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 ensure 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 reinstituting 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

being diverted, to help finance large cuts for the most wealthy or to help finance large new spending programs, a 30 percent increase in Federal spending over the last few years alone. That will continue throughout the duration when we are running surpluses in the Social Security Trust Fund under their budget proposal. What this has meant was increased borrowing cost, year after year after year having to raise the debt ceiling in order to finance the breakdown in fiscal discipline in this place.

Why is this important today? It is important because we do not owe this debt to ourselves anymore. Ninety percent of the new debt that was purchased this last year alone is being purchased by foreign countries, Japan, the number one purchaser, soon to be surpassed by China as the number one holder of our debt.

□ 1700

I do not believe, and Democrats do not believe, it is in our best long-term economic interest to be so dependent on foreign interests to be financing these deficits.

The President has been out campaigning on a new Social Security plan lately. It is kind of tough to engage in a meaningful discussion since he has not offered a detailed proposal; but from what we understand, he is calling for massive new borrowing in order to set up these privatized accounts that he is fond of. In fact, Social Security runs a deficit of $3.7 trillion over the next 75 years. What the President is proposing to do is to borrow $5 trillion for these transition costs to set up private accounts over the first 20 years alone in order to fix a $3.7 trillion problem. And that is probably one of the reasons why he is having such a hard time selling his plan out in Middle America. People know intuitively with this massive new borrowing that it is going to hurt economic growth prospects for our Nation; it is going to jeopardize our children and grandchildren's future by leaving a large legacy of debt for them. That is why, once we can get past the whole idea of privatizing the Social Security system, we can try to get together as Americans and work on a bipartisan solution that will be fiscally responsible and that will keep the promise to future generations.

Mr. SPRATT. Mr. Chairman, I yield 2 minutes to the gentleman from Washington (Mr. MCDERMOTT).

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

Mr. MCDERMOTT. Mr. Chairman, the budget declares our Nation's priorities in black and white, and this budget makes America black and blue.

Republicans have squandered the surplus, forcing America to go country to country in search of money to prop up what cannot stand on its own fiscal integrity. They present charts and graphs. They talk about acting in America's best interest when, in fact, we have before us a budget that rewards America's special interests. We are deep in debt and growing deeper because Republicans have so many special interests to thank with your money.

The price tag is mind-boggling, but that is outdone by the people Republicans have targeted to bear the burden of their fiscal recklessness. The rich get the gain; America's most vulnerable get the pain.

As ranking Democrat on the Human Resources Subcommittee, I asked my staff to examine where past Republican practices might be in this politically engineered budget crisis. $18.7 billion is coming out of the Committee on Ways and Means. None of it out of Social Security. None out of Medicare. What is left? Poor people and children.

Two million of our Nation's poorest families will see Draconian cuts in Temporary Assistance for Needy Families. Child care assistance for low-income working families could be eliminated. Social service block grants could be cut 60 percent, and Federal assistance for foster care could be slashed by 80 percent. And if that is not enough, let us take $5 billion worth of food stamps out of children's mouths. It is America's most vulnerable who will pay for the Republican intention to extend tax breaks for capital gains, with 75 percent of the benefit going to people earning over $200,000 a year.

What in the world is going on? Do Republicans intend to starve the poor so they can feed the rich?

Budgets reflect values. We heard a lot about values, family values, all this stuff. I guess feeding kids is not a value. And I suppose this budget reflects the Republican majority. Those values can be summed up in one word, bankrupt, just like this budget.

I urge a ''no'' on this resolution.

Mr. SPRATT. Mr. Chairman, I yield 2 minutes to the gentlewoman from Michigan (Ms. KILPATRICK).

Ms. KILPATRICK of Michigan. Mr. Chairman, I thank our ranking member for yielding me this time.

This is a bad budget. The very safety net that we hoped to help American families is being shredded. The Republican budget is wrong; and the prescription is wrong for Medicaid, over 52 million children, women, elderly, seniors, disabled individuals, 52 million in America. The largest health care program and the only health care program for many.

The Committee on Energy and Commerce has been instructed to cut $20 billion from the Medicaid health care program for so many vulnerable citizens. Medicaid pays for 70 percent of nursing home care in Michigan. Sixty-four percent of the costs are spent on the elderly and disabled. Do we really want to hurt the least of these who have built this country?

This Republican budget cuts Medicaid even more than what the President sent to Congress. We can do better.

I just left a meeting with my Governor in our Michigan delegation, both Democrats and Republicans. Unfortunately, the Republicans wanted to blame our Governor for Medicaid, and they said cut Medicaid back. When one is unemployed, when they have no health care, when jobs are being lost, unfortunately they need Medicaid. And it is unfortunate that this budget does not restore Medicaid, help the most vulnerable, and not ask for $20 billion cut for the elderly, for seniors, for the disabled.

The budget is bad. It kills Medicaid. We can do better.

Mr. NUSSLE. Mr. Chairman, to talk about the importance of our communities and our cities, I yield 3 minutes to the gentlewoman from Connecticut (Mrs. JOHNSON).

Mrs. JOHNSON of Connecticut. Mr. Chairman, I thank the chairman for yielding me this time.

As a member of the Save Our Cities Caucus, which is chaired by the gentleman from Ohio (Mr. TURNER), I rise in strong support of full funding of the Community Development Block Grant and Community Services Block Grant.

Our cities are hardest hit by the tough social problems of this age: poverty, drug abuse, underachievement. And I am proud that Republicans have long understood that the Federal Government has a responsibility to support our cities. They are the life blood of our commerce, but locally controlled Federal dollars are far more powerful than arbitrary Federal programs.

It is extremely important that we fully fund these critical programs because they preserve the local power of local governments to fix holes in the safety net, to assure the services that people need. In New Britain, my hometown; in Meridien or Danbury, Connecticut; or in Waterbury, the largest city in my district, Community Development Block Grant funds and Community Service Block Grant funds leverage several times their value to provide child care, elder care, literacy programs, substance abuse treatment programs, after-school programs. They help those cities demolish buildings that are a blight or that harbor drug dealers. They help clean up brownfields. They improve fire stations. They improve parks. They rebuild sidewalks. They reconstruct streets. They work to make our cities able to attract the economic development that provides jobs and a healthy urban environment.

So between the Community Development Block Grant and the Community Services Block Grant, the Federal Government has traditionally contributed, and under Republican leadership, generously, to assure the safety net in the cities and the economic strength of our urban communities.

So I thank the gentleman from Iowa (Mr. NUSSLE) for recognizing, as the majority of Republicans do, the importance of these flexible block grant programs to our urban communities.

Mr. NUSSLE. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio (Mr. TURNER), the chairman of that coalition, to talk about the same subject, the importance of our communities and the Community Development Block Grant.

Mr. TURNER. Mr. Chairman, as the chairman indicated, I chair a working group appointed by the gentleman from Illinois (Speaker HASTERT) called Save America's Cities. This working group has 24 members of the Republican conference who have backgrounds in urban issues, either having served as mayors or members of city councils or otherwise in local government, or who by their districts have a natural affinity for urban issues by working closely with their communities and seeing the difficulty of urban revitalization and redevelopment and the commitment to bringing jobs back to our cities.

Mr. Chairman, I support the Committee on the Budget in adding $1.140 billion to the administration's request for programs under the community and regional development function in the budget, which includes the Community Development Block Grant. The budget document itself specifically lays out that the funds are being restored with the clear intention of supporting the Community Development Block Grant program, or CDBG.

It goes on to state that the resolution makes no assumption regarding implementation of the President's proposed Strengthening America's Communities Block Grant or transferring the Community Development Block Grant program from the Department of HUD to the Department of Commerce. This is an important notation because it is very important for national associations that support urban issues, like the U.S. Conference of Mayors, the National League of Cities, that have had a great deal of concern about the consolidation of 18 programs, some of which are currently located in HUD, to Commerce and the reduction in overall spending, which was proposed of 30 percent.

This House, in taking the action of supporting the Committee on the Budget's resolution, does not accept the President's level of funding and looks to restore functions for CDBG that go to important issues in our community such as taking abandoned houses and refurbishing them, demolishing abandoned buildings where they cannot be rehabilitated, taking abandoned lots that might have been strewn with broken grass or be places where criminals congregate and turning them into community parking lots that can help support areas of local community business districts.

Looking, as the gentlewoman from Connecticut (Mrs. JOHNSON) was saying, to the area of brownfields, we have abandoned factory sites throughout our urban core which make it more difficult for us to bring jobs to those areas of our cities, to find ways to environmentally clean up those sites, and to demolish the buildings, bringing jobs back into them. The Community Development Block Grant program supports those functions.

I also serve as chairman of the Federalism and the Census Subcommittee of the Committee on Government Reform, and we recently held a subcommittee hearing on the administration's proposal to consolidate existing direct grant economic and community development programs within the Department of Commerce. We heard information from the U.S. Conference of Mayors and the National League of Cities where they told of the success of these programs.

I want to thank the chairman for listening to the great degree of success that they have had in the past and looking to ways that we can continue to support this program.

So I appreciate the addition of the $1.140 billion and the notation of the support for the Community Development Block Grant program.

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

Just to punctuate what the gentleman from Ohio and the gentlewoman from Connecticut said, we believe in local control; and we want to be partners with these communities in solving problems. We disagreed with the President in his budget with the changes that were made to the Community Development Block Grant; so we made that value judgment and change in this budget. We are supporting our mayors. We are supporting our communities. We want to be good partners, and we believe in local control in solving those problems. The big Federal Government cannot solve all these problems that these local folks are dealing with. We want to give them the opportunity to do that.

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

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

Before us today is an excellent budget, the result of an excellent process, and the product of an excellent chairman, the gentleman from Iowa.

Despite some occasional overheated rhetoric, the fiscal year 2006 budget resolution is, in fact, a modest attempt by a reasonable majority to hold down the growth of government spending. This is one of the strongest budgets I have seen since coming to Congress.

True, it makes tough choices. Imagine, it prioritizes spending, and it starts the long process of modernizing the Federal Government while rooting out waste, fraud, and inefficiency. But, Mr. Chairman, American taxpayers deserve no less, especially today. We are at war with an enemy who threatens us here at home and on the other side of the world.

□ 1715

Our security spending must therefore take priority, and in turn we must make difficult but necessary choices about non-security spending.

That is exactly what this budget does. It meets our needs at home and abroad without raising taxes, which would stifle our economy, or wasting money, which undermines the hard work the American people did to earn those tax dollars in the first place.

Of course, for some people, regardless of the fiscal and international circumstances, taxes and spending are never high enough. This year, as every year, they have warned us about the dire consequences of trusting the American people with their own money.

Last year, the same critics made the same criticism of our efforts, which we now know ultimately slowed the growth of non-security discretionary spending to about 1 percent. These critics assured us that our budget would bust a hole in the deficit. And yet last year, the deficit came in $109 billion smaller than experts originally thought it would, specifically because of the increased economic growth directly attributed to Republican tax relief passed since 2001.

Millions of jobs were created last year. Indeed, more than 3 million of them have been created since the House took up President Bush's similarly criticized Jobs and Growth tax relief package 21 months ago.

So, in short, Mr. Chairman, the economic data coming in every month speaks to the wisdom of the fiscal policies of the Republican majority. The critics were just wrong, and they are wrong again this year.

The principal mantra against this budget is that it will explode the deficit, despite the evidence of last year's shrinking deficit projections. What, one wonders, do they think that the $67.1 billion in additional spending that they propose at the Committee on the Budget markup would do?

The balanced budgets of the late 1990s should serve as our model, they say. Well, I agree. And I would remind them that the balanced budgets of the late 1990s were passed by Republican Congresses, without much help from our friends on the other side of the aisle. Hardly any of them voted for it.

How anyone takes credit for policies they opposed is beyond me, but I guess that is politics. But, again, so is the idea that raising $392.4 billion in new taxes, as Committee on the Budget Democrats proposed just last week, would somehow help the economy to create jobs.

Well, Mr. Chairman, the facts are indisputable: Democracy is on the march around the world; the war on terror is being won; the economy is growing; jobs are being created; deficit projections are shrinking; and the looming demographic crises facing Social Security and Medicare are being addressed, all thanks to the courage, the policies and the leadership of President Bush and this Republican Congress.

That the same people who have criticized us all along are criticizing our

budget today, Mr. Chairman, only suggests we must be doing something right.

So I urge all my colleagues to give more momentum to our success and support the budget resolution before us.

Mr. SPRATT. Mr. Chairman, I yield myself such time as I may consume to respond to the gentleman.

I would point out that when the Bush budget summit agreement came to the floor of this House in the fall of 1990, after many arduous months of negotiation with the Bush administration and the Democratic leadership and the Republican leadership in the House, only 88 Republicans supported the passage of that bill, which had the President's support behind it.

In 1993, when we passed the Clinton Budget Act and began the unprecedented march towards lower and lower deficits, eventuating in a surplus of $236 billion in the year 2000, not a single Republican in either House voted for that deficit reduction effort.

Mr. Chairman, I yield 2 minutes to the gentleman from Texas (Mr. GENE GREEN).

Mr. GENE GREEN of Texas. Mr. Chairman, I thank my colleague from South Carolina, our ranking member on the Committee on the Budget for yielding me time.

Mr. Chairman, I wish I had enough time to respond to the Majority Leader's problems with this budget, but, in all honesty, the War on Terror, we just passed the supplemental that was not part of this budget, and most of us, in fact I voted for that supplemental because it was the War on Terror.

But I rise to oppose the drastic cuts in Medicaid in this budget resolution. Medicaid is not the problem child of our health care system and should not take the fall for this administration's inability to balance the budget.

Medicaid's cost per capita growth is lower than Medicare or even private insurance, despite the fact that Medicaid has absorbed an increased beneficiary population due to gaps in Medicare coverage, an economic downturn and the decline of employer-sponsored health insurance. Medicaid is a success story in this country, not a program that belongs on the Federal chopping block.

As a member of the Committee on Energy and Commerce, I cannot support this budget resolution instruction to my committee to cut $20 billion outs of Medicaid.

The robust Medicaid program is critical for the health care delivery in my home State of Texas. Forty-five percent of all infants born in Texas are covered by Medicaid, 45 percent. Nearly 50 percent of all children receiving care in our children's hospitals are Medicaid beneficiaries. Medicaid is the single-largest health insurer for our Nation's children. How can we cut the most vulnerable in our society, our children, and still consider ourselves looking out for the least of this society?

To paraphrase the Bible, let us not suffer the little children. That is not our job here in this Congress. If Congress goes forward with these ill-advised Medicaid cuts, the States will be left holding the bag and their only option is to further cut the benefits.

Mr. Chairman, 45 million Americans currently are uninsured. It makes no sense to slash Medicaid spending, which will virtually guarantee an increase in the number of uninsured in our country. Medicaid cuts will not better our bottom line. It will only make our problems worse.

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

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

Mr. Chairman, I wish to speak very briefly about an aspect of fiscal responsibility, the rule called pay-as-you-go, because there is a connection between our lack of fiscal responsibility and these draconian cuts we are seeing in vital services, like the $20 billion that people who are poor and dependent on Medicaid will be forced to endure.

Our colleagues in the majority have consistently opposed Democratic efforts to reinstall pay-as-you-go rules for both entitlement spending and new tax cuts. In fact, they just denied the House the ability to vote on such a proposal offered by the gentleman from Tennessee (Mr. COOPER) and the Blue Dogs.

These PAYGO reforms were put in place in the 1990s and were essential to the successful effort achieved then to balance the budget. PAYGO reforms have been endorsed in their entirety by Alan Greenspan, but the Republicans do not want them applied to tax cuts. Why? Because doing so would require that they identify specific revenue measures, most likely spending cuts, which would provide the offsets, vital spend services being cut, such as Medicaid.

So we should reinstate PAYGO. We should not support this budget, that destroys so much which is a part of our health care delivery, Medicaid.

Mr. SPRATT. Mr. Chairman, I yield 2½ minutes to the gentleman from Missouri (Mr. SKELTON), the ranking member of the Committee on Armed Services.

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

Mr. Chairman, I rise in support of the alternative budget resolution that will soon be offered by my friend and colleague, the gentleman from South Carolina (Mr. SPRATT). I do so in light of the fact that the Republican budget resolution mirrors the President's request for defense and the Spratt alternative matches this funding dollar-for-dollar, but the Spratt budget is better because section 401 of his resolution calls on the Congress to address serious shortcomings in both the President's budget and the House Republican budget resolution.

Let me explain why I favor the Spratt alternative budget. The Republican budget only temporarily increases the death gratuity and the Service Members Group Life Insurance coverage. The Spratt budget would make these increases permanent. That is important.

The Republican budget omits targeted pay raises and reenlistment bonuses for enlisted personnel. We know right now we are having a great deal of trouble in enlisting young people, reenlisting some of the troops. As you know, you enlist a soldier, but you retain families. These issues are critical to retaining experienced troops and maintaining readiness. The Spratt budget makes it a priority.

The Republican budget fails to increase funds for Family Service Centers to support the families of deploying troops. The Spratt budget takes care of that, and takes care of our military families.

The Republican budget shortchanges community-based health care organizations that care for the injured servicemen and women. The Spratt budget takes care of that. It pluses up the program.

The Republican budget does not aggressively fund nuclear nonproliferation programs. Both sides of the aisle, and as a matter of fact during the last campaign both the candidates for President, said that stopping a nuclear weapon from getting in the hands of terrorists is our top national security priority. The Spratt budget backs that up with dollars.

Mr. Chairman, I urge my colleagues to support the budget to be offered by the gentleman from South Carolina (Mr. SPRATT).

Mr. SPRATT. Mr. Chairman, I yield 3 minutes to the gentleman from Texas (Mr. EDWARDS).

Mr. EDWARDS. Mr. Chairman, a budget says a lot about our values. What this budget says to America's veterans is that Congress does not value your service to country. It makes a mockery of the American value of shared sacrifice in time of war. How does it do that? Let me explain.

This budget says to the person sitting here safely at home who makes $1 million in dividend income this year that you can keep every penny of your $220,000 tax break that the House Republican leadership has given you recently, every penny of that tax break. But, on the other hand, it says to millions of America's veterans that we are going to direct a $14 billion cut in veterans' programs over the next 5 years.

This budget even goes so far as to say they have to cut $798 billion out of disabled veterans' monthly pensions, low-income veterans compensation checks and veterans GI benefits, their education benefits, unless of course they want to go raise fees or, perhaps most likely, do all of those things.

Where is the American value, the American family value, in those priorities? To a millionaire, making every

dime on dividend income, you can keep your $220,000 tax cut; but to a veteran who may be coming back from Iraq, in fact a soldier today who may be tomorrow's veteran or next year's veteran, we are going to make you wait longer for health care in our VA hospitals; you are not going to get the care you deserve and you earned by risking your life for your country.

I hear a lot from my Republican colleagues about family values. This budget does not reflect the family values of the American family, because the American family respects the service and sacrifice of our veterans, not just with speeches on Veterans Day. We are awfully good about that. But they expect us to respect veterans every day, and this bill does not even come close to maintaining present services for health care for our veterans.

They can show their charts, how they have increased veterans funding, but the reality is it does not keep up with present services. So, in effect, every Member of this House who votes for this bill is voting for a real cut in health care services, education services and monthly disability pension checks for America's veterans.

I think the American people, and I know America's veterans, are going to be offended by the values and priorities of this bill. Let us not just say yes to veterans on Veterans Day and turn our backs on them on budget day. Sadly that is what this budget does.

Mr. Chairman, I urge my colleagues on both sides of the aisle to reject the values of this budget; reject the slap in the face of millions of American veterans while coddling the wealthiest in our society, who are going to enjoy that $220,000 tax break they are making by their riskless dividend income of $1 million this year.

Let us stand up for America's veterans today when it counts. They may appreciate our speeches on Veterans Day, but today they need our vote. That is the value that counts. Vote no on this unfair slap in the face to America's veterans.

□ 1730

Mr. NUSSLE. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana (Mr. BUYER), a veteran and the chairman of the Committee on Veterans' Affairs.

Mr. BUYER. Mr. Chairman, I want to congratulate you on this budget. I think the American people are smart enough to recognize truth and demagoguery. That is what you hear on this House floor is demagoguery, and that is completely unfortunate.

I believe that ensuring that the disabled, the injured, the low-income and special needs veterans are given the highest attention. That is the priority of our Nation.

In establishing priorities of care for veterans health care, this Congress also believes that the same military values that guided servicemembers on active duty should define how services and assistance are provided to them as veterans. It is why we established the priorities of care, one, two, three, four, five, six, seven, eight.

This budget takes into consideration the present budgetary constraints, the aging veteran population, as well as the influx of veterans into the system as the Nation continues to fight the war on terror throughout the world.

As chairman of the Committee on Veterans' Affairs, I seek an increase in $12.6 million for the medical and prosthetic research projects above the President's budget request. We also increased by $293 million for State nursing home partnership. We increase about $300 million discretionary funding for veterans health care, despite the demagoguery you will hear from some Members on this floor.

To ensure that our national cemeteries are maintained as the shrines that they are, my subcommittee chairman, the gentleman from Florida (Mr. MILLER), and I recommended an additional $45.6 million in construction to begin a 5-year $300 million national shrine commitment project to repair and restore the existing national cemeteries. But while our greatest attention should be focused on those who have served us and can no longer fend for themselves, there is another group of veterans that needs our help: our soldiers, sailors, airmen and Marines who need assistance in returning to the workforce or entering the workforce for the first time after serving their country.

This budget will also ensure that the VA benefits take care of the young solder coming home, as well as the older soldier who may already have a family. We need to make sure that the VA is flexible and personal in its delivery of health care and benefits, such as training and education.

This is a wise investment, harnessing the same spirit and drive that has won our Nation's battles, to contribute to our Nation's workforce and to sustain our national competitive edge. To facilitate this investment, I created a new subcommittee solely devoted to this effort chaired by the gentleman from Arkansas (Mr. BOOZMAN).

The gentleman from Iowa (Mr. NUSSLE), as chairman of the Committee on the Budget, has done an outstanding job. He has led Congress through some challenging budgetary times as chairman. Some may forget the meaning of the attacks upon our country on September 11. It was an attack upon our freedom, upon our way of life. It was devastating to our economy. That economic growth has returned, but we also now need to manage that economic growth smartly.

There is a lot of rhetoric, but let me return to some facts. Under this President, spending for veterans has increased by 47 percent in 5 years versus 32 percent in the 8 years under the Clinton administration.

If I turn to the chart to my left, as the chart shows, over the last 7 years discretionary spending has grown 39.5 percent under the VA–HUD appropriations bill. That is a 4.9 percent average increase for every year from 1998 all the way to present. So despite all the rhetoric that America and my colleagues will hear, the reality is this chart. The spending on veterans continues to increase, maintaining our commitment to veterans in America.

I also would like to turn to a second chart I think is very interesting. On this chart it shows what happened under the Democrat control of Congress. Congressional spending per veteran was flat. For 10 years a meager $400 increase for 10 years from 1984 to 1994.

Can everybody see this? It was flat. To my colleagues on this side of the aisle, do you see this? It was flat for 10 years. You did not hear demagoguery on the House floor. What you had at the time were individuals on both sides of the aisle working together in a bipartisan fashion with regard to how we deal with veterans.

So what we have under the Republican control the last 10 years is from 1995 to 2005 Congress increased spending by $1,400 per veteran, that is from $1,368 to $2,773 per veteran. I think this chart is very clear.

What has occurred under Democrat control is flat-lined budget for veterans. I am not going to demagogue. It is just a reality.

Now with regard to what has happened under Republican control, the increase and the maintaining of our commitment to veterans programs and causes across the board. This is the reality.

I want to say to the budget chairman, I want to thank him. He has given me a task, and the task is that with regard to all of these programs in discretionary and mandatory, are there savings out there? Are these systems being run smartly and effectively and efficiently?

He has challenged those of us who serve on the Committee on Veterans' Affairs. And you know what? We will accept the challenge, and we will go and work together in a bipartisan fashion and see if we can find those savings. He has not dictated to us. He has challenged us and we accept the challenge.

Mr. NUSSLE. Mr. Chairman, I yield 3 minutes to the gentleman from New Hampshire (Mr. BRADLEY), a member of the committee.

Mr. BRADLEY of New Hampshire. Mr. Chairman, the gentleman's budget allows our country to meet our most important values, a strong defense, a strong economy, while reducing our Nation's deficit.

Let me, if I might, focus on another area of concern that the prior speaker just talked about and that is commitment to our Nation's veterans. We do value our veterans' service. And if you look at this chart that I have here that talks about overall spending in the VA, Mr. Chairman, you will see a strong

commitment to honoring the commitment of our Nation's veterans.

The second chart that I have specifically talks to veterans medical care which has increased from 1995 to 2005, over a 10-year period, nearly 85 percent. And in the last 5 years, medical spending has increased by 68 percent. That is a commitment to our Nation's veterans.

Let me talk about some other specific areas of improvement that we have made. We have allowed Guard and Reserve units to enroll in medical benefits. We have increased the GI benefit. We have funded finally for the first time concurrent receipts so that the practice of disallowing veterans who had disabilities as a result of their service from collecting both their retirement pay and disability pay is finally being addressed with a $22 billion commitment over the next 10 years.

We have reduced the wait times at our VA hospitals, and the VA continues to give our Nation's veterans excellent care.

Let me touch on, Mr. Chairman, what we have done under the gentleman's leadership this year in the veterans line items of the budget. The discretionary baseline under the President's submission was $30.8 billion. Under the gentleman's mark and allowing me to work together with him and propose an amendment, we increase that by $877 million, which means in these tough fiscal times that our Nation is experiencing a 2.8 percent increase for veterans health care numbers.

Yes, there is a reconciliation number; but when we started with the President's submission, it was $424 million. The reconciliation, Mr. Chairman, under the gentleman's mark is $155 million. I believe that we can find that reconciliation number without enrollment fees, without drug co-pays because we will have the flexibility to look for waste, fraud, and abuse in the veterans numbers and be able to reduce and meet a goal in that fashion.

Let me repeat: we do not have to establish either drug co-pays or enrollment fees. We can achieve this reconciliation in other ways.

Mr. Chairman, in summary, I congratulate the gentleman again for a fiscally prudent budget that meets our Nation's needs, and I look forward to continuing to work with him to honor the commitment to our Nation's veterans.

Mr. NUSSLE. Mr. Chairman, I yield 3 minutes to the gentleman from California (Mr. LEWIS), the gentleman of the House who has probably some of the heaviest lifting to do with regard to controlling spending, the chairman of the Committee on Appropriations.

Mr. LEWIS of California. Mr. Chairman, I very much appreciate my chairman yielding me time.

I really come today to express my very sincere and deep appreciation to both the gentleman from Iowa (Mr. NUSSLE) and the gentleman from South Carolina (Mr. SPRATT) for the fabulous job they do of working together on behalf of all of us to try to make sense out of our budget process.

To say the least, the world on both sides of the aisle and across the country would love to suggest that we provide for them every program at a maximum level that they might have on their wish list. And in turn, that same world wants us to make sense out of balancing our budget. These gentlemen are faced with that horrendous and impossible task, and to them we owe a great debt of gratitude.

As the gentleman from Iowa (Mr. NUSSLE) suggested, I have now the responsibility of chairing the Committee on Appropriations where, as they help us struggle with the budget, we spend money that has a propensity to violate that which is their guidelines for sensible budgeting. But in turn, over the years as I have observed this process there has been far too little communication, that is meaningful communication, between those on the staff level but also the professional level within the committee itself, between the appropriations process and the budgeteers.

I must say that in the time I have had this job, the short time, the gentleman from Iowa (Mr. NUSSLE) has gone out of his way to say time and time again, we want to work with you.

I have committed myself to trying to have the Committee on Appropriations once again be a committee designed to preserve dollars, not just spend dollars; and, indeed, if we are successful in that effort, we will be in partnership with our budgeteers, attempting to make sense out of the budget and eventually balance that budget.

We are not in this alone. And the issues that flow around stabilizing our economy know nothing about partisan politics. And I must say that the Committee on the Budget has provided guidelines; in the past we have not always followed those guidelines. It is my intention to work as partners in this business so we can all be successful. And I can say without any reservation, if we are successful, moving our bills this year very rapidly so they are ready for conference in the early spring, it will be in no small part a success of the work you all have done.

I appreciate that very much and look forward to continuing this relationship.

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

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

Mr. Chairman, I would like to thank the gentleman for his kind remarks.

Mr. Chairman, I yielded to myself to clarify what is in the budget proposal we are proposing versus the budget resolution reported by the committee and sponsored by the Republicans.

Our budget, let me make this clear, matches dollar for dollar their budget on national defense and international affairs, there is not a dime's worth of difference over a 5-year period of time. But our budget does single out veterans as one group deserving of more spending, more than just a current services budget, because the demands are clearly there. So our budget provides $1.6 billion more than theirs, than the Republican resolution, for veterans health care in 2006. And between 2006 and 2010 we provide $17 billion more for veterans health care.

Our budget resolution contains no reconciliation instructions to the Committee on Veterans' Affairs. What does that mean? Their resolution calls upon the Committee on Veterans' Affairs to report savings out of mandatory programs that will save $798 million. There are only two places those savings can come from: either cutting disability benefits or raising the fees that veterans must pay to use veterans facilities.

Our budget resolution contains special provisions for our troops to make sure that the increases in life insurance to $400,000 for combat fatalities voted up in the supplemental for 1 year will be extended for future years, and that the death gratuity raised to $100,000 will also be continued for future years. And we will provide more funding for family separation centers, for deployed troops, and more community-based health care for returning troops and their families, two things that have been critically noted.

Our resolution recommends that the funds be taken from the Missile Defense Agency and advanced satellite programs to pay for these personnel benefits. We think it is a good tradeoff.

Our resolution also contains more in the four functions that fund homeland security and make special provisions for increasing the budget for cooperative threat reduction, so-called nonproliferation, by $200 million.

So in summary, for our veterans, for our troops and for the emerging threats facing us, terrorists armed with WMDs, our budget is not only better funded, but better focused than theirs.

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

Mr. EDWARDS. Mr. Chairman, my colleague, the gentleman from Indiana (Mr. BUYER), may want to hide behind a fig leaf of charging demagoguery, but let us review the facts he did not refute.

Fact number one, this budget will cut veterans pensions compensation and education benefits by nearly $800 million.

□ 1745

Fact number two, over 5 years it will cut veterans health care by nearly $14 billion. Fact number three, in this same budget someone making a million dollars a year in dividend income will get to keep every penny of his $220,000 tax break. They may call it demagoguery. I think America's veterans

will call it wrong, wrong what they are doing to our service men, women and our veterans.

Mr. SPRATT. Mr. Chairman, I yield 2 minutes to the gentlewoman from Florida (Ms. CORRINE BROWN).

(Ms. CORRINE BROWN of Florida asked and was given permission to revise and extend her remarks.)

Ms. CORRINE BROWN of Florida. Mr. Chairman, I thank the gentleman from South Carolina (Mr. SPRATT) for his leadership on this budget matter.

Shame, shame, shame. I cannot believe the Republican budget. Our men and women that serve this country are putting their lives on the line, and what are we doing? Cutting benefits and refusing service. I am reminded of the words of the first President of the United States, George Washington, whose words are worth repeating over and over again.

''The willingness with which our young people are likely to serve in any war, no matter how justified, should be directly proportional as to how they perceive the veterans of earlier wars are treated and appreciated.''

The independent budget puts support by the veterans community as $300 billion short. I say that President Bush's budget and the House Republican Bush budget should be dead on arrival. Let me repeat that. I said that Bush's budget and the House Republican budget as it relates to veterans should be dead on arrival.

On top of all of this, this budget tells the Veteran's Affairs Committee, which I am on, to find $800 million in cuts over the next 5 years for savings.

You know, the Republicans practice what I call reverse Robin Hood, robbing from the veterans to give tax cuts to the rich. The President keeps telling us we are at war. Well, put your money where your mouth is.

Mr. SPRATT. Mr. Chairman, I yield 3½ minutes to the gentleman from New Jersey (Mr. MENENDEZ), the House Democratic Caucus Chairman.

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

Mr. MENENDEZ. Mr. Chairman, I thank the gentleman from South Carolina (Mr. SPRATT) for yielding me this time and for his work in developing a budget for all Americans. Every year the administration and Congress are taxed with developing a budget that reflects our Nation's priorities in spending, priorities that reflect our country's values.

Unfortunately, the budget resolution we have before us, and the values it represents insults the true values of the American people, given the extensive cuts to first responders, community policing, veterans benefits, health care, and education funding.

Under the Republican leadership the entire budget process has become a complete fraud on the American people. This budget adds more than $4 trillion to the deficit in the next 10 years, without even including the enormous costs that have been left out of the budget. It is past time for this House to be honest and restore fiscal responsibility to this process and to the Nation, the same fiscal responsibility that each of our constituents face when they try to balance their household and business budgets.

Unfortunately, this budget shows that the Republican Congress does not share the values of the American people. What type of values would cut funding to the Fire Act Grant Program which helps meet the basic needs of firefighters by 30 percent? Firefighters on the front lines of the war on terror in New Jersey stand to lose $4 million under this resolution, which means they will have less protective clothing, fewer portable radios than they need to protect our citizens.

What type of values would slash funding to the COP program by 95 percent, a program that has put over 4,800 police officers on the street in New Jersey? In doing so, this budget dismantles a critical instrument in New Jersey's fight against crime.

What type of values would raise health costs for many of the over 620,000 veterans in New Jersey, increasing drug copayments and imposing new enrollment fees that will cost veterans more than $2 billion over 5 years and drive more than 200,000 veterans out of the system entirely?

What type of values would cut discretionary health programs by 6 percent and slash Medicaid by billions of dollars?

New Jersey would lose more than $100 million per year in Federal Medicaid funding, enough funding to provide health coverage to 6,400 seniors or 34,000 children. And what type of values would underfund education and, specifically, the No Child Left Behind Act by over $12 billion, creating a 4-year deficit between what was promised and what was actually delivered of $39 billion?

If this budget passes, over 53,000 children in New Jersey will go without promised help in reading and math and 34,000 will no longer be able to enroll in the afterschool programs that not only keep kids safe but also boost academic achievement. That is why the Democratic substitute will restore fiscal responsibility to secure our homeland, provide for America's seniors and veterans, fund education initiatives to guarantee our children's future success in an ever increasingly competitive world and lay the foundation for a society that truly reflects our values and our commitment to a better more prosperous and stronger America.

I urge my colleagues to support the Democratic substitute and vote down the woefully inadequate Republican budget.

Mr. SPRATT. Mr. Chairman, I yield 2½ minutes to the gentleman from Illinois (Mr. EVANS), a veteran of the United States Marine Corps, the ranking member of the Committee on Veterans' Affairs.

Mr. EVANS. Mr. Chairman, I rise in opposition to H. Con. Res. 95 and in support of both the substitute amendment offered by the gentleman from South Carolina (Mr. SPRATT) and the amendment of the gentleman from Wisconsin (Mr. OBEY). The GOP budget resolution will put the Department of Veterans Affairs programs at least $3.2 billion short to meet the current level of needs to our veterans.

It is not just a matter that VA will not be able to make critical program enhancements for servicemen and women returning from Iraq and Afghanistan. It is even short of meeting current services.

The Bush administration's budget submission for 2006 requested less than half of a 1 percent increase for its health care services. The VA has testified that it requires a 13 to 14 percent increase to sustain services annually. Both the gentleman from Wisconsin (Mr. OBEY) and the gentleman from South Carolina's (Mr. SPRATT) amendments will support increased amounts funding for our veterans.

If we thought it was ridiculous to grant tax cuts to millionaires while the deficit soars, how about cutting veterans' programs in the middle of the war? Are we really going to promote a point of view that instead is deserving of our support by cutting benefits?

Mr. Chairman, I hope not. If we do, we should be ashamed.

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

Ms. SCHWARTZ of Pennsylvania. Mr. Chairman, I rise in opposition to the resolution under consideration.

As a former State legislator, I know how important Federal Government investments are. They allow State and local governments to meet our obligations without assuming the responsibility for Federal shortfalls or passing those costs along to local taxpayers. Federal investments acknowledge the shared responsibility for promoting economic growth, meeting health needs and ensuring educational opportunity.

I strongly believe that the Federal Government must recognize its obligations, work within budgetary limits to meet them and to make smart investments focused on the Nation's current and future fiscal well-being. Unfortunately, the budget resolution before us does not meet these simple tests. Instead, it prioritizes tax cuts to the wealthiest Americans and largest corporations over meeting our obligations to average Americans. It fails to live within available revenues and increases future deficits.

I fought for a seat on the Committee on the Budget because my constituents want me to be an advocate for strong fiscal discipline and wise Federal spending. During Committee on the Budget consideration of this budget resolution, I was proud to join my Democratic colleagues in putting forward amendments aimed at refocusing our spending and investments on the

priorities that matter to the everyday lives of all Americans: creating and keeping jobs, supporting community development and providing for a safe and secure homeland. Specifically, I led the effort to better ensure adequate funding for police, first responders and security at our ports.

Democrats and Republicans alike agree that our Nation's top priority is keeping Americans and this Nation safe. After all, nothing else will matter if we cannot protect the people of this country right here at home.

Yet, at the same time, fire departments, police forces, ports and rail stations across the Nation are ramping up efforts to implement safety measures and better prepare for any kind of terrorist incident or extreme emergency. This budget proposes cutting the very programs that will help them meet these responsibilities.

Despite these dire warnings of security at our ports in particular, this budget falls $4.7 billion short of what the Coast Guard estimates it would cost to secure our ports.

Despite the fact that we cannot afford our first responders to be unprepared, this resolution recommends a reduction of $560 million in first responder funding.

Let me say, Mr. Chairman, that we must do better, that we have to make sure that our first responders at our ports meet the obligations to all Americans, that we do all that we can to make sure that our government, the Federal Government, helps our local communities be strong and be safe.

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

Ms. MCKINNEY. Mr. Chairman, I want to talk about who wins and who loses in the Bush Republican budget.

Three hundred thousand working poor who have children will be cut from the Food Stamp Program. I received a call today from a constituent from Lithonia, Georgia, complaining that her children depend on the food stamps she gets to stretch the family food budget.

LIHEAP is the Low Income Heating Assistance Program that makes sure our working families do not freeze during the winter, and the Republicans propose to cut that program even as heating costs rise.

While the Republicans want us to believe that they really care about our children, the proof is in where they choose to put taxpayers' money.

The Pentagon cannot account for $2.3 trillion. Halliburton walks away with over $100 million undeserved dollars. Secretary Rumsfeld says the U.S. can afford record defense expenditures, while the President proposes to cut all vocational education at the high school level, the Safe and Drug Free Schools program, the Upward Bound program and even dropout prevention. What could be more important to the Education President than to make sure that our young people graduate from high school with an education that has prepared them for life.

Well, I know the answer to that question. Not the mom and pop businesses on Main Street and their families, but the wealthy scions of industry on Wall Street.

Even chairman of the Federal Reserve System, Alan Greenspan, lamented before our committee the growing wealth and education disparities in our country. The Republicans will talk about growth, but they will not talk about how our country is growing apart.

They tell us that homeownership is on the rise, but they will not tell us that three-quarters of white families in this country own their homes while the majority of Asian Americans, Native Americans, Latinos and African Americans remain renters.

According to just about every reputable study, the disparity between black quality of life and white quality of life is not narrowing nearly as fast as we would like it to. In the last 6 years, wealth for white families grew by 37 percent while wealth for families of color fell by 7 percent. These numbers represent real people who have not felt one bit of Republican growth.

□ 1800

Mr. Chairman, too many Americans, especially African Americans and Latinos, cannot afford health care, housing and even a college education.

We have two choices: we can grow together, or we can grow apart. When we invested it in our people like Social Security, the GI bill, civil rights laws, affirmative action, America grew and we all grew together. But now because of the policies coming out of Washington, D.C., today's wealthiest 10 percent own 70 percent of America's wealth. It is clear that Americans are growing apart. The Republican budget ought to provide opportunity for all to experience America's coming prosperity, but it is also clear it does not.

Mr. NUSSLE. Mr. Chairman, I yield 3 minutes to the gentleman from Florida (Mr. MARIO DIAZ-BALART), a member of the Committee on the Budget.

(Mr. MARIO DIAZ-BALART of Florida asked and was given permission to revise and extend his remarks.)

Mr. MARIO DIAZ-BALART of Florida. Mr. Chairman, I have listened to the debate with great interest, and I keep hearing about cuts in the budget. They are not there. All of the specific cuts are just not there. They do not exist in this budget.

What this budget does do, however, is it fulfills our Federal obligations while at the same time it reduces the deficit in half by the year 2009. We all know why we have a deficit. We have a deficit because when President Bush got elected, he inherited a recession. He inherited the burst of the Internet bubble, he inherited Wall Street scandals, and the mother of all economic and all other problems, which is 9/11.

Despite that, because of the Bush policies and economic policies of this House, the economy is doing well again. If it was up to the Democrats, they would have raised taxes massively and destroyed the economy. Luckily we prevailed; the Democrats did not. And, therefore, we reduced taxes and the economy is once again doing well.

But I just heard again tonight the Democrats all concerned about the deficit. Yet let me show Members what the Democrats, who tonight have been talking about how concerned they are about the size of the deficit and spending, what they proposed just a few days ago.

They proposed in committee amendments that would have again increased spending by $67.1 billion, and yet they give us lip service tonight and continuously state they are concerned about the deficit. To borrow a phrase from a very well-known Democratic leader, Democrats are concerned about the deficit, they support reducing the deficit before they are against reducing the deficit. They cannot have it both ways.

We have a deficit that is caused by too much spending. We have to reduce the deficit, so lip service and lip balm is fine; but when push comes to shove, they cannot complain about the deficit and then try to increase spending.

What the budget that the chairman is proposing does, it does address our responsibilities while reducing the deficit and while responsibly spending the taxpayers' money.

I also heard, Mr. President, put your money where your mouth is. It is not our money, it is the taxpayers' money.

That is the big difference. We remember it is not our money. That is why we are not willing to throw it away. It is the taxpayers' money. This budget spends it responsibly. I thank the chairman for this very responsible budget and urge adoption of the budget.

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

Mr. SPRATT. Mr. Chairman, I yield 3 minutes to the gentleman from Alabama (Mr. DAVIS).

Mr. DAVIS of Alabama. Mr. Chairman, I thank the gentleman from South Carolina (Mr. SPRATT) for presenting a budget that has a better vision for the American people, and for the gentleman's hard work that he does for the American people.

Mr. Chairman, this is the third year that I have been in the Congress. There has been a similar routine every year I have been here. We debate the budget and our side says it is a statement of our values, and we say it is a statement of who we are. I would add one observation to that. This is a process that tells us a great deal about whether we are who we say we are, because there is an irony that I see with my friends from the other side of the aisle.

As we move into the year and move into the holiday season, we spend a lot of time talking about shared benevolence, but they will pass a budget tomorrow that will cut $5 billion from

food stamps, and only 2 percent of people who are eligible receive food stamps. It is not a program filled with waste and fraud.

A lot of our friends on the other side of the aisle will talk about benevolence and their belief in families and families having strong values, and yet they will vote tomorrow night to cut child care assistance. A lot of our friends on the other side of the aisle will talk about cutting taxes, and yet they will vote tomorrow night to raise taxes on people receiving the earned income tax credit.

And the other side of the aisle will talk about their belief in Social Security and their faith in that program and their refusal to touch it, and then they will cut SSI payments which are a major part of Social Security. A lot of our friends on the other side of the aisle will talk about their commitment to housing, and then they will vote to eliminate one of the most effective housing programs in this country.

And finally, a lot of our friends on the other side of the aisle will talk about their commitment to children and helping families raise their children with the right values, and then they will vote to freeze or leave virtually frozen child care services and day care services.

I am not one who likes to call names, but the word ''hypocrisy'' means you say one thing and you blatantly endorse another set of practices.

This is a debate about exactly who we will ask to sacrifice in this country. There is no question we have asked our veterans to sacrifice an enormous amount, and they belong in a category of their own; but there is another class of Americans who we also ask to sacrifice in this budget. We ask the most vulnerable people, the people in our society who are working and living by the sweat of their brow every day. We ask them to give up so much in this budget, and there is an irony because we have heard it said by the chairman and various other Members on the other side of the aisle, we have heard it said that people want these tax cuts and they will trade these programs off for the prevalence and the prevailing of these tax cuts.

But here is the problem. The average people that will receive the cuts that I described got a tax cut of $28 to $35 a month. That is not an equitable trade-off; that is not a fair trade-off.

I simply end by saying the Spratt budget presents a better vision for the American people and introduces a six-letter word into this debate that we have not heard all day, a word called ''equity.'' That is what separates our approach from theirs.

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

Mr. PRICE of North Carolina. Mr. Chairman, colleagues will remember the Biblical story of the prophet Nathan coming to the mighty King David. Nathan told David a story about a rich man who had many sheep but took the one little ewe lamb of a poor man to feed a visiting friend. David flew into a rage at the rich man and proclaimed that anyone who should do such a thing deserved to be put to death for abusing his power and showing so little compassion. Then Nathan turned to David and said, ''You are that man.''

This story should lead us to look into the mirror. Are we in danger of becoming ''that man''? The Republican budget removes support for housing, education, Medicaid, community development, and small business lending. It raises taxes on the poor. And it does all this so the Republicans can afford new tax cuts for the wealthiest among us. If ever there were a moral issue before this Congress, surely it is this one.

One might expect that these cuts would at least result in significant decreases in our deficits, but this is not the case. We continue to face the worst-of-both-worlds scenario in which we suffer both devastating cuts and dangerous increases in the deficit. We continue to borrow from our children to pay for tax cuts, the wars in Iraq and Afghanistan, and the President's Social Security privatization.

As Members of Congress, we have a responsibility to be good stewards of the resources of our government, not simply to look at our immediate desires, but also to the needs of our children and our children's children, including their need to be free of a crippling debt.

Republicans claim to be the party of moral values, but their budget belies that claim. The Democratic alternative maintains current funding levels for our country's critical domestic and security programs while also providing meaningful tax relief for middle-class Americans. Furthermore, the Democratic budget recognizes that fiscal responsibility is also a moral value by reinstating a real pay-as-you-go rule and by balancing our budget within 7 years. The Republican budget, on the other hand, continues to run up record deficits for as far as the eye can see.

Mr. Chairman, the budget process provides each party with a chance to put its money where its mouth is, to act on the rhetoric we all hear around here year round. A budget is a statement of moral priorities. May we do justice to those imperatives in the vote we cast tomorrow.

Mr. SPRATT. Mr. Chairman, I yield 3 minutes to the gentleman from Oregon (Mr. BLUMENAUER).

Mr. BLUMENAUER. Mr. Chairman, I thank the gentleman from South Carolina (Mr. SPRATT) for an opportunity to speak this evening, and I appreciate the work the gentleman has done to provide a balanced approach to meet our requirements in a fiscally responsible manner. I particularly appreciate the work done by the Democrats on the committee to deal with the environmental priorities of America.

I am saddened by a party-line vote that these proposals were rejected to be a part of the proposal brought forward by the majority. This budget is stunningly out of sync with where the typical American is in terms of protecting our environment and our natural resources. From oceans to brownfields, we have found environmental quality to be victim of the obsession of misplaced budget priorities and an obsession with more tax cuts.

In areas of clean water, every independent outside organization, and most of them within government, have identified that we have a serious problem with the Nation's aging water systems required to ensure safe drinking water; yet the President's budget and what we have here today reduces almost $700 million for water quality responsibilities.

In the land and water conservation fund, we are breaking the promise that was negotiated here in the year 2000 where the conservation trust fund was established that should by now by rights, as a result of this bipartisan, bicameral agreement be moving funds in the neighborhood of $2 billion for this fiscal year. But, unfortunately, this budget would turn its back on that responsibility.

Another important element is the land and water conservation fund authorized at almost $1 billion; yet this budget includes only $147 million for actual programs to help preserve parks, forests, wildlife refuges and open space, things that touch people where they live at home, garnering broad bipartisan support. This year the President and the Republicans go even further by eliminating the land and water conservation State grants programs which have provided critical funding to States and local communities to preserve open space and develop recreation facilities.

And one of the most significant broken promises is in the area of conservation in the agriculture sector. One of the elements that was negotiated as part of the farm bill, there were going to be investments in farm conservation; and yet this budget takes something that is so critical to America's farmers, particularly small and medium-sized operations, and cuts more than a half billion dollars from these vital farm bill conservation programs that unite rural America, conservation interests, people who care about natural resources.

There is currently over a $4 billion backlog of producers waiting to participate in these critical farm conservation programs. It is a travesty as far as the environment is concerned; and it is a sad, sad story for America's farmers who deserve better. I strongly urge the rejection of the majority proposal.

Mr. SPRATT. Mr. Chairman, I yield myself such time as I may consume to amplify on what the gentleman from Oregon has stated.

Our budget would be $2.9 billion above theirs for the year 2006 for resources and the environment. That

makes a big difference when it comes to EPA, safe drinking water, the Land and Water Conservation Act; and over 5 years, our budget is $23 billion in resources and environment better than their budget.

□ 1815

Mr. Chairman, I yield 2½ minutes to the gentlewoman from California (Ms. WATERS).

Ms. WATERS. I thank the gentleman from South Carolina for yielding me this time.

Mr. Chairman, I rise in strong opposition to the shameful Republican budget. Yet again the Republican leadership neglects the needs of low and middle income families in order to provide hundreds of billions of dollars in tax cuts to the wealthiest of Americans. We should not be supporting this unfair budget that leaves people without adequate housing, without opportunities for a decent education or job training, and which passes billions of dollars of debt to our children.

I am especially concerned about the Community Development Block Grant. Mr. Chairman, the Community Development Block Grant is something that should have the support of both Democrats and Republicans. This Community Development Block Grant is the only source of funds that some of our small towns and cities have to deal with housing, to deal with programs for senior citizens, at-risk youth or to deal with the infrastructure. Many of the small cities just do not have the money to deal with some of the problems of the sewer systems and roads and other kinds of things. But with the Community Development Block Grant, they have the flexibility. This is a very, very respected program. They have the kind of extensive community planning that brings in all of the community groups and organizations, the 501(c)(3) nonprofit organizations, and they actually go through all of the programs and they decide which of these programs will be funded. To talk about cutting this is very, very cruel. I have received just hundreds of calls from mayors and city council members who say, ''Please, whatever you do, don't cut CDBG.''

Since the President initially proposed consolidating CDBG and other development programs into one grant program, not only have I received all of these letters from members of city councils and mayors, they have basically said without this program, many of their cities will simply collapse.

In addition to these cuts, the President has already proposed to cut public housing by 10 percent, section 811 disabled housing by 50 percent, housing opportunities for persons with AIDS by 14 percent, and other HUD programs. Yet the Republican budget resolution proposed to make even more draconian cuts to this function. We simply cannot afford to do that.

I urge my colleagues to reject the Republican budget and to support a budget that invests in the future of our country. This is shameful and unconscionable that they can even bring this budget to the floor. I ask for a ''no'' vote on the Republican budget and an ''aye'' vote on the Democratic budget.

Mr. NUSSLE. Mr. Chairman, I yield 3 minutes to the gentleman from Florida (Mr. LINCOLN DIAZ-BALART).

Mr. LINCOLN DIAZ-BALART of Florida. I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in strong support of the budget brought forth by the gentleman from Iowa and the Committee on the Budget. We have not only, I think, the right but the duty as the legislative branch of government to perform the oversight function of the executive branch. As the gentleman from Iowa pointed out before the Committee on Rules yesterday, we really have not done that since 1997. The reality of the matter is that everything has been on automatic pilot basically since 1997 and we not only should, we must perform our oversight duty.

We have heard the word ''draconian'' with regard to supposed cuts being proposed in this budget. I think it is important to look at the facts. What the budget proposed by the Committee on the Budget calls for with regard to what constitutes the most dangerous threat on the horizon to our economic well-being, strength in this country, the great, extraordinary growth in what is referred to as mandatory spending, spending that is built into the law, that the appropriators do not have anything to do with because it is built into the law, this budget initiates a process of review and of study, oversight, so that the growth in what is almost 60 percent of the budget and projected to continue to grow and continue to grow, the growth in the mandatory spending will be reduced from 6.4 percent to 6.3 percent, one-tenth of 1 percent. Not a cut, a reduction in the growth.

We have an obligation to perform oversight, Mr. Chairman. I commend the gentleman from Iowa and the Committee on the Budget as I strongly support this budget. As the chairman of the Subcommittee on Legislative and Budget Process of the Committee on Rules, along with our full committee chairman the gentleman from California (Mr. DREIER) and the rest of the House leadership and the gentleman from Iowa (Mr. NUSSLE), we will be doing our part to carry forth what we consider our legal obligation, oversight. We will be studying the budget process and seeing how it can better be enforced.

This is a responsible budget, it is a reasonable budget, it is one meant to contribute to the continued economic health of the United States. I strongly support it and urge all of my colleagues to do so as well.

Mr. SPRATT. Mr. Chairman, before yielding to the gentleman from Texas (Mr. CUELLAR), I yield myself such time as I may consume because he is going to address education. I would like to make it clear that education is one of those areas in our budget where we have made a decided improvement and have a notable advantage over the Republican resolution.

Our budget resolution rejects their education cuts. Our budget resolution provides $4.5 billion more for next year, 2006, and over the next 5 years $41 billion more than their budget resolution. This kind of funding, this level of funding, cannot only preserve current education programs such as vocational education, funded at $1.3 billion which the President and their resolution would simply exterminate, wipe out, it can also support increases in priority programs like special education. The additional funding we are providing can also help close the gap in funding for No Child Left Behind, $12 billion below this year and next year below where it was authorized to be when the act was passed.

Our budget rejects the reconciliation instructions to the Education Committee calling for $21 billion in savings over 5 years. We do not know where that is coming from. We do not include the President's student loan proposals that would raise loan fees. We do not end the students' ability to consolidate their student loans at fixed interest rates. We do not eliminate Perkins loans, for goodness sake, and we do not force colleges to repay prior Perkins contributions. We do provide the funding to raise the Pell grant, not just $100 every year for 5 years but $100 every year for 10 years. The Bush administration and the gentleman from Iowa (Mr. NUSSLE) and the Republicans claim that is provided for, but that can only be funded in their budget through reconciliation; that is, through taking it out of other student loan programs.

We have a decidedly different approach to education, a much greater emphasis on education. It is one of those things in our budget which we have singled out as deserving of additional funding. Even though we keep everything at the level of current services, a few things we plus-up to the detriment of other things, but education is one of those things we emphasize and plus-up.

Mr. Chairman, I yield 2½ minutes to the gentleman from Texas (Mr. CUELLAR).

Mr. CUELLAR. Mr. Chairman, I believe very strongly in balancing our budget and reducing the deficit, but I think we need to set certain priorities that are important to our families. My hope is that we do this in a bipartisan approach, that we develop a consensus, and I do want to thank the gentleman from Iowa and the committee for allowing us to put some committee report language dealing with education in the budget and with results-oriented budgeting which I believe we need here at this House.

We need to balance the budget, but I think we need to protect our families and we need to make sure that we ensure that we are not trying to fix the

deficit on the backs of the country's working class.

The budget includes the termination of 150 programs. Nearly one in three of them are in education. It eliminates programs essential to our children's futures, such as Even Start, Upward Bound, Talent Search, Gear Up, Perkins loans, Pell grants and LEAP programs. It also does not allow us to give the full funding for special education. It also eliminates certain programs, such as the vocational education, nearly $1.3 billion in cuts. The safe and drug-free schools State programs which are so vital to our communities is eliminated.

Again, I believe in education. In my life, education has been one of the most invaluable tools that has made it possible for me to open up doors, move forward to attain higher goals and make my dreams a possibility. I feel very strongly about financial aid. In fact, I think we need to restore the funding to these vital education programs, especially increasing the $100 maximum Pell grant award. This fulfills the President's request of increasing the maximum Pell grant by $100 without paying for it by taking from other parts of the education budget.

As a member of the Committee on the Budget, I think we should ensure that the Federal Government investment is available to fulfill our commitment to helping low income students get into and graduate from college. College enrollment is slated to grow by almost 19 percent between now and 2015. This group increasingly will be comprised of full-time, nontraditional students, college age, first generation, low income and minority students. Most of these will likely need and will qualify for student financial aid.

My test for considering any budget proposal is whether it will make our families stronger. This budget proposal in my opinion does not make our families stronger. I urge our colleagues to vote in favor of strengthening and protecting our young children by protecting education.

Mr. Chairman, again, I hope we do this in a bipartisan approach and find a consensus.

Mr. NUSSLE. Mr. Chairman, I yield myself 5 minutes.

First let me compliment my friend from Texas (Mr. CUELLAR), a new member of the committee. I appreciate his service. We have worked together on a number of issues. But let me give a slightly different tack from what he was suggesting with regard to our record on education because I think it is important for us to see what has come before.

First, with regard to education totals, as you can see, we have grown on an average of 9 percent a year for the last 5 years. There are not many programs around Washington that have grown that fast. Homeland security is the only other department that has grown at that rate. Nine percent. This is the total we have spent for education.

Again, is it enough? You might say no. Could we always spend more? Of course. But I want to put it in perspective. Nine percent annual growth over the last 5 years.

Title I, the main program that affects No Child Left Behind, has grown 10 percent per year since 2000 and was funded at $12 billion for fiscal year 2005. That annual growth, again, every year has gone up. Pell grants has grown 10 percent per year since 2000 and $12.4 billion in this fiscal year. No Child Left Behind has grown at 40 percent under President Bush. I understand there will always be this debate that programs are authorized at one level and then they are appropriated at yet another level. Everyone around here knows this, but it is a game that we play with our constituents. There is almost no program that is funded at its authorized level. That is not a floor. It is a ceiling. That is always the way it has been approached in Congress.

Special education, a program that I feel a personal affinity toward and it was a personal goal and leadership that I took with regard to special education to our States and to our schools and to our classrooms and for our kids with special needs, I am proud of what we have done. These green charts do not mean anything compared to what it has meant in the lives of the kids that are receiving a quality education and it has unlocked opportunity for them that is boundless. That is because we have invested some resources there.

I just want to end with this. It is not only about the money. We come down here with these green bar charts as if to say, if I spend this much it means that I don't care and if I spend this much it means that I care a little more, or here I am caring a little bit more now. Watch out, here I am caring some more. It is getting higher. I am caring even more.

□ 1830

And the more we spend, the more we care. And the more we invest, the more we care. And we measure by green charts the compassion, the caring, the value, as if money alone is the only measure.

I have got to tell my colleagues something. Take special education. Go talk to any one of their teachers back home in the special education classroom and ask them whether they have seen these increases in their classrooms. Do the Members know what is going on, Mr. Chairman? The States are taking that money, and it is not getting through their bureaucracy. We are getting this money out of Washington, but it is not getting to the classroom teacher teaching our child.

So their chart may look a little bit bigger; our chart may look a little bit bigger, and our charts look great, and if I care at $5 and they care at $6, maybe they care $1 more, and we get into all of this. And we are not looking at the results. We need to look at the results of these programs and find out whether they are getting to the kids in the classrooms. And I have got to tell my colleagues right now it is not. So we have got to provide the oversight. It cannot just be about the money.

And that is the last chart I want to show. For all of the chest beating about education and the priority, see that little red line of the total amount spent on education in our country? That is what the Federal Government kicks in. We are talking, on any given day, like about 6 percent. The people who are really doing the work here are our local school boards, our local State legislators, our local parents and community leaders. They are kicking in all this amount right here. That is what is being kicked in. It is this little red part that we all of a sudden think is so important and that we beat our chests about.

The Federal Government is not going to solve education, Mr. Chairman. Not with a big red line or a little red line or with this money or that amount of money. It is not about the money. It is about results. We have got to focus on results in education, and this budget accomplishes that.

Mr. SPRATT. Mr. Chairman, I yield 2½ minutes to the gentleman from Wisconsin (Mr. KIND).

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

I have a great deal of respect for the chairman of the Committee on the Budget. He is a friend of mine. He has got a tough job, trying to bring forth a budget priority that reflects his caucus's wishes in that.

But let us set the facts straight here. The Democratic alternative does a lot better when it comes to support of the education programs than our Republican counterpart. We also in our budget proposal reinstitute the pay-as-you-go rules so that if we are proposing a spending increase or a tax cut in one area, we are going to find an offset in the budget to pay for it. Their budget does not do it.

Our budget is also out for 10 years that shows that we come to balance by 2012. Their budget is a 5-year proposal. And the reason they do not do it at 10 years is because their deficits explode in the second 5 years. But their budget has also hidden the true and real cuts that are occurring in their education programs, ones that affect real people, real students in real-life conditions and will not help improve the condition of education or access to higher education, which we desperately need in this country.

Their budget proposal actually calls for eliminating $4.3 billion worth of education programs in the next fiscal year alone. They completely wipe out vocational education, the Federal commitment to that. They completely wipe out all the Federal education technology programs that exist. They wipe out the Safe and Drug-Free Schools Grant program. They also get rid of TRIO and GEAR UP, targeting low-income students who want to go on to

post-secondary education opportunities. They wipe out Even Start Family Literacy programs. And their proposals also hurt students by raising fees for student loans for higher education, ending students' ability to consolidate those loans at a lower fixed rate interest, and not only eliminating the Perkins loan program, as the gentleman from South Carolina (Mr. SPRATT) indicated, but also forcing colleges to repay prior Federal Perkins contributions.

The Democratic alternative is better than that. We restore these funding cuts as well as $4.5 billion in the next fiscal year alone. Talk to any administrator, any teacher throughout the country wrestling with implementing the unfunded Federal mandate called No Child Left Behind, and they will say what these requirements are doing to their school districts with the lack of funding to back up those requirements. Talk to special education teachers, and they will say how the lack of education commitment at the Federal level, only 18.6 percent of the 40 percent cost share that we promised for special education funding is pitting student against student in our public classrooms throughout the country.

We can do a better job. The Democratic alternative does do a better job, while staying true to fiscal discipline and fiscal responsibility by reinstituting the pay-as-you-go rules that worked very well in the 1990s and led us to 4 years of budget surpluses, while also maintaining a crucial investment in education programs.

As a Member of the Committee on Education and the Workforce, I am heading to China in a couple of days in order to visit their colleges and universities. Guess what? China and India are making a major education investment in the future of their countries. They are graduating more engineering students than we are today. They are emphasizing the math and science and engineering programs while we are starting to cut back in these crucial education areas. Do people want a recipe for economic disaster? The Republican budget and their lack of commitment for education is a sure way of getting us there.

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

For the purposes of entering into a colloquy, I yield to the gentlewoman from Virginia (Mrs. JO ANN DAVIS).

Mrs. JO ANN DAVIS of Virginia. Mr. Chairman, I thank the gentleman for yielding to me.

Over the past decade, funding for NASA's Aeronautics Research has declined by more than half, to about $900 million. The President's budget proposes to cut aeronautics research by 20 percent over the next 5 years.

I am concerned that the United States is losing critical expertise in aeronautics research and development. This degradation will have a tragic impact on military and civilian aviation, which contributes significantly to our national defense and our economy. I believe that the President's funding levels for aeronautics programs should be reassessed and that the House should give priority to restoring these vital programs.

Will the gentleman commit to bring to the conference report language that will clarify that the resolution makes no assumption regarding the President's proposed funding level for NASA's Aeronautics Research programs?

Mr. NUSSLE. Mr. Chairman, reclaiming my time, the answer is yes to start with. First and foremost, I appreciate her leadership and concern about the research programs that we have for NASA. She does an excellent job there, and we really appreciate the leadership she takes in that.

The gentlewoman knows that the resolution, while it tracks the President's overall number, it does not make any specific decisions about the different funding levels that we have in some of these major categories. It goes actually back to what the gentleman was saying on education. We cannot find in the budget any of what the gentleman from Wisconsin just talked about in education. It is a great speech, but we cannot find it in the budget. And the same is true with so much of this.

So the Committee on Appropriations is the one that is going to make these determinations. The same is true for NASA. And we appreciate that her advocacy and mine is going to have to be brought to bear as we work on that.

So that being the case, I do commit to the gentlewoman to bring back from the conference language clarifying that the budget does not make these specific assumptions regarding the President's proposed level for these programs and urging that the levels for NASA should be reassessed. There is no question that R&D is important, and I know the appropriators agree with that. I know the gentlewoman from Virginia agrees with that. I agree with that, and I have no doubt that they will bring back a bill with that in mind.

Mrs. JO ANN DAVIS of Virginia. Mr. Chairman, I thank the gentlewoman for his answer.

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

Mr. SPRATT. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts (Mr. NEAL), a former mayor, to talk about community development programs in our budget resolution versus theirs.

Mr. NEAL of Massachusetts. Mr. Chairman, I thank the gentleman from South Carolina (Mr. SPRATT) for yielding me this time.

Mr. Chairman, I would ask the Members on the Republican side of the aisle this evening to find one Republican mayor in America, one, who favors what they are about to do to the Community Development Block Grant program.

The Community Development Block Grant program has been extraordinarily successful. It has had broad bipartisan support for as long as I can remember. And we ask, how did that come about? It came about because there was a Republican President named Richard Nixon who created what he believed to be the new federalism, and there were overwhelming majorities of Democrats in the Congress who accepted that leadership with this simple idea, that, yes, Washington, because from time to time they exacerbate problems at the local level, and if that was to be the case, how would we funnel some resources to the local government but allow, and listen to this because it is a critical aspect of the Community Development Block Grant program, local decision-making, meaning that the problems that confront Seattle, Washington might be different from those that confront Birmingham, Alabama, that might be different from those that confront Portland, Maine, from those that might confront Dallas, Texas. An extraordinary principle, the national principle.

So what does this Congress decide to do with this extraordinarily popular and successful initiative? They are going to cut it. They are going to cut it back. I do not think we can find a Republican Governor in America who supports what they are about to do with the Community Development Block Grant program.

And what is it used for? Overwhelmingly, it is used for housing. The number of substandard units of housing in America that have been brought back to life because of CDBG allocations is most impressive. And then let us throw in the next part of what CDBG does. It provides ample opportunity for economic development. They might expedite the paving of a roadway to an industrial park so that there can be new business growth and new job opportunities in cities and towns across America.

And what else might they do with it? There are all kinds of public parks across this country that have succeeded because of Community Development Block Grant programs. Some of them in the lowest income neighborhoods of America. And do my colleagues know what else? Some of them in great middle-income neighborhoods across this Nation as well.

As a member of the alumni association that is exceedingly small in this Congress, called Former Mayors, I might point out that if we assembled mayors across America, the United States Conference of Mayors, we would be hard pressed to go into that room and find one mayor who supports what they are about to do to the most popular domestic urban program called Community Development Block Grant money.

Mr. NUSSLE. Mr. Chairman, I yield myself 1 minute.

In response to my friend from Massachusetts, he is right and I agree with

him. Let us get that in the RECORD right now. There are those moments in time. In fact, he was not here for our colloquy earlier; so let me just report to him. I am sure I am not going to get his vote, but I will report to him anyway. We agree with the local control aspects of CDBG. There are so many on our side, including myself and so many others, who agree that this is local control, local decision-making, getting this back to communities.

In the budget that we have, we did not take the President's assumption with regard to CDBG. We do not necessarily foreclose the ability to look at the program and make improvements. But we plussed-up the function for CDBG by $1.1 billion, and we increased it for that purpose; and we also did not make any assumption with regard to the President's new proposal of the Strengthening America's Communities Block Grant or transferring the program from HUD, Housing and Urban Development, to the Committee on Energy and Commerce.

The bottom line is there are many things that we will disagree with on budgets, and like I said, I doubt I am going to get the gentleman's vote, but I do think we have a bipartisan commitment to this. It is one area that I know we will continue to work on. And there may be other disagreements, but this is an area that we have worked on together.

I commend the gentleman for his leadership, and we are providing that leadership as well. And we hope the President can come forward with a little better rationale as to why this program, in particular, needed the changes that he proposed in his budget. If there are reforms that are needed, then let us reform the program. We will work together. If there are bad apples spoiling it for the rest of the bunch, then let us get rid of those bad apples. Let us figure that out. But let us not throw the baby out with the bath water. I agree with the gentleman.

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

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

I take the chairman of the committee, my good friend, at his word; but I have to point out the language of the resolution does increase the allocation for Community Development and Regional Development programs by $1.1 billion more than the President requests. But it is still $1.5 billion below this year's level adjusted for inflation.

What we have done in our resolution is to make amply clear that the CDBG will survive intact and will be fully funded, not suffer some crippling cut, as we have provided $9 billion more than their resolution for Community Development programs over 5 years. That will guarantee, virtually, if the committees are willing, that the CDBG and other important Regional Development and Community Development programs will not have to be cut.

Mr. Chairman, I yield 3 minutes to the gentleman from Illinois (Mr. EMANUEL).

□ 1845

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

Mr. Chairman, I rise in opposition to the budget resolution and in support of the Democratic substitute. In the last 3 years, the Republican Congress has enacted three tax cuts, resulting in the three largest deficits in history, all the while on top of the record $400-plus billion deficits and $2.4 trillion of additional debt. This budget does not account for the $300 billion of the Iraqi-Afghanistan war, the $800 billion for the prescription drug benefit they passed, and the $1.9 trillion needed to privatize Social Security.

If this is an example of what a conservative philosophy is, we cannot afford this fiscal mess any more, and the one thing we can always say about the Republican budget is we will be forever in your debt.

The CBO, the Congressional Budget Office, has attested to all of these figures, but none of them are honestly reflected in this resolution.

But while leaving a sea of red ink for future generations, what does this budget do to the middle class, who are facing rises costs in health care and college tuition? This budget makes it all the more difficult for the middle class to afford their health care and college education. This budget cuts the health care professional training by $300 million, it cuts community health by $289 million, it cuts extended health care facilities for veterans by $105 million, and it eliminates the Preventive Health Care Block Grants. It also underfunds the National Institutes of Health and Maternal and Child Health Care Block Grants.

It is a fascinating approach to investing in America's future. Who knew when George Bush declared he was against nation building, it was America he was talking about?

We need a new direction and a new set of economic policies to put the middle class families and their economic interests at the heart of our economic policies. To think that the policies or the stewardship of the Republican Congress over the last 4 years has led to $2.4 trillion in additional debt, three consecutive years of the largest deficits in the history of the country, and all under the rubric of being a conservative, it is a fascinating approach, and all the while we are cutting health care, investments in America, cutting college tuition assistance to middle class families, opening doors to their future, it is a fascinating approach nobody has ever really thought of as a way to build America's future as one that is brighter.

Mr. NUSSLE. Mr. Chairman, I yield myself such time as I may consume to just respond and say it is fascinating. It is fascinating how we got into this situation. And if you heard the gentleman who just spoke, if you wondered whether or not he maybe had been reading the newspaper and may be forgetting all of the things that have been happening to our country over the last going on 4 years, you might wonder if anyone has been paying attention, because he is correct.

On September 10, 2001, we were running a surplus. There is no question that that was a good thing, something was very positive about that. But, unfortunately, we learned the very next morning that we had a homeland security deficit, that we had a national defense deficit. Our economy was already in a recession, and we found out we had an economic growth deficit. So even though there was more cash in the Federal Treasury than we were using, and you can call that a surplus, that did not mean we were meeting the needs of our country. There were many other challenges that we had to meet, and that next morning we found out.

And all of the votes, all of the spending votes, I will go back to the record, all of the spending votes that the gentleman was just talking about under our management, the gentleman from Illinois voted for; voting for our troops, voting for homeland security, voting for education. I will go back to each one of those appropriations bills and the gentleman from Illinois voted for each one of those. The only one he does not like, if you take away all of the clutter, is he wants to increase taxes. He did not like that part. But all of the spending he voted for.

So, let us just boil it down: There are people who want to increase taxes, and that is fine, and there are people who want to control spending, and that is also fine. But it is not all of this mismanagement.

People say Republicans did all of this mismanagement. I think Osama bin Laden had a lot more to do with where we are today with the deficit than anybody else, than anybody else.

Mr. Chairman, the purpose of me taking this time was just to remind everybody that it was not just Republicans that were here voting for those things, and there were probably a lot of reasons why we got into this situation that had nothing to do with JIM NUSSLE or the gentleman from Illinois (Mr. EMANUEL). It probably had more to do with Osama bin Laden than just about anybody else.

Mr. Chairman, I yield 3 minutes to my friend the gentleman from Illinois (Mr. KIRK).

Mr. KIRK. Mr. Chairman, democracy is sweeping the world and we should be proud that our country has become the greatest force for dignity of men and women in history. But if you look back at history, at past democracies, you will see that many collapsed because they voted by majority to go into debt. Athenians and the French republics, the budding democracies in Latin America, all collapsed in debt, which led to dictatorship. But that should

never happen here. This is a hard line budget, because the threat to freedom is also overspending, debt and instability.

In America, the Federal Government made a basic promise in the 19th century to provide for the common defense. In an age including the War on Terror, this promise to defend America is very expensive. It is expensive to send armies to Afghanistan or to stand watch across the demilitarized zone in Korea. But we must do this, and we must fully support Americans in uniform.

In the 20th century, the Federal Government made a second promise, to ensure retirement security for Americans who worked hard and played by the rules. The Social Security and Medicare programs face real challenges as the baby-boom generation retires. We are now expecting the number of people under Social Security and Medicare to rise from 40 million to 90 million.

Social Security recipients used to live, when Roosevelt created the program, an average of only 11 months, but now people are on Social Security on average 22 years. So the size of meeting the retirement security promise is extremely large, in fact beyond the current means of this government.

We are commanded to be fiscal conservatives to meet the needs of our common defense and the 20th century's promise of retirement security. We cannot start new programs, because we should honor these promises first.

Some say we should borrow more, but we already borrow too much and we have seen past democracies drown in debt. Some would like us to raise taxes, killing economic growth, but we cannot kill economic growth. Our growing economy right now is already yielding more tax revenue to meet the Nation's needs, but for the foreseeable future those new dollars should be used to support Americans in uniform and to already honor the retirement security promises that the Federal Government has made.

Our chairman has done a good job, a budget that stands for restraint, that continues the course of a free people being free, that grows our economy. We could say yes to everyone. We could say yes, and then we would be much more popular in the short run. But in the long run there would be more debt, a smaller economy, a smaller future for our children.

I am for less debt, rather than more. I am for more economic growth, rather than less. I am for honoring the basic promises the Federal Government has made to provide for the common defense and the retirement security of older Americans.

That should not be done on borrowed money, on borrowed time. It should be done with a growing economy. It is under this restraint, with this discipline, that this budget comes before the House, and we should honor that work.

Mr. SPRATT. Mr. Chairman, I yield 2½ minutes to the gentleman from Texas (Mr. DOGGETT).

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

Mr. Chairman, the Republican budget that we are considering assumes funding for the Community Development Block Grant Programs that for this coming year is $1.5 billion below last year's level adjusted for inflation. And while it may be reassuring to some to hear the words of the chairman of the Committee on the Budget tell us that they like local control of Community Development Block Grants, they seem to like it $1.5 billion less than they did last year. And when they tell us that they like Community Development Block Grants so much that they are funding it more than President Bush proposes, that just means they are poking it with one fist instead of with two, because his is a really draconian cut, and they have made it just a little less painful than what he proposes to do.

Community Development Block Grant is a mouthful, but in a little town like Freer, Texas, it is concerned with holes, the holes of abandoned septic systems where several children have drowned, and they do not have a reliable sewer system there, so they have used the Community Development Block Grant Program for the health and safety of that community.

In McAllen, Texas, in Austin, Texas, it is the principal source of funding to help with affordable housing for seniors, for those with disabilities, for poor people, to have a chance to share in rehabilitated housing, some new housing.

In many of these communities, the dollars are going to food banks, they are going to assist in a variety of social programs that are stretched and strained that municipalities could not do without Community Development Block Grant projects.

The reason we are faced with this kind of challenge, as with the other challenges in this budget, it does not have anything to do with Osama bin Laden; it has to do with the decisions that were made down the street on Pennsylvania Avenue and that were implemented by this Republican Congress.

Indeed, with the budget that we are considering tonight, this administration says to those who are poor, who are uninsured, essentially what Leona Helmsley said, that only the little people pay taxes. Well, this administration thinks that only the little people, like the folks in Freer, Texas, only the little people ought to bear the burden of its fiscal irresponsibility.

We have never had a more fiscally irresponsible administration than the one we have in office today, that has driven the deficit to the highest level in American history and then turns to poor people in Freer, Texas, to kids that are trying to get a decent education, to our veterans, and says you bear the burden. You dig us out of this hole we dug into with your little shovels to make up for the big shovels where we shoveled out all the revenue to those at the top of the economic ladder.

It is unfair, and that is why this budget ought to be rejected.

Mr. NUSSLE. Mr. Chairman, I yield 3 minutes to the gentleman from Kentucky (Mr. DAVIS).

Mr. DAVIS of Kentucky. Mr. Chairman, I found the rhetoric on the budget particularly interesting over the course of a wide variety of issues. One near and dear to my heart is the issue of veterans care. I can speak to this issue with a great deal of authority that very few of my colleagues in this body can as a member of the American Legion, a member of the 82nd Airborne Division Association, a member of the Army Ranger Association and a member of the Association of Graduates of the United States Military Academy.

Being both a former enlisted solider and an officer who served here and abroad, I am concerned that we keep our commitment to our veterans, those who have laid their lives on the line and in many cases borne a great price to pay for the freedoms that we have here to have this dialogue.

Unfortunately, there is a tremendous amount of misinformation that is going around the public right now, I found this unfortunately being passed out to veterans in my own district, that completely disregards the facts in favor of what I would consider a shameless play at political power.

The facts speak to themselves. As a former numbers person, I would like to point out that in the chart that we referenced, that spending per veteran has increased dramatically. Indeed, total veterans spending in the 2006 budget is $68.9 billion. There are considerable monthly payments for veterans, and the budget provides $31.7 billion, an increase of $877 million, for veterans' medical care and other discretionary spending.

These increases in this budget carry on a commitment to our Nation's veterans that, over the past 11 years, has been reflected in veterans spending since 1995 when Republicans took control of Congress.

We can see that the rhetoric from the past is hollow from when there was a Democratic majority in this body and also a Democratic administration.

What we have seen since Republicans took control of the House is a steady increase, particularly after President Bush was elected, in making sure that our veterans' needs were cared for. Spending for veterans' medical care has increased 85 percent, from $16.2 billion to $29.9 billion. Indeed, the number of veterans receiving care has increased from 2.5 million veterans to 4.8 million, a 92 percent increase.

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The facts speak for themselves. And, again, the shameless rhetoric is hollow.

Education benefits, under the Montgomery GI bill, have more than doubled during this same period and total per veteran spending has increased by nearly 103 percent.

I respect our national leadership. I respect the leadership of our party, the leadership in this Congress who has led the way, not with hollow words, but with straightforward actions to take care of the veterans in this United States who I am proud to represent.

Since we took control of Congress in 1995, we have made tremendous strides in improving benefits for our Nation's 25 million veterans, and we will continue to do that into the future with new strides in technology, reaching out to cover those who have legitimate needs who have served our country and served in harm's way.

Moreover, the Republican Congress has expanded eligibility for medical care in 1996 and 1999. That has increased the number significantly. In the end, this budget provides significant relief for veterans who have served. I am proud to support it. I stand with our leadership; I stand with the veterans in this Congress who are rightfully supporting this budget.

Mr. SPRATT. Mr. Chairman, do I have 18½ minutes remaining?

The Acting CHAIRMAN (Mr. COLE of Oklahoma). The gentleman is correct.

Mr. SPRATT. Mr. Chairman, I would like to yield 15 minutes to the gentleman from North Carolina (Mr. WATT), chairman of the Congressional Black Caucus, for purposes of control.

The Acting CHAIRMAN. The Chair may not entertain that request in the Committee of the Whole.

Mr. NUSSLE. Mr. Chairman, before the gentleman yields time, if I might yield 5 minutes to a Member, and then I would also be willing to contribute a little bit of time to the debate here.

Mr. Chairman, I yield 4 minutes to the gentleman from California (Mr. DANIEL E. LUNGREN), a member of the committee.

Mr. DANIEL E. LUNGREN of California. Mr. Chairman, it is a pleasure to be here on the floor speaking on this subject since some may know I left this place for 16 years, and coming back to the floor of the House and having an opportunity to serve on the Budget Committee has given me a perspective that I did not have before. Being away from this place for 16 years gave me a little bit of a bird's eye view of how the rest of the public views what we do here. And I just must say that during the several years that I was embarking on my endeavor to return to this House, I was constantly reminded by the people that I came into contact with in my district as to the spending spree they believe the Congress has gone on and been involved in over the last number of years. The amount of discretionary spending that we have had in terms of its increase is remarkable.

I wish they could go back 16 years from when I left this wonderful institution back in 1989 to show what we are talking about. This chart merely goes back to 1994, but it shows us spending $513 billion in 1994, and we are talking about now stretching our way to $900 billion.

I was in my office watching some of this debate, and I heard what appeared to me to be crocodile tears expressed by some on the other side about how much we are cutting. And I guess only in this institution is a little restraint in the amount that we are spending in addition to what we have spent in the past considered a cut. Where I come from, cut is not a four letter word. Most American citizens, most of the people in my district believe that if you spent too much, maybe you ought to look on the side of spending restraint.

The response we got in committee time and time again from the other side was, why do we not just raise taxes? And I cannot even calculate the increase in taxes they suggested to cover all the programs they want.

As part of the requirements under the budget act, the Budget Committee gives an opportunity for any Member in the House to appear for 10 minutes to talk about any particular matter within the province of the Budget Committee. And I was privileged to accept that duty for perhaps the last hour. And I remember those coming up to talk about the Community Development Block Grant program. They even were effective in citing a quotation from the mayor of the town in which I was born, someone whom I know.

And in response to that, I said, I think it is a worthy program, but could you please tell me, if we do not cut this, where we should find the money to fund it? And the response I received was, that is not our job; that is somebody else's job. And that is the problem with the Congress, at least as I see it. It is always somebody else's job.

But the job of the Budget Committee is to bring us, I think, some fiscal sanity by suggesting with some enforcement mechanisms, numbers within which we will live, which is no different than what we do in our daily lives and our family lives.

And all I can say is, having been gone from this place for 16 years, the image that I obtained from people on the outside looking in is, frankly, not that we have been very restraining in terms of our spending. The average person would, I think, stand with their mouth agape at some of the conversation that has been on this floor. We are not really restraining ourselves very badly when you look at the numbers that we have seen here. Only in Washington, D.C. could a restraint on increased spending be considered a cut.

That may be very simplistic, Mr. Chairman. I am sorry for being simplistic; but I have been away from this place for a long time, and where I come from, again, cut is not a four letter word. And I would just ask, if people could understand, if other Members could have the chance I had to leave this place for 16 years and come back and see the change, people coming to us asking for spending, no longer requesting it, but coming with the expectation that it is an entitlement in the area of discretionary spending. It is so different than what it was 16 years ago. It is, as we used to say, the difference between night and day.

I want to thank the gentleman, the chairman of this committee, for leading our committee and bringing forward a product which will put us on the path towards restraint, the type of restraint that not only is necessary but is expected by the folks back home.

Mr. SPRATT. Mr. Chairman, I yield 3 minutes to the gentleman from North Carolina (Mr. WATT), the chairman of the Congressional Black Caucus, so he can discuss the alternative that the CBC is offering.

Mr. WATT. Mr. Chairman, I thank the gentleman from South Carolina (Mr. SPRATT) for yielding me time.

At some point tomorrow, the Congressional Black Caucus will be introducing an alternative budget which we will discuss in detail. Unfortunately, we have been allotted only 20 minutes on our side to discuss the details of that proposed, budget and I am delighted that the Committee on the Budget has seen fit to provide us a little bit more time this evening to discuss some of the benefits we believe will enure if the Congressional Black Caucus Budget is adopted.

We will be asking the Members of our House of Representatives to make some basic choices because we believe that a budget is about making choices. There are two choices in particular we will be asking them to consider: Would you rather provide a tax cut to people who make more than $200,000 per year, or would you rather spend approximately $30 billion dollars that you would save if you did not provide that tax cut on a series of things that would benefit our community and have a substantial potential of closing some of the disparities and gaps that have existed for years and years between African American citizens and white citizens in this country?

The second question we will be asking will be: Would you rather spend $7.9 billion on a ballistic missile defense program which has been tested time after time after time and has failed all of those tests, or would you rather spend that $7.8 billion on providing more security to our troops, body armor, personnel support equipment, and other protective gear for our troops, and providing more benefits to our veterans in this country?

This is a basic choice that we at this point need to debate. Our budget that we will be submitting and detailing tomorrow morning when we offer the Congressional Black Caucus substitute budget will ask Congress, What are your priorities?

That is what budget-making is about. And there is no trickery here. It is

straightforward, and we will be asking our Members to make those choices.

Mr. SPRATT. Mr. Chairman, I yield 5 minutes to the gentleman from South Carolina (Mr. CLYBURN).

Mr. CLYBURN. Mr. Chairman, I thank my colleague and good friend for yielding me time.

Mr. Chairman, today I rise to support the Congressional Black Caucus fiscal year 2006 budget substitute which has three main focuses.

First and foremost, it restores fiscal responsibility to the Federal budget process. Secondly, it keeps our Nation's promises to our veterans and provides the equipment and materials needed to support our men and women on active duty. Thirdly, this budget funds efforts to close gaps and eliminate disparities in America's communities and among its citizens.

We restore fiscal responsibility by closing tax loopholes and eliminating the repeal of the limitation on itemized deductions, the phase-out of personal exemptions scheduled to take place between 2006 and 2010. We get rid of abusive shelters and tax incentives for offshoring jobs. This budget reduces the deficit by $167 billion over the House majority's budget over the next 5 years which reduces our interest payments by $27 billion.

Mr. Chairman, our colleagues on the other side are fond of talking about supporting and respecting our troops, but they do not put their money where their mouths are. The Republican budget resolution mandates almost $800 million in cuts to veterans mandatory programs. These are reductions in disability compensation, pension benefits, education benefits, and death benefits.

The President also proposes to increase fees and drug payments on veterans. The CBC budget increases funding for veterans by $4.65 billion. We restore veterans health care, enhance survivor benefits, medical and prosthetic research, long term care, and mental health care.

Mr. Chairman, under the issue of education, the President's budget eliminates 48 education programs that receive $4.3 billion this year. The CBC budget increases funding for education by $23.9 billion. It fully funds No Child Left Behind. It provides $2.5 billion for school construction, increases vocational educational job training, increases Pell grants by $450 million, increases Head Start by funding by $2 billion.

Mr. Chairman, unlike the President, we are not playing budgetary games. We increase funding for Pell grants by tapping into new revenue.

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The President, on the other hand, has increased funding for Pell grants by taking needed funds from programs such as the school lunch program for low-income children.

Mr. Chairman, there is no greater betrayal or broken promise to the American people than that which can be found in the President's budget for rural America.

The President recommends cutting agricultural programs by $9 billion over 5 years, and the Republican budget has suggested cutting the program by only $5 billion.

On the other hand, the CBC budget increases funding for programs that benefit rural communities by more than $3 billion. We increase funding for agricultural issues by more than $300 million; increase funding for community and resource development by more than $1.5 billion, Community Development Block Grants by $1.1 billion.

In addition, the Republican budget cuts funding for 17 different community and economic development programs that provide housing, water and sewer improvements and small business loans.

Mr. Chairman, in this budget we maintain tax cuts for wage earners making less than $200,000 a year, and we roll back cuts on the top 2 percent of Americans, and by doing so, we have saved almost $47 billion that we have used to invest in the human assets of this country, the American people.

I thank my colleague so much for yielding me the time.

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

Ms. LEE. Mr. Chairman, first, let me just thank the gentleman for yielding me the time and for his leadership; also to the gentleman from North Carolina (Mr. WATT), the Chairman of our Congressional Black Caucus, and to the gentleman from Virginia (Mr. SCOTT) for their leadership in spearheading this very responsible alternative budget.

The CBC budget is not only fiscally responsible but it also reduces our Federal deficit by $167 billion. It rescinds the 2001 and 2003 tax cuts for individuals making more than $200,000. It closes tax loopholes and it drastically reduces funding for the Ballistic Missile Defense Program by about $7.8 billion.

The Republican budget, quite frankly, fails to live up to any standard of morality that requires us to care for the least of these. From port security to health care, the Republican budget falls short on every count. On the other hand, the Congressional Black Caucus budget shows how national security priorities must include the economic security of all Americans. A strong America cannot have desperate, vulnerable people.

As a Member representing one of the largest ports in the country, it is clear to me that there needs to be significant increases in port security funding. The CBC budget provides $500 million more for port and container security. At a time when our ports remain one of our most vulnerable targets, allocating funds for container security is essential. Unfortunately, the Republican budget fails to adequately support homeland security priorities.

Our budget strengthens economic security priorities by easing disparities in housing and health care for example.

The President's budget eliminated the Community Development Block Grant program which provides financial assistance towards improving housing and economic conditions in low- and moderate-income neighborhoods. That is why I am very proud to support the CBC budget that provides $1.12 billion more than the Republican budget to the CDBG initiative. The President's budget also eliminated the Brownfields Redevelopment Program, but our budget adds $24 billion. The Brownfields Redevelopment Initiative provides important incentives for hazardous site cleanup and redevelopment. It is crucial to the health and safety of our communities, especially our children.

The CBC budget also provides an additional $880 million for Section 8 housing and $500 million more for HOPE VI. All of these programs are crucial to ensuring the economic security of the most vulnerable Americans. The CBC budget also restores approximately $50 million in funding to the Public Housing Drug Elimination Program. It allocates $490 million to the Minority Health Initiative and $500 million for Community Health Centers. These programs are vital to providing primary health care for our minority communities.

Mr. Chairman, the Republican budget punishes people. It punishes them by making them choose between their health or their housing. The CBC budget allows people to have access to both.

The Republican budget erodes our economic security. It weakens our community. It leaves our infrastructure crumbling. The Republican support of outdated weapons systems, wasteful defense programs, reckless tax cuts, and irresponsible deficit spending relegates economic security priorities to the back burner.

I urge my colleagues to join me in supporting the Congressional Black Caucus budget.

Mr. SPRATT. Mr. Chairman, I yield 4 minutes to the gentlewoman from Texas (Ms. JACKSON-LEE).

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Chairman, I thank the distinguished ranking member for the time. I thank the chairman for yielding the additional time, and I do rise as well to thank the ranking member for a very creative, a very important statement on the alternative budget offered by the Democrats, and I look forward to supporting that vision that really helps to balance the budget and bring us back on line and also keep us in line with Social Security, which I will discuss, does more for education, and of course we do not forget the veterans.

Just as an anecdotal story, we were in the Committee on the Judiciary earlier today looking at the bankruptcy

bill, and there were several amendments that had to do with veterans' catastrophic health conditions, and unfortunately, in the bankruptcy bill markup we did not succeed in supporting veterans, those of us who supported that, particularly Democrats. So I rise to as well support the Democratic alternative over the Republican budget—because both the CBC Budget and the Democratic Budget supports people.

I want to spend some time on the Congressional Black Caucus budget and really focus on why this is so very important, what it means for us to rise on the floor of the House and to argue a certain focus, and I thank the gentleman from North Carolina (Mr. WATT) for leading us in this direction and, of course, the gentleman from Virginia (Mr. SCOTT), who will offer this amendment tomorrow.

Let me start out by saying something that I am not making up, but let me just hold up a sheet of paper that shows that the President's mark, the administration's mark, his first thought was to cut $60 billion out of Medicaid. There is some plussing up, $15 billion, and so someone said there is a net of $44 billion in cuts because we have got a little increase, but let me just say the intent of the administration was to cut $60 billion out of Medicaid. That goes to the very heart of health care for the uninsured, the disabled, those in nursing homes, and we are to pass a budget with that kind of insult, if you will, to the needs of Americans around this Nation?

In addition, the budget that was offered cut the community block grants $1.5 billion, and here is where the Congressional Black Caucus budget comes into play.

We understand the need to protect the troops. We have provided dollars for armor. In fact, Mr. Chairman, we have provided some $6.7 billion, or $75 million for body armor, $10 million for ammunition for the Marine Corps and small arms for Army, $1 billion for building maintenance and $5 million for studying instances of waste, but at the same time we provide $1.12 billion back into the Community Block Grant Program which helped to reinvest in our local communities and helped to provide for affordable housing. We believe in investing in America. The community is the most important element of this budget process, the rural community, the urban community, and that is what the Congressional Black Caucus does.

So we restore the Medicaid funds. We ensure that in restoring those Community Block Grant funds we answer the question.

In the President's budget, child care funding, losses in purchasing power, billions of constant dollars, we will see in that budget the inability, up to 2010, to be able to provide real child care for those who need it, and if there is anything that I get asked about when I go home, it is the parents, single parents and young parents, with low income who cannot afford to provide child care, and as we can see the purchasing power will go down, down, down up to 2010, and we will not have the ability to purchase child care in America for those who actually need it.

So the Congressional Black Caucus recognizes that and provides that funding. In addition we also, if you will, take care of Social Security.

In the President's mark, there is a mention of a Social Security transition cost, but there is no accounting for it. There is no money for it. So the Congressional Black Caucus budget takes into account affordable housing, Medicaid, the needs of our troops, investment in security and as well a provision for the Border Patrol agents and the Customs agents.

It is a comprehensive budget. It is a budget that should be passed. The Congressional Black Caucus budget is a budget for all of us to support.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I rise today being very disturbed with the direction that the Republican Proposed Budget and this Administration is taking our great nation. The prime reason for my concern is the national budget which stands before this body today. The Nussle budget clearly does not improve upon the severely flawed Bush Administration budget. The needs of average Americans are still ignored. The interests of a wealthy few outweigh the needs of an entire nation in this budget. I say this not out of partisanship, but from a statement of the facts. I want to highlight a few areas in this budget that are particularly egregious.

This President and the majority party in this body have spent so much time talking about their record on education and as hard as I try I can not see what they have to be proud of. It is one thing to address areas of critical need with rhetoric, but to advocate a policy and then not fund it sufficiently is plain irresponsible. This budget eliminates 48 education programs that receive $4.3 billion this year. These eliminations include wiping out $1.3 billion for all vocational education programs, $522 million for all education technology programs, and $29 million for all civic education programs. The budget eliminates other large programs including the Even Start family literacy program ($225 million) and state grants for safe and drug-free schools and communities ($437 million). The President's budget cuts 2006 funding for the Department of Education by $1.3 billion below the amount needed to maintain purchasing power at the current level, and by $530 million below the 2005 enacted level of $56.6 billion. This is the first time since 1989 that an Administration has submitted a budget that cuts the Department's funding. This Administration and the majority in this Congress promised to leave no child behind, but clearly they have reneged on their promise.

Our brave American veterans are another group who were outraged by the President's budget and will unfortunately be disappointed with the Republican House Budget. I hear so much in this body from the majority party about the greatness of our Armed Forces, and their right, but again its just empty rhetoric on their part. Those brave men and women fighting on the front lines in our War Against Terror will come back home and find that the Republican Party looks at them differently once they become veterans. Almost all veterans need some form of health care, some will need drastic care for the rest of their lives because of the sacrifice they made in war, but the Republican Budget continues to turn a blind eye to their needs. The fact is that $3.2 billion more than the current budget proposal is needed just to maintain the current level of health care programs for veterans.

The entire Department of Veterans Affairs is going to suffer because of the Republican agenda. I have heard from veterans groups throughout my district in Houston and I am sure each Member of this body has heard from groups in their own district because veterans are one group that come from all parts of this nation. These brave veterans have told me their stories of how they are suffering now with the current state of Veterans Affairs, I am going to have trouble telling them that not only will things continue to stay bad but if this budget passes this body things will only continue to get worse. That is not what our returning soldiers from Iraq and Afghanistan should have to look forward to, a future where their needs are not only unprovided for, but are in fact ignored.

Education and Veterans Affairs are not the only two areas where Republican budget fails Americans. The truth is there are many other programs and services vital to our nation that are at risk because of the Republican agenda. At this point, an average American may be asking why the Republican leadership finds it necessary to cut so many fundamental programs. The answer is simple, yet disturbing; the majority is cutting important programs in order to finance all their irresponsible tax cuts. They will continue to make the argument that tax cuts provide stimulus for our economy, but millions of unemployed Americans will tell you otherwise. In fact the Congressional Budget Office itself said ''tax legislation will probably have a net negative effect on saving, investment, and capital accumulation over the next 10 years.''

While the Republican leadership continues its offensive for irresponsible tax policies they allow our national deficit to grow increasingly larger. When President Bush came into office he inherited a budget surplus of $236 billion in 2000. Now, however, this Administration has raided those surpluses and its fiscally irresponsible tax policies have driven the country ever deeper into debt. A $5.6 trillion ten-year projected surplus for the period 2002–2011 has been converted into a projected deficit for the same period of $3.9 trillion—a reversal of $9.5 trillion. Much like the President's budget, the resolution before us omits the longer-term costs of either the war in Iraq or fixing the AMT, yet still tries to make claims of reducing the deficit. It's clear that the Republican Party is hiding from the American people. This President and this majority in Congress have yet to advocate a fiscal policy that helps average Americans. Special interests have become king in this budget at the price of sound fiscal policies.

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

Mr. NUSSLE. Mr. Chairman, I yield myself as much time as I may consume to just respond gently, firmly in some respects to some of the characterizations I disagree with of the budget that I am presenting and the Republicans are presenting.

I definitely respect the Congressional Black Caucus in their effort to put together a budget. I admire anybody who tries to go through this process and comes out of the other end with an actual work product that they can come to the floor to defend.

So, as a result of that, I am pleased to yield time so that they can present that budget.

Mr. Chairman, I yield 4 minutes to the gentleman from North Carolina (Mr. BUTTERFIELD) so that we can continue this discussion.

Mr. BUTTERFIELD. Mr. Chairman, first, I want to thank the chairman for yielding these 4 minutes to me. One of the hazards of being one of the lowest in seniority on this side of the aisle is that we run out of time so quickly. So I thank the chairman for yielding this time. I want to thank the ranking member for the work he has done in the process.

Mr. Chairman, I represent North Carolina's 1st District. We are the 15th poorest district in America. We are working very hard to lift our communities in meaningful ways and it is difficult.

The one area in which we are succeeding is in the area of making higher educational opportunities more available to minority and low-income students. I am so proud of the fact that we are beginning to eliminate the educational disparity that exists between black, white and brown.

One program, Mr. Chairman, that has significantly contributed to this success is the TRIO program. TRIO programs are working. This program is serving 6,200 young people in my district, a total of 17 projects. Across the country, more than 870,000 low-income Americans are being served.

TRIO has a Talent Search Program which serves young people in grades 6 through 12. In addition to counseling, participants receive information about college admissions requirements, scholarships and various student financial aid programs. This early intervention program helps people from families with incomes under $24,000 to better understand their educational opportunities and options. Over 387,000 Americans are enrolled in 471 Talent Search programs. The President's budget and the Republican budget eliminates these programs entirely.

TRIO has an Upward Bound Program which helps young students to prepare for higher education. Participants receive instruction in literature, composition, mathematics and science on college campuses after school, on Saturdays and during the summer. Currently, 770 programs are in operation throughout the country. This program, Mr. Chairman, is scheduled for extinction.

The alternative Congressional Black Caucus budget is a responsible document, and I want to thank the gentleman from North Carolina (Mr. WATT) and the gentleman from Virginia (Mr. SCOTT) for the work that they have done in developing this great document. This budget restores funding for TRIO. It reduces spending while maintaining strong funding for national defense and homeland security.

Mr. Chairman, I urge my colleagues to oppose the Republican budget and to vote for the Congressional Black Caucus budget as this budget restores funding for the TRIO program which is a very, very deserving program.

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Mr. NUSSLE. Mr. Chairman, I yield 2 minutes to the gentleman from North Carolina (Mr. WATT) to close the debate.

Mr. WATT. Mr. Chairman, I thank the gentleman from South Carolina (Mr. SPRATT) and the gentleman from Iowa (Chairman NUSSLE) for providing the Congressional Black Caucus a little extra time to talk about the CBC budget, and I want to summarize what our proposed budget which we will be introducing tomorrow will do.

It will roll back the tax cuts on people with adjusted gross incomes that exceed $200,000 per year. Most of the revenue raised in the CBC budget will be used to address disparities in America's communities. A substantial portion is reserved to reduce the deficit.

On the military side, we would roll back $7.8 billion in ballistic missile defense spending leaving using $1 billion for research to continue regarding the ballistic missile defense system. All of these funds are spent on other defense items to support our troops, homeland security needs, and veterans program and benefits. The total for defense, homeland security, and veterans is equal to the Republican budget.

The bottom line is that the CBC budget addresses critical domestic challenges and supports our troops. The CBC budget reduces the deficit by $167 billion compared to the House majority's budget over the next 5 years. This fiscal responsibility is rewarded by a reduction of $27 billion in interest payments, compared to the House majority's budget over that 5-year period. We will have a responsible budget, and I look forward to having the support of our colleagues in this body and look forward to discussing the proposed CBC budget in more detail tomorrow when our substitute is presented to the House.

Mr. SPRATT. Mr. Chairman, I yield myself the balance of my time for the purpose of closing general debate.

Mr. Chairman, we have put before the House a substitute resolution as an alternative to the resolution supported by the Republicans and reported by the committee.

What does our resolution do? First of all, in the realm of fiscal discipline, we would reimpose a rule found to work and work well during the 1990s, a rule that was first implemented by a bill signed into law by President Bush, the first President Bush, in 1990 as part of the Bush budget summit agreement, which laid the foundation for the phenomenal success in the 1990s when we finally moved the budget out of intractable deficits into a surplus in 1998 and into a monumental surplus of $236 billion in the year 2000.

Part of the budget process changes that helped us achieve those impressive results was a rule called pay-as-you-go, which simply stipulates that before anyone can increase an entitlement or mandatory spending program, add to its benefits, they have to either pay for the benefits by an identified revenue source, or they have to offset the increased expenditure by decreasing expenditures elsewhere.

In addition, it provides when anyone wants to cut taxes, when we have a deficit, must offset the tax cut so it will not contribute to the deficit; it will not further enlarge the problem on the bottom line. So we first of all would reinstate the PAYGO rule. As I said earlier, this is not just some notion we have concocted. Three times Chairman Alan Greenspan of the Federal Reserve has testified before the Committee on the Budget that he would reinstate the PAYGO rule and he would apply it to expiring tax cuts that are renewed.

On the spending side of the ledger, we have brought spending back to current services, in many cases restoring deep cuts made by the Republicans. We have brought it back to current services, but we have held it at that level. Current services is basically today's spending level carried forward with inflation.

What do we do by instituting those two practices? What do we accomplish? Well, our budget moves to balance in the year 2012, which the gentleman from Iowa (Chairman NUSSLE) cannot say with respect to his budget resolution.

Secondly, we incur less in deficits each year and over the 10-year period of time that we run out our numbers, even though we provide current services funding.

Thirdly, we protect Medicare and Medicaid. The Republicans would cut Medicaid by $60 billion. I met with Governors, Republicans and Democrats, who have told us a cut of that magnitude would be devastating and we should not cut Medicaid by any significant amount so that when the program is revised, it has to be revised in pursuit of some arbitrary savings number.

Finally, we match funding for defense, function 050, dollar for dollar the same as their resolution. We match funding for international affairs, function 150. There is no difference between us there, but we have made some changes in our budget resolution which recommends that resources within the defense budget be shifted to personnel benefits and in particular to see that the $400,000 life insurance increase just

provided in the supplemental will be carried forward and that the $100,000 increase in death gratuities will also be carried forward and funded in the future.

So we have a budget resolution with many positive features to it, but also with fiscal discipline. A signature element is that in the year 2012 it gets to balance, but it gets there with balanced priorities.

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

Mr. Chairman, first let me say to the gentleman from South Carolina (Mr. SPRATT), there is absolutely no one on the Democratic side that I admire more than the gentleman and the partnership we have in working on these budgets. This is the culmination when we come to the floor and have these debates, and I really respect the way he handled the debate. We appreciate that.

We disagree how we are going to accomplish the goals that our Nation needs to set, but we know the goals are pretty important. We have to keep the country strong. There is no question about that. It is really nonnegotiable. There is not a constituent I talk to that would suggest at this point in time in our history we do not want to protect the country. Our borders, everything from terrorism to illegals and drugs and all sorts of things coming into the country, we have to protect the country, number one.

Number two, we have to make sure that the economy keeps growing. That should not be an item up for negotiation. It is so important that families have the resources to deal with the challenges that they face every single day.

We come out here and talk about other people's money very easily on the floor of the House, what the taxpayers send us in order to solve problems; but we really do need to be mindful of the fact that the most important budget that we ought to be focused on is the budget decided and discussed and sweated over and argued about around kitchen tables across the country. That is such an important budget.

We worry about education here, but parents do that every night after their kids go to bed. We worry about health care here, but seniors do that every night when they are laying in a bed in a nursing home. We worry about creating jobs, but small business people do that every night in the quiet of their closed shop. They try and make sure their cash register all added up.

It is funny, I have heard people say we should not worry about the error rate in the food stamp program, which is now 6 percent. Mr. Chairman, 6 cents on every dollar in this country in food stamps is wasted. We say that is an improvement because it is down from 19 percent. The interesting and fascinating thing about that is if a small business person ended the night, closed that shop door and turned the open sign around to closed and rang up the cash register and they were missing six pennies, they would stay all night to find it, all night long to find those six pennies that did not add up in their cash register. But we say, oh, that is an improvement. Amazing. It really is amazing. That is what I turn to first.

This is the record of Federal Government spending over the last 10 years. In these numbers is what I was talking about, the concern of education, the concern of homeland security, the concern of national defense, the concern of job training, the concern of our environment, the concern of transportation, the concern of research and development. All of the concerns that we have talked about are embodied in numbers because in Washington we define compassion from one year to the next, solutions from one year to the next of spending more.

We have all seen that. If I spend just a little bit more from one year to the next year, I must care, I must be solving problems, I must be dealing with real solutions. If I just spend a little bit more money, I will solve all of the problems in the country. Every problem that every family ever addressed around their kitchen table can be solved with just a little bit more Washington spending. That is the fallacy of what we are debating tonight, and that is that if we believe, truly believe that all we have to do is take more money to Washington in the form of taxes and define and design and develop just one or two more programs that hires a number of more bureaucrats, that builds maybe a few more office buildings to be filled with those bureaucrats, and they drive in from Virginia or Maryland or wherever they drive in from, so that they care more about what is going on than the families back home, if we really believe that is solving problems, then Members are going to have a budget to vote for.

It spends more money, it increases taxes, and it purports to solve problems. Unfortunately, we are not solving those problems by doing that. My favorite saying that I heard on the floor, and I do not remember who said it, a long time ago, if you always do what you always did, you will always get what you always got.

If Members think about it, we have been trying to solve problems in Washington with more spending for quite some time now, and those problems do not seem to go away. Last year we decided to put the brakes on spending. We said yes, we have had the excuse of September 11, of the war on terror, of needing to deal with homeland security and needing to deal with our economy; but it is time to be done with all of that. And so what we did was we said let us put the brakes on spending just a little bit.

What happened? When the economy grows and when we control spending, just like the Republican budgets in the late 1990s when we got back to balance, and President Clinton can take credit for anything he wants, that is fine. But everyone who has studied government knows that the buck stops here when it comes to spending. When it comes to fiscal responsibility and article I of the Constitution, we are the ones in charge of the budget. Members know that.

As a result, last year with fiscal discipline and a growing economy, we were able to reduce the deficit 20 percent in 1 year. That is good news, but we need to build on that.

□ 1945

What our budget does is it says, let us continue to build on that success every year with more and more deficit reduction. That is what we accomplish with the spending discipline within this budget. We say not only should we hold the line on discretionary spending, that is the spending we will argue about every day out here during the appropriations process. We want to actually reduce some spending there. We want to have the first reduction in non-security spending since Ronald Reagan was in town back in 1980. That is good news. We also know that we have to start tackling what we call the mandatory spending, or the automatic spending. And so we accomplish that because we know that mandatory spending, that is this yellow part, the part here that back in 1995 was half the budget and now is more than half the budget and is growing to even more than half the budget, almost two-thirds of the budget if we do not start controlling our spending in these accounts.

I want to give you an example of what we would have to do. As much as there will be all sorts of discussion today, and there has been, and tomorrow about Medicaid, you cannot find the word Medicaid in the budget. The reason is because what we do is we say the committees of jurisdiction, in this instance the Committee on Energy and Commerce, should be given responsibility to look through the programs and see if they cannot only find savings but reform the program, to do a better job of delivering the product to the people who need it. If it is true that people sit up at night worrying about how they are going to pay their bills, how they are going to meet their health care needs, then let us help them figure that out. But let us not continue to do a program that every single Governor would admit is unsustainable. We have got quotes from here to the end of the day from Governors who have written us that have said, This program cannot continue. It cannot continue.

All right. So what do we have? We have one budget on the Democratic side. We actually, I think, will have two or three budgets on the Democratic side that do nothing with regard to Medicaid. No reforms. No changes. Let us continue to always do what we have always done, and that is continue what has been what some people say is fraudulent transfers that are going on at the State level, where Governors

and State legislators are put in a position where they actually have to figure out how to game the system, how to manipulate the system so that they can get more money from the Federal Government. I have heard of situations that colleagues of mine have told me from around the country where we actually have a situation where kids, teenagers who are eligible for foster care, good kids, good teenagers, that are difficult to find families for so that they can integrate and become part of a family again, but the State, a couple of States in particular, what they have done is they have devised a way to lock those kids into mental health residential treatment centers. Why? So they can get more money from the Federal Government. If you are a foster parent or you are someone who is thinking about adopting, opening up your heart, your family, your home to a child, to a kid, to a teenager and giving them a life, try doing that with a stigma of having mental health problems, of having challenges in that regard, because of the stigma of being part of that State program, not because they were helping the kid but because they wanted more money. We are hurting people with some of these programs.

I realize if you measure your compassion from one year to the next with spending, I cared at $92 billion this year. Oops, there I went and I cared a little bit more that year. Then I cared at $101 billion. Then I really cared at $108 billion. Boy, my caring and compassion is going up. That is not how we should measure it. We should measure it on results. Are these programs working? Are they helping families? Are they helping kids? Are they helping communities? Are they solving the problem that Medicaid ought to be solving for people with long-term health care concerns, people with disabilities, people who require indigent care? That is what we ought to be asking.

What do we do in this budget? We say, Commerce Committee, go to work. Invite the Governors to come to Washington to give us their proposal. The gentleman from South Carolina (Mr. SPRATT) and I sat in a room with Governors where they said, ''Don't arbitrarily let the number drive the policy.'' That is exactly right. The number should not drive policy. This number should not drive policy any more than it ought to determine compassion. But there is only one way to get the Governors to come back to Washington. They were here the first time. The only way to get them back the second time is to have a process that requires reform and that is exactly what this budget does. It says, by September, we want you to come back with ideas for reform. Just as a result of this, they have committed to come back by June with a reform proposal that the Governors are going to offer that we can work together with the administration to try and come to a solution and try to come to some agreement on. That is a positive step forward. That helps us with a program that most people think is unsustainable and that helps us solve the problem of making sure that this goes to people who cannot help themselves.

What does the so-called reduction in growth look like? We have heard all the complaints on the floor today. One would think we were just eliminating the Medicaid program. I want to show you the chart of what this looks like after we are all done. This is what the Governors would complain about. This is what some of the advocates are complaining about. In other words, we are asking for just a little sliver, just slow down the growth. But it is growing every year. Every year it grows. We are just asking for a little bit of change, just a little bit of reform, make the program work better, less it help seniors, let it help people with disabilities, make sure it is solving the problem for families that do not have the resources to meet their health care needs. Let us also instill some personal responsibility. Do not just hand it out and give people first dollar Cadillac coverage without saying in return, Folks, you have got to be healthier, you have got to practice prevention, you have got to be personally responsible. That is what reform can give you and a budget without that reform will not give you.

I understand that between today and tomorrow we have got a big decision to make. The decision as it boils down to me is very simple. If you believe that taxing a little bit more, taking a little bit more out to Washington from all of these hardworking families across the country and hiring more bureaucrats and inventing more programs and trying to solve more of these problems from Washington, if you believe that is the solution, you need to vote for the Spratt budget. You need to vote for the Democrat alternative budget because that is what it does. It says increase taxes, increase spending and you will begin to solve these problems.

But there is an alternative and it is the majority. What the majority is saying, Stop the madness. It is the spending. We have got to get the spending under control. We know the other body left to their own devices may not do it on their own. We have already seen in a kind of a disappointing way that they have not really stepped up the way the President has and how we believe the way I have.

In closing, let me just say that we will be able to give, I believe, our kids and our grandkids the opportunity of a debt-free world if we begin with a small step again this year. I ask Members to support the majority budget.

The CHAIRMAN. The gentleman from Pennsylvania (Mr. ENGLISH) and the gentlewoman from New York (Mrs. MALONEY) each will control 30 minutes on the subject of economic goals and policies.

The Chair recognizes the gentleman from Pennsylvania (Mr. ENGLISH).

Mr. ENGLISH of Pennsylvania. Mr. Chairman, I yield myself such time as I may consume.

It is a real privilege to rise tonight to take on the role of discussing the statutorily required Humphrey-Hawkins side of this debate; that is, to consider how this budget fits into the overall economic policy of the United States.

We have heard so far a very engaging debate, and may I say, the chairman of the Committee on the Budget has done an extraordinary job of defending the details of this budget. He has been powerful and persuasive and intelligent and, I think, has made a compelling case. The argument that we are going to make in the next hour has to do more with how this fits into the overall economic priorities of the United States. This in my view is perhaps one of the most important reasons for passing this budget, because as we look at where America is today, as we look at the economic challenges we are facing, it is clear that we need to have a strong and responsible fiscal policy that encourages economic growth, that controls spending, and by controlling spending brings down our deficit over time, reassures capital markets and sends the message that the American economy continues to be the safest place in the world to invest. If we continue on the path directed by this budget resolution, we have an opportunity, I think, to lay the groundwork for an unprecedented expansion and to create opportunity and economic growth in the American economy that is so badly needed in many of our communities, including many parts of my district.

There is no question, Mr. Chairman, that the challenges we are facing today are substantial, the deficit is a serious problem and the proposed remedy contained in this budget resolution involves some very strong medicine and, for many individual Members of the House, some very, very difficult policy decisions. We need to pass this resolution because the broad parameters of spending that are the real budget resolution, the blueprint that is the substance of this budget resolution is precisely the vehicle we need to move in the right direction to make sure that we control spending and create the opportunity to continue the economic expansion which is only now just beginning.

Over the past few years, America has gone through a challenging time economically. Nowhere is that more evident than in my district, but at the same time there are very encouraging signs. We know that we have been running a deficit. We know we have been running a deficit because, first of all, understandably, we have been in the throes of a recession and we have never run a surplus during a recession. Second of all, we have never run a surplus in wartime. And even as we have been undergoing a very difficult episode, a combination of a slowdown which

began during the last administration coupled with the substantial damage to our economy that occurred in the wake of 9/11, at the same time we have had to take on a war on terrorism that was not of our choosing. The combination of these two factors, the loss of revenue because of the slowdown of the economy and at the same time the challenge of meeting the war on terrorism have been a substantial drain on our resources. Yet our underlying economy continues to be sound and clearly we have a path that we can pursue that brings us back toward a balanced budget and providing the kind of policy in place that will continue to meet the needs of America.

This budget resolution is precisely what we need. We recognize that an uncontrolled deficit can put pressure on interest rates, increasing the cost of borrowing and putting the brakes on economic growth and investment. Without economic growth, we are not going to be able to generate the revenue to get back to a balanced budget. We also recognize that a lax fiscal policy could further weaken the U.S. dollar in global markets and undermine its standing as the reserve currency of the world economic system. This has been one of the core advantages that America has retained relative to our global competition. That is why the decision we make with this budget is going to be so very, very important.

This budget is a blueprint for injecting spending restraint while encouraging economic growth and stability. Its adoption will signal to the financial markets that a fiscally conservative Congress once more is prepared to sally forth to make difficult decisions necessary to control the Federal deficit and maintain our economy on a growth path. This budget vehicle provides fiscal discipline that will strengthen investor confidence in the renascent economy and act as a powerful tonic to continue on the path of economic growth. It provides for controlling spending without raising taxes, which is precisely the formula that has worked for us and can continue to work for us.

Mr. Chairman, we recognize that we need to maintain a pro-growth tax policy. That is essential to move America toward a balanced budget. This budget resolution allows us to continue and make permanent the successful tax policies that have allowed us to grow the economy. What it does in a nutshell is it cuts the deficit in half over a 5-year period. Perhaps more importantly, Mr. Chairman, it shrinks over time the national debt relative to the economy. That is the burden on the national economy that the capital markets understand. If we have a national debt that is growing relative to the economy, it will roil capital markets over time if it grows excessively. But what matters to the economy is not the absolute size of the debt, it is the size of the debt relative to the economy.

□ 2000

If we can continue to grow the economy and grow the economy faster than the national debt, then that will be a source of confidence and a source of growth in the economy. Mr. Chairman, that is precisely what this budget resolution does in a sound, responsible way. It maintains a strong commitment to economic growth and pro-growth tax policy by controlling discretionary and mandatory spending.

Mr. Chairman, I will have further remarks in support of this resolution.

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

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

As a member of the Joint Economic Committee, I am pleased to speak on the economic goals and policies reflected in the budget.

When it comes to the economy, this is a record-setting administration. The problem is, the administration is setting records for debt and deficits. We now have the largest debt, the largest budget deficit, and the largest trade deficit in the history of our Nation. Republicans have become the party of debt and deficits.

Even worse, the administration continues to repeat the same economic mantras even as experience continues to prove them wrong and more wrong.

This administration has turned a surplus projected in January of 2001 to be almost $400 billion by 2004 into a budget deficit of over $400 billion. And, Mr. Chairman, there is no end in sight. The budget deficit for last month set another record as the first time the budget deficit has gone over $100 billion in a single month in the history of our country. The administration has raised the debt limit three times to a record $7.6 trillion, which means $26,000 of debt is owed for every man, woman, and child in America.

This week the lead story is our Nation's trade deficit; and to no one's surprise, this deficit is breaking records too. Data released today by the Department of Commerce shows that the trade deficit in 2004 was at an all-time high, nearly $666 billion, 5.7 percent of our GDP. Another unfortunate record. The all-time monthly trade deficit of more than $59 billion was set in November, and the total for January was just barely shy of setting a new record.

The administration keeps saying that the ever-weaker dollar will correct our trade deficit for the last several years, and this has proven to be wrong. Our deficits are soaring because it is the policy of this administration to spend money we do not have and to borrow from foreign sources to cover ourselves.

Since the administration is content importing money lent by foreign banks to cover the cost of foreign goods, we are increasingly at the mercy of our overseas benefactors. As of January, foreign governments own $1.2 trillion of our public debt, the highest it has ever been. What if one day they decide to stop propping up our spend-and-borrow habit? We had a tiny taste of that recently when South Korea hinted that they would not buy more dollars and the markets trembled.

America is the greatest economic engine in the world. We should never build our economic system on a foundation of foreign loans. Any day that foundation could become a house of cards. There is absolutely no evidence in the budget resolution before us in the House or in the policies of this budget that the majority understands or even cares about these risks to our economy.

This budget uses smoke and mirrors to give the allusion of cutting the deficit in half, but it leaves out necessary actions such as fixing the alternative minimum tax, which is hurting the middle class more and more and must be dealt with sooner rather than later.

This budget is also mean spirited. In order to preserve the Republican tax cuts, the budget cuts programs for Americans who are struggling just to make it in what for them is a very difficult economy.

Mr. Chairman, this President continues to have the worst job record since President Hoover and the Great Depression. Even worse, the gains the economy has made benefit the bottom line of large corporations at the expense of ordinary hard-working Americans. The gap between the haves and have-nots is growing, and that should be of great concern to everyone in America.

The administration continues to say the economy is recovering, but how good a recovery can it be if ordinary American families can buy less and less with their paychecks? Over the period of job gains since May of 2003, the average hourly earnings of workers in nonfarm industries has actually fallen by .6 percent after inflation.

The administration's budget does not even address the biggest and largest budget buster of them all: the President's plan to privatize Social Security. As a new study by the Joint Economic Committee Democratic staff shows, the President's plan for private accounts would create $5 trillion of new debt in the first 20 years, but it would do absolutely nothing to address Social Security's solvency and would do nothing to increase national saving. In fact, it would weaken the solvency of Social Security and probably reduce national saving, exactly the opposite of what is needed.

Mr. Chairman, I think the President's plan for Social Security is a perfect example of what is wrong with the economic goals and policies of this administration. It manufactures a false crisis around a real, but manageable, problem and then offers a proposal that makes things worse without even addressing the original problem. As I have seen in my own town meetings, Americans understand that privatization of Social Security is a bad idea.

We need honest budgeting and an honest economic policy if we are to foster true economic prosperity to ordinary hard-working Americans.

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

Mr. ENGLISH of Pennsylvania. Mr. Chairman, I yield 7 minutes to the distinguished gentleman from Texas (Mr. PAUL), a fellow member of the Joint Economic Committee.

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

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

Mr. Chairman, I appreciate very much this opportunity to talk about the budget. In listening to the debate today on both sides of the aisle, there has been a lot of expression of concern about the deficit; and, of course, I am very concerned about the deficit as well.

But I would like to make a suggestion that we are not facing primarily a budgetary crisis or a budgetary problem. I see this more as a philosophic problem, dealing more with the philosophy of government rather than thinking that we can tinker with the budget, dealing with this as a tactical problem when really it is a strategic problem. So as long as we endorse the type of government that we have and there is a willingness for the people as well the Congress to finance it, we are going to continue with this process and the frustrations are going to grow because it is just not likely that these deficits will shrink.

And the gentleman from Pennsylvania rightly pointed out the concerns this might have in the financial markets. I am hoping that his optimism pans out because, indeed, if they do not, there could be some ramifications from these expanding deficits and what it means to our dollar.

But I would like to suggest that in dealing with the budget itself, I see only one problem that we have. And that problem to me is the budget is too big, and I would like to shrink the budget. I have toyed with the idea over the years to introduce and offer a constitutional budget to the House floor. That would not be too difficult because the budget would be so much smaller. It would mean essentially that if one is a strict constitutionalist that they would cut the budget approximately 80 percent.

What would that mean to the economy? It would be a boost because we would be injecting $2 trillion back into the economy, allowing the people to spend their own money. But being pretty realistic, I know that is not likely to happen or be offered or even be able to present that on the House floor. Besides, it could be rather embarrassing to bring something like that to the floor. Not so much embarrassing to me, because I am accustomed to voting in a small group of people on many occasions; but it could be embarrassing to others because, for the most part, most Members would not even conceive of the idea of having a strict interpretation of the Constitution and severely limiting the budget. So we would not want to put everybody on record for that.

The other day I heard an interview with one of our Members, and he was asked about a particular program about where the authority came from in the Constitution for that program. And his answer was very straightforward; and he explained that in the Constitution there was no prohibition against that program, so therefore it was permitted. In his mind, as it is in the minds of many Members of Congress, if there is no strict prohibition, it is permitted.

And that is just absolutely opposite of what was intended by the authors of the Constitution that we would only be able to do those things which are explicitly permitted in the Congress, and they are spelled out rather clearly in article I, section 8.

And then we are given the permission to write the laws that are necessary and proper to implement those powers that are delegated to us. Those powers that are not delegated are reserved to the States and to the people. So it means that those things that are not prohibited are permitted, but I would say that the conventional wisdom today is that people accept the notion that we can do anything that we want as long as it is not prohibited by the Constitution.

I think this improper understanding and following of the Constitution has brought us closer to a major crisis in this country, a crisis of our personal liberties, a crisis in our foreign policy, as well as a crisis in our budgeting.

But it is not simply the ignoring of the Constitution that I think is our problem. I think our other problem is our country and our people and our Congresses and our Senators have accepted the notion of faith in government, faith in the State, that the State can provide these great services and do it efficiently.

Really, there are only two areas that would have to be cut if we were to strive for a constitutional budget. There are only two things that we would have to cut, and it would be welfare and warfare. And then we would get back to some fundamentals. During World War I, a gentleman by the name of Randolph Bourne wrote a pamphlet called ''War is the Health of the State,'' and I truly believe that. When we are at war, we are more likely to sacrifice our liberties; and, of course, we spend more money that we really have. I would like to suggest a corollary, that peace is the foundation of liberty because that is what the goal of all government should be: the preservation of liberty.

We have endorsed a program with this interpretation that spending is going to be endlessly increased, and we have devised a system whereby we have ignored the constraints through monetary policy by not only are we taxing too much and borrowing too much; we have now since 1971 endorsed a monetary system that if we come up short we just print the money. And I would suggest to the gentlewoman that one of the reasons why the workers' purchasing power is going down is we print too many dollars and they are the ones who are most likely and first to suffer from inflation.

And it is the philosophy of government and our philosophy on money that encourages these problems. And the current account deficits and this huge foreign indebtedness that are encouraged by our ability to maintain a reserve currency, it is going to lead to a crisis where this spending will have to come in check.

□ 2015

And that is why the gentleman from Pennsylvania is quite correct that we should be concerned about how the financial markets look at what we do. And hopefully we will be able to deal with this in a budgetary way and institute some restraints. But quite frankly I am a bit pessimistic about that. This program that we follow and this philosophy we followed prompted our Federal Reserve to create $620 billion in order to finance the system. That is the reason that the dollar becomes less valuable, because we just print too many to accommodate the politicians and the people who enjoy the excessive spending.

Mrs. MALONEY. Mr. Chairman, I yield 6 minutes to the gentleman from New York (Mr. HINCHEY), a member of the committee and a very outstanding colleague.

Mr. HINCHEY. I thank the gentlewoman from New York for yielding me the time. Mr. Chairman, this budget of course is a clear statement of the economic objectives of the people who have put it together, and it is illustrative of where they want this country to be over the course of the next year.

In understanding that, it is important for us to look back at previous budgets that they have constructed and the effect that those budgets have had on the economy of our country.

We have here in Washington today, and have for the last 4 years, a monolithic government. In other words, the Republican Party controls both Houses of the Congress, the House and the Senate, and the White House. So they are in complete control of the budget operation, how we take in money, and how we spend it, allegedly, on behalf of the American people.

Let us just take a look at the effects of their budgets and economic policies over the course of the last several years. First of all, the economy has endured the most protracted job slump since the 1930s. Last year we had some increase in jobs. Government payrolls, in fact, have expanded. And it is interesting, because our colleagues in the

Republican Party talk about shrinking government. But what their budget policies have managed to do is to expand government.

At the same time, there were 544,000 fewer private nonfarm payroll jobs and 2.8 million fewer manufacturing jobs. Their budget policies have cost us nearly 3 million manufacturing jobs over the last several years.

The official unemployment rate is now 5.4 percent. But many more people than that would like to go to work if there was an opportunity for them to do so. When you include the 5 million people who have stopped looking but who would take a job if one were available to them and the 4.3 million people who have been forced to settle for part-time employment, when you consider all of those, the unemployment rate jumps to 9.3 percent.

Four years ago America enjoyed a $5.6 trillion 10-year projected budget surplus. Today our country is facing a $3.3 trillion 10-year projected budget deficit. That is a heroic accomplishment over the last 5 years by these Republican budgets, nearly $9 trillion in negative results.

The public debt has almost doubled and will probably reach $5 trillion before the end of this year, all of that as a result of these budgets, and this particular budget that we are addressing tonight continues these same policies.

One consequence of the low national savings associated with large budget deficits is that we are running now a very large trade deficit. In January, for example, the last month for which we have figures, it was $58.3 billion in trade deficit just for the month of January.

Last year we accomplished a record trade deficit. The trade deficit for the year 2004 was a record $617 billion. This budget continues those same policies. But those deficits are unsustainable. Our economy will not survive if we continue along the same road.

American workers are becoming more productive, but that productivity as a result of these budgets is not showing up in their wages. Private nonfarm industries' wages have fallen .6 percent, after being adjusted for inflation.

This year, this past year alone, typical households will make $1,500 less than they did 4 years ago as a result of the economic policies reflected in this and the previous budgets of the Republican Party.

Since November 2001, output per hour has increased from the average worker by an average of 3.9 percent per year. Over that same period, the hourly wages and benefits of the workers producing that increased output has increased by only 1.6 percent per year.

The current account deficit, which measures the amount we have to borrow from the rest of the world to finance our international trade imbalance, reached a record of over $600 billion. Increasingly, foreign central banks purchase U.S. treasury securities, and that means that we are increasingly deeper and deeper in debt to other foreign countries. That is also a result of these budgets. If foreigners become nervous about the falling value of the dollar, they could stop buying our treasury debt, which would cause the dollar to plunge. The consequence could be an international financial crisis, sharply higher inflation and interest rates, and also stop any economic recovery.

So the debate today on this budget resolution is critically important. The question is, are we going to continue the policies that have put us in this very difficult position where we find ourselves today as a result of the previous four budgets passed by this monolithic government, or are we finally going to wake up, realize the consequences of these policies and begin to take a new course? That vote will come tomorrow.

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

Mrs. MALONEY. Mr. Chairman, I yield 6 minutes to the gentleman from Maryland (Mr. CUMMINGS), the immediate past Chair of the Congressional Black Caucus.

Mr. CUMMINGS. Mr. Chairman, I thank the gentlewoman for yielding me time. As a member of the Joint Economic Committee, I rise today to speak on the economic policies of the budget resolution.

Mr. Chairman, both the Bush and Republican budgets suffer from the same infirmities, fiscal irresponsibility and self-serving and out-of-touch priorities. Both are wholly inadequate to meet the needs of our Nation and will pass along mounting deficits and debts to generations yet unborn.

First, the 5-year Republican budget will result in a deficit of $376 billion in 2006, $44 million over the President's projection.

The Republicans' budget proposal also has many cost omissions, because they know that their deficit numbers explode after 5 years. As such, this budget does not take into account the cost of fixing the AMT, which will cost at least $642 billion. It does not take into account the $774 billion needed to pay for the President's much-talked about but yet unveiled Social Security privatization plan.

I suppose the Republican budget proposal deserves a little credit for hiking its deficit projection as it at least includes $50 million in 2006 for the wars in Afghanistan and in Iraq. The President's budget proposal contained zero dollars. As a matter of fact, it reported that the costs could not be known. However, both figures are fantasy. The realistic figure over the next 10 years, in addition to the $80 billion that we just passed in the supplemental, is likely to be $384 billion.

To pay for its misguided policies, the House budget resolution cuts nondefense discretionary spending by $12 billion below the amount needed in fiscal 2006 just to maintain current spending levels, and it cuts spending on mandatory domestic programs by $8 billion.

To add insult to injury, the Republican budget provides $18 billion in additional tax cuts. These misguided tax cuts will actually cost much more when the tax cuts actually expire in 2010. In fact, 97 percent of these tax cuts will benefit taxpayers with incomes above $200,000. I think most reasonable people can agree that these priorities are not America's priorities.

While little good can be said about the Bush administration's budget, it at least provides detailed information on the programs it seeks to cut. The House resolution shrouds its cuts in darkness, leaving the American people to wonder what vital programs will find their way to the chopping block next.

Both the Republican and Bush budget proposals are travesties. When the Bush administration took office, the Nation was experiencing record surpluses. It has managed to turn a $521 billion surplus into a $367 billion deficit.

In contrast, the Spratt alternative budget, as well as the Congressional Black Caucus alternative budget that we will consider tomorrow, focus national spending on priorities that benefit all Americans and get us on the road to economic recovery. They do this by funding key domestic priorities which address the needs of working families while fully supporting the national defense and protection of our homeland and preserving Medicaid, Social Security, pension programs and student loans.

Let me speak particularly about the budget developed by the Congressional Black Caucus which corrects the irresponsible fiscal and economic policies contained in the House budget resolution by supporting existing programs that are essential to closing disparities, creating opportunities and helping our citizens build their future. It will get our country on the road to recovery, while funding meaningful national priorities for our children, for our seniors, for our veterans and for our communities.

Importantly, the Congressional Black Caucus budget supports these priorities, while also meeting our obligation to our troops in Iraq and in Afghanistan.

The CBC budget funds community development programs, including restoring funding to the Community Development Block Grant Program and supporting increased funding for elderly and disabled housing programs.

The Congressional Black Caucus budget will also restore funding for veterans' health care, rather than imposing new copayments on them for essential services and prescription drugs.

Importantly, the Congressional Black Caucus budget will reduce the budget deficit by $167 billion during the next 5 years below the deficit that will be produced by the House budget resolution.

Mr. Chairman, the Republican budget cuts educational, housing and health programs for our children, while bequeathing to them a public debt that has increased by $1.268 trillion over the last 4 years and that will exceed $4.6 trillion even before we begin fiscal year 2006.

□ 2030

These actions are not only irresponsible, they are unconscionable. In the end, one can only conclude that the Republican budget balances itself on the backs of Americans who can least afford it.

I urge the administration to reconsider its ill-conceived economic policies. The Congressional Black Caucus budget is the ultimate expression of our national priorities; and our priorities must be our children, our families, our elderly and our veterans and, of course, our soldiers.

Mrs. MALONEY. Mr. Chairman, I yield 4 minutes to the gentlewoman from the Virgin Islands (Mrs. CHRISTENSEN).

Mrs. CHRISTENSEN. Mr. Chairman, I rise to speak in support of the Congressional Black Caucus alternative budget this evening.

This budget would not only add funding to close the glaring and shameful disparities which have existed too long for African Americans, but it is fiscally responsible. Our budget would provide additional protection for our troops today and provide more funding to honor the debt to our Nation's veterans, including those who are returning as we speak. It also protects us at home by adding funding to address unacceptable deficiencies in homeland security.

But our investment in homeland security goes beyond the important funds we provide for first responders, for fighting bio-terrorism, and providing interoperable communications. Our homeland security also depends on a well-educated citizenry, and so we fully fund Leave No Child Behind, TRIO programs as well as increased Pell grants.

Our homeland security depends on a healthy citizenry. The Congressional Black Caucus budget restores much of the funding for minority AIDS, Health Professions Training, and the Office of Minority Health, as well as provides funding to help close gaps in the Caribbean and Africa. And, Mr. Chairman, we do all of that and reduce the deficit by an additional $167 billion over 5 years; $167 billion more than the majority budget resolution does.

The Congressional Black Caucus budget would make us more economically secure.

Mr. Chairman, the CBC alternative budget, like the Congressional Black Caucus itself, speaks to the conscience, not only of the Congress but to the conscience of our country. It is a budget that reflects our values and seeks to create not just a stronger America but also a better America.

The Congressional Black Caucus alternative budget is a morally and fiscally responsible budget, and I urge all of my colleagues to support it when it comes to the floor tomorrow.

Mrs. MALONEY. Mr. Chairman, how much time remains?

The CHAIRMAN. The gentlewoman from New York (Mrs. MALONEY) has 9 minutes remaining. The gentleman from Pennsylvania (Mr. ENGLISH) has 15 minutes remaining.

Mrs. MALONEY. Mr. Chairman, I yield 4 minutes to the gentleman from North Carolina (Mr. WATT), the Chair of the Congressional Black Caucus.

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

Let me just go through some of the things that the Congressional Black Caucus budget will do in various areas. We are planning to submit this budget tomorrow, and we will be adding an additional $1 billion in the international affairs category for foreign aid to Africa and the Caribbean, Global AIDS Initiative in the State Department, Public Health and Preventable Illness initiatives.

We will be adding half a billion dollars in general science, space and technology in the following areas: NASA Research and Development, NASA Space Shuttle Safety, restore research and development funding for the National Science Foundation, Department of Energy. We will be adding an additional $50 million in the natural resources and environment, historically black colleges and university preservation program.

We will be adding $300 million in the agriculture budget in support of the 1890 land-grant historically black colleges and universities, expanded food and nutrition education programs, the U.S. Department of Agriculture Office of Civil Rights. And we will be restoring and modifying some of the Draconian cuts in agriculture programs that affect minorities in particular.

We will be adding $1 billion in commerce and housing credit for SBA loan programs, the 7(a) program, Microloan, and New Market Venture programs, adult training and dislocated worker programs, Manufacturing Extension Partnerships, home ownership initiatives.

We will be adding $150 million in transportation, most of which will go to Amtrak. We will be adding $1.5 billion to community and regional development to restore the cuts that have been proposed by the President in the Community Development Block Grants, increased funding for Brownfields Economic Development, Empowerment Zones, community development, financial institutions, economic development assistance.

We will be adding $23.9 billion in education and training with which we will fully fund the No Child Left Behind. That is $12 billion to fully fund No Child Left Behind.

We will be adding $50 million to elementary and secondary school counseling, vocational training, job training, adult education, Pell grants, Head Start, Individuals With Disabilities, IDEA, Historically Black Colleges and Universities, Hispanic Serving Institutions, TRIO, Gaining Early Awareness of Readiness. That is the GEAR-UP program, restoring that. Perkins loans, impact aid.

In the area of health we will be adding $1 billion. In the area of Administration of Justice we will be adding $1 billion. And over on the defense side we are going to be adding money for body armor, personal support equipment, and other protective gear for our troops, ammunition for the Marine Corps, small arms for the Army. We will be adding $4.65 billion for veterans programs, veterans health care, survivor benefit plans, disabled veterans plans, prosthetic needs for veterans, VA medical and prosthetic research, mental health care for veterans. And we will be adding $2 billion in homeland security for rail security and port security.

Now, you are wondering how can the Congressional Black Caucus do all of this? It is simple. Simply roll back the tax cut on people who make above $200,000 a year. And all we are saying to our Members in this body is that these things that I have just described are much higher priorities. Even to people that I know who make more than $200,000 a year, they think these things are higher priorities than getting a little extra tax cut. And I just entreat my Members to please support the Congressional Black Caucus budget. It is a sane budget. It is good.

Mrs. MALONEY. Mr. Chairman, I yield the balance of my time to the gentleman from South Carolina (Mr. SPRATT).

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

Mr. SPRATT. Mr. Chairman, when Lem Keyserling wrote the Full Employment Act of 1946, he was an ardent Keynesian, and he believed that the government had a major role to play in stimulating an economy, in seeking to maintain full employment. And if he believed that theoretically, he believed it even more deeply after the war when the enormous demand generated by the war for once made this a full employment economy. The whole country supported the concept.

Keynes believed in deficit financing when the economy was stuck in a liquidity trap and could not get loose. But he did not believe in the kind of deficit financing that we are running today. I think he would be appalled both by the current account deficit which we are running, $618 billion, more than most economists thought was sustainable. It exceeds 5 percent of the GDP. And certainly I do not think he would find at all pleasing to his understanding of economics a budget deficit expected this year to be $427 billion. Not even Maynard Keynes would look approvingly on that.

We have come so far from the year 2000 when after 6 or 7 straight years of

fiscal discipline, we finally put the budget in surplus, a surplus of $236 billion. We had a meeting on the Democratic side of the Committee on the Budget with Mr. Greenspan about what is the best approach we should take to this surplus that we find ourselves enjoying. And it was agreed among everyone there and among Democrats and Republicans in the House that one thing surely we should do since we now have the resources to do it is no longer borrow and spend the Social Security trust fund, the surplus in it.

Indeed, our proposal was that we use this surplus in the future instead of funding new debt and buying new government bonds, instead going into the open market, buying outstanding Treasury bonds and that way reducing the Treasury debt held by the public, increasing net national savings which woefully deficient and lowering the cost of capital and boosting the economy.

It was the first and best step we could take towards shoring up Social Security and making it solvent. It was a truly conservative idea, and we urged it upon the Bush administration when they came into office. But they took a much, much different, almost opposite, path, and that is, big tax cuts tilted toward wealthy Americans.

We did not deal then with our long-range liabilities to Social Security as we could have for the first time in a long time, and today we are suffering the consequence of that. We are dealing with second-best proposals.

What do we have instead? Well, instead of being here on this pinnacle with a $236 billion deficit surplus, we are down here with a $427 billion deficit this year, according to CBO.

Now, the President has told us he has plans and a budget that will cut this deficit in half over a period of about 5 years. But when we put back into his budget everything we know is likely to be incurred as a cost, whether it is the costs of Iraq and Afghanistan, whether it is the cost of fixing the AMT, the deficit that we are dealing with today does not get better. It does not go away. It does not go down; it gets bigger. And by the end of our timeframe, 2015, we have a deficit of $621 billion.

Read the CBO analysis of the President's budget. By the end of that timeframe, we accumulated 5.135 trillion additional dollars as part of the national debt. That surely cannot be the kind of economy that Lem Keyserling or Maynard Keynes had in mind.

Look at this very simple table here, and it tells you a world of facts about what has happened over the last 4 years. Three times in 4 years this Congress at the request of President Bush in order to accommodate his budget had to raise the debt ceiling of the United States three times by $2.234 trillion.

At the present rate, we are adding $1 trillion to our national debt every year, every 18 months, $1 trillion every 18 to 20 months to our national debt. Nobody in his right mind thinks that that course can be sustained. And yet look at the Bush budget again. It only promises in our estimation more and more debt, not less debt.

How do we get away with this? No country in the world could have the kind of current account deficit we have or certainly have the kind of budget deficit that we mitigate the effects of it. Do not feel, do not see the consequences, and therefore do not feel compelled to do anything serious about it. We sell much of our debt to foreigners and that mitigates the effect.

These are not good vital signs for the economy of the United States. And surely one of the things we should be about now is the adoption of a resolution which will take us back to where we were in the year 2000, back to surpluses because we need to be saving, not spending as the baby boomers begin to retire.

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

I am particularly grateful for the opportunity to be here to make this presentation as required under law by Humphrey-Hawkins because I think it is very important perhaps that the record be set straight.

Any Member of the House who is serious about controlling the deficit, about maintaining the forward movement in the economy, growing jobs, and the social justice that could only come through economic growth should be prepared to strongly support this budget resolution.

Mr. Chairman, a couple of points I think need to be made in response to the interesting presentations that were made on the other side.

First of all, on the issue of jobs. We have heard the criticism that our friends on the other side of the aisle try to blame President Bush for an economic slowdown that he inherited from the Clinton administration that was exacerbated by 9/11. The truth is economic policies that have been adopted by this Congress, working with the administration, have been successful in helping the U.S. economy rebound from the recession into a sustained expansion, with strong growth in the gross domestic product and payroll jobs.

Despite all of the problems that this President inherited, the tax relief policies of the past 4 years that our friends on the other side of the aisle are striving to sabotage have helped to restore economic growth and job creation.

During 2004, real GDP grew 4.4 percent, the strongest annual performance in 5 years, one of the strongest growth performances of the past 20 years, belying the glooming forecast we have heard on the other side.

Private forecasters' projections for real GDP growth for this year are being revised upward. Growth for 2005 is expected to be at a 3.7 percent robust rate. More Americans, Mr. Chairman, are working today than at anytime in our Nation's history, and employment is at a record level of more than 140 million. The unemployment rate in February was 5.4 percent, lower than the averages for each of the last three decades. Payroll employment rose by 2.2 million jobs during 2004. It is up by more than 3 million jobs since May of 2003. Last month, we saw employment gains of 262,000 jobs, more than a quarter of a million new jobs in the month of February alone. This suggests that there is clearly forward motion in the economy.

Mr. Chairman, let us compare that to some of our trading partners. Those who last year invoked the Great Depression in describing recent economic conditions have been, after all, often favoring policies that would increase government intervention in the economy. Yet some of those countries where those sorts of policies are applied are not doing as well as we are.

Economic growth in Europe is generally slower than that of the United States. The unemployment rate in Europe is much higher than in the U.S. In January of 2005, Europe had an unemployment rate of 8.8 percent, substantially higher than our U.S. level of 5.4 percent.

The fact is, by following on a path of high growth and low taxes, we are moving the economy in the right direction, and ultimately, if we are prepared to put in place fiscal policies that restrain the deficit, that will allow us to grow the economy in the right direction.

I have heard a couple of extraordinary claims on the floor of the House that we are facing a record debt. I suppose that is true if we look at this in a purely static, green eyeshade perspective, but what really matters with the national debt, as I said before, is its size relative to the economy. The fact remains the national debt today is significantly lower, relative to the economy, than it was in the early 1990s when their party controlled Congress and controlled the reins of spending.

We have heard about record deficits, but here again we propose in our budget resolution to cut the deficits in half relative to the size of the economy. That will send the right message to global markets.

We have heard a little bit tonight about the trade deficit, and I must say that is something where I have some sympathy with the critics. Our trade deficit is much too high, but those who are making these claims tonight perhaps should be questioning whether they supported the Clinton-era trade policies that this administration inherited and put us firmly on the path to large trade deficits.

We have also heard from the other side that they are concerned that there is not enough room in this budget to deal with the problem of the AMT. As cochairman of the Zero AMT Caucus, I have to be sympathetic with their raising the issue, but the fact remains eliminating the AMT is only going to

be possible as part of fundamental tax reform. This budget put lays in place, creates the groundwork for us to go forward later this year and take a look at fundamental tax reform.

We also, notwithstanding this budget, have every opportunity to move forward later this year and consider the issue of Social Security solvency. I believe that the President is right to raise this issue. Anyone who has studied this issue carefully has to concede that for the long-term health of the Social Security system we have a choice of either going forward with a laissez-faire approach that has long been advocated on the other side and ultimately have to see truly draconian cuts as a result, or if we act now we can put in place reforms that will allow us to preserve existing benefits, also provide a solid retirement for the next generation and do so by improving the rate of return within the Social Security system. Nothing in this budget resolution is inconsistent with that initiative.

I am very, very pleased to address the concerns raised by the gentleman from New York about the supposed monolithic government in the Congress that has worked with a Republican administration to do some things that the gentleman finds distasteful. The fact is our economic policies and our economic challenges today are at least partially the result of the gridlock that existed before the last election in which the Senate was at least not able to move forward on key issues like a stimulus bill, like an energy bill, like tort reform, that directly speak to our economic health because of the gridlock implicit in the rules that gave the minority a veto over many of these provisions. Monolithic government is not the issue. The issue here is whether we can move forward and get to a balanced budget ultimately. Our resolution clearly is the one strongest able to do that.

We continue to grow the economy without raising taxes, which clearly is the agenda on the other side, raising taxes that would slam the brakes on economic growth.

At the same time, it is obvious from the laundry list we have heard tonight if the other side were in the majority we would be contemplating a saturnalia of new spending. I can think of a lot of things that I would love to spend money on in the Federal budget, but the fact remains we need to set tough priorities if we are going to get back to a balanced budget. Our spending resolution does just that.

What we provide is low taxes, controlling Federal spending and ultimately the prospect of falling deficits and low debt and ultimately the right economic direction for this country, a true blueprint for economic growth, expansion and opportunity.

With that, I urge all of my colleagues to support the Republican budget resolution. Regardless of any concern about any particular program, we need to move forward with the broad outline of spending that this resolution fairly lays out and put it in place so that we are able to get to a balanced budget over time as we reassure capital markets that we are truly committed to controlling spending without raising taxes.

Mr. RUSH. Mr. Chairman, as a member of both the Congressional Black Caucus and the Energy and Commerce Committee, I rise in support of both the Democrat alternative and of the Congressional Black Caucus alternative to H. Con. Res. 95, the First Concurrent Resolution on the Budget. The CBC alternative offers to the American people and to this Congress a rational budget that is fiscally sound and morally responsible. The CBC alternative budget invests federal resources in the programs that benefit the constituencies of all of the Members of this House: education, health care, economic opportunity, retirement security and homeland security. And the CBC alternative budget makes these investments while reducing the federal deficit—which has spiraled out of control and out of sight over the last four years—by an additional $4.0 billion.

The Congressional Black Caucus budget alternative focuses on closing the disparities that exist in America's communities and invests in the future of this nation by fully funding the No Child Left Behind Act at Fiscal Year 2006 authorization levels, expanding the Head Start Programs, doubling the funding for Historically Black Colleges and Universities and Hispanic serving institutions and increasing the size of the Pell Grant allotment for college students.

The CBC alternative restores much-needed federal dollars to the Minority Health Initiative and for Community Health Centers that provide critical health services to urban-based congressional districts like mine and rural-based congressional districts as well. The CBC alternative also increases funding for law enforcement initiatives such as juvenile justice programs and prisoner reentry programs that are so critical to facilitating successful reentry into society by ex-offenders.

The Congressional Black Caucus Substitute invests in education and funding for the minority health initiative. The Congressional Black Caucus Substitute invests in our nation's veterans by restoring the cuts the President's budget proposed in veterans' health care and providing enhanced survivor benefits, medical and prosthetic research, long term care and mental health care.

To meet the needs of America and its citizens, the CBC changes some of the components of the President's tax program, and directs those revenues to making our troops safe in the battlefield and our citizens safe here at home. Mr. Chairman, the CBC's budget is America's hope for tomorrow.

Mr. Chairman, I urge my colleagues to join me in support of the CBC alternative budget.

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

The CHAIRMAN. All time for general debate has expired.

The text of H. Con. Res. 95 is as follows:

H. CON. RES. 95

Resolved by the House of Representatives (the Senate concurring),

SECTION 1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2006.

The Congress declares that the concurrent resolution on the budget for fiscal year 2006 is hereby established and that the appropriate budgetary levels for fiscal years 2005 and 2007 through 2010 are set forth.

TITLE I—RECOMMENDED LEVELS AND AMOUNTS

SEC. 101. RECOMMENDED LEVELS AND AMOUNTS.

The following budgetary levels are appropriate for each of fiscal years 2005 through 2010:

(1) FEDERAL REVENUES.—For purposes of the enforcement of this resolution:

(A) The recommended levels of Federal revenues are as follows:

Fiscal year 2005: $1,483,971,000,000.
Fiscal year 2006: $1,589,905,000,000.
Fiscal year 2007: $1,693,266,000,000.
Fiscal year 2008: $1,824,251,000,000.
Fiscal year 2009: $1,928,663,000,000.
Fiscal year 2010: $2,043,903,000,000.

(B) The amounts by which the aggregate levels of Federal revenues should be reduced are as follows:

Fiscal year 2005: $53,000,000.
Fiscal year 2006: $16,622,000,000.
Fiscal year 2007: $24,414,000,000.
Fiscal year 2008: $4,927,000,000.
Fiscal year 2009: $8,570,000,000.
Fiscal year 2010: $9,063,000,000.

(2) NEW BUDGET AUTHORITY.—For purposes of the enforcement of this resolution, the appropriate levels of total new budget authority are as follows:

Fiscal year 2005: $2,070,357,000,000.
Fiscal year 2006: $2,135,290,000,000.
Fiscal year 2007: $2,199,074,000,000.
Fiscal year 2008: $2,314,562,000,000.
Fiscal year 2009: $2,430,359,000,000.
Fiscal year 2010: $2,257,892,000,000.

(3) BUDGET OUTLAYS.—For purposes of the enforcement of this resolution, the appropriate levels of total budget outlays are as follows:

Fiscal year 2005: $2,052,551,000,000.
Fiscal year 2006: $2,154,404,000,000.
Fiscal year 2007: $2,206,300,000,000.
Fiscal year 2008: $2,298,338,000,000.
Fiscal year 2009: $2,402,719,000,000.
Fiscal year 2010: $2,507,365,000,000.

(4) DEFICITS (ON-BUDGET).—For purposes of the enforcement of this resolution, the amounts of the deficits (on-budget) are as follows:

Fiscal year 2005: $568,580,000,000.
Fiscal year 2006: $564,499,000,000.
Fiscal year 2007: $513,034,000,000.
Fiscal year 2008: $474,087,000,000.
Fiscal year 2009: $474,056,000,000.
Fiscal year 2010: $463,462,000,000.

(5) DEBT SUBJECT TO LIMIT.—Pursuant to section 301(a)(5) of the Congressional Budget Act of 1974, the appropriate levels of the public debt are as follows:

Fiscal year 2005: $4,685,000,000,000.
Fiscal year 2006: $5,071,000,000,000.
Fiscal year 2007: $5,389,000,000,000.
Fiscal year 2008: $5,649,000,000,000.
Fiscal year 2009: $5,891,000,000,000.
Fiscal year 2010: $6,105,000,000,000.

(6) DEBT HELD BY THE PUBLIC.—The appropriate levels of debt held by the public are as follows:

Fiscal year 2005: $7,958,000,000,000.
Fiscal year 2006: $8,635,000,000,000.
Fiscal year 2007: $9,264,000,000,000.
Fiscal year 2008: $9,862,000,000,000.
Fiscal year 2009: $10,464,000,000,000.
Fiscal year 2010: $11,060,000,000,000.

SEC. 102. MAJOR FUNCTIONAL CATEGORIES.

The Congress determines and declares that the appropriate levels of new budget authority and outlays for fiscal years 2005 through 2010 for each major functional category are:

(1) National Defense (050):

Fiscal year 2005:

(A) New budget authority, $500,621,000,000.

(B) Outlays, $497,196,000,000.

Fiscal year 2006:
(A) New budget authority, $441,562,000,000.
(B) Outlays, $475,603,000,000.
Fiscal year 2007:
(A) New budget authority, $465,260,000,000.
(B) Outlays, $460,673,000,000.
Fiscal year 2008:
(A) New budget authority, $483,730,000,000.
(B) Outlays, $471,003,000,000.
Fiscal year 2009:
(A) New budget authority, $503,763,000,000.
(B) Outlays, $489,220,000,000.
Fiscal year 2010:
(A) New budget authority, $513,904,000,000.
(B) Outlays, $505,908,000,000.
(2) International Affairs (150):
Fiscal year 2005:
(A) New budget authority, $32,085,000,000.
(B) Outlays, $32,166,000,000.
Fiscal year 2006:
(A) New budget authority, $31,718,000,000.
(B) Outlays, $35,097,000,000.
Fiscal year 2007:
(A) New budget authority, $34,835,000,000.
(B) Outlays, $33,359,000,000.
Fiscal year 2008:
(A) New budget authority, $35,197,000,000.
(B) Outlays, $32,397,000,000.
Fiscal year 2009:
(A) New budget authority, $35,237,000,000.
(B) Outlays, $32,115,000,000.
Fiscal year 2010:
(A) New budget authority, $34,928,000,000.
(B) Outlays, $31,643,000,000.
(3) General Science, Space, and Technology (250):
Fiscal year 2005:
(A) New budget authority, $24,413,000,000.
(B) Outlays, $23,594,000,000.
Fiscal year 2006:
(A) New budget authority, $24,735,000,000.
(B) Outlays, $23,894,000,000.
Fiscal year 2007:
(A) New budget authority, $25,171,000,000.
(B) Outlays, $24,610,000,000.
Fiscal year 2008:
(A) New budget authority, $25,545,000,000.
(B) Outlays, $24,922,000,000.
Fiscal year 2009:
(A) New budget authority, $25,851,000,000.
(B) Outlays, $25,242,000,000.
Fiscal year 2010:
(A) New budget authority, $26,162,000,000.
(B) Outlays, $25,565,000,000.
(4) Energy (270):
Fiscal year 2005:
(A) New budget authority, $2,564,000,000.
(B) Outlays, $794,000,000.
Fiscal year 2006:
(A) New budget authority, $3,147,000,000.
(B) Outlays, $2,027,000,000.
Fiscal year 2007:
(A) New budget authority, $2,362,000,000.
(B) Outlays, $1,212,000,000.
Fiscal year 2008:
(A) New budget authority, $2,445,000,000.
(B) Outlays, $551,000,000.
Fiscal year 2009:
(A) New budget authority, $2,056,000,000.
(B) Outlays, $652,000,000.
Fiscal year 2010:
(A) New budget authority, $1,754,000,000.
(B) Outlays, $543,000,000.
(5) Natural Resources and Environment (300):
Fiscal year 2005:
(A) New budget authority, $32,527,000,000
(B) Outlays, $31,168,000,000.
Fiscal year 2006:
(A) New budget authority, $30,513,000,000.
(B) Outlays, $32,276,000,000.
Fiscal year 2007:
(A) New budget authority, $30,883,000,000.
(B) Outlays, $32,046,000,000.
Fiscal year 2008:
(A) New budget authority, $30,952,000,000.
(B) Outlays, $32,402,000,000.
Fiscal year 2009:
(A) New budget authority, $31,706,000,000.
(B) Outlays, $32,663,000,000.
Fiscal year 2010:
(A) New budget authority, $31,248,000,000.
(B) Outlays, $32,254,000,000.
(6) Agriculture (350):
Fiscal year 2005:
(A) New budget authority, $30,151,000,000.
(B) Outlays, $28,550,000,000.
Fiscal year 2006:
(A) New budget authority, $29,480,000,000.
(B) Outlays, $28,507,000,000.
Fiscal year 2007:
(A) New budget authority, $27,190,000,000.
(B) Outlays, $25,999,000,000.
Fiscal year 2008:
(A) New budget authority, $25,334,000,000.
(B) Outlays, $24,281,000,000.
Fiscal year 2009:
(A) New budget authority, $25,691,000,000.
(B) Outlays, $24,796,000,000.
Fiscal year 2010:
(A) New budget authority, $25,417,000,000.
(B) Outlays, $24,687,000,000.
(7) Commerce and Housing Credit (370):
Fiscal year 2005:
(A) New budget authority, $16,804,000,000.
(B) Outlays, $11,302,000,000.
Fiscal year 2006:
(A) New budget authority, $10,772,000,000.
(B) Outlays, $5,562,000,000.
Fiscal year 2007:
(A) New budget authority, $10,074,000,000.
(B) Outlays, $4,929,000,000.
Fiscal year 2008:
(A) New budget authority, $10,040,000,000.
(B) Outlays, $4,250,000,000.
Fiscal year 2009:
(A) New budget authority, $10,667,000,000.
(B) Outlays, $3,768,000,000.
Fiscal year 2010:
(A) New budget authority, $14,565,000,000.
(B) Outlays, $6,393,000,000.
(8) Transportation (400):
Fiscal year 2005:
(A) New budget authority, $72,506,000,000.
(B) Outlays, $67,703,000,000.
Fiscal year 2006:
(A) New budget authority, $70,007,000,000.
(B) Outlays, $70,393,000,000.
Fiscal year 2007:
(A) New budget authority, $70,130,000,000.
(B) Outlays, $72,421,000,000.
Fiscal year 2008:
(A) New budget authority, $70,501,000,000.
(B) Outlays, $74,167,000,000.
Fiscal year 2009:
(A) New budget authority, $70,911,000,000.
(B) Outlays, $75,500,000,000.
Fiscal year 2010:
(A) New budget authority, $72,254,000,000.
(B) Outlays, $77,356,000,000.
(9) Community and Regional Development (450):
Fiscal year 2005:
(A) New budget authority, $23,007,000,000.
(B) Outlays, $20,756,000,000.
Fiscal year 2006:
(A) New budget authority, $14,179,000,000.
(B) Outlays, $18,461,000,000.
Fiscal year 2007:
(A) New budget authority, $14,196,000,000.
(B) Outlays, $17,413,000,000.
Fiscal year 2008:
(A) New budget authority, $14,283,000,000.
(B) Outlays, $15,727,000,000.
Fiscal year 2009:
(A) New budget authority, $14,421,000,000.
(B) Outlays, $14,491,000,000.
Fiscal year 2010:
(A) New budget authority, $14,441,000,000.
(B) Outlays, $14,140,000,000.
(10) Education, Training, Employment, and Social Services (500):
Fiscal year 2005:
(A) New budget authority, $94,001,000,000.
(B) Outlays, $92,798,000,000.
Fiscal year 2006:
(A) New budget authority, $91,978,000,000.
(B) Outlays, $90,981,000,000.
Fiscal year 2007:
(A) New budget authority, $89,925,000,000.
(B) Outlays, $90,360,000,000.
Fiscal year 2008:
(A) New budget authority, $89,980,000,000.
(B) Outlays, $88,864,000,000.
Fiscal year 2009:
(A) New budget authority, $90,194,000,000.
(B) Outlays, $88,363,000,000.
Fiscal year 2010:
(A) New budget authority, $89,652,000,000.
(B) Outlays, $88,181,000,000.
(11) Health (550):
Fiscal year 2005:
(A) New budget authority, $257,469,000,000.
(B) Outlays, $252,770,000,000.
Fiscal year 2006:
(A) New budget authority, $262,151,000,000.
(B) Outlays, $262,513,000,000.
Fiscal year 2007:
(A) New budget authority, $275,220,000,000.
(B) Outlays, $274,801,000,000.
Fiscal year 2008:
(A) New budget authority, $295,010,000,000.
(B) Outlays, $293,810,000,000.
Fiscal year 2009:
(A) New budget authority, $317,113,000,000.
(B) Outlays, $313,625,000,000.
Fiscal year 2010:
(A) New budget authority, $336,523,000,000.
(B) Outlays, $335,574,000,000.
(12) Medicare (570):
Fiscal year 2005:
(A) New budget authority, $292,587,000,000.
(B) Outlays, $293,587,000,000.
Fiscal year 2006:
(A) New budget authority, $331,181,000,000.
(B) Outlays, $330,944,000,000.
Fiscal year 2007:
(A) New budget authority, $371,875,000,000.
(B) Outlays, $372,167,000,000.
Fiscal year 2008:
(A) New budget authority, $395,312,000,000.
(B) Outlays, $395,364,000,000.
Fiscal year 2009:
(A) New budget authority, $420,234,000,000.
(B) Outlays, $419,828,000,000.
Fiscal year 2010:
(A) New budget authority, $448,111,000,000.
(B) Outlays, $448,442,000,000.
(13) Income Security (600):
Fiscal year 2005:
(A) New budget authority, $339,057,000,000.
(B) Outlays, $347,754,000,000.
Fiscal year 2006:
(A) New budget authority, $347,218,000,000.
(B) Outlays, $354,055,000,000.
Fiscal year 2007:
(A) New budget authority, $352,416,000,000.
(B) Outlays, $359,566,000,000.
Fiscal year 2008:
(A) New budget authority, $365,343,000,000.
(B) Outlays, $370,830,000,000.
Fiscal year 2009:
(A) New budget authority, $374,529,000,000.
(B) Outlays, $378,609,000,000.
Fiscal year 2010:
(A) New budget authority, $383,590,000,000.
(B) Outlays, $386,978,000,000.
(14) Social Security (650):
Fiscal year 2005:
(A) New budget authority, $15,849,000,000.
(B) Outlays, $15,849,000,000.
Fiscal year 2006:
(A) New budget authority, $15,891,000,000.
(B) Outlays, $15,891,000,000.
Fiscal year 2007:
(A) New budget authority, $17,704,000,000.
(B) Outlays, $17,704,000,000.
Fiscal year 2008:
(A) New budget authority, $19,768,000,000.
(B) Outlays, $19,768,000,000.
Fiscal year 2009:
(A) New budget authority, $21,743,000,000.
(B) Outlays, $21,743,000,000.
Fiscal year 2010:

(A) New budget authority, $24,029,000,000.
(B) Outlays, $24,029,000,000.
(15) Veterans Benefits and Services (700):
Fiscal year 2005:
(A) New budget authority, $69,448,000,000.
(B) Outlays, $68,873,000,000.
Fiscal year 2006:
(A) New budget authority, $68,881,000,000.
(B) Outlays, $68,148,000,000.
Fiscal year 2007:
(A) New budget authority, $66,321,000,000.
(B) Outlays, $66,014,000,000.
Fiscal year 2008:
(A) New budget authority, $69,448,000,000.
(B) Outlays, $69,258,000,000.
Fiscal year 2009:
(A) New budget authority, $69,961,000,000.
(B) Outlays, $69,672,000,000.
Fiscal year 2010:
(A) New budget authority, $70,059,000,000.
(B) Outlays, $69,787,000,000.
(16) Administration of Justice (750):
Fiscal year 2005:
(A) New budget authority, $39,817,000,000.
(B) Outlays, $39,501,000,000.
Fiscal year 2006:
(A) New budget authority, $40,840,000,000.
(B) Outlays, $42,268,000,000.
Fiscal year 2007:
(A) New budget authority, $41,390,000,000.
(B) Outlays, $42,463,000,000.
Fiscal year 2008:
(A) New budget authority, $42,031,000,000.
(B) Outlays, $42,650,000,000.
Fiscal year 2009:
(A) New budget authority, $42,602,000,000.
(B) Outlays, $42,779,000,000.
Fiscal year 2010:
(A) New budget authority, $42,860,000,000.
(B) Outlays, $42,803,000,000.
(17) General Government (800):
Fiscal year 2005:
(A) New budget authority, $16,748,000,000.
(B) Outlays, $17,656,000,000.
Fiscal year 2006:
(A) New budget authority, $18,017,000,000.
(B) Outlays, $18,308,000,000.
Fiscal year 2007:
(A) New budget authority, $17,956,000,000.
(B) Outlays, $17,999,000,000.
Fiscal year 2008:
(A) New budget authority, $17,570,000,000.
(B) Outlays, $17,555,000,000.
Fiscal year 2009:
(A) New budget authority, $17,587,000,000.
(B) Outlays, $17,378,000,000.
Fiscal year 2010:
(A) New budget authority, $17,408,000,000.
(B) Outlays, $17,216,000,000.
(18) Net Interest (900):
Fiscal year 2005:
(A) New budget authority, $267,942,000,000.
(B) Outlays, $267,942,000,000.
Fiscal year 2006:
(A) New budget authority, $310,479,000,000.
(B) Outlays, $310,479,000,000.
Fiscal year 2007:
(A) New budget authority, $359,797,000,000.
(B) Outlays, $359,797,000,000.
Fiscal year 2008:
(A) New budget authority, $397,194,000,000.
(B) Outlays, $397,194,000,000.
Fiscal year 2009:
(A) New budget authority, $426,162,000,000.
(B) Outlays, $426,162,000,000.
Fiscal year 2010:
(A) New budget authority, $453,172,000,000.
(B) Outlays, $453,172,000,000.
(19) Allowances (920):
Fiscal year 2005:
(A) New budget authority, −$3,135,000,000.
(B) Outlays, −$3,304,000,000.
Fiscal year 2006:
(A) New budget authority, $47,903,000,000.
(B) Outlays, $24,359,000,000.
Fiscal year 2007:
(A) New budget authority, −$10,368,000,000.
(B) Outlays, −$2,845,000,000.
Fiscal year 2008:
(A) New budget authority, −$9,641,000,000.
(B) Outlays, −$10,363,000,000.
Fiscal year 2009:
(A) New budget authority, −$9,193,000,000.
(B) Outlays, −$13,636,000,000.
Fiscal year 2010:
(A) New budget authority, −$8,738,000,000.
(B) Outlays, −$14,484,000,000.
(20) Undistributed Offsetting Receipts (950):
Fiscal year 2005:
(A) New budget authority, −$54,104,000,000.
(B) Outlays, −$54,104,000,000.
Fiscal year 2006:
(A) New budget authority, −$55,362,000,000.
(B) Outlays, −$55,362,000,000.
Fiscal year 2007:
(A) New budget authority, −$63,263,000,000.
(B) Outlays, −$64,388,000,000.
Fiscal year 2008:
(A) New budget authority, −$65,480,000,000.
(B) Outlays, −$66,292,000,000.
Fiscal year 2009:
(A) New budget authority, −$60,876,000,000.
(B) Outlays, −$60,251,000,000.
Fiscal year 2010:
(A) New budget authority, −$63,447,000,000.
(B) Outlays, −$62,822,000,000.

TITLE II—RECONCILIATION AND REPORT SUBMISSIONS

SEC. 201. RECONCILIATION IN THE HOUSE OF REPRESENTATIVES.

(a) SUBMISSIONS TO SLOW THE GROWTH IN MANDATORY SPENDING AND TO ACHIEVE DEFICIT REDUCTION.—(1) Not later than September 16, 2005, the House committees named in paragraph (2) shall submit their recommendations to the House Committee on the Budget. After receiving those recommendations, the House Committee on the Budget shall report to the House a reconciliation bill carrying out all such recommendations without any substantive revision.

(2) INSTRUCTIONS.—

(A) COMMITTEE ON AGRICULTURE.—The House Committee on Agriculture shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by $797,000,000 in outlays for fiscal year 2006 and $5,278,000,000 in outlays for the period of fiscal years 2006 through 2010.

(B) COMMITTEE ON EDUCATION AND THE WORKFORCE.—The House Committee on Education and the Workforce shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by $2,097,000,000 in outlays for fiscal year 2006 and $21,410,000,000 in outlays for the period of fiscal years 2006 through 2010.

(C) COMMITTEE ON ENERGY AND COMMERCE.—The House Committee on Energy and Commerce shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by $630,000,000 in outlays for fiscal year 2006 and $20,002,000,000 in outlays for the period of fiscal years 2006 through 2010.

(D) COMMITTEE ON FINANCIAL SERVICES.—The House Committee on Financial Services shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by $30,000,000 in outlays for fiscal year 2006 and $270,000,000 in outlays for the period of fiscal years 2006 through 2010.

(E) COMMITTEE ON THE JUDICIARY.—The House Committee on the Judiciary shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by $123,000,000 in outlays for fiscal year 2006 and $603,000,000 in outlays for the period of fiscal years 2006 through 2010.

(F) COMMITTEE ON RESOURCES.—The House Committee on Resources shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by $96,000,000 in outlays for fiscal year 2006 and $1,413,000,000 in outlays for the period of fiscal years 2006 through 2010.

(G) COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE.—The House Committee on Transportation and Infrastructure shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by $12,000,000 in outlays for fiscal year 2006 and $103,000,000 in outlays for the period of fiscal years 2006 through 2010.

(H) COMMITTEE ON VETERANS' AFFAIRS.—The House Committee on Veterans' Affairs shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by $155,000,000 in outlays for fiscal year 2006 and $798,000,000 in outlays for the period of fiscal years 2006 through 2010.

(I) COMMITTEE ON WAYS AND MEANS.—The House Committee on Ways and Means shall report changes in laws within its jurisdiction sufficient to reduce the deficit by $3,907,000,000 for fiscal year 2006 and $18,680,000,000 for the period of fiscal years 2006 through 2010.

(b) SUBMISSION PROVIDING FOR CHANGES IN REVENUE.—The House Committee on Ways and Means shall report a reconciliation bill not later than June 24, 2005, that consists of changes in laws within its jurisdiction sufficient to reduce revenues by not more than $16,623,000,000 for fiscal year 2006 and by not more than $45,000,000,000 for the period of fiscal years 2006 through 2010.

(c)(1) Upon the submission to the Committee on the Budget of the House of a recommendation that has complied with its reconciliation instructions solely by virtue of section 310(b) of the Congressional Budget Act of 1974, the chairman of that committee may file with the House appropriately revised allocations under section 302(a) of such Act and revised functional levels and aggregates.

(2) Upon the submission to the House of a conference report recommending a reconciliation bill or resolution in which a committee has complied with its reconciliation instructions solely by virtue of this section, the chairman of the Committee on the Budget of the House may file with the House appropriately revised allocations under section 302(a) of such Act and revised functional levels and aggregates.

(3) Allocations and aggregates revised pursuant to this subsection shall be considered to be allocations and aggregates established by the concurrent resolution on the budget pursuant to section 301 of such Act.

TITLE III—CONTINGENCY PROCEDURE

SEC. 301. CONTINGENCY PROCEDURE FOR SURFACE TRANSPORTATION.

(a) IN GENERAL.—If the Committee on Transportation and Infrastructure of the House reports legislation, or if an amendment thereto is offered or a conference report thereon is submitted, that provides new budget authority for the budget accounts or portions thereof in the highway and transit categories as defined in sections 250(c)(4)(B) and (C) of the Balanced Budget and Emergency Deficit Control Act of 1985 in excess of the following amounts:

(1) for fiscal year 2005: $42,806,000,000,
(2) for fiscal year 2006: $45,899,100,000,
(3) for fiscal year 2007: $47,828,700,000,
(4) for fiscal year 2008: $49,715,400,000, or
(5) for fiscal year 2009: $51,743,500,000,

the chairman of the Committee on the Budget may adjust the appropriate budget aggregates and increase the allocation of new budget authority to such committee for fiscal year 2005 and for the period of fiscal

years 2005 through 2009 to the extent such excess is offset by a reduction in mandatory outlays from the Highway Trust Fund or an increase in receipts appropriated to such fund for the applicable fiscal year caused by such legislation or any previously enacted legislation.

(b) ADJUSTMENT FOR OUTLAYS.—For fiscal year 2006, in the House, if a bill or joint resolution is reported, or if an amendment thereto is offered or a conference report thereon is submitted, that changes obligation limitations such that the total limitations are in excess of $42,792,000,000 for fiscal year 2006 for programs, projects, and activities within the highway and transit categories as defined in sections 250(c)(4)(B) and (C) of the Balanced Budget and Emergency Deficit Control Act of 1985, and if legislation has been enacted that satisfies the conditions set forth in subsection (a) for such fiscal year, the chairman of the Committee on the Budget may increase the allocation of outlays and appropriate aggregates for such fiscal year for the committee reporting such measure by the amount of outlays that corresponds to such excess obligation limitations, but not to exceed the amount of such excess that was offset pursuant to subsection (a).

TITLE IV—BUDGET ENFORCEMENT

SEC. 401. EMERGENCY LEGISLATION.

(a) EXEMPTION OF OVERSEAS CONTINGENCY OPERATIONS.—(1) In the House, if any bill or joint resolution is reported, or an amendment is offered thereto or a conference report is filed thereon, that makes supplemental appropriations for fiscal year 2005 or fiscal year 2006 for contingency operations related to the global war on terrorism, then the new budget authority, new entitlement authority, outlays, and receipts resulting therefrom shall not count for purposes of sections 302, 303, 311, and 401 of the Congressional Budget Act of 1974 for the provisions of such measure that are designated pursuant to this subsection as making appropriations for such contingency operations.

(2) Amounts included in this resolution for the purpose set forth in paragraph (1) shall be considered to be current law for purposes of the preparation of the current level of budget authority and outlays and the appropriate levels shall be adjusted upon the enactment of such bill.

(b) EXEMPTION OF EMERGENCY PROVISIONS.—In the House, if a bill or joint resolution is reported, or an amendment is offered thereto or a conference report is filed thereon, that designates a provision as an emergency requirement pursuant to this section, then the new budget authority, new entitlement authority, outlays, and receipts resulting therefrom shall not count for purposes of sections 302, 303, 311, and 401 of the Congressional Budget Act of 1974.

(c) DESIGNATIONS.—

(1) GUIDANCE.—In the House, if a provision of legislation is designated as an emergency requirement under subsection (b), the committee report and any statement of managers accompanying that legislation shall include an explanation of the manner in which the provision meets the criteria in paragraph (2). If such legislation is to be considered by the House without being reported, then the committee shall cause the explanation to be published in the Congressional Record in advance of floor consideration.

(2) CRITERIA.—

(A) IN GENERAL.—Any such provision is an emergency requirement if the underlying situation poses a threat to life, property, or national security and is—

(i) sudden, quickly coming into being, and not building up over time;

(ii) an urgent, pressing, and compelling need requiring immediate action;

(iii) subject to subparagraph (B), unforeseen, unpredictable, and unanticipated; and

(iv) not permanent, temporary in nature.

(B) UNFORESEEN.—An emergency that is part of an aggregate level of anticipated emergencies, particularly when normally estimated in advance, is not unforeseen.

SEC. 402. COMPLIANCE WITH SECTION 13301 OF THE BUDGET ENFORCEMENT ACT OF 1990.

(a) IN GENERAL.—In the House, notwithstanding section 302(a)(1) of the Congressional Budget Act of 1974 and section 13301 of the Budget Enforcement Act of 1990, the joint explanatory statement accompanying the conference report on any concurrent resolution on the budget shall include in its allocation under section 302(a) of the Congressional Budget Act of 1974 to the Committee on Appropriations amounts for the discretionary administrative expenses of the Social Security Administration.

(b) SPECIAL RULE.—In the House, for purposes of applying section 302(f) of the Congressional Budget Act of 1974, estimates of the level of total new budget authority and total outlays provided by a measure shall include any discretionary amounts provided for the Social Security Administration.

SEC. 403. APPLICATION AND EFFECT OF CHANGES IN ALLOCATIONS AND AGGREGATES.

(a) APPLICATION.—Any adjustments of allocations and aggregates made pursuant to this resolution shall—

(1) apply while that measure is under consideration;

(2) take effect upon the enactment of that measure; and

(3) be published in the Congressional Record as soon as practicable.

(b) EFFECT OF CHANGED ALLOCATIONS AND AGGREGATES.—Revised allocations and aggregates resulting from these adjustments shall be considered for the purposes of the Congressional Budget Act of 1974 as allocations and aggregates contained in this resolution.

(c) BUDGET COMMITTEE DETERMINATIONS.—For purposes of this resolution—

(1) the levels of new budget authority, outlays, direct spending, new entitlement authority, revenues, deficits, and surpluses for a fiscal year or period of fiscal years shall be determined on the basis of estimates made by the appropriate Committee on the Budget; and

(2) such chairman may make any other necessary adjustments to such levels to carry out this resolution.

SEC. 404. RESTRICTIONS ON ADVANCE APPROPRIATIONS.

(a) IN GENERAL.—(1) In the House, except as provided in subsection (b), an advance appropriation may not be reported in a bill or joint resolution making a general appropriation or continuing appropriation, and may not be in order as an amendment thereto.

(2) Managers on the part of the House may not agree to a Senate amendment that would violate paragraph (1) unless specific authority to agree to the amendment first is given by the House by a separate vote with respect thereto.

(b) LIMITATION.—In the House, an advance appropriation may be provided for fiscal year 2007 or 2008 for programs, projects, activities or accounts identified in the joint explanatory statement of managers accompanying this resolution under the heading ''Accounts Identified for Advance Appropriations'' in an aggregate amount not to exceed $23,568,000,000 in new budget authority.

(c) DEFINITION.—In this subsection, the term ''advance appropriation'' means any discretionary new budget authority in a bill or joint resolution making general appropriations or continuing appropriations for fiscal year 2006 that first becomes available for any fiscal year after 2006.

SEC. 405. SPECIAL RULE IN THE HOUSE FOR CERTAIN SECTION 302(b) SUBALLOCATIONS.

In the House, the Committee on Appropriations may make a separate suballocation for general appropriations for the legislative branch for the first fiscal year of this resolution. Such suballocation shall be deemed to be made under section 302(b) of the Congressional Budget Act of 1974 and shall be treated as such a suballocation for all purposes under section 302 of such Act.

SEC. 406. SPECIAL PROCEDURES TO ACHIEVE SAVINGS IN MANDATORY SPENDING THROUGH FY2014.

(a) FINDINGS.—The Congress finds that—

(1) the share of the budget consumed by mandatory spending have been growing since the mid-1970s, and now is about 54 percent;

(2) this portion of the budget is continuing to grow, crowding out other priorities and threatening overall budget control;

(3) mandatory spending is intrinsically difficult to control;

(4) these programs are subject to a variety of factors outside the control of Congress, such as demographics, economic conditions, and medical prices;

(5) Congress should make an effort at least every other year, to review mandatory spending; and

(6) the reconciliation process set forth in the Congressional Budget Act of 1974 is a viable tool to reduce the rate of growth in mandatory spending.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that concurrent resolutions on the budget for fiscal years 2007 through 2010 should include reconciliation instructions to committees, every other year, pursuant to section 310(a) of the Congressional Budget Act of 1974 to achieve significant savings in mandatory spending.

The CHAIRMAN. Pursuant to the rule and the order of the House, no amendment to the concurrent resolution is in order except the amendments printed in House Report 109–19. Each amendment may be offered only in the order printed in the report, except for amendment No. 2, may be offered only by a Member designated in the report, shall be considered read, shall be debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question.

Pursuant to the order of the House of today, it is now in order to consider amendment No. 2 printed in House report 109–19.

AMENDMENT NO. 2 IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. HENSARLING

Mr. HENSARLING. Mr. Chairman, I offer an amendment in the nature of a substitute.

The CHAIRMAN. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment No. 2 in the nature of a substitute offered by Mr. HENSARLING:

Strike all after the resolving clause and insert the following:

SECTION 1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2006.

(a) DECLARATION.—The Congress declares that the concurrent resolution on the budget

for fiscal year 2006 is hereby established and that the appropriate budgetary levels for fiscal years 2005 and 2007 through 2010 are hereby set forth.

(b) TABLE OF CONTENTS.—The table of contents for this concurrent resolution is as follows:

TITLE I—RECOMMENDED LEVELS AND AMOUNTS

SEC. 101. RECOMMENDED LEVELS AND AMOUNTS.

The following budgetary levels are appropriate for each of fiscal years 2005 through 2010:

(1) FEDERAL REVENUES.—For purposes of the enforcement of this resolution:

(A) The recommended levels of Federal revenues are as follows:

Fiscal year 2005: $1,483,971,000,000.
Fiscal year 2006: $1,589,905,000,000.
Fiscal year 2007: $1,693,266,000,000.
Fiscal year 2008: $1,824,251,000,000.
Fiscal year 2009: $1,928,663,000,000.
Fiscal year 2010: $2,043,903,000,000.

(B) The amounts by which the aggregate levels of Federal revenues should be reduced are as follows:

Fiscal year 2005: $53,000,000.
Fiscal year 2006: $16,622,000,000.
Fiscal year 2007: $24,414,000,000.
Fiscal year 2008: $4,927,000,000.
Fiscal year 2009: $8,570,000,000.
Fiscal year 2010: $9,063,000,000.

(2) NEW BUDGET AUTHORITY.—For purposes of the enforcement of this resolution, the appropriate levels of total new budget authority are as follows:

Fiscal year 2005: $2,070,357,000,000.
Fiscal year 2006: $2,125,130,000,000.
Fiscal year 2007: $2,185,198,000,000.
Fiscal year 2008: $2,291,682,000,000.
Fiscal year 2009: $2,404,965,000,000.
Fiscal year 2010: $2,497,636,000,000.

(3) BUDGET OUTLAYS.—For purposes of the enforcement of this resolution, the appropriate levels of total budget outlays are as follows:

Fiscal year 2005: $2,052,551,000,000.
Fiscal year 2006: $2,143,613,000,000.
Fiscal year 2007: $2,192,270,000,000.
Fiscal year 2008: $2,275,421,000,000.
Fiscal year 2009: $2,377,265,000,000.
Fiscal year 2010: $2,476,988,000,000.

(4) DEFICITS (ON-BUDGET).—For purposes of the enforcement of this resolution, the amounts of the deficits (on-budget) are as follows:

Fiscal year 2005: $568,580,000,000.
Fiscal year 2006: $553,708,000,000.
Fiscal year 2007: $499,004,000,000.
Fiscal year 2008: $451,170,000,000.
Fiscal year 2009: $448,602,000,000.
Fiscal year 2010: $433,085,000,000.

(5) DEBT SUBJECT TO LIMIT.—Pursuant to section 301(a)(5) of the Congressional Budget Act of 1974, the appropriate levels of the public debt are as follows:

Fiscal year 2005: $4,685,000,000,000.
Fiscal year 2006: $5,060,705,000,000.
Fiscal year 2007: $5,374,742,000,000.
Fiscal year 2008: $5,626,285,000,000.
Fiscal year 2009: $5,865,547,000,000.
Fiscal year 2010: $6,074,877,000,000.

(6) DEBT HELD BY THE PUBLIC.—The appropriate levels of debt held by the public are as follows:

Fiscal year 2005: $7,958,232,000,000.
Fiscal year 2006: $8,623,729,000,000.
Fiscal year 2007: $9,249,860,000,000.
Fiscal year 2008: $9,839,054,000,000.
Fiscal year 2009: $10,438,512,000,000.
Fiscal year 2010: $11,029,815,000,000.

SEC. 102. MAJOR FUNCTIONAL CATEGORIES.

The Congress determines and declares that the appropriate levels of new budget authority and outlays for fiscal years 2005 through 2010 for each major functional category are as follows:

(1) National Defense (050):
Fiscal year 2005:
(A) New budget authority, $500,621,000,000.
(B) Outlays, $497,196,000,000.
Fiscal year 2006:
(A) New budget authority, $441,562,000,000.
(B) Outlays, $475,603,000,000.
Fiscal year 2007:
(A) New budget authority, $465,260,000,000.
(B) Outlays, $460,673,000,000.
Fiscal year 2008:
(A) New budget authority, $483,730,000,000.
(B) Outlays, $471,003,000,000.
Fiscal year 2009:
(A) New budget authority, $503,763,000,000.
(B) Outlays, $489,220,000,000.
Fiscal year 2010:
(A) New budget authority, $513,904,000,000.
(B) Outlays, $505,908,000,000.

(2) Homeland Security (100):
Fiscal year 2005:
(A) New budget authority, $30,896,000,000.
(B) Outlays, $25,830,000,000.
Fiscal year 2006:
(A) New budget authority, $29,323,000,000.
(B) Outlays, $28,186,000,000.
Fiscal year 2007:
(A) New budget authority, $29,673,000.
(B) Outlays, $30,029,000,000.
Fiscal year 2008:
(A) New budget authority, $30,081,000,000.
(B) Outlays, $31,244,000,000.
Fiscal year 2009:
(A) New budget authority, $32,910,000,000.
(B) Outlays, $31,200,000,000.
Fiscal year 2010:
(A) New budget authority, $31,404,000,000.
(B) Outlays, $31,703,000,000.

(3) International Affairs (150):
Fiscal year 2005:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2006:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2007:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2008:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2009:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2010:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.

(4) General Science, Space, and Technology (250):
Fiscal year 2005:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2006:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2007:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2008:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2009:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2010:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.

(5) Energy (270):
Fiscal year 2005:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2006:

(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2007:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2008:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2009:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2010:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
(6) Natural Resources and Environment (300):
Fiscal year 2005:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2006:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2007:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2008:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2009:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2010:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
(7) Agriculture (350):
Fiscal year 2005:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2006:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2007:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2008:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2009:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2010:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
(8) Commerce and Housing Credit (370):
Fiscal year 2005:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2006:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2007:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2008:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2009:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2010:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
(9) Transportation (400):
Fiscal year 2005:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2006:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2007:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2008:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2009:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2010:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
(10) Community and Regional Development (450):
Fiscal year 2005:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2006:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2007:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2008:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2009:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2010:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
(11) Education, Training, Employment, and Social Services (500):
Fiscal year 2005:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2006:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2007:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2008:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2009:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2010:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
(12) Health (550):
Fiscal year 2005:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2006:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2007:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2008:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2009:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2010:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
(13) Medicare (570):
Fiscal year 2005:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2006:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2007:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2008:
(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.
Fiscal year 2009:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2010:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
(14) Income Security (600):
Fiscal year 2005:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2006:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2007:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2008:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2009:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2010:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
(15) Social Security (650):
Fiscal year 2005:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2006:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2007:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2008:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2009:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2010:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
(16) Veterans Benefits and Services (700):
Fiscal year 2005:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2006:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2007:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2008:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2009:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2010:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
(17) Administration of Justice (750):
Fiscal year 2005:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2006:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2007:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2008:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2009:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2010:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
(18) General Government (800):
Fiscal year 2005:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2006:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2007:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2008:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2009:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
Fiscal year 2010:
(A) New budget authority, an amount to be derived from function 920.
(B) Outlays, an amount to be derived from function 920.
(19) Net Interest (900):
Fiscal year 2005:
(A) New budget authority, $276,942,000,000.
(B) Outlays, $276,942,000,000.
Fiscal year 2006:
(A) New budget authority, $310,247,000,000.
(B) Outlays, $310,247,000,000.
Fiscal year 2007:
(A) New budget authority, $358,951,000,000.
(B) Outlays, $358,951,000,000.
Fiscal year 2008:
(A) New budget authority, $395,414,000,000.
(B) Outlays, $395,414,000,000.
Fiscal year 2009:
(A) New budget authority, $423,169,000,000.
(B) Outlays, $423,169,000,000.
Fiscal year 2010:
(A) New budget authority, $448,789,000,000.
(B) Outlays, $448,789,000,000.
(20) Allowances (920):
Fiscal year 2005:
(A) New budget authority, $1,325,002,000,000.
(B) Outlays, $1,315,687,000,000.
Fiscal year 2006:
(A) New budget authority, $1,399,360,000,000.
(B) Outlays, $1,384,939,000,000.
Fiscal year 2007:
(A) New budget authority, $1,394,577,000,000.
(B) Outlays, $1,407,005,000,000.
Fiscal year 2008:
(A) New budget authority, $1,477,937,000,000.
(B) Outlays, $1,444,052,000,000.
Fiscal year 2009:
(A) New budget authority, $1,505,999,000,000.
(B) Outlays, $1,493,927,000,000.
Fiscal year 2010:
(A) New budget authority, $1,566,983,000,000.
(B) Outlays, $1,553,407,000,000.
(21) Undistributed Offsetting Receipts (950):
Fiscal year 2005:
(A) New budget authority, −$54,104,000,000.
(B) Outlays, −$54,104,000,000.
Fiscal year 2006:
(A) New budget authority, −$55,362,000,000.
(B) Outlays, −$55,362,000,000.
Fiscal year 2007:
(A) New budget authority, −$63,263,000,000.
(B) Outlays, −$64,388,000,000.
Fiscal year 2008:
(A) New budget authority, −$65,480,000,000.
(B) Outlays, −$66,292,000,000.
Fiscal year 2009:
(A) New budget authority, −$60,876,000,000.
(B) Outlays, −$60,251,000,000.
Fiscal year 2010:
(A) New budget authority, −$63,447,000,000.
(B) Outlays, −$62,822,000,000.

TITLE II—RECONCILIATION AND REPORT SUBMISSIONS

SEC. 201. RECONCILIATION IN THE HOUSE OF REPRESENTATIVES.

(a) SUBMISSIONS PROVIDING FOR THE ELIMINATION OF WASTE, FRAUD, AND ABUSE IN MANDATORY PROGRAMS.—(1) Not later than July 15, 2005, the House committees named in paragraph (2) shall submit their recommendations to the House Committee on the Budget. After receiving those recommendations, the House Committee on the Budget shall report to the House a reconciliation bill carrying out all such recommendations without any substantive revision.

(2) INSTRUCTIONS.—

(A) COMMITTEE ON AGRICULTURE.—The House Committee on Agriculture shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by $893,000,000 in outlays for fiscal year 2006 and $5,959,000,000 in outlays for the period of fiscal years 2006 through 2010.

(B) COMMITTEE ON EDUCATION AND THE WORKFORCE.—The House Committee on Education and the Workforce shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by $2,128,000,000 in outlays for fiscal year 2006 and $21,803,000,000 in outlays for the period of fiscal years 2006 through 2010.

(C) COMMITTEE ON ENERGY AND COMMERCE.—The House Committee on Energy and Commerce shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by $1,419,000,000 in outlays for fiscal year 2006

and $30,725,000,000 in outlays for the period of fiscal years 2006 through 2010.

(D) COMMITTEE ON FINANCIAL SERVICES.—The House Committee on Financial Services shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by $30,000,000 in new budget authority for fiscal year 2006 and $270,000,000 in new budget authority for the period of fiscal years 2006 through 2010.

(E) COMMITTEE ON GOVERNMENT REFORM.—The House Committee on Government Reform shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by $268,000,000 in outlays for fiscal year 2006 and $3,164,000,000 in outlays for the period of fiscal years 2006 through 2010.

(F) COMMITTEE ON HOUSE ADMINISTRATION.—The House Committee on House Administration shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by $57,000,000 in outlays for fiscal year 2006 and $2,673,000,000 in outlays for the period of fiscal years 2006 through 2010.

(G) COMMITTEE ON INTERNATIONAL RELATIONS.—The House Committee on International Relations shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by $45,000,000 in outlays for fiscal year 2006 and $504,000,000 in outlays for the period of fiscal years 2006 through 2010.

(H) COMMITTEE ON THE JUDICIARY.—The House Committee on the Judiciary shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by $144,000,000 in outlays for fiscal year 2006 and $826,000,000 in outlays for the period of fiscal years 2006 through 2010.

(I) COMMITTEE ON RESOURCES.—The House Committee on Resources shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by $114,000,000 in outlays for fiscal year 2006 and $1,598,000,000 in outlays for the period of fiscal years 2006 through 2010.

(J) COMMITTEE ON SCIENCE.—The House Committee on Science shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by $303,000,000 in outlays for fiscal year 2006 and $3,864,000,000 in outlays for the period of fiscal years 2006 through 2010.

(K) COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE.—The House Committee on Transportation and Infrastructure shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by $65,000,000 in outlays for fiscal year 2006 and $690,000,000 in outlays for the period of fiscal years 2006 through 2010.

(L) COMMITTEE ON VETERANS' AFFAIRS.—The House Committee on Veterans' Affairs shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by $155,000,000 in outlays for fiscal year 2006 and $798,000,000 in outlays for the period of fiscal years 2006 through 2010.

(M) COMMITTEE ON WAYS AND MEANS.—The House Committee on Ways and Means shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by $6,534,000,000 in outlays for fiscal year 2006 and $52,391,000,000 in outlays for the period of fiscal years 2006 through 2010.

(N) SPECIAL RULE.—The chairman of the Committee on the Budget may take into account legislation enacted after the adoption of this resolution that is determined to reduce the deficit and may make applicable adjustments in reconciliation instructions, allocations, and budget aggregates and may also make adjustments in reconciliation instructions to protect earned benefit programs.

(b) SUBMISSION PROVIDING FOR CHANGES IN REVENUE.—The House Committee on Ways and Means shall report a reconciliation bill not later than June 24, 2005, that consists of changes in laws within its jurisdiction sufficient to reduce revenues by not more than $17,700,000,000 for fiscal year 2006 and by not more than $105,900,000,000 for the period of fiscal years 2006 through 2010.

(c)(1) Upon the submission to the Committee on the Budget of the House of a recommendation that has complied with its reconciliation instructions solely by virtue of section 310(b) of the Congressional Budget Act of 1974, the chairman of that committee may file with the House appropriately revised allocations under section 302(a) of such Act and revised functional levels and aggregates.

(2) Upon the submission to the House of a conference report recommending a reconciliation bill or resolution in which a committee has complied with its reconciliation instructions solely by virtue of this section, the chairman of the Committee on the Budget of the House may file with the House appropriately revised allocations under section 302(a) of such Act and revised functional levels and aggregates.

(3) Allocations and aggregates revised pursuant to this subsection shall be considered to be allocations and aggregates established by the concurrent resolution on the budget pursuant to section 301 of such Act.

SEC. 202. SUBMISSION OF REPORT ON DEFENSE SAVINGS.

In the House, not later than May 15, 2005, the Committee on Armed Services shall submit to the Committee on the Budget its findings that identify $2,000,000,000 in savings from (1) activities that are determined to be of a low priority to the successful execution of current military operations; or (2) activities that are determined to be wasteful or unnecessary to national defense. Funds identified should be reallocated to programs and activities that directly contribute to enhancing the combat capabilities of the U.S. military forces with an emphasis on force protection, munitions, and surveillance capabilities. For purposes of this subsection, the report by the Committee on Armed Services shall be inserted in the Congressional Record by the chairman of the Committee on the Budget not later than May 21, 2005.

TITLE III—RESERVE FUNDS AND CONTINGENCY PROCEDURE

SEC. 301. RAINY DAY FUND FOR NON-MILITARY EMERGENCIES.

In the House of Representatives and the Senate, if the Committee on Appropriations reports a bill or joint resolution, or if an amendment thereto is offered or a conference report thereon is submitted, that provides new budget authority (and outlays flowing therefrom) for nonmilitary emergencies, then the chairman of the Committee on the Budget of that House shall make the appropriate revisions to the allocations and other levels in this resolution by the amount provided by that measure for that purpose, but the total adjustment for all measures considered under this section shall not exceed $20,000,000,000 in new budget authority for fiscal year 2006 and outlays flowing therefrom.

SEC. 302. CONTINGENCY PROCEDURE FOR SURFACE TRANSPORTATION.

(a) IN GENERAL.—If the Committee on Transportation and Infrastructure of the House reports legislation, or if an amendment thereto is offered or a conference report thereon is submitted, that provides new budget authority for the budget accounts or portions thereof in the highway and transit categories as defined in sections 250(c)(4)(B) and (C) of the Balanced Budget and Emergency Deficit Control Act of 1985 in excess of the following amounts:

(1) for fiscal year 2005: $42,806,000,000,
(2) for fiscal year 2006: $45,899,100,000,
(3) for fiscal year 2007: $47,828,700,000,
(4) for fiscal year 2008: $49,715,400,000, or
(5) for fiscal year 2009: $51,743,500,000,

the chairman of the Committee on the Budget may adjust the appropriate budget aggregates and increase the allocation of new budget authority to such committee for fiscal year 2005 and for the period of fiscal years 2005 through 2009 to the extent such excess is offset by a reduction in mandatory outlays from the Highway Trust Fund or an increase in receipts appropriated to such fund for the applicable fiscal year caused by such legislation or any previously enacted legislation.

(b) ADJUSTMENT FOR OUTLAYS.—For fiscal year 2006, in the House, if a bill or joint resolution is reported, or if an amendment thereto is offered or a conference report thereon is submitted, that changes obligation limitations such that the total limitations are in excess of $42,792,000,000 for fiscal year 2006 for programs, projects, and activities within the highway and transit categories as defined in sections 250(c)(4)(B) and (C) of the Balanced Budget and Emergency Deficit Control Act of 1985, and if legislation has been enacted that satisfies the conditions set forth in subsection (a) for such fiscal year, the chairman of the Committee on the Budget may increase the allocation of outlays and appropriate aggregates for such fiscal year for the committee reporting such measure by the amount of outlays that corresponds to such excess obligation limitations, but not to exceed the amount of such excess that was offset pursuant to subsection (a).

TITLE IV—BUDGET ENFORCEMENT

SEC. 401. POINT OF ORDER PROTECTION.

(a) IN GENERAL.—(1) A report by the Committee on Rules on a rule or order that would waive section 302(f) or 303(a) (other than paragraph (2)) of the Congressional Budget Act of 1974 may not be called up for consideration (over the objection of any Member) except when so determined by a vote of a majority of the Members duly chosen and sworn, a quorum being present.

(2) A question of consideration under this paragraph shall be debatable for 20 minutes equally divided by a proponent and opponent of the question but shall otherwise be decided without intervening motion except one that the House adjourn.

(3) This paragraph does not apply to any rule providing for consideration of any legislation the title of which is as follows: ''A bill to preserve Social Security.''

(b) WAIVER PROHIBITION.—The Committee on Rules may not report a rule or order proposing a waiver of subsection (a).

SEC. 402. RESTRICTIONS ON ADVANCE APPROPRIATIONS.

(a) IN GENERAL.—(1) In the House, except as provided in subsection (b), an advance appropriation may not be reported in a bill or joint resolution making a general appropriation or continuing appropriation, and may not be in order as an amendment thereto.

(2) Managers on the part of the House may not agree to a Senate amendment that would violate paragraph (1) unless specific authority to agree to the amendment first is given by the House by a separate vote with respect thereto.

(b) EXCEPTION.—In the House, an advance appropriation may be provided for fiscal year 2007 and fiscal years 2008 for programs,

projects, activities or accounts identified in the joint explanatory statement of managers accompanying this resolution under the heading 'Accounts Identified for Advance Appropriations' in an aggregate amount not to exceed $23,568,000,000 in new budget authority.

(c) DEFINITION.—In this section, the term ''advance appropriation'' means any discretionary new budget authority in a bill or joint resolution making general appropriations or continuing appropriations for fiscal year 2006 that first becomes available for any fiscal year after 2006.

SEC. 403. AUTOMATIC VOTES ON EXPENSIVE LEGISLATION.

In the House, the yeas and nays shall be considered as ordered when the Speaker puts the question on passage of a bill or joint resolution, or on adoption of conference report, which authorizes or provides new budget authority of not less $50,000,000. The Speaker may not entertain a unanimous consent request or motion to suspend this section.

SEC. 404. TURN OFF THE GEPHARDT RULE.

Rule XXVII shall not apply with respect to the adoption by the Congress of a concurrent resolution on the budget for fiscal year 2006.

SEC. 405. EMERGENCY SPENDING.

(a) EXEMPTION OF OVERSEAS CONTINGENCY OPERATIONS.—In the House, if a bill or joint resolution is reported, or an amendment is offered thereto or a conference report is filed thereon, that makes supplemental appropriations for fiscal year 2006 for contingency operations related to the global war on terrorism, then the new budget authority, new entitlement authority, outlays, and receipts resulting therefrom shall not count for purposes of sections 302, 303, and 401 of the Congressional Budget Act of 1974 for the provisions of such measure that are designated pursuant to this subsection as making appropriations for such contingency operations.

(b) EXEMPTION OF EMERGENCY PROVISIONS.—In the House, if a bill or joint resolution is reported, or an amendment is offered thereto or a conference report is filed thereon, that designates a provision as an emergency requirement pursuant to this section, then the new budget authority, new entitlement authority, outlays, and receipts resulting therefrom shall not count for purposes of sections 302, 303, 311, and 401 of the Congressional Budget Act of 1974.

(c) DESIGNATIONS.—

(1) GUIDANCE.—In the House, if a provision of legislation is designated as an emergency requirement under subsection (b), the committee report and any statement of managers accompanying that legislation shall include an explanation of the manner in which the provision meets the criteria in paragraph (2). If such legislation is to be considered by the House without being reported, then the committee shall cause the explanation to be published in the Congressional Record in advance of floor consideration.

(2) CRITERIA.—

(A) IN GENERAL.—Any such provision is an emergency requirement if the underlying situation poses a threat to life, property, or national security and is—

(i) sudden, quickly coming into being, and not building up over time;

(ii) an urgent, pressing, and compelling need requiring immediate action;

(iii) subject to subparagraph (B), unforeseen, unpredictable, and unanticipated; and

(iv) not permanent, temporary in nature.

(B) UNFORESEEN.—An emergency that is part of an aggregate level of anticipated emergencies, particularly when normally estimated in advance, is not unforeseen.

(d) ENFORCEMENT.—It shall not be in order in the House of Representatives to consider any bill, joint resolution, amendment or conference report that contains an emergency designation unless that designation meets the criteria set out in subsection (c)(2).

(e) ENFORCEMENT IN THE HOUSE OF REPRESENTATIVES.—It shall not be in order in the House of Representatives to consider a rule or order that waives the application of subsection (d).

(f) DISPOSITION OF POINTS OF ORDER IN THE HOUSE.—As disposition of a point of order under subsection (d) or subsection (e), the Chair shall put the question of consideration with respect to the proposition that is the subject of the point of order. A question of consideration under this section shall be debatable for 10 minutes by the Member initiating the point of order and for 10 minutes by an opponent of the point of order, but shall otherwise be decided without intervening motion except one that the House adjourn or that the Committee of the Whole rise, as the case may be.

SEC. 406. COMPLIANCE WITH SECTION 13301 OF THE BUDGET ENFORCEMENT ACT OF 1990.

(a) IN GENERAL.—In the House, notwithstanding section 302(a)(1) of the Congressional Budget Act of 1974 and section 13301 of the Budget Enforcement Act of 1990, the joint explanatory statement accompanying the conference report on any concurrent resolution on the budget shall include in its allocation under section 302(a) of the Congressional Budget Act of 1974 to the Committee on Appropriations amounts for the discretionary administrative expenses of the Social Security Administration.

(b) SPECIAL RULE.—In the House, for purposes of applying section 302(f) of the Congressional Budget Act of 1974, estimates of the level of total new budget authority and total outlays provided by a measure shall include any discretionary amounts provided for the Social Security Administration.

SEC. 407. ACTION PURSUANT TO SECTION 302(b)(1) OF THE CONGRESSIONAL BUDGET ACT.

(a) COMPLIANCE.—When complying with Section 302(b)(1) of the Congressional Budget Act of 1974, the Committee on Appropriations of each House shall consult with the Committee on Appropriations of the other House to ensure that the allocation of budget outlays and new budget authority among each Committee's subcommittees are identical.

(b) REPORT.—The Committee on Appropriations of each House shall report to its House when it determines that the report made by the Committee pursuant to Section 302(b) of the Congressional Budget Act of 1974 and the report made by the Committee on Appropriations of the other House pursuant to the same provision contain identical allocations of budget outlays and new budget authority among each Committee's subcommittees.

(c) POINT OF ORDER.—It shall not be in order in the House of Representatives or the Senate to consider any bill, joint resolution, amendment, motion, or conference report providing new discretionary budget authority for Fiscal Year 2006 allocated to the Committee on Appropriations unless and until the Committee on Appropriations of that House has made the report required under paragraph (b) of this Section.

SEC. 408. CHANGES IN ALLOCATIONS AND AGGREGATES RESULTING FROM REALISTIC SCORING OF MEASURES AFFECTING REVENUES.

(a) Whenever the House considers a bill, joint resolution, amendment, motion or conference report, including measures filed in compliance with section 201(b) or 201(c), that propose to change federal revenues, the impact of such measure on federal revenues shall be calculated by the Joint Committee on Taxation in a manner that takes into account—

(1) the impact of the proposed revenue changes on—

(A) Gross Domestic Product, including the growth rate for the Gross Domestic Product;

(B) total domestic employment;

(C) gross private domestic investment;

(D) general price index;

(E) interest rates; and

(F) other economic variables;

(2) the impact on Federal Revenue of the changes in economic variables analyzed under subpart (1) of this paragraph.

(b) the Chairman of the Committee on the Budget may make any necessary changes to allocations and aggregates in order to conform this concurrent resolution with the determinations made by the Joint Committee on Taxation pursuant to paragraph (a) of this Section.

SEC. 409. PROHIBITION ON USING REVENUE INCREASES TO COMPLY WITH BUDGET ALLOCATIONS AND AGGREGATES.

(a) For the purpose of enforcing this concurrent resolution in the House, the Chairman of the Committee on the Budget shall not take into account the provisions of any piece of legislation which propose to increase revenue or offsetting collections if the net effect of the bill is to increase the level of revenue or offsetting collections beyond the level assumed in this concurrent resolution.

(b) Paragraph (a) of this section shall not apply to any provision of a piece of legislation that proposes a new or increased fee for the receipt of a defined benefit or service (including insurance coverage) by the person or entity paying the fee.

SEC. 410. APPLICATION AND EFFECT OF CHANGES IN ALLOCATIONS AND AGGREGATES.

(a) APPLICATION.—Any adjustments of allocations and aggregates made pursuant to this resolution shall—

(1) apply while that measure is under consideration;

(2) take effect upon the enactment of that measure; and

(3) be published in the Congressional Record as soon as practicable.

(b) EFFECT OF CHANGED ALLOCATIONS AND AGGREGATES.—Revised allocations and aggregates resulting from these adjustments shall be considered for the purposes of the Congressional Budget Act of 1974 as allocations and aggregates contained in this resolution.

(c) BUDGET COMMITTEE DETERMINATIONS.—For purposes of this resolution—

(1) the levels of new budget authority, outlays, direct spending, new entitlement authority, revenues, deficits, and surpluses for a fiscal year or period of fiscal years shall be determined on the basis of estimates made by the appropriate Committee on the Budget; and

(2) such chairman may make any other necessary adjustments to such levels to carry out this resolution.

SEC. 411. ENTITLEMENT SAFEGUARD.

(a) It shall not be in order in the House of Representatives to consider an direct spending legislation that would increase an on-budget deficit or decrease an on-budget surplus as provided by paragraph (e) for any applicable time period.

(b) For purposes of this clause, the term ''applicable time period'' means any of the following periods:

(1) The period of the first 5 fiscal years covered by the most recently adopted concurrent resolution on the budget.

(2) The period of the 5 fiscal years following first 5 years covered in the most recently adopted concurrent resolution on the budget.

(c) For purposes of this section and except as provided in paragraph (d), the term ''direct-spending legislation'' means any bill,

joint resolution, amendment, or conference report that affects direct spending as that term is defined by, and interpreted for purposes of, the Balanced Budget and Emergency Deficit Control Act of 1985.

(d) For purposes of this section, the term ''direct-spending legislation'' does not include—

(1) any legislation the title of which is as follows: ''A bill to preserve Social Security.''; or

(2) any legislation that would cause a net increase in aggregate direct spending of less than $100,000,000 for any applicable time period.

(e) If direct spending legislation increases the on-budget deficit or decreases an on-budget surpluses when taken individually, it must also increase the on-budget deficit or decrease the on-budget surplus when taken together with all direct spending legislation enacted since the beginning of the calendar year not accounted for in the baseline assumed for the most recent concurrent resolution on the budget, except that direct spending effects resulting in net deficit reduction enacted pursuant to reconciliation instructions since the beginning of that same calendar year shall not be available.

(f) This section may be waived by the affirmative vote of three-fifths of the Members, duly chosen and sworn.

(g) For purposes of this section, the levels of budget authority and outlays for a fiscal year shall be determined on the basis of estimates made by the Committee on the Budget.

(h) The Committee on Rules may not report a rule or order proposing a waiver of paragraph (a).

SEC. 412. BUDGET PROTECTION MANDATORY ACCOUNT.

(a)(1) The chairman of the Committee on the Budget shall maintain an account to be known as the ''Budget Protection Mandatory Account''. The Account shall be divided into entries corresponding to the allocations under section 302(a) of the Congressional Budget Act of 1974 in the most recently adopted concurrent resolution on the budget, except that it shall not include the Committee on Appropriations.

(2) Each entry shall consist only of amounts credited to it under subsection (b). No entry of a negative amount shall be made.

(b)(1) Upon the engrossment of a House bill or joint resolution or a House amendment to a Senate bill or joint resolution (other than an appropriation bill), the chairman of the Committee on the Budget shall—

(A) credit the applicable entries of the Budget Protection Mandatory Account by the amounts specified in subparagraph (2); and

(B) reduce the applicable 302(a) allocations by the amount specified in subparagraph (2).

(2) Each amount specified in subparagraph (A) shall be the net reduction in mandatory budget authority (either under current law or proposed by the bill or joint resolution under consideration) provided by each amendment that was adopted in the House to the bill or joint resolution.

(c)(1) If an amendment includes a provision described in subparagraph (2), the chairman of the Committee on the Budget shall, upon the engrossment of a House bill or joint resolution or a House amendment to a Senate bill or joint resolution, other than an appropriation bill, reduce the level of total revenues set forth in the applicable concurrent resolution on the budget for the fiscal year or for the total of that first fiscal year and the ensuing fiscal years in an amount equal to the net reduction in mandatory authority (either under current law or proposed by a bill or joint resolution under consideration) provided by each amendment adopted by the House to the bill or joint resolution. Such adjustment shall be in addition to the adjustments described in subsection (b).

(2)(A) The provision specified in subparagraph (1) is as follows: ''The amount of mandatory budget authority reduced by this amendment may be used to offset a decrease in revenues.''

(B) All points of order are waived against an amendment including the text specified in subparagraph (A) provided the amendment is otherwise in order.

(d) As used in this rule, the term—

(1) ''appropriation bill'' means any general or special appropriation bill, and any bill or joint resolution making supplemental, deficiency, or continuing appropriations through the end of fiscal year 2006 or any subsequent fiscal year, as the case may be.

(2) ''mandatory budget authority'' means any entitlement authority as defined by, and interpreted for purposes of, the Congressional Budget Act of 1974.

(e) During the consideration of any bill or joint resolution, the chairman of the Committee on the Budget shall maintain a running tally, which shall be available to all Members, of the amendments adopted reflecting increases and decreases of budget authority in the bill or joint resolution.

SEC. 413. BUDGET DISCRETIONARY ACCOUNTS.

(a)(1) The chairman of the Committee on the Budget shall maintain an account to be known as the ''Budget Protection Discretionary Account'';. The Account shall be divided into entries corresponding to the allocation to the Committee on Appropriations, and the committee's suballocations, under section 302(a) and 302(b) of the Congressional Budget Act of 1974.

(2) Each entry shall consist only of amounts credited to it under subsection (b). No entry of a negative amount shall be made.

(b)(1) Upon the engrossment of a House appropriations bill, the chairman of the Committee on the Budget shall—

(A) credit the applicable entries of the Budget Protection Discretionary Account by the amounts specified in subparagraph (2).

(B) reduce the applicable 302(a) and (b) allocations by the amount specified in subparagraph (2).

(2) Each amount specified in subparagraph (A) shall be the net reduction in discretionary budget authority provided by each amendment adopted by the House to the bill or joint resolution.

(c)(1) If an amendment includes a provision described in subparagraph (2), the chairman of the Committee on the Budget shall, upon the engrossment of a House appropriations bill, reduce the level of total revenues set forth in the applicable concurrent resolution on the budget for the fiscal year or for the total of that first fiscal year and the ensuing fiscal years in an amount equal to the net reduction in discretionary budget authority provided by each amendment that was adopted by the House to the bill or joint resolution. Such adjustment shall be in addition to the adjustments described in subsection (b).

(2)(A) The provision specified in subparagraph (1) is as follows: ''The amount of discretionary budget authority reduced by this amendment may be used to offset a decrease in revenues.''

(B) All points of order are waived against an amendment including the text specified in subparagraph (A) provided the amendment is otherwise in order.

(d) As used in this rule, the term ''appropriation bill'' means any general or special appropriation bill, and any bill or joint resolution making supplemental, deficiency, or continuing appropriations through the end of fiscal year 2006 or any subsequent fiscal year, as the case may be.

(e) During the consideration of any bill or joint resolution, the chairman of the Committee on the Budget shall maintain a running tally, which shall be available to all Members, of the amendments adopted reflecting increases and decreases of budget authority in the bill or joint resolution.

TITLE V—SENSE OF THE HOUSE

SEC. 501. SENSE OF THE HOUSE ON SPENDING ACCOUNTABILITY.

It is the sense of the House that—

(1) authorizing committees should actively engage in oversight utilizing—

(A) the plans and goals submitted by executive agencies pursuant to the Government Performance and Results Act of 1993; and

(B) the performance evaluations submitted by such agencies (that are based upon the Program Assessment Rating Tool which is designed to improve agency performance);in order to enact legislation to eliminate waste, fraud, and abuse to ensure the efficient use of taxpayer dollars;

(2) all Federal programs should be periodically reauthorized and funding for unauthorized programs should be level-funded in fiscal year 2006 unless there is a compelling justification;

(3) committees should submit written justifications for earmarks and should consider not funding those most egregiously inconsistent with national policy;

(4) the fiscal year 2006 budget resolution should be vigorously enforced and legislation should be enacted establishing statutory limits on appropriations and a PAY-AS-YOU-GO rule for new and expanded entitlement programs; and

(5) Congress should make every effort to offset nonwar-related supplemental appropriations.

SEC. 502. SENSE OF THE HOUSE ON ENTITLEMENT REFORM.

(a) FINDINGS.—The House finds that welfare was successfully reformed through the application of work requirements, education and training opportunity, and time limits on eligibility.

(b) SENSE OF THE HOUSE.—It is the sense of the House that authorizing committees should—

(1) systematically review all means-tested entitlement programs and track beneficiary participation across programs and time;

(2) enact legislation to develop common eligibility requirements for means-tested entitlement programs;

(3) enact legislation to accurately rename means-tested entitlement programs;

(4) enact legislation to coordinate program benefits in order to limit to a reasonable period of time the Government dependency of means-tested entitlement program participants;

(5) evaluate the costs of, and justifications for, nonmeans-tested, nonretirement-related entitlement programs; and

(6) identify and utilize resources that have conducted cost-benefit analyses of participants in multiple means- and nonmeans-tested entitlement programs to understand their cumulative costs and collective benefits.

SEC. 503. SENSE OF HOUSE REGARDING THE ABOLISHMENT OF OBSOLETE AGENCIES AND FEDERAL SUNSET PROPOSALS.

(a) The House finds the following:

(1) The National Commission on the Public Service's recent report, ''Urgent Business For America: Revitalizing The Federal Government For The 21st Century,'' states that government missions are so widely dispersed among so many agencies that no coherent management is possible. The report also states that fragmentation leaves many gaps,

inconsistencies, and inefficiencies in government oversight and results in an unacceptable level of public health protection.

(2) According to the Commission, there are: more than 35 food safety laws administered by 12 different federal agencies; 541 clean air, water, and waste programs in 29 federal agencies; 50 different programs to aid the homeless in eight different Federal agencies; and 27 teen pregnancy programs operated in nine Federal agencies; and 90 early childhood programs scattered among 11 Federal agencies.

(3) According to the General Accounting Office (GAO), there are 163 programs with a job training or employment function, 64 welfare programs of a similar nature, and more than 500 urban aid programs.

(4) GAO also indicates 13 agencies coordinate 342 economic development programs, but there is very little or no coordination between them. This situation has created a bureaucracy so complex that many local communities stop applying for economic assistance. At the same time, the GAO reports that these programs often serve as nothing more than funnels for pork, have ''no significant effect'' on the economy, and cost as much as $_____ to create each job.

(5) In 1976, Colorado became the first state to implement a sunset mechanism. Today, about half of the Nation's States have some sort of sunset mechanism in effect to monitor their legislative branch agencies. On the Federal level, the United States Senate in 1978 overwhelmingly passed legislation to sunset most of the Government agencies by a vote of 87–1.

(6) In Texas, ''sunsetting'' has eliminated 44 agencies and saved the taxpayers $_____ million compared with expenditures of $ million for the Sunset Commission. Based on these estimates, for every dollar spent on the Sunset process, the State has received about $ in return.

(b) It is the Sense of the House that legislation providing for the orderly abolishment of obsolete Agencies and providing a federal sunset for government programs should be enacted during this Congress.

SEC. 504. SENSE OF THE HOUSE REGARDING THE GOALS OF THIS CONCURRENT RESOLUTION AND THE ELIMINATION OF CERTAIN PROGRAMS.

(a) The House of Representatives finds the following:

(1) The concurrent resolution on the budget for fiscal year 2006 should achieve the following key goals:

(A) Ensure adequate funding is available for essential government programs, in particular defense and homeland security.

(B) Foster greater economic growth and increased domestic employment by eliminating those provisions in the tax code that discourage economic growth and job creation and by extending existing tax relief provisions so as to prevent an automatic tax increase.

(C) Bring the Federal budget back into balance as soon as possible.

(2) The Government spends billions of dollars each year on programs and projects that are of marginal value to the country as a whole.

(3) Funding for these lower priority programs should be viewed in light of the goals of this concurrent resolution and whether or not continued funding of these programs advances or hinders the achievement of these goals.

(4) This concurrent resolution assumes that funding for many lower priority programs will be reduced or eliminated in order increase funding for defense and homeland security while at the same time controlling overall spending.

(b) It is the Sense of the House of Representatives that the following programs should be eliminated:

(1) Title X Family Planning.

(2) Corporation for Public Broadcasting.

(3) National Endowment for the Arts.

(4) Legal Services Corporation.

(5) the Advanced Technology Program.

The CHAIRMAN. Pursuant to House Resolution 154, the gentleman from Texas (Mr. HENSARLING) and a Member opposed each will control 20 minutes.

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

Mr. HENSARLING. Mr. Chairman, I yield myself as much time as I may consume.

Mr. Chairman, spending is out of control in the Nation's capital, and if we do not work to control this spending, we will leave our children and grandchildren a legacy of debt, a legacy of a lower standard of living, a legacy of more government, of less freedom, of less opportunity.

Many people in this Chamber have risen tonight to say that we are not spending enough money. I think we should take a look at the facts.

Number one, Mr. Chairman, we are now spending over $20,000 for American families. For the first time since World War II are we spending this much money. For only the fourth time in the history of our Nation, and if we look back just 10 years, almost every government agency has grown by a huge multiple overinflation.

International affairs is up 93 percent; agriculture up 165 percent; transportation, 78 percent; education, 95 percent, and the list goes on and on and on. We have been growing government at twice the rate of inflation and 50 percent faster than the family budget.

We believe that these growth rates are unsustainable and let us just not look at the past. Let us look at the future.

According to the Congressional Budget Office, over the next decade Social Security is due to grow by 5.5 percent a year, Medicaid by almost 8 percent a year and Medicare by 9 percent a year. We have an explosion of government spending, and yet many in this Chamber want to spend even more, at the expense of American families.

Where is this leading us? Mr. Chairman, most recently, the Chairman of the Federal Reserve Alan Greenspan said, As a Nation we may have already made promises to coming generations of retirees that we will be unable to fulfill.

According to the General Accounting Office, Social Security faces a serious and growing solvency and sustainability challenge that is growing as time passes.

According to the Director of the Office of Management and Budget, referring to Social Security, such chronic and growing obligations in the Social Security program are properly understood by the American public, including investors, as a sign that the program is out of balance and headed for bankruptcy.

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According to the trustees of the Social Security and Medicare trust funds, ''We do not believe the currently projected long run growth rates of Social Security and Medicare are sustainable under current financing arrangements.'' The Comptroller General of the General Accountability Office said, ''How this is resolved could effect not only our economic security but our national security. We are headed to a future where we will have to either double Federal taxes or cut Federal spending by 50 percent.'' Let me repeat that. We are headed to a future where we will have to double Federal taxes or cut Federal spending by 50 percent.

Mr. Chairman, that is why it is so critical that today, not tomorrow, not next week, that we do something, something to begin to control spending in the United States Congress.

First, I want to congratulate the gentleman from Iowa (Chairman NUSSLE) of the Committee on the Budget for bringing forth to this body a truly historic budget, the most fiscally responsible budget we have seen since the Reagan era, a budget that is serious about protecting the family budget from the Federal budget.

But a combination of hope and fear has propelled me, on behalf of the Republican Study Committee, to offer an alternative budget. The hope is, as historic as the gentleman's budget is, maybe given the seriousness of the challenge we have, maybe we can do just a little bit better on spending discipline. My fear is, as great as the budget is that the gentleman from Iowa (Chairman NUSSLE) has brought to this House, I want it to be a real budget. I want to ensure that we have the mechanisms in place to ensure that we enforce the spending discipline.

How does this particular budget differ from the committee budget? There are a number of similarities, but let me describe a couple of differences. Whereas in the chairman's budget we have a discretionary savings of a little less than 1 percent, this budget would achieve savings of roughly 2 percent. It would further double the reconciliation savings in the Nussle budget. And finally, it includes a number of enforcement mechanisms to ensure that we can live with this budget, that the budget is something more than a suggestion, the budget is something more than a goal or an aspiration, that it is actually a limit on spending, that we draw a line in the sand and say we are going to take this much money away from American families and say this is it, we are going to live within our budgets.

Mr. Chairman, budgets tend to be about priorities; and, indeed, this budget, the Republican Study Committee budget, is about priorities. We have a priority of saving Social Security, and we congratulate our President for bringing this issue to the American people. I believe when the American people focus on Social Security, what

they will realize is that government has been part of the problem. They have raided the Social Security trust fund 59 times. Government took the money away from Social Security; government should give the money back.

How does government give the money back? Government can grow at a slower rate than it has in the past. The second theme of this budget, the second priority of this budget, is we believe we have to protect the family budget from the Federal budget. Is there really a compelling reason as families have to get around their kitchen table and have to make tough decisions that we in Congress cannot do the same thing? We do not believe that the Federal budget should grow faster than the family budget, and this budget achieves that goal.

Finally, we believe a budget ought to be a limit on spending. We ought to decide, subject to emergency spending that we understand, that we ought to draw a line in the sand and say this is all we care to take away from the American people; and when we tell the American people this is our budget, then this is the budget that we will live with.

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

Mr. NUSSLE. Mr. Chairman, I claim the time in opposition, and I ask unanimous consent that the gentleman from South Carolina (Mr. SPRATT) be permitted to control 10 minutes, or half of the time in opposition.

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

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa (Chairman NUSSLE) for 10 minutes.

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

I will vote against this budget, and let me say why. It is because of my responsibility and duty to protect the base bill, the base resolution, the product that was worked and crafted in a very genuine way through the committee process, one that has the support of our majority, one that has the support of our leadership, one that has the support of our chairman, and one that I dare say has, and I believe has, the support of my friends who bring forth the budget resolution tonight.

As I said before when the Congressional Black Caucus came forth, anyone who has the guts to come out here with their own budget I have to applaud. I may oppose it, but I have to applaud it because I know what it takes to put together a budget. Whether the alternative budget has one person who supports it or 80 Members or 218 Members to support it, I commend the coalition for coming forth with their budget. I said the same to the Congressional Black Caucus because they have done this in a very responsible way every year I have been in Congress and for many year before. I really mean that. Anyone who is willing to put the sweat equity into it gets my admiration.

I reluctantly oppose this alternative because if given the opportunity to have a perfect world could we, should we work for more spending control? Yes, there is no question. For all of the haranguing that happens out here about the cuts, we know there are a lot more weeds in the garden we could pull; we know there is more reform that we could drive. We know we could work harder and probably find more spending to control.

We have some practicalities, however. One is we have some committees that have to do the work of achieving those reforms. I have worked with each one of those committees and the committee chairmen to arrange the agreements which bring the base resolution here today; and I respect that process, and I will support that process.

In addition, we have a President who is for really I think the first time since I have been in Congress willing to step up during a very challenging time in our Nation's history when we are at war and say even though it would be easy to use the war as an excuse and not worry about what is happening on the domestic side, the President of the United States has said we are going to control spending, work on the entitlement programs, and try to reform the programs and to meet the needs out there.

The fact that the RSC comes forward with a budget that goes a little further, as I say, I respect that; but I do not think that we are going to get the support behind it that we need in order to get it done. At the end of the day, that is what we need. We need the budget to pass so we have something to enforce.

I want to speak to that briefly because as congressional watchers may have seen or misinterpreted, the intramural discussion that went on and fighting that may have seemed to be happening between friends and colleagues, I interpret what the RSC was doing, the Republican Study Committee was doing with regard to enforcement to be the exact right attitude to have. That is if you are going to do the work of having a budget, then let us enforce it.

The good news from my standpoint is last year when we were not able to get a budget through both bodies, the House took the version we passed, we deemed it, and we enforced it. We stuck to it. At the final analysis of the Congressional Budget Office when all of the smoke cleared and they finally were able to close all of the books, you know what we blew that budget by, a $2.4 trillion budget, and we missed it by $400 million.

Now Members could say we missed it, but I would say for not having a budget in both the House and Senate and not having the budget being the force of law with the President, I would say that is a pretty good track record and one that I give a lot of credit to our Speaker, in particular, for having accomplished. I give them much credit not only on the work product of coming forward with a budget, but also their desire to enforce it. I stand ready to work shoulder to shoulder and side by side with them as we not only get that budget done, but enforce the budget the rest of the year. I commend them on their work product, and I reluctantly will vote against their budget.

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

Mr. SPRATT. Mr. Chairman, I yield 5 minutes to the gentlewoman from California (Ms. MILLENDER-MCDONALD).

Ms. MILLENDER-MCDONALD. Mr. Chairman, I thank the ranking member for his kindness in providing time for me and also the chairman for providing the time he has provided to other Congressional Black Caucus members.

Mr. Chairman, I am both pleased and proud today on the alternative budget that we, the Congressional Black Caucus, have crafted. It is a sensible and fiscally responsible budget that takes into consideration the needs of the average working American. This budget does not cater to the wealthy, but addresses the needs of ordinary Americans coping with the daily economic challenges that they face such as education, jobs, and housing. In short, Mr. Chairman, the CBC alternative budget works toward eliminating disparities in housing, small businesses, economic, educational, and other disparities created by the administration's fiscal year 2006 budget.

First, as we all know, a sound education is a stepping stone to economic opportunity, success, and prosperity. The CBC alternative budget has a comprehensive approach to education and training by increasing funding for education and training programs by $23.9 billion over the majority budget. It provides funds for school construction, fully funds No Child Left Behind, and provides critical funding for Head Start, Gaining Early Awareness and Readiness Programs, and Individuals with Disabilities Education Act, or IDEA. For those in college, the CBC budget appropriates $450 million for Pell grants. In addition, the CBC budget funds the Perkins loan programs, job training, and vocational education programs that are critical in today's global economy.

Our young people, particularly African Americans, are lagging in education when compared to other groups. This budget aims to close the achievement gap here at home while making our students more competitive worldwide. The CBC understands that Federal support for community and regional development helps promote growth in economically distressed urban and rural areas. To remedy these economic disparities, the CBC budget ensures that the community development block grant programs will continue to improve housing conditions in low- to moderate-income neighborhoods.

Our budget adds $1.5 billion to CDBG grants and improves housing conditions for moderate-income families. I cannot emphasize enough the importance of CDBG grants. They assist cities and counties with creating jobs, increasing economic development opportunities, and expanding homeownership. CDBG provides for these services in a way that recognizes the unique needs of distressed areas in rural, urban, and suburban communities. It is the signature program for cities and counties to stimulate local economies. I know that from experience because I once served as the mayor pro tempore on the city council for Carson, California.

In 2004, CDBG assisted 168,938 households across America with their housing needs, including financial assistance, construction, rehabilitation, and other improvements. At least 95 percent of the funds support activities benefiting low- and moderate-income families.

The alternative CBC budget also allocates funding to the Small Business Administration and the Manufacturing Extension Partnership and provides additional funding for adult training and dislocated workers programs. By supporting these programs, the CBC is working to close the existing economic disparities in the United States and to help entrepreneurs and ordinary Americans realize the American Dream.

The CBC alternative budget also allocates additional funding for enforcement initiatives such as juvenile justice and prison reentry programs. The CBC understands we need to protect the homeland, and our budget adds $2 billion to meet urgent homeland security needs that face our Nation. The alternative budget therefore devotes additional resources for guarding against terrorist attacks through our rail and ports, including cargo screening that prevents nuclear or radiological weapons from entering the United States.

It also supports essential funding for the Centers for Disease Control to help us prepare for a possible biological attack. The CBC alternative budget ensures that cities, towns, and hamlets will receive the resources that are urgently needed to protect our citizens, resources that are absolutely needed for our cities and towns.

We can accomplish this, all of these priorities, by reducing the tax cuts from 2001 and 2003 from an individual's adjusted gross income that exceeds $200,000 and closing tax loopholes. I urge all of my colleagues to support this budget.

□ 2115

Mr. HENSARLING. Mr. Chairman, I yield 3½ minutes to the gentleman from New Jersey (Mr. GARRETT), a member of the Budget Committee and a budget leader within the Republican Study Committee.

Mr. GARRETT of New Jersey. Mr. Chairman, before I begin, let me just say that in addition to rising in support of this amendment budget, I also rise to support the efforts of the gentleman from Iowa (Chairman NUSSLE) that he has done to move us in the right direction with the budget that he has released.

It was just a short time ago that I had the opportunity to finish reading a book by Chuck Colson which is entitled ''How Now Shall We Live''. And it is a title that is an intriguing title. It is a question that we really should all ask ourselves all the time. How shall we conduct ourselves in our private lives, in our lives with our families and our lives in our community, in our lives in our society, and it is really a question that every Member of Congress should be asking ourselves every day as we come down to the floor.

Now, with families, how shall we live. Well, we ask our families to do a simple thing, to live within our means. Families have many ways that we can be spending our money, on trips, on schools, on property, on houses and fancy cars. But at the end of the day, a responsible family knows it has to spend no more than it takes in at the end of the year and must live within its means because if it does not what will the family be doing but simply passing that financial burden on to their children and their grandchildren.

So Congress really has to set an example, and I guess you could say in a way we have been setting an example for years. But we have been setting a terrible example for families for years, and it is about time that we set a good one.

I serve on the Budget Committee, and if you ever come to those meetings you will see, from the other side of the aisle especially, their ways to live within our means is to increase the means by increasing the revenue by raising taxes, and they just did it last week again.

I have never had anyone explain to me how we improve the economy by taking more money out of the family budget and sending it down here to Washington so that we can spend it. So raising taxes obviously is not the answer to living within our means. It is spending less.

Just like families who have lots of things that we can spend money on, Congress has lots of things that we can spend money on and if you come to the budget meetings you will see. Every agency, every department, every program that comes before us, they all say the same thing basically, that they want more money to spend.

As a matter of fact, if you sat on a budget hearing last year you saw the gentleman from Minnesota (Mr. GUTKNECHT), who, where we put charts up on all the time of these various things, spending requests and what have you, the gentleman from Minnesota asked a question. He said, could you put up a chart behind us of all the agencies, all the programs, all the departments that have ever come before us to ask for their program, for their department to spend less money. And we all looked at the chart, and there was nothing on the chart, because no one ever asks for less money in Washington because we know we always spend more.

So I am rising in support of the bill sponsored by the gentleman from Texas (Mr. HENSARLING) because it moves us in that right direction. It moves us in the direction of spending within our means. And how does it do it? Not really hard at all. One of the things it does is it limits our spending on nonsecurity discretionary by reducing the spending by 2 percent. 2 percent. Many families have to do that all the time. It is not a heavy lift to reduce our spending in that area. We should be able to do the same thing.

The second area is by reducing the growth in mandatory spending from 6.4 to 6.1 percent. We are still increasing spending there by almost twice the increase in the inflation rate, but we are just lowering the curve a little bit.

So how now shall Congress live? We shall live as families have to live, within their means. And this bill sponsored by the gentleman from Texas (Mr. HENSARLING) does do that.

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

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Chairman, it is very interesting listening to my colleagues make a presentation on their budget. And I would ask them really the real question, this is not about what Congress would do. This is about the needs of the American people.

It is interesting that if there was a serious intent about a budget that really was fair and did not burden the children of the future, we would not be adopting both the gentleman from Iowa's budget and the gentleman from Texas' budget, $1.5 trillion in new tax cuts over the next 10 years as proposed by the President and taking every single penny from Social Security.

The budget that is on the floor right now does nothing to close the disparities between African Americans, Hispanics and others less fortunate than others in the United States of America.

The Congressional Black Caucus budget, fair, balanced, closing the deficit, protecting our troops, but it understands protecting Medicaid and education funds and health care funds and homeland security.

The budget that is on the floor today now supports a trillion dollars plus in tax cuts and does nothing for catastrophic possibilities that may happen, such as a terrorist attack. This is the wrong direction to go. The Congressional Black Caucus closes the disparities and supports the investment in the American people.

Mr. HENSARLING. Mr. Chairman, I yield 2 minutes to the gentleman from Arizona (Mr. FLAKE), one of the most fiscally responsible Members of Congress.

Mr. FLAKE. Mr. Chairman, I want to thank the gentleman from Texas for helping put together this package and for all the work that he has done on behalf of the Republican Study Committee and for all of my colleagues there that have worked so hard on this alternative budget.

I want to also commend the gentleman from Iowa (Mr. NUSSLE) for the budget that is presented here. It makes cuts of .7 percent in nondefense discretionary.

Finally, we are actually doing what families would do when a large deficit looms in the future, though we need to do far more than that. This budget would cut 2 percent. When you look at what lies ahead, when you look at the unfunded liabilities that lie ahead, this is kid stuff. We are going to have to do much, much more in the future. If we are inching toward bankruptcy in Social Security, we are flat running toward it with Medicare. And when you look at the liabilities there, we added $7 trillion in unfunded liabilities with the Medicare prescription drug bill, for example, that we are going to have to somehow deal with, that our kids and grandkids are going to have to somehow deal with.

We have got to get ahold of this deficit. The problem is not tax cuts. That is part of the solution. We need more revenue coming in. You do that by cutting taxes. We have seen that time and time again. The problem here is spending. There is a culture of spending in this institution that is just difficult to stop. This alternative budget makes some progress toward that end, but I again want to stress this is kid stuff compared to what we are going to have to do in the coming years to get a handle on this culture of spending.

I commend my colleagues for putting this forward. I urge this House to support it.

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

Mr. Chairman, I want to respond to an observation the gentleman from Texas (Mr. HENSARLING) made that this was the most fiscally responsible budget since the Reagan years. I was surprised, first of all, that he chose the Reagan years as a frame of reference. Those are the years that the mushroom deficits first appeared. We had deficits of $200 billion, 5.6 percent of GDP in the early 1980s. It took us 15 years to get to those deficits. That would not be the kind of model that I would choose. If you want something to model a budget after, then there is a much more recent and much more valid model and that is what we did in 1990, 1993 and 1997.

In 1990, both sides sat down, President Bush took part in the negotiations through his staff and we came to the first agreement for the settlement of the budget deficit. The Bush balanced budget agreement of 1990 and 1991, laid the foundation for what we accomplished in the 1990s. In 1993, we did the Clinton budget. In 1997, we finished it up with the Balanced Budget Act. All of those acts contained three elements, the PAYGO rule which we are proposing to reinstate, caps on discretionary spending backed up by sequestration, and a multiyear 5-year budget, not just a 1-year budget but a 5-year budget with goals to attain each year. That is what is lacking here, the budget process, the budget discipline, the budget plan.

If you want to see where this budget is likely to lead us, I would like to say once again that everybody should look in his mail and he or she will find an analysis of the President's budgetary proposals for fiscal year 2006. This is essentially the President's budget with a few changes to it, but it is basically his budget. As I have said, you only have to read two pages. You come to table 1.1 and you look in the far right-hand column and you will see the total debt accumulation according to CBO that will be incurred if we follow the President's budget through 2015. That total is $5.135 trillion and that is before anything for fixing the alternative minimum tax which CBO tells us is going to cost at least $640 billion, and before anything is added to the cost side of the ledger for the war in Iraq. This is where we are going if we adopt this budget, right back where we were in 1980 with the budget that the gentleman from Texas (Mr. HENSARLING) said he admired so much as fiscally responsible.

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

Mr. HENSARLING. Mr. Chairman, growing government and putting us on a path to doubling taxes on the American people meets nobody's definition of fiscal responsibility.

Mr. Chairman, I yield 2 minutes to the gentleman from Indiana (Mr. CHOCOLA), a real leader on budget enforcement in this Congress.

Mr. CHOCOLA. Mr. Chairman, I thank the gentleman for yielding time and I thank the gentleman from Texas for his leadership on this very important issue which I think is one of the most important issues that our Nation faces in the long term.

Mr. Chairman, I rise in support of the Hensarling amendment. I do so because of a lot of reasons. I do so because the amendment in this budget is about simplification. It changes our budget functions from 19 that are really unrelated to the way we spend money around here to four simple budget functions, defense, homeland security, nondefense discretionary and mandatory spending, making the budget much simpler and easier to understand. It is about honesty. It creates a rainy day fund where we actually budget for emergencies. Every single year we spend Federal money on emergencies but we never budget for them. It seems to me if we know we are going to spend money, we ought to be honest and we ought to budget for it. It also is about accountability. It makes all of us more accountable because it has mechanisms on how we can enforce the budget which I think is the least we can do is pass a budget and stick by it and do what we say we are going to do to the American people. But most of all it is about fiscal responsibility. It starts the process of moving from the measurement of success on how much we spend to how well we spend. It does so in a way, as has been pointed out, it reduces nondefense discretionary spending by 2 percent, it reduces the size of growth in government in mandatory spending by just a little bit, and there will be those that say this is very draconian. But it reminds me of a lot long ago when I was in the private sector and I was in other budget process meetings, I would sit down with general managers of the business and I would say, your expense budget is reduced and maybe it is reduced by as much as 10 percent. You might expect the world was going to come to an end, we were going to lose all our customers, we were going to lose all our employees, but every single year the fact of the matter was that at the end of the year after we reduced our expense budget and we measured how well we spend not by how much we spend, we grew our market share, we served our customers better, our employees were more secure in their employment because our company was stronger and more successful. In other words, we learned how to do more with less and we were better off for it.

I think that government should be no exception because no family and no business is an exception to the challenges that we face. This budget gets us on the path of being able to meet those challenges in a very responsible way. I thank the gentleman for his leadership.

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

Mr. HENSARLING. Mr. Chairman, I yield 2 minutes to the gentleman from North Carolina (Mr. MCHENRY), an outstanding freshman Member.

Mr. MCHENRY. Mr. Chairman, I want to first start by thanking the gentleman from Texas for offering this budget alternative. I think it is a fiscally conservative, sane budget and I think it is much needed here in Washington, D.C. Furthermore, I would like to thank the gentleman from Iowa (Mr. NUSSLE), the chairman of the Committee on the Budget, for putting forward a very strong, fiscally conservative, reasonable budget for the American people that is not just good for our priorities here in Washington, D.C., like funding national defense, like funding homeland security, but it is also a good way to rein in government spending and eliminate government programs that have gotten out of control and maybe are not responsive to individual taxpayers.

□ 2130

So I compliment our chairman in that regard.

But, Mr. Chairman, the reason why I address the House tonight is because

we have a better alternative, a much more fiscally alternative budget put before us by the gentleman from Texas. This budget would further reduce spending, would further rein in government growth, and would take on the mandatory spending programs that are going to bankrupt our country.

What the gentleman from Texas does with this alternative budget is rein in government spending and mandatory programs further, further reduce nondiscretionary spending, while at the same time funding the President's budget when it comes to defense and homeland security, two top priorities of this Congress. But, additionally, it continues the tax cuts. It continues returning the taxpayers' money to them at home.

So I think it is important that we keep all those notions in mind as we vote for this budget. I encourage those on the other side of the aisle who ask for more fiscal discipline to come on over and vote for this budget because it is a reasonable thing to do, the right thing to do. It is the right thing to do for the taxpayers, the right thing to do for the American people; and I encourage them to vote for the budget.

Mr. HENSARLING. Mr. Chairman, I yield 3 minutes to the gentleman from Indiana (Mr. PENCE), one of the outstanding conservative leaders of this Congress, the chairman of the 100-member Republican Study Committee.

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

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

I rise to commend the gentleman from Texas (Mr. HENSARLING), who is a man of principle and a man of personal courage, in his quest to restore fiscal discipline to Washington, D.C. In just a few short years, the gentleman from Texas (Mr. HENSARLING) has emerged as a national leader on fiscal restraint in Washington, D.C., and it is an honor for me to be associated with his handiwork in support of the Hensarling amendment.

I too join in the chorus of those conservatives who have spoken tonight in commendation of the gentleman from Iowa (Chairman NUSSLE), who has, in fact, produced the most conservative budget since the historic years of the Reagan administration. And the gentleman from Iowa (Mr. NUSSLE), who history may be calling him to other duties sometime soon, will leave a lasting and indelible mark on the budget at the Federal level, and we are grateful for his principled leadership and support as well.

I do support the Hensarling amendment, though, which today was endorsed by the 350,000-member National Taxpayers Union, Americans for Tax Reform, just to name a few, because it is long past time for Congress to put our fiscal house in order.

The OMB estimates the total fiscal outlays in 2005 will be a stunning 33 percent higher than outlays as recently as fiscal year 2001. We have seen extraordinary growth in various departments, including spending in the Department of Education, which has grown at almost twice the rate of even military spending. Spending at the Labor Department will have risen 26 percent during the same period.

The RSC budget, known as the Hensarling amendment, would provide for needed restraint by reducing nondefense-related discretionary spending by 2 percent and calling for $57 billion more in savings than the Committee on the Budget's budget; but better yet, the RSC's budget would dramatically enhance the possibility that Members will adhere to the spending levels set out in the budget resolution by providing bold initiatives in process reform, point of order protection, forcing Congress to define emergency spending and account for it in the budget, creating budget protection accounts that would allow spending cuts to be directed toward deficit reduction or tax relief, just to name a few proposals.

The RSC budget is an opportunity for Members of Congress to vote for the President's number on defense and homeland security and a little bit less than the Committee on the Budget's number on everything else. Voting for the RSC budget is voting for finding more savings in the largest category of Federal spending, mandatory spending. And voting for the RSC budget is voting for a way to enforce the budget that the House passes and to embrace a series of budget process reforms, which, if they are not successful in the Hensarling amendment, may yet be entertained by the 109th Congress in the months and days ahead.

I strongly support the gentleman from Texas (Mr. HENSARLING), his courage, his principle; and I urge support of all of my colleagues of the Hensarling amendment.

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

For some people, Mr. Chairman, we just cannot get enough government. But we are drowning in a sea of red ink already.

This is not a debate about how much we are going to spend on health care and education and housing. This is a debate about who is going to do the spending. We believe families should do the spending. We believe good things come from freedom, from opportunity, and freedom for families to choose the health care that is right for them, to choose the education opportunities for their children that are right for them, to find the best job in a competitive market economy. We cannot have unlimited government and unlimited opportunity. The Republican Study Committee believes in unlimited opportunity.

Mr. Chairman, we urge the adoption of this amendment; but should it fail, please, we ask the House to vote for the Nussle budget.

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

As I said before, I rise with reluctant opposition. What the RSC has done is bold; it is worth consideration. It will be part of the consideration as we go through the process, I am sure, throughout the rest of the year as well as we consider the budgets in years to come. But I would ask, as the author of the amendment just did, that while consideration be given that we adopt the underlying bill. And, therefore, I oppose the amendment, but with a great amount of respect and admiration for the work that has been done.

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

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from Texas (Mr. HENSARLING).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. HENSARLING. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment in the nature of a substitute offered by the gentleman from Texas (Mr. HENSARLING) will be postponed.

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 (Mrs. DRAKE) 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.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 1334, PROTECTION OF INCAPACITATED PERSONS ACT OF 2005

Mr. GINGREY, from the Committee on Rules, submitted a privileged report (Rept. No. 109–20) on the resolution (H. Res. 162) providing for consideration of the bill (H.R. 1334) to amend title 28, United States Code, to provide for the removal to Federal court of certain State court cases involving the rights of incapacitated persons, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION WAIVING REQUIREMENT OF CLAUSE 6(a) OF RULE XIII WITH RESPECT TO CONSIDERATION OF CERTAIN RESOLUTIONS

Mr. GINGREY, from the Committee on Rules, submitted a privileged report