/11, and to an account in the budget that did not exist 3 years ago, Homeland Security. That is where the growth is coming.

But in instead of going to this growth, instead of going to these items in the budget, they are concentrating on domestic discretionary spending, and I tell my colleagues while we can take a hit this year, \$150 billion over 5 years, a significant reduction, and maybe some more next year, pretty soon we are going to reach the tolerable limits of what we can do in the way of cutting education, law enforcement, infrastructure improvements, and things like that in the United States.

So there are limits to where we can go and the methods they are choosing, and that is why I say this is the path we are taking. Here it is when CBO sends us their report: \$5 trillion. And, by the way, that does not include anything for the additional cost of the war past the year 2006, and that is because the President does not have it in his budget. The gentleman from Iowa (Mr. NUSSLE) to his credit said we know we are going to be there in 2006. We know basically what it costs, we should put something in our budget to reflect that cost. And he put \$50 billion in his budget. The President did not. If we adjust his budget, as represented here in CBO, for the likely cost of being in Iraq and Afghanistan for some years to come, it adds another 300 to \$400 billion to the tally. It pushes it on up even more.

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

We have offered a substitute that we think is better fiscally and better in terms of our core values, the values

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

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

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

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

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

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

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

□ 1545

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

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

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

This became painfully clear when we were attacked on September 11. Our

Nation had severe defense and homeland security deficits that had to be addressed immediately. Since that day, Congress has shown that we are more than willing to spend whatever is necessary to protect and defend our Nation and support our troops.

Since September 11, we have spent \$1.9 trillion, almost \$2 trillion, to provide for the defense and homeland security of this Nation, and that does not include the supplementals that we have already passed, which add up to \$248 billion. So we have done a whole lot of very necessary and very costly building, rebuilding and across-the-board updating to correct those deficits, and we acted quickly, deliberately, and in a bipartisan way to address those needs. I am glad to say that this year's defense and homeland security budget builds on the substantial progress we have already made.

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

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

Now, this budget accommodates the President's request for the Department of Defense and increases our spending this year up to \$419.5 billion, almost \$420 billion. That is an increase over last year of 4.8 percent. It also proposes a sustained average increase of 3 percent over the next 5 years.

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

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

We spend money in operations and maintenance. That is the core of our readiness to fight this global war on terrorism. This budget provides for increases in training and education, operations and support for the military

forces, maintenance of field weapons systems and equipment, and operation and maintenance of facilities. In total, operations and maintenance has gone up by 20 percent over the last 4 years.

To continue our effort to replace worn out or obsolete equipment, we provide for procurement of new ships, aircraft and vehicles, as well as the purchase and initial fielding of weapons systems, ammunition and other combat-related systems. Over the past 4 years, funding for procurement has increased 25 percent.

Also, as the chairman noted in his opening statement, we have included in our budget \$50 billion to fight the ongoing War on Terror.

Mr. Chairman, the number one responsibility of the Federal Government is to protect American lives, and I am proud to say that this budget does just that. I urge its adoption.

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

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

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

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

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

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

Key initiatives of the President's proposal supported by this include: \$40.4 billion for total homeland security spending, excluding the Department of Defense homeland security spending; \$38.3 billion for the Department of Homeland Security, a 177.5 percent increase for agencies moving into the department from fiscal year 2001;

and the increase in this year's budget follows on the heels of truly substantial increases over the past few years.

As you will see from the chart we are going to put up now, this chart shows only the non-defense discretionary spending and illustrates what we have done in the past years in the area of homeland security since 2001.

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

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

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

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

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

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

Mr. MORAN of Virginia. Mr. Chairman, I thank my friend the gentleman from South Carolina for his leadership.

Mr. Chairman, I rise in support of the fiscally responsible Democratic alternative budget offered by the gentleman from South Carolina (Mr. SPRATT) and in opposition to the Republican leadership's unbalanced budget.

Mr. Chairman, the annual budget resolution is not a legally binding document, but a guide, a blueprint for our Nation's budget. While the House regrettably—and irresponsibly—failed to pass a budget resolution last year, we should not by our inaction diminish its importance. The budget resolution should reflect this body's values and priorities and those of the American people. Unfortunately, Mr. Chairman, the majority's 2006 budget resolution does not reflect the American people values,

priorities and needs, let alone their children's needs. This budget will, in fact, hurt the vast majority of Americans for years to come.

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

These funding cuts include the elimination or substantial reduction of 150 programs. For example, the Department of Education eliminates 48 programs, costing a total of \$4.3 billion, and the Department of Health and Human Services eliminates 33 health and social services programs costing \$2.0 billion. Some cuts are implemented over a 10-year budget window, but many are eliminated entirely in fiscal 2006. For example, all vocational education programs are eliminated immediately. The budget slashes \$522 million for all technology education programs and \$437 million for State grants for safe and drug free school and community programs. The Environmental Protection Agency, EPA, budget is cut by nearly one half billion dollars, jeopardizing EPA's ability to enforce environmental regulations and coordinate mitigation programs with State and local governments.

The Republican budget cuts veterans' health care by \$14 billion below current services over the next 5 years. These cuts come at a time of unprecedented growth in demand for services. The Veterans Health Administration, VHA, is struggling to provide adequate health care services for our aging Vietnam, Korean, and World War II veterans, in addition to serving the needs of the countless and increasing Iraq war veterans.

The Congressional Budget Office predicts that the administration's policies expressed through this budget will result in deficits of \$250 billion or more each year over the next 10 years. The programs I just cited represent a small portion of the discretionary budget. Targeting environmental, veterans, health care, education, basic scientific research and housing programs for cuts, while advocating permanent tax cuts that benefit the highest income tier, is not the way to balance the budget.

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

The Bush administration and its House leadership proposes to make tax cuts permanent even though this policy would cost \$1.5 trillion over the next 10 years. Mounting debt and enormous interest obligations will be borne by current and future generation. Equally troubling, most of our new debt is being purchased by foreign nations. Japan and China, for example, hold nearly \$1 trillion in American debt. A decline in the dollar's value against the Euro during the last year has not gone unnoticed by foreign governments that finance U.S. deficit spending. Financial ministers have expressed increasing concerns about America's unwillingness to reduce deficits. Asian nations, including South Korea, are now balancing their currency portfolio with Euro pur-

chases. Without a historical comparison it is difficult to adequately predict what impact these trends will have on American economic and national security. Some of us are growing increasingly concerned by the administration's lack of a comprehensive strategy for reducing our reliance on foreign financing, even acknowledgment of the problem would be helpful.

The President has insisted on cutting taxes during a time of war. You don't finance two wars with five tax cuts. President Bush is the only president ever to do so, and his stubborn pursuit of additional costly "reforms" (such as the multi-trillion dollar Social Security privatization plan) seriously imperils America's ability to compete in the future against emerging economies in Asia and the European Union. Our economy, particularly in my home district on Northern Virginia, is currently in pretty good shape. But our standard of living and growth cannot be sustained if we insist on deferring enormous debt and interest obligations to future generations. The House leadership's blind acquiescence to the President's policies is regretful and irresponsible.

Mr. Chairman, I urge my colleagues to vote against the Republican leadership's budget, which basically rubber stamps the President's budget. I strongly support the Spratt alternative Democratic budget, a much more responsible and morally defensible budget.

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

Mr. COOPER. Mr. Chairman, I thank my friend, the gentleman from South Carolina, who is one of the most able and honorable Members of this body. I also want to congratulate the gentleman for having put together a budget that reaches balance.

The other side talks a good game. They do not produce. Every year the ranking member's budget has a lower deficit than the Republican budget.

My point today is simple: On the floor of this House, there are two pictures and two pictures only: One is George Washington, to my right, and the other one is a gentleman people in the galleries have trouble identifying. Who is he? He is a Frenchman, the Marquis de Lafayette. Why is he here? Because during the American Revolution, they loaned us money to help us beat the British.

There is always a race between the creditors and the citizens. Well, under the Republican budget, the creditors start winning in the year 2009. This is it, the tipping point. In the year 2009, we will be spending more money to service our debts, increasingly to foreigners, than we will be spending on our own citizens on domestic non-defense discretionary spending. That is an outrage. It will be better starting in the year 2009 in terms of domestic government in this country to be a creditor and not a citizen.

And the trend that is being set by the Republican budget just gets worse. Do not take my word for it, listen to the Government Accountability Office. By the year 2040, under present trends, it will take all the revenues of the Federal Government just to pay interest

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

One of the speakers recently just said, well, we have a strong defense. That is good. We are borrowing more and more of the money from the Chinese. Who do you want pictured on the wall of the House of Representatives in future years? Do you want the Marquis de Lafayette, or do you want Hu Jintao of China, or Prime Minister Koizumi of Japan, or do you want Tony Blair of Great Britain? Because these creditors have more and more power over this country because we are borrowing more and more of their money.

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

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

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

Now, what if I came home and I told my wife, I have got a great family budget, it goes one year, knowing that I have a balloon payment on my home mortgage the following year?

What if my accountant gave me a 3-year budget for my family, knowing that I would retire in the fourth year?

What if my business ran a 5-year budget, and I knew that I had to replace my entire plant inventory in the sixth through the tenth year? I think I would be told to get out of budgeting.

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

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

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

Mr. CARDOZA. Mr. Chairman, I rise today to express my disappointment with the lack of attention to our Nation's fiscal crisis. We have a budgeting process that simply defies logic. The system is broken, plain and simple. We

need to focus our efforts on finding a cure for our addiction to budget deficit spending.

This dog of a budget does not hunt, but the Blue Dog Coalition has introduced a 12-step reform plan that is a good place to start with reforms. It requires a balanced budget, stops Congress from buying on credit and puts a limit on spending. It requires an accurate account, cost estimates and allows sunshine to purify the process. It is no secret that our national debt is out of control. We are expected to run a \$427 billion deficit in 2005, with more deficits projected as far as the eye can see.

We do not even have a firm grip on where our money is going. Within the Department of Defense, only six of 63 departments are able to produce a clean audit. That is less than 10 percent.

□ 1600

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

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

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

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

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

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

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

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

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

Chairman Alan Greenspan has recommended that to the Committee on

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

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

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

Mr. SPRATT. Mr. Chairman, I yield 2½ minutes to the gentleman from Tennessee (Mr. TANNER).

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

Since 2001, this country has borrowed in hard dollars \$1.12 trillion. What that means to every citizen is simply this: at 5 percent interest, that is over \$50 billion a year that has been transferred away from addressing the problems of health care and veterans and education and the things that will keep our country competitive into interest. What is worse than that though is since that time 84 percent of the budget deficit that we have run, the money we have borrowed has come from foreign interest.

We are now sending \$80 billion a year overseas in interest checks. We are bankrupting America while this country, this Congress fiddles. And this situation is not only dire and getting worse by the second. We are borrowing \$13,000 a second, paying interest at about \$5,000 a second.

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

We are lording over the largest budget deficits in the history of the United States. That is the record. I mean, people are entitled to their opinion. They are not entitled to their own set of facts. This is not something that is going to happen in the future. This has happened and is happening now.

The director of GAO was before the Committee on Ways and Means last week. Do you know what he said? He said if we continue on this course, if we do what the administration and this Congress recommends, and that is make the tax cuts permanent, and spending only grows at the rate of growth of the economy, in the year 2040 every dime that comes into Washington, D.C. will be going to pay interest. There will be nothing left, 35 years from now.

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

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

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

We do not need more taxes to come into Washington from this oversized government. We do not need that from the Democratic substitute. We do not need it from the Blue Dog budget. We do not need a tax increase. There is not anybody balancing their checkbook around their kitchen table in Iowa saying, gee, Mom and Dad, let us figure out a way to pay more in taxes.

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

Mr. Chairman, I yield 6½ minutes to the gentleman from Florida (Mr. PUTNAM) to talk about the discretionary part of the budget.

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

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

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

Let us look at what the impact of domestic spending has been over the past decade. A Mount Everest of increases in discretionary spending. As we can

see, overall discretionary spending grows since 1994, a very steep line. With the exception of last year which was the first time in a long time that we began the process of slowing growth, on average we have increased discretion spending by 6.1 percent per year for over a decade.

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

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

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

In addition to increased funding, Congress also passed the No Child Left Behind Act which demands results in exchange for dollars. It works to forge a real link between education spending and classroom achievement while focusing resources on underperforming schools.

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

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

Spending per veteran. Let us get right down to the veteran in your district. Spending per veteran since 1995, increased payments per veteran have gone up 103 percent compared with 43

percent during the previous 10 years. You could walk into any Legion Hall or VFW complex in America and be proud of that number.

Since 1995, we have increased VA medical care funding from \$16.2 billion to almost \$30 billion. And in 1996 and 1999, Congress expanded eligibility for medical care and as a result the number of veterans utilizing VA care has nearly doubled.

The Montgomery GI bill. Those veterans who return home and seek to improve their lot and develop their education skills, since 1995 Montgomery GI education benefits have gone from \$405 to \$1,004, an increase of 147 percent. And I will also note that prior to the Republican take over in 1995, under 40 years of Democrat control, there was no progress whatsoever on concurrent receipts. Now military retirees injured in combat or while training for combat who are 50 percent or more service disabled, are able for the first time in over 100 years to receive retirement benefits at the same time as their veterans disability compensation.

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

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

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

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

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

Our colleagues from the other side of the aisle criticize our budgets in two respects. They say Republican budgets do not spend enough, and they say taxes should be higher. That is pretty much the gist of their complaints against our budgets. So I am glad to see the chairman pointing out his opposition and join him in adding my opposition to tax increases.

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

As the chairman has noted, Congress spends a lot of time talking about discretionary spending, that part of the budget that makes up only one-third of total spending. The last time we made

any real effort to restrain the bulk of our spending, that part on auto-pilot, was back in 1997 and before that 1990.

Now if we look at this pie chart, we can see how much of our total spending has come to be mandatory spending: 48.7 percent in 1995, 54.3 percent today. And if we do not get a rein on it, by the year 2015, the portion of the budget over which we have little control or have chosen to have little control will grow to 62.1 percent.

□ 1615

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

Let us look at the other chart if we might. This one deals with student loans. We address much of our student spending with discretionary money, but student loans are mandatory programs. Since 2000, student loan volume has increased by 64 percent, with loans increasing by \$31.4 billion to \$80.7 billion today. This represents an annual growth rate of 10.5 percent at a time when our economy has grown by approximately 4 percent per year.

The next chart deals with Medicare spending. Medicare, of course, as we all know, is the Federal Government's nationwide health care system for 41 million senior citizens and disabled persons. That is 14 percent of the population. Since 1995, Medicare spending has grown 88 percent. This year alone we will spend \$293 billion on Medicare. Over the next 5 years, CBO estimates that Federal outlays will amount to \$2 trillion, and as my friend from Tennessee pointed out, \$1 trillion is an awful lot of money.

Our next chart deals with Medicaid. Medicaid provides medical and long-term expenses to more than 40 million low-income families, elderly and disabled individuals. This is one out of seven Americans who benefit from this program. It serves as the cornerstone of America's health care safety net. Since 1995, Medicaid spending has grown an astonishing 211 percent. Let me repeat that. Since 1995, Medicare spending has grown 211 percent. According to CBO, this year the Federal Government will spend \$183.2 billion on this important program, and over the next 5 years that spending will grow by over \$1.1 trillion, an enormous rate of increase in this mandatory program.

So why have we allowed it to get to this point? And why are there still so few people who are willing to admit there is a problem, let alone trying to tackle the problem?

The first reason, mandatory spending is difficult to control. This spending is tied to a variety of factors outside Congress's control, demographics, economic conditions, medical prices and so on. In addition, we have an aging population, with longer life expectancy—that is a good thing—increasing benefits and ever increasing medical expenses. In addition, the baby boom generation, my generation, is about to retire, adding huge strains to the resources of these programs.

Secondly, these programs address critical needs that must be met, Medicare payments, Social Security payments, commitments to our veterans.

Almost everyone is affected by one or more of these programs, either ourselves, our children, our parents, our grandparents. In many cases, people associate these programs with the one check that they receive with their name on it.

Now, all of these factors make it especially difficult not only to control entitlement spending but even to discuss getting it back under control without causing concern to good, deserving people who worry that their benefits will be changed. So we have a big problem to deal with, not only to get our hands around the problem, but to do it in a way that is fair for today's recipients and tomorrow's recipients.

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

It is important to remind everyone that this is not happening in a vacuum. As the gentleman from Florida (Mr. PUTNAM) pointed out, we have already taken the first steps toward getting a grip on discretionary spending.

Specifically, what does this budget do? It provides, for the first time since 1997, reconciliation instructions to the authorizing committees. It directs each of them to find a specified amount of savings. What it does not tell them to do is where to find those savings. That will be left up to the committees. The budget has a number that is given to each committee, and it directs the committee of jurisdiction to find that amount of savings. This is a critical step to begin the process of getting our mandatory spending back to a sustainable level, simply slowing the rate of growth of programs such as the one demonstrated on this poster.

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

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

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

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

Back when they were on the committee a few years ago when this President first started in office, we had surpluses, and it was easy to go before the committee and debate how we would spend money we actually have or actu-

ally had and projected we would have. But today we are out of it, so much out of it that we have to come to the floor and almost pretend that we are doing something that we are not.

As much as I respect the gentleman from Mississippi (Mr. WICKER), and I know he has left the floor, he should call his own Governor, Governor Barbour, and ask him his feelings about the Medicare increases he bragged about here on the floor.

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

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

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

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

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

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

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

best price for seniors, for the disabled and for the poor working people across this country.

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

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

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

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

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

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

The previous speaker or colleague the gentleman from Tennessee (Mr. FORD) referenced that when President Bush came into office he came in at a time of surplus. Indeed, for the last 3 years of the Clinton administration, there was zero deficit. In fact, there were surpluses, and that tightening of the government's budget under President Clinton enabled the Clinton administration to pay back over \$350 billion of our indebtedness, reducing the national debt. We were on a course of action in the budget of being debt free by the year 2008, debt free for our country, and what that means in terms of the budget and the debt service is remarkable.

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

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

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

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

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

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

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

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

□ 1630

Indeed, Mr. Chairman, the issue is what we do about Social Security from the year 2050 to the year 2100. Contrary to what the President has put out there, there is no crisis facing Social Security. There is a problem down the road. We have time to deal with it in

the right way, in a way that does not slash benefits, that does not increase the deficit, does not rob our trust fund of its funds and does not burden our children with all of that debt.

So we will go to the table and say, with the amount of money that should be in the trust fund, and if the administration honors its moral and legal obligation to pay the trust fund back the money it has taken out, then the trust fund and interest on it should take us well into 2050. And after that, the benefits would be at 80 percent, and that is what we have to deal with. We can deal with it soon. We can deal with it in a bipartisan way. Just as President Reagan did working with Speaker Tip O'Neill in 1983, we can work it out in a bipartisan way to strengthen Social Security.

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

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

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

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

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

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

But let me take a moment, if I could, and respond to some of the comments by the minority leader with regard to the Social Security system. First, to say the criticism that your budget, Mr. Chairman, does not include Social Security, is kind of an unusual one, given that as the gentleman from South Carolina (Mr. SPRATT) knows, under the Budget Act of 1974, Social Security is off budget. And even if the Budget Committee, in all of its wisdom, decided we were going to reform Social Security, we would not have the ability to. You cannot do it in the budget.

And, secondly, although we heard a lot of criticism about some of the President's ideas and some of the other ideas to indeed modernize and save Social Security, we did not hear even outlines of a plan on the other side. So it is kind of hard to put a budget together, even if you could under the Budget Act, when there is no plan.

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

Traditionally, it has been one that politically is very tough, hard to take on, referring to that third electrified rail in the New York subway system. You grab it and you are electrified. The President is taking it on, as are Republicans, because it is the right thing to do. It is the right thing to do for our seniors, to be sure they have strong Social Security. And as the President said repeatedly, anybody who is age 55 or older will not have their benefits changed one bit.

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

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

We need to do something. We need to do it on a bipartisan basis. We need to put aside this notion that everything is off the table and criticism and denial and, instead, address the very real problem we have. And the very obvious solution is to do something sooner rather than later because the sooner we do it, the less impact it will be on our economy, on our budget, and on our young people.

The gentlewoman from California (Ms. PELOSI) talked about the reckless tax cuts that have driven us into debt. Well, what have we seen over the last 4 years? It is not tax relief that drove us into debt. Over the last 4 years we have seen remarkable changes in our Nation's economic picture after having endured the bursting of the stock market bubble, the corporate scandals, a recession, the terrorist attacks and their aftermath and, of course, the uncertainties of an international war against terrorism, including our conflicts in Afghanistan and now in Iraq.

These things have resulted in two things. Number one, because of the re-

cession, less revenue. And of course that is the number one reason we find ourselves with a growing deficit over the last few years. And all the data supports that, from CBO, from OMB, all the nonpartisan actuaries looking at this issue. All those who analyze it say the same thing. When you have less revenue coming in, lower capital gains, lower corporate income tax, lower individual income tax because of recession, that is the number one reason.

The second reason is increased spending. And, yes, this Congress has increased spending, and in a few areas as has been talked about earlier today, it was necessary. One, of course, is Homeland Security. Once again, this budget provides for substantial increases in our Homeland Security budget because we need it to protect our country against the terrorist threat.

Second is with regard to defense. We inherited not only a recession over the last 4 years, but also a deficit in terms of our defense. We needed to rebuild defense. And again today we will vote on a budget, or this week on a budget, that will increase substantially our commitment to the defense of our country. So some spending has been increased, and some other areas as well.

Tax relief is specifically focused on growing that economy, getting us out of that recession, moving us to a point where we have increased revenues coming in. And you know what? The strength and resilience with which our Nation has responded to the challenges I talked about earlier, the recession, the terrorist attack, the stock market bubble, the corporate scandals, has been incredible. And it has been because of the tax relief. The tax relief, as opposed to the less revenue from the recession, as opposed to the increased spending, the tax relief has actually enabled us to move out of a recession into economic times where we see good economic growth.

We have acted together to address those deficits in our Homeland Security, our national security, and also put in place through tax relief the necessary incentives to grow our economy. Because of that, we are in a very different position today than we were 4 years ago.

In fact, the general consensus of both public and private forecasters is that the US economy is in a sustained expansion growth period, with real solid GDP growth over the last year and going forward, real growth and payroll jobs, low unemployment and very low historical inflation.

This chart shows the GDP growth. Starting in 2003 going up, real GDP growth has increased for 13 consecutive quarters. In 2004, our real growth was 4.4 percent. That makes us the envy of the developed world. It is the strongest growth we have had in 5 years and one of the strongest in 20 years.

The Budget Committee recently heard from Chairman Alan Greenspan from the Federal Reserve who said the U.S. economy delivered a solid per-

formance in 2004 and thus far activity appears to be expanding at a reasonably good pace. The Fed projects we will have real GDP growth this year of between 3½ and 4 percent, and again good growth in the proceeding year.

This growth is because, again, the tax relief is beginning to work. This includes real business investment, increasing at a rate of 15 percent over the last year and a half. The best performance in real business investment and equipment over the past 7 years, shipments of nondefense capital goods, which is a key measure of private business investment, has rebounded very strongly.

Homeownership has also increased dramatically. We are now seeing the best homeownership rates that we have seen in our country's history. Housing construction is at its best in 20 years. This shows a record high in homeownership, including among minorities.

Unemployment is also a good story. If we look at what has happened since the tax relief was put in place, payroll employment has increased by 3 million jobs over the past 21 months. Just last week we saw job gains of 262,000 new jobs, more than a quarter million new jobs in February. Again, that is something that we should be proud of as a Congress, something we should be very pleased about. Significant improvement in jobs and labor markets has occurred and is expected to continue as new claims for unemployment insurance are at their lowest level in over 4 years.

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

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

The minority leader earlier talked about the reckless tax cuts that caused the deficit. We talked about what caused the deficit. Here is what has resulted from those reckless tax cuts: 3 million jobs in the last 21 months. There are a lot of factors in the economy; but the one we can control is the

fiscal side, and that is our spending and our tax relief.

What this budget does is it says we need to continue that tax relief. We are not going to increase taxes just now as our economy has finally gotten back on track, as the people we represent have finally seen the kind of opportunity we all want them to have. We are not talking about new taxes; we are talking about keeping the tax relief that was in place in 2001, 2002, and 2003 by this Congress, put in place by this Congress, so we can continue to have good economic growth.

The speed and the strength of the economic recovery of the past several years has been due in large part to this tax relief. We cannot forget that as we look at this budget. We also need to keep spending under control.

Earlier this month, Alan Greenspan told us that the notion of raising taxes in response to deficits "posed significant risk to economic growth and the revenue base" and that in his judgment we should aim to "close the fiscal gap primarily, if not wholly, on the outlay side." That is what this budget does. It makes some tough choices in non-defense discretionary spending, some tough choices in terms of our entitlement growth. Our entitlement programs are growing well beyond inflation.

As the gentleman from Iowa (Chairman NUSSLE) has laid out today, this budget calls for a lot of responsible ways for Congress to help itself to control spending, controlling discretionary growth, allocating discretionary spending to defense and homeland security priorities, as we talked about earlier, and calling for reconciled reductions in the amount of growth on the mandatory spending side. None of it is going to be easy.

A lot of us here in Congress have gotten pretty comfortable in signing off on big spending increases and free-flowing new spending. But success at keeping taxes and spending down is critical to a strong economy and with it higher standards of living for our Nation's workers and our families.

The gentlewoman from California (Ms. PELOSI) talked about the good old days in the 1990s when we did have an opportunity to get the deficits down and get some surpluses. We did it very simply by keeping taxes under control and keeping spending under control. That is what this budget provides for, so we can reduce the deficit in half in 5 years and see that opportunity continue.

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

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

In the interest of full disclosure, we ought to acknowledge that advice was given to us three times, and it is in our budget resolution. We recommend it in two places in our budget resolution. The one discipline proven to work that we ought to institute at the very least is PAYGO and apply it both to entitlement spending increases and to additional tax cuts, per the recommendation of Chairman Greenspan.

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

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

□ 1645

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

My friend from Ohio has presented probably the best defense of deficit spending that I have ever heard. Along with the false claims and the budgetary sleights of hand, remember, these are the same folks who since 2001 have converted a \$5.6 trillion surplus into a deficit of \$4 trillion, a \$9 trillion turnaround. Defend that.

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

It is not just doing the congressional budget process where this is apparent. A lack of credibility with America's money seems to be the order of the day throughout government. Just this morning, we completed another \$81 billion supplemental for a war the administration told us would cost \$100 billion in its entirety. We were told that the war would be paid for by oil revenue. Just this week, we found out that Halliburton has overcharged the Pentagon more than \$108 million in excess billing, a sum that would pay for 592 up-armored Humvees which we disgracefully did not provide for our troops at the beginning of this war, or 2,250 explosive device jammers for our troops in the field. We are going to hear these conversions of costs over and over and over again. Mr. Chairman, get used to it.

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

Mrs. CAPPs. Mr. Chairman, I rise in strong opposition to the Nussle budget.

This budget cuts \$20 billion from Medicaid. Our friends on the other side of the aisle claim that this is not a cut, just a reduction in growth.

But it is a cut. When prices increase, and they surely have in health care, and spending does not match that increase, you are reducing the program's purchasing power. You are cutting the program. This budget is going to deny States, health care providers and low-income working families \$20 billion for the health care services that they would have had. And there is no evidence that closing loopholes or fighting waste, fraud and abuse would save anywhere near this amount.

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

Mr. Chairman, since the President took office, the number of uninsured has increased by 5.2 million. Without Medicaid, this number would surely have grown much higher. Medicaid enrollment grew by 6 million over the same period, covering many people who would otherwise have been uninsured. Even so, Medicaid costs have grown about half as fast as private health insurance premiums have grown. Between 2000 and 2003, Medicaid per capita spending went up 6.9 percent while private insurance premiums shot up over 12.5 percent. The growth we have seen is a result of the skyrocketing health costs that the President has allowed, not Medicaid itself.

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

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

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

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. PORTMAN) having assumed the chair, Mr. LATOURETTE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution (H.

Con. Res. 95) establishing the congressional budget for the United States Government for fiscal year 2006, revising appropriate budgetary levels for fiscal year 2005, and setting forth appropriate budgetary levels for fiscal years 2007 through 2010, had come to no resolution thereon.

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

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

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

There was no objection.

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2006

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

□ 1652

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution (H. Con. Res. 95) establishing the congressional budget for the United States Government for fiscal year 2006, revising appropriate budgetary levels for fiscal year 2005, and setting forth appropriate budgetary levels for fiscal years 2007 through 2010, with Mr. LATOURETTE in the chair.

The Clerk read the title of the concurrent resolution.

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

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

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

Mr. Chairman, the budget is a reflection of our values and priorities as a Nation. Congress should support a Federal budget that will make us more competitive in the global economy, spread prosperity to more Americans and reestablish fiscal discipline to en-

sure a better future for our children. This budget resolution takes us in the wrong direction. In order to cover up the President's mismanagement of the economy and the resulting mountains of debt, the Republican budget sacrifices important domestic priorities like Medicaid. This budget resolution cuts Medicaid more deeply than the President's proposal, as much as \$20 billion over 5 years. Slashing Medicaid will have a devastating impact on the most vulnerable in our society. Medicaid is the health care safety net for impoverished children, elderly and the disabled. Reductions to Medicaid will cause lasting harm to current Medicaid beneficiaries and make the system less viable for health care providers.

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

This budget would set back the quality of nursing home care. With Medicaid funding half of the Nation's nursing home care, cutting or block granting the program would set back efforts at improving the quality of care provided to seniors and people with disabilities in the Nation's nursing homes. This budget would unravel an already fraying health safety net, jeopardizing support for providers like hospitals, clinics, doctors and health plans that serve low-income people.

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

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

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

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

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

Mr. KIND. Mr. Chairman, I thank my friend from South Carolina for yielding me this time, and I also want to thank

him and commend him for the leadership that he has shown during the course of the Budget Committee work and for the alternative Democratic substitute which we will talk about a little bit later today.

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

For some reason, the Republican budget that we have before us only is budgeted for 5 years rather than the typical 10 years. I submit that one of the reasons I think they are doing a 5-year budget instead of a 10-year budget is because of the complete breakdown in fiscal responsibility and what the costs of their budget will entail and the explosion of budget deficits in the second 5 years that they do not want to talk about during the course of these next couple of days during the budget. We, on the other hand, will be presenting a Democratic alternative, one that does, I believe, reflect the values and the priorities that we share as Americans in this Nation.

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

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

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

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