□ 1645

So when we hear our colleagues and friends on the other side of the aisle talk so boldly about these tax cuts and what these tax cuts have done for our economy, I hope that our economy is not so fragile that it rests on $100 a year, and I want to introduce one other word that we have not heard today, and it is a word called ''sacrifice.''

When the gentleman from Georgia (Mr. LEWIS) came to this city in 1963 and he demonstrated so valiantly for the cause of civil rights, we had a President who talked about sacrifice, but he meant sacrifice for all Americans, not just the least of us.

So many people have come in my office as recently as 1 hour ago, and they asked me why funds for Head Start are being reduced under this program. They asked me why No Child Left Behind is not fully funded. They asked me why $1 billion is being cut from Medicaid.

One lady asked me a very simple question today, ''Mr. Davis, what are the Congress' priorities, if not these?'' I will tell my colleagues what I said to her, ''The priorities are $1 trillion worth of tax cuts that amount to nothing for most Americans.''

We are asking so many people to sacrifice in this country. We are asking our servicemen and -women to sacrifice. We are asking the people who receive these programs and who rest on these programs for their comfort to sacrifice. Why can we not be big enough and humane enough and decent enough to make sacrifice apply to the wealthiest and most powerful among us? That is not populism. That is not demagoguery. That is a sense of the value system that makes us Americans. So we ought to understand choice today.

Our colleagues on the other side of the aisle have a theology and a theory of tax cuts that will favor the wealthiest among us, whereas this will always be the side of the aisle that believes in our values as Americans, and we will never just ask sacrifice from the weakest among us.

Mr. LEWIS of Georgia. Mr. Chairman, I want to thank the gentleman from Alabama (Mr. DAVIS) and the gentleman from Tennessee (Mr. COOPER) and all of the Members for participating.

Mr. Chairman, I have no other speaker at that time, and therefore, I yield back my time to the gentleman from South Carolina (Mr. SPRATT), the ranking member.

Mr. SHAYS. Mr. Chairman, I yield myself 15 seconds before yielding to the gentleman from South Carolina (Mr. BARRETT).

I want to say, this is an important debate, but only in Washington when we spend nearly $2 million more for veterans do people call it a ''cut.'' And when my colleagues talk about tax cuts, 5 percent of the American people pay 50 percent of the taxes, and 50 percent of the American people pay 96.3 percent of the taxes.

Mr. Chairman, I yield 3 minutes to the gentleman from South Carolina (Mr. BARRETT).

Mr. BARRETT of South Carolina. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, several of my colleagues today have just discussed the policies that would be put in place to support economic growth, and they are working. But in addition to getting and keeping the economy going, we must control spending. It does matter.

If we are going to say that deficits matter, my colleagues better believe spending matters. All spending must be paid for either through taxes or through borrowing, and both are burdens on the economy. For that simple reason alone, controlling spending in and of itself is a policy for sustaining stronger economic growth.

The budget calls for several measures to help Congress help itself control spending, including holding the line on our own congressional budgets, as well as other nondefense, nonhomeland security spending. No new mandatory or entitlement programs. No nonwar emergency supplementals without spending offsets.

We have also called for savings initiatives through the reduction of waste, fraud and abuse in several mandatory programs. None of these are going to be easy. A lot of us here and certainly many in the Senate have gotten pretty comfortable signing off on huge spending increases and free-flowing new spending. But success at keeping taxes and spending down will mean a stronger economy and better standards of living for our Nation. If we do not control spending, the result will be higher borrowing and higher taxes.

Federal Reserve Chairman Alan Greenspan has agreed that we need to control spending and not raise taxes, especially if we want to ensure that we do not harm our economy and our standard of living. Here is a direct quote from Mr. Greenspan:

''Tax rate increases of sufficient dimension to deal with our looming fiscal problems arguably pose significant risks to economic growth and the revenue base. The exact magnitude of such risks are very difficult to estimate, but they are of enough concern, in my judgment, to warrant aiming to close the fiscal gap primarily, if not wholly, from outlay restraint.''

The simple translation of what he said, Mr. Chairman, is that we need to restrain spending because the economy would be hurt by higher taxes.

Our budget resolution does exactly that. It restrains spending and keeps taxes from increasing. That is not only good for our economy, it is good for our Nation.

Mr. SPRATT. Mr. Chairman, I yield myself 3 minutes before yielding to others to talk about debt and Social Security because the two, believe it or not, are critically linked.

Every year when the President sends us his budget, the Congressional Budget Office does an analysis of the President's budget and applies the President's budget to its baseline for the economy and extends it over a 10-year period of time. I have a copy here in my hands of the CBO estimate of the President's budget for fiscal year 2005.

If there is nothing else my colleagues read in this rather laboriously written report, I recommend to my colleagues table 1, chapter 1, and I recommend to them the very last column because in the very last column, at the top of it, we have a CBO estimate of how much will be added to the national debt, the statutory debt, if the President's budget, which is basically the same as the Republican budget on the floor now, is implemented and carried out.

The number is $5.132 trillion. That is the estimate of the statutory debt increase that will result from the adoption of the President's budget, $5.132 trillion in additional debt.

What is the consequence of that? We can have tax cuts, but when we have tax cuts and do not have a surplus, the amount of the tax cut goes straight to the bottom line, adds to the deficit, and the deficit adds to the national debt, and sooner or later, the debt has to be paid. The principal has to be paid, and periodically, interest on the debt has to be paid. There is nothing more obligatory than the interest we owe and the principal we owe on the debt backed by the full faith and credit of the United States Government.

So, basically, what my colleagues are electing with these tax cuts is not to pay it, but to shift the cost onto our children.

So the subject we are debating really is a moral subject: How much should we shift onto our children in the way of additional debt? They are going to have to carry Social Security, which is underfunded; Medicare, which is underfunded; and now with this vote, we are shifting off onto them $5.132 trillion in additional debt. If my colleagues do not believe it, come over here and look at this CBO report.

What is the early toll of that debt service? We had worked debt service down from $250 billion a year, interest on the national debt, to $153 billion this year, last year. Within 10 years, debt service will double. It will go up to $374 billion. That is called a debt tax. We get a tax cut today, but in 10 years, the cost of having the tax cuts today, adding to the national debt, will be $374 billion, doubling of the debt service.

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

Mr. SHAYS. Mr. Chairman, I yield myself 15 seconds to say we cut taxes to generate economic activity. In this budget, we are looking to have no tax increase for the next 5 years.

Mr. Chairman, I yield 1½ minutes to the gentleman from Florida (Mr. MARIO DIAZ-BALART).

Mr. MARIO DIAZ-BALART of Florida. Mr. Chairman, I had a point to make, but I just heard the distinguished gentleman right now complain

about the size of the debt, and this is what I was saying a little while ago.

Just last week he voted, along with his colleagues, to increase the debt that he is complaining about by billions and billions and billions of dollars. Hey, which one is it? They cannot have it both ways.

Mr. Chairman, what I wanted to bring up was that we just heard a little while ago a Member from the Democratic Party talk about, I guess my colleagues pretty much heard on the floor, he agreed that the Alternative Minimum Tax increase the Democrats gave us years ago was a mistake because they said it was a tax on the rich. Now we know that it is not, and yet they continue to do the same thing. They complain. They are saying that they only want to raise taxes on the rich.

Let me give my colleagues an idea. The facts are that they want to raise taxes on 52,000 farms. Those are not rich, 230,000 partnerships under S Corporations, which are small businesses, by the way, the job creators in this country; those are not the rich. Seven hundred thirteen thousand who pay self-employment tax and then from that they pay salaries because they have the business; they are sole proprietors of their business.

Just like they were wrong when they said the Alternative Minimum Tax was for the rich, now when they say that they only want to increase taxes on the rich. It is not true. They once again want to increase taxes on every single living American.

Mr. SPRATT. Mr. Chairman, I yield 15 minutes to the gentleman from Kansas (Mr. MOORE) for the purposes of controlling the time.

The SPEAKER pro tempore (Mr. LINDER). Without objection, the gentleman from Kansas (Mr. MOORE) will control 15 minutes.

There was no objection.

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

My colleagues have heard the numbers, $7 trillion plus in national debt, $521 billion projected this year by OMB for the deficit, the highest numbers in our Nation's history in terms of debt and deficit. We heard at the first of the administration, deficits do matter, and now we do hear as a percentage of GDP the deficits are not that big. Well, my colleagues cannot have it both ways.

This should not be about Democrats and Republicans. This should be about taking care of our country, our children, our grandchildren, the future of our children and our grandchildren, and our own well-being in terms of our economic well-being in the future. We need to change our course.

I just heard my good friend, the gentleman from Connecticut, say that there are no tax increases for the next 5 years. I understand what the gentleman means when he says there will be no tax increases for the next 5 years, but the truth is this, Mr. Chairman. The truth is that there is a tax increase that is being passed in this budget this year and next year and the next year, and the tax increase that is being passed is the debt tax.

The third largest category of expenditures in our Federal budget, after defense and Social Security and Medicare, is interest on our national debt, the third largest category of expenditures, almost $1 billion a day. It is the debt tax, and we are going to be paying it, but more importantly, our children and grandchildren in the future will be paying it; and as the interest obligation increases, which it is doing as our debt and deficits get bigger, the debt tax is increasing.

So when they say there are no tax increases, I know they intend there not to be a tax increase, but the fact is there are very real tax increases for our children and grandchildren to pay.

We need to get together again. This should not be about Republicans and Democrats, and I know for a fact there is a skirmish going on on the other side because there are people on the Republican side of the aisle who care very, very desperately about our financial posture right now and want to correct it. But the skirmish is going on, can we get this resolved, and I think we can come together as Democrats and Republicans on a strictly bipartisan basis and address this issue in the future because it needs to be addressed for our children and grandchildren.

I saw one other disturbing thing I want to mention, and then I am going to yield time to my friend from Tennessee. This morning they reported on television, and I have seen some news reports since then, that by 2019 the Medicare trust fund may be in a serious, serious adverse position. By 2042, the same is true of Social Security. This course of action that we are talking about right now is simply not sustainable.

□ 1700

Mr. Chairman, I yield 3½ minutes to the gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. Mr. Chairman, I thank the gentleman for yielding me this time. I have served in this body for 25 years, and I said last year it was just amazing the budget debate that occurred in this body. I said the same in 2001 when so-called conservatives on this side of the aisle continued to bring budgets to this floor that proposed deficits as far as the eye can see.

Here again in 2004, with the baby boom generation on the horizon reaching age 65, once again my friends on the majority side bring a budget to the floor that does not balance and make no pretense of balancing the budget. We will hear a lot of rhetoric about it, but it does not balance. It does not have a chance of balancing.

The Blue Dog budget, we put our money where our mouth is. We say pay as you go. If you are going to cut taxes, cut spending to pay for those taxes or raise some other taxes to pay for it; do not increase the deficit. That is the budget we submit, and we will balance in 8 years.

We have borrowed $1 trillion in the last 2.5 years, added it to our children's tax. There is a lot of rhetoric; I keep hearing do not vote for the Blue Dog budget because it is going to raise taxes. Yes, it will raise taxes on the people who will pay it today, but what about our grandchildren? How long can we continue to ignore the fact that once we put a tax in place, we cannot repeal that debt tax? The interest must be paid. I do not understand those economics.

Not only have we borrowed $1 trillion, and spent it, borrow and spend in the last 2.5 years; we are going to borrow another $1 trillion and spend it in less than a year and a half. No one on this side of the aisle seems to worry about that because they have a philosophical bent that says cut taxes, cut taxes, raise spending and do not worry about the deficit because they are only worried about the people that can vote November 2.

I am worried about my three grandsons that cannot vote on November 2. I am worried about the baby boom generation. We ought to be debating what are we going to do about the future of Social Security. That is what we should have been doing last year and the year before. I am prepared to work in a bipartisan way with those on the other side of the aisle. The gentleman from Arizona (Mr. KOLBE) and I have a bill that we have proposed. It is not perfect, but at least it is something that is in the right direction.

As a member of the House Committee on Agriculture, I can take the $2.3 billion in cuts and reopen the farm bill, which you are going to force us to do. If you pass the Republican budget, it will reopen the farm bill. With this budget, $2.3 billion in cuts from the House agriculture bill, we could do that, and I would do that working bipartisanly if at the end of those 5 years the deficit would be going down and not up.

But we are going to cut agriculture; we are going to reduce conservation spending, rural development spending, crop insurance spending. We are going to reduce all those, for what, so we can borrow another $260 billion while we are making those kinds of budget decisions. It makes no sense to me.

Mr. SHAYS. Mr. Chairman, I yield myself 15 seconds. I would say to my colleague who was speaking that he had me until he started to remind me of all the new spending that the gentleman advocated in the farm bill. The two most tragic things that happened, in my judgment, is we broke the budget with the farm bill, and then we saw the steel quotas.

Mr. Chairman, I yield 5½ minutes to the gentleman from Texas (Mr. HENSARLING).

Mr. HENSARLING. Mr. Chairman, I paid very special attention to the gentleman from Texas (Mr. STENHOLM)

when he spoke about the budget deficits. I too am very concerned about budget deficits. I have a 2-year-old daughter and 6-month-old son. I do not want to leave them a legacy of debt. I want to leave them a legacy of freedom and opportunity.

Mr. Chairman, the American people are not undertaxed. We have a spending problem, not a taxing problem. If Members pay very careful attention to the budget, what they will see in the Republican budget is over 5 years almost $13 trillion of spending contrasted to $150 billion of tax relief. In doing the math, you figure out the tax relief is roughly 1 percent of the spending; so I do not understand why, if 99 percent of the deficit problem is on the spending side, 99 percent of the Democrats' rhetoric is on the taxing side. It does not add up.

We have a spending problem. Spending is out of control. For only the fourth time in the history of the United States, the Federal Government is now spending over $20,000 per American household. This is the highest figure since World War II. This figure is up from approximately $16,000 per household just 5 years ago, representing the largest expansion of government in 50 years.

Last year, what we termed mandatory spending is now 11 percent of our economy for the first time ever. Nondefense discretionary spending is now almost 4 percent of our economy for the first time in 20 years. Almost every major Department of the government has grown precipitously, way beyond inflation. In the past 6 years, spending has grown 71.6 percent for Labor, HHS and Education appropriations. In the past 6 years, spending has grown 42.1 percent for Interior appropriations. The Commerce, State and Justice appropriations has grown by 24.3 percent over the same time period, and the list goes on and on and on.

The Republican budget controls government spending. The Democrat budget expands government spending. But besides spending being out of control, much of this Federal spending, unfortunately, is pure waste, fraud, abuse, and duplication. Until recently, Medicare routinely paid as much as five times as much for a wheelchair as the VA did simply because one would competitively bid and the other would not. In the last year of the Clinton administration, HUD wasted over 10 percent of their budget, making improper payments to people who do not qualify. It was almost $3 billion lost.

Now let us talk about duplication. The Federal Government has 75 different programs funding international education, 90 different programs aimed at early childhood development, 342 different economic development programs.

Now let us return to waste. Twenty-three percent of the students who have had their student loans forgiven for disability actually hold full-time jobs. Hundreds of thousands of dollars have been spent of taxpayer money to study the sexual habits of older men and the nature of two-spirited individuals. I do not know what we are supposed to do with the results of these studies, and I do not even know what a two-spirited individual is.

We spent almost $800,000 for a toilet in a national park, and the toilet does not even flush. For decades, for decades, for decades, example after example shows that many Federal programs routinely waste 5, 10, 20, even 25 percent of their taxpayer-funded budgets. Yet every Democrat budget offered raises taxes and raises government spending, which ends up paying for even more duplication, more waste, more fraud, and more abuse.

This has to stop. Government is inherently wasteful. It does almost nothing as well as we the people, and government must be limited. Until we do limit it, we will never prioritize, much less root out the waste, the fraud, the duplication that permeates our Federal budget. The Republican budget actually limits government and thus begins the process of protecting the family budget from the Federal budget.

Our effort to limit government and expand freedom is being criticized by many on the other side of the aisle. Last year, our Budget Committee passed out a budget asking for authorizing committees to find just 1 percent of waste, fraud and abuse, just 1 percent. Yet Democrat leaders ridiculed and reviled our efforts. One termed it a ''senseless and irresponsible exercise.'' But they were wrong last year, and they are wrong today.

Some may say you control government now, wave your magic wand and make it all disappear. Permit me to make an observation from my past which I think applies today. My first job as an adolescent was to clean out chicken houses on my father's poultry farm. What I learned there was that one does not clean up overnight what took many years to accumulate.

What has accumulated in government over many decades is now 10,000 different Federal programs spread out over almost 600 agencies with little oversight, little accountability or even little knowledge of what these programs do, if they achieve their goals or even if they are still relevant today. The question is, who wants to help clean up this mess and who wants to leave it alone? Only a Republican budget actually limits government. The Democrat budget expands government; and as government grows, freedom contracts. Let us expand freedom and protect the family budget from the Federal budget. Let us pass the Republican budget resolution.

Mr. MOORE. Mr. Chairman, I yield myself 15 seconds. I want to respond to the gentleman from Texas (Mr. HENSARLING) who talked at least four times about spending is out of control; and I want to remind my young friend from Texas, who is in control here in the House, in the Senate and the White House, and that is his party. His party has the majority in the House and the Senate and the White House. So if spending is out of control, I suggest you look to yourself, sir.

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

Mr. STENHOLM. Mr. Chairman, I want to respond to the gentleman from Connecticut (Mr. SHAYS), who brought up the farm bill.

I want to remind my colleagues that we passed the farm bill within the budget that was set by the majority party. I am often reminded, particularly with my Texas colleague just speaking, of the words of Will Rogers when he said, It ain't people's ignorance that bothers me so much; it's them knowing so much that ain't so is the problem.

Members talk about what the Committee on Agriculture was instructed to do under the budget: 1 percent. We have a 7 percent cut from that bloated agricultural budget this year because it is working. We are not spending $5 billion that we would have spent had we not changed the policy that a two-thirds majority on both sides of the aisle voted for.

I want to make it clear to my colleagues, if you pass the Republican budget, you are going to reopen that farm bill, which the gentleman from Connecticut honestly wants to do, and I think probably my friend from Texas wants to do, reopen the farm bill, go back in and take another chunk of cuts out of it; and you heard me say I will do that with a budget that goes back to balance.

But with a budget that increases the deficit as far as the eye can see, I do not see the percentage in that considering the harm we are going to do to the food production factories of this country, the family farms around this country. Where are we going to cut? Where are you going to tell us to cut? Are we going to cut out of crop insurance, or cut out of conservation, like we did last year, as the appropriators were instructed to find $647 billion in cuts? This year it will be that $647 billion plus another $1.1 billion.

Are you going to cut the Farm Service Agency, agricultural research, Cooperative State Research, Education Extension Service, animal plants? Are you going to get into the farm bill, into the dairy direct payments?

It is easy to stand up here and make these speeches, but when you have a budget that continues to borrow at the rate you are borrowing and stand here and say I am doing something, and then you have the guts to stand up and say to the Committee on Agriculture, you are the ones causing the problem, well, one-third of that side of the aisle and one-third of this side of the aisle agree on that, but two-thirds said, no, we have a food policy that is working for us.

It is not a free shot. We are playing with real bullets now. This deficit is

not anybody's imagination. When we propose the cuts, as you propose in your budget, and you propose to continuing borrowing at the rate you are doing, as you propose to increase the debt ceiling to over $8 trillion so we can continue to borrow and spend, which, as the gentleman from Kansas reminded Members, the Republicans are in control. For 20-something years of my career here, it has always been the Democrats' fault; but today the Republican Party is in charge, and if you want to pass the budget and enforce that budget and continue to borrow and spend, be my guest, but not with my vote.

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

I would like to read a quote of the gentleman from Texas (Mr. STENHOLM). He said, ''I promise on this floor and again tonight, I will to the best of my ability and knowledge not vote for one penny more spending than President Bush asked us to spend, period. But let us stop blaming spending unless my colleagues are willing to control spending, and that means all spending. We cannot just pick out that which we like because in the economy it is all spending.''

□ 1715

My only point to my colleague is, he is against deficits but he finds ways to spend more on the farm bill. And I understand it; he is sensitive to the farmer.

I just want to make the point that I understand where my colleague is coming from. We all have programs we like, but when we had the farm bill, which we are not opening up, I had a problem as an easterner because I knew it was breaking the budget. But it was a program he liked and he had passion for it, and I understand it. That is the problem with this place. We all have the programs we like.

Mr. Chairman, I yield 30 seconds to the gentleman from Florida (Mr. MARIO DIAZ-BALART).

Mr. MARIO DIAZ-BALART of Florida. Mr. Chairman, there is a huge difference. It is true that we are in control, but the difference is that when the Republicans bring up ways to cut waste, fraud and abuse, leaders of your party say that that is irresponsible.

I mentioned that quote a little while ago. The difference is that when we see waste, fraud and abuse, we try eliminate it, we try to cut it. That is what this budget does.

The difference is that when you see waste, fraud and abuse, you want to stack on top, you want to pile on, and you want to increase taxes on every single hardworking American. That is the difference.

Mr. MOORE. Mr. Chairman, I yield 3½ minutes to the gentleman from Tennessee (Mr. TANNER).

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

Mr. Chairman, I want to talk about something that is very unpleasant here, and that is what is going on in this town. Since 2001, when the Republicans have had everything, I want the young people particularly to listen to me, this country has borrowed over $1.2 trillion. With the budget that is presented today, they are going to borrow another $1 trillion in the next 5 years.

Two trillion dollars at 5 percent interest is $100 billion a year every year in increased taxes just to pay the interest on what they have done in the last 3 years. This administration and this Congress are raising taxes on the American people more than has ever been done in history under the guise of cutting taxes, because they are not telling you part two, and that is the interest that you and I are going to have to pay beginning tomorrow for all of this borrowing that they are doing.

I wish that was as bad as it was, but it is worse. Since 2001, foreigners, people who do not share the view of the world, of the United States, have increased their holdings of our debt from about 33 percent to 37 percent.

Let me say that again. Over 4 percent of $4 trillion hard debt has been financed by foreigners. What does this mean? It means that we are not only writing checks to interest, the most wasteful spending imaginable because we get nothing for it, but 37 percent of the interest checks we are writing are going to foreigners who may not have our view of the world.

My grandfather told me one time that it is easier to foreclose one's house than it is to shoot your way into the front door. This is nothing short of a national security matter.

I was speaking yesterday at lunch about some things that are going on in Asia. The Asians hold so much of our paper, over $800 billion worth of debt, and they are buying it at a rapid rate now, that I am not sure we can enforce what we may need to do in the interest of our own citizens because of the leverage that foreigners are gaining over this country.

We are going to be talking about that more and more, and this budget, if you pass it, is going to borrow another $1 trillion.

They are proud of the fact they have got a $500 billion deficit this year and they say the best we can do is to cut it in half in 5 years. The best you can do is cut that in half and that is borrowing another $1 trillion with interest at 5 percent, it is another $50 billion a year.

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

Mr. TANNER. I yield to the gentleman from Wisconsin.

Mr. KIND. Mr. Chairman, I would just like to ask my friend if he would confirm for me, it is my understanding that the largest purchaser of our government debt right now is Japan and that is followed shortly behind by China. Is it in our country's best long-term national interest to be so dependent on China to finance the national debt that is being accumulated by this great Nation?

Mr. TANNER. Last year, of the $370 billion that we borrowed, foreigners financed 70 percent of it. The Red China central bank has increased their holdings of our debt by 70 percent in the last 26 months.

Mr. SHAYS. Mr. Chairman, I yield 5½ minutes to the gentleman from New Jersey (Mr. FERGUSON).

Mr. FERGUSON. Mr. Chairman, I rise today to congratulate the gentleman from Iowa on putting together a budget that cuts taxes and cuts the deficit in half while increasing funding for our military and strengthening our homeland security.

The minority has come before this House and tried to portray this budget as inadequate. Our friends in the minority talk about alleged cuts to programs. Let me set the record straight right now. This budget does not cut funding for any program. Actually, that is only half true. What this budget does do is cut taxes and cut the tax burden on working families, on seniors and on job-creating small businesses. This budget cuts taxes for every American who pays taxes. By allowing every American to keep more of what they earn, they have more to save and spend and invest.

This budget locks in the $1,000-per-child tax credit, it protects marriage penalty relief, and it maintains the low 10 percent tax bracket. This budget also increases homeland security funding by $4.1 billion. That is on top of the tens of billions of dollars that we have spent since September 11 to strengthen our homeland security.

Specifically, homeland security funding includes the Urban Area Security Initiative. This program provides homeland security funding to cities considered to be at high risk of terrorist attack. Because of this initiative, States like New Jersey, my home State, will receive more funding for our first responders.

This budget also provides our troops at home and abroad with the resources to keep America safe. Defense spending is funded at the President's requested level of $402 billion. Building on our earlier, approved appropriations, we will continue providing key funding for our troops, including body armor for our soldiers in Iraq. This budget resolution continues the Republican commitment to fund education, increasing budget authority by $2.9 billion in fiscal year 2005. Special education funding is increased, Title I funding is increased, funding for Pell Grants is increased.

Our friends in the minority will promote a series of alternative budgets. Some of these alternatives will reflect different priorities even amongst the various Democrats themselves. But there is one issue that our friends in the minority all agree on. They speak in unison. They all want to raise our taxes.

There is more than a philosophical difference at stake here. There are real-world consequences to the Democrats' consistent and unified call for

higher taxes. America's economy is coming back, but the Democrats want to raise our taxes. Employment is growing, but the Democrats want to raise our taxes. Manufacturing production is increasing, but the Democrats want to raise our taxes. Productivity is high, but you guessed it, the Democrats want to raise our taxes. Interest rates are low, but Democrats want to raise taxes. Homeownership is at an all-time high, but you've got it, the Democrats want to raise taxes.

To each and every ailment that our economy suffers, the Democrats have one solution, they want to raise our taxes. To each and every new success that the economy achieves, the Democrats have one response, they want to raise our taxes.

Never in our history have tax increases promoted economic growth. Never in our history have tax increases created jobs for the American people. In fact, the Democrats' tax increases would stall the economic recovery and cost Americans jobs.

This really is more than a philosophical difference in economic policy. There really are real-world consequences to the Democrats' policies of wanting to tax us again and again. It is telling to me that not one of the Democrats' proposals that they have put forward reflects their own presidential nominee's budget-busting spending. They know it is a political loser. And, even more, it is even more irresponsible than some of the crazy proposals that we have heard already.

Imagine right now for a moment that the likely presidential nominee of the Democratic Party today is sitting 1 year from now in the Oval Office. Instead of just talking about raising our taxes, my friends, they will actually be doing it. They will be raising our taxes. That is why the debate on this budget matters.

Our budget cuts taxes, makes the right investments in our troops, the right investments in the war on terror, in homeland security and in job creation. While the Democrats want to take us backward with higher taxes and runaway government, the Republican plan provides the services we need at a price we can afford.

Mr. MOORE. Mr. Chairman, I yield myself 15 seconds just to respond that my friend, the last speaker, wants to cut taxes and have veterans' health care pay for it. My friend, the last speaker, wants to cut taxes and have money come out of the Social Security trust fund.

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

The CHAIRMAN pro tempore (Mr. SWEENEY). The gentleman from Wisconsin is recognized for 1½ minutes.

Mr. KIND. I thank my friend for yielding me the time.

Mr. Chairman, just to wrap up this debate, I would love to have a national referendum asking the American people what economy they would more likely adopt today, the economy of the 1990s or the current economy that this majority party and the administration have given them because, to set the record straight, it was in the first Bush administration in 1990 when, in fact, some tax increases were had on the wealthiest Americans. And then the budget that passed in 1993 by just one vote had a slight increase on the wealthiest 1 percent in this Nation. With all the doom and gloom and procrastination and the prediction of recession and great depression, it led to 28 million new jobs being created in the 1990s, 4 consecutive years of deficit reduction followed by 4 consecutive years of budget surpluses, where the Social Security and Medicare trust fund was not even being touched.

That is what is so disturbing about the vision that they offer in their budget today. It is a status quo budget based on a failed economic policy that is not working for working families in this country, and especially is not going to be working for the future of our Nation, our children and grandchildren with historically large budget deficits that are due to explode in future years.

That is the only reason they are offering a 5-year budget resolution, to mask the true size of these budget deficits that occur in the second 5 years with the permanent extension of their tax cuts; and they have no plan to turn that around.

Our party brings balance to the budget within 8 years. We believe balanced budgets are a good economic dynamic that does help job creation, and at the end of the day, that is the big difference between our plan and their plan.

Mr. SHAYS. Mr. Chairman, I yield myself 10 seconds just to point out to the gentleman, we are not cutting veterans, we are increasing it nearly $2 billion. Only in Washington when you spend $2 billion more do people still keep calling it a ''cut.''

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

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. SHIMKUS) having assumed the chair, Mr. SWEENEY, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution (H. Con. Res. 393) establishing the congressional budget for the United States Government for fiscal year 2005 and setting forth appropriate budgetary levels for fiscal years 2004 and 2006 through 2009, had come to no resolution thereon.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, proceedings will resume on motions to suspend the rules previously postponed. Votes will be taken in the following order:

House Concurrent Resolution 328, by the yeas and nays;

H.R. 3059, by the yeas and nays;

H.R. 3873, by the yeas and nays;

House Concurrent Resolution 189, by the yeas and nays.

The first electronic vote will be conducted as a 15-minute vote. Remaining electronic votes will be conducted as 5-minute votes.

□ 1730

RECOGNIZING AND HONORING UNITED STATES ARMED FORCES AND SUPPORTING NATIONAL MILITARY APPRECIATION MONTH

The SPEAKER pro tempore (Mr. SHIMKUS). The pending business is the question of suspending the rules and agreeing to the concurrent resolution, H. Con. Res. 328, as amended.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Michigan (Mrs. MILLER) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 328, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 424, nays 0, answered ''present'' 1, not voting 8, as follows:

[Roll No. 80]

YEAS—424

Abercrombie
Ackerman
Aderholt
Akin
Alexander
Allen
Andrews
Baca
Bachus
Baird
Baker
Baldwin
Ballance
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Becerra
Bell
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blackburn
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brady (TX)
Brown (OH)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Carter
Case
Castle
Chabot
Chandler
Chocola
Clay
Clyburn
Coble
Cole
Collins
Conyers
Cooper
Costello
Cox
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Doggett
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emanuel
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Feeney
Ferguson
Filner
Flake
Foley
Forbes
Ford
Fossella
Frank (MA)
Franks (AZ)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gephardt
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Gonzalez