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of America

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Vol. 149

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No. 45

## House of Representatives

The House met at 10 a.m.

The Reverend David K. Stewart, Pastor, First United Methodist Church, Wayne, Michigan, offered the following prayer:

I dedicate this prayer this morning to a dear, dear friend who went to be the with the Lord on Monday, Delynn Roehrs of Beaverton, Michigan, a powerful woman in the Lord. Let us pray.

Dear Father in Heaven, Creator of heaven and Earth, You are the Lord of history. As it says in Daniel 2, when the mystery of King Nebuchadnezzar's dream was revealed to Daniel:

"Praise be to You, God, forever and ever;

"Wisdom and power are Yours.

"You change time and season;

"You set up kings and depose them.

"You give wisdom to the wise and knowledge to the discerning.

"You reveal deep and hidden things;

"You know what lies in darkness, and light dwells with You."

Give us wisdom and power. Make known to us the wisdom we ask of You for our deliberations today. May we know and do Your will.

In conflict, may we be Your instrument of justice and not the object of Your wrath. May we make the effort to live in peace with all.

We pray for wisdom that we might practice frugality and prudence balanced with compassion and vision, that our actions today and in the future will constitute a blessed inheritance for our children and succeeding generations.

This we pray in the name of the Lord, Amen.

### THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. QUINN. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on

agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Speaker's approval of the Journal.

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

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

The SPEAKER. Pursuant to clause 8, rule XX, further proceedings on this question will be postponed.

The point of no quorum is considered withdrawn.

### PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Tennessee (Mrs. BLACKBURN) come forward and lead the House in the Pledge of Allegiance.

Mrs. BLACKBURN led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

### MESSAGE FROM THE SENATE

A message from the Senate by Mr. Monahan, one of its clerks, announced that the Senate has passed bills of the following titles in which the concurrence of the House is requested:

S. 153. An act to amend title 18, United States Code, to establish penalties for aggravated identity theft, and for other purposes.

S. 342. An act to amend the Child Abuse Prevention and Treatment Act to make improvements to and reauthorize programs under that Act, and for other purposes.

The message also announced that pursuant to Public Law 94-304, as amended by Public Law 99-7, the Chair, on behalf of the Vice President, appoints the following Senators as members of the Commission on Security and Cooperation in Europe (Helsinki)

during the One Hundred Eighth Congress—

The Senator from Kansas (Mr. BROWNBACK);

The Senator from Oregon (Mr. SMITH);

The Senator from Texas (Mrs. HUTCHISON); and

The Senator from Georgia (Mr. CHAMBLISS).

The message also announced that pursuant to Public Law 100-458, the Chair, on behalf of the Majority Leader, reappoints William E. Cresswell, of Mississippi, to the Board of Trustees of the John C. Stennis Center for Public Service Training and Development, for a six-year term, commencing on October 11, 2002.

The message also announced that pursuant to Public Law 68-541, as amended by Public Law 102-246, the Chair, on behalf of the Majority Leader, in consultation with the Democratic Leader, reappoints John W. Kluge, of New York, as a member of the Library of Congress Trust Fund Board for a term of five years.

The message also announced that pursuant to Public Law 106-286, the Chair, on behalf of the President of the Senate, and after consultation with the Majority Leader, appoints the following Members to serve on the Congressional-Executive Commission on the People's Republic of China:

The Senator from Kansas (Mr. BROWNBACK).

The Senator from Oregon (Mr. SMITH).

The Senator from Wyoming (Mrs. THOMAS).

The Senator from Kansas (Mr. ROBERTS).

The Senator from Nebraska (Mr. HAGEL), Chairman.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.



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H2133

INTRODUCING REVEREND DAVID  
K. STEWART

(Mr. BOOZMAN asked and was given permission to address the House for 1 minute.)

Mr. BOOZMAN. Mr. Speaker, I rise today to recognize our guest chaplain, Pastor Dave Stewart of Wayne, Michigan. Although Pastor Dave is not my constituent, he happens to be the father of my office manager, Liz Yeager.

Pastor Dave is an energetic man who has led a full life. Although he began his working career in public service, he decided to pursue a life in the ministry at age 34. Since then, Pastor Dave has served seven different United Methodist churches throughout Michigan. He is currently the senior pastor at First United Methodist Church of Wayne.

Pastor Dave also has a big heart. Throughout the years he and his wife Ellen, son Kirk and daughter Elizabeth have opened their home to many friends and adopted family. Pastor Dave's faith in the Lord gives him an eternal outlook that encourages him to face each day with energy and joy. This is evident in the way he loves those around him.

Mr. Speaker, it has been my sincere pleasure to have Pastor Dave open the House in prayer.

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

Mr. BOOZMAN. I yield to the gentleman from Michigan.

Mr. MCCOTTER. Mr. Speaker, I rise today to recognize our guest chaplain, Pastor Dave Stewart, who is a constituent of mine, from Wayne, Michigan, and I would just like to say he has been a tremendous asset to the community, and it has been an honor to have him here today.

ANNOUNCEMENT BY THE SPEAKER  
PRO TEMPORE

The SPEAKER pro tempore (Mr. GOODLATTE). The Chair will entertain five 1-minute requests on each side of the aisle.

DIGNITY AND RESPECT

(Mr. PITTS. asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PITTS. Mr. Speaker, with the war to disarm Saddam Hussein having begun, our thoughts and prayers are with our troops and all the people of that region, hoping that this brutal tyrant will be disarmed and removed with minimal impact on innocent civilians.

We are seeing the rise of protesters, some of them even protesting against capitalism according to their placards, and although we respect the right of protesters to peacefully protest, and we fight and die to preserve these freedoms, the freedom of speech and religion, press, assembly, as well as to pro-

test, we must remember that our freedoms were not won with poster paint. They were won by the blood of patriots, those willing to sacrifice and risk their lives to give us and preserve our freedoms.

Let us treat each other with dignity and respect even though we disagree, but let us also be grateful to our veterans and those putting their lives in harm's way for their service to our country as they fight to protect and provide freedom for us and others around the world.

HONORING DR. BURTON GRANT

(Mrs. BLACKBURN. asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BLACKBURN. Mr. Speaker, I rise today to honor Dr. Burton Grant and the Hope Clinic for Women. In March 1983, a group of concerned citizens in middle Tennessee sought to give the growing number of women who sought abortions another option to an unplanned pregnancy.

Dr. Burton Grant, a well-respected radiation oncologist, led the group in providing a compassionate and viable alternative for women facing one of the most important decisions of their lives.

Today the clinic has helped more than 19,000 women. In the past 2 years, Dr. Grant has enabled this haven of empathy and safety to become a licensed medical facility offering services such as obstetrical ultrasound and pregnancy and STD testing.

The Hope Clinic is a fully fledged alternative to the abortion clinics. Without Dr. Grant's endorsement, his integrity and his impeccable reputation, this clinic would never have reached its full potential as a beacon of hope in the middle Tennessee community.

As the Hope Clinic for Women celebrates its 20th anniversary, it is with deep appreciation that I honor Dr. Grant and his service to the Nation.

HOPE AND PRAY FOR SWIFT  
SUCCESS

(Mr. McNULTY. asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McNULTY. Mr. Speaker, today our Nation is at war. I know the pain of war. On August 9, 1970, my brother William F. McNulty, a medical corpsman, was in the fields of Quang Nam Province in Vietnam patching up his buddies when he stepped on a land mine and lost his life. My family has lived with the pain of that loss every day since then, as have the residents of our small community of Green Island, New York.

It would be my hope that no other family would have to endure that kind of pain, but that would be unrealistic. Some will. All I can do today is hope and pray for the swift success of our troops in their noble mission. May they

return home soon and safely, knowing that they have liberated the people of Iraq from a reign of terror which they have endured for more than a quarter of a century.

PRAYER FOR LASTING PEACE

(Mr. HAYWORTH. asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HAYWORTH. Mr. Speaker, I would join my colleague from New York in the heartfelt prayer that those who have been sent into harm's way will return safely and successfully following the liberation of Iraq, and, Mr. Speaker, I would make this point today as we gather in the people's House.

Honest differences and reasoned dissent are welcome, but no one in camouflage today in the deserts of Kuwait or Iraq recognize bipartisan affiliation, and to those who would come to the floor to attempt to score partisan points in the midst of conflict, I would suggest that mission is sorely mistaken.

We stand as one today, as Americans behind those in military service. We pray for their success, we pray for our Nation, and we pray that, the war is a brutal and nasty business, we hope this war will truly lend and lead to a lasting peace.

□ 1015

UNIFYING VOICE OF  
THANKSGIVING

(Mr. ANDREWS. asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ANDREWS. Mr. Speaker, I rise as one who supported very strongly the resolution to authorize the use of force in Iraq. I know many patriotic Americans vigorously disagree with that position. I hope out of that vigorous disagreement today will come the unifying voice of thanksgiving because I rise to say thank you to the young men and women, all of whom are volunteers, wearing the uniform of this country. Whether they are directly engaged in the war or not, we should thank you.

To those at home who have been left behind, who will ache with their hearts when they see the empty place at the dinner table, or the arms that cannot hold the young son or daughter, we should say thank you. And to all of the employees, civilian and otherwise, in the private sector who helped to equip, arm and train our forces, we should say thank you.

There is serious disagreement in our country as to which way to go, we all feel strongly, but let us feel even more strongly today in the unity of thanksgiving for those serving the sacrifice of our great country.

THANKING OUR SERVICE MEN AND WOMEN

(Mr. BURNS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BURNS. Mr. Speaker, I rise today to recognize the great service to our Nation being performed by our men and women in uniform. The service men and women of the Third Infantry Division from Ft. Stewart, Georgia, are among those who have been called to duty in order to promote freedom. Following the proud and valiant tradition of their predecessors who earned the names "Iron Fist" and "Rock of the Marne," these men and women are standing at the forefront of our forces deployed in the Persian Gulf region. Their mission is to return liberty to the people of Iraq and to secure freedom and safety to all those under the shadow of Saddam Hussein's weapons of mass destruction.

The Third Infantry Division is the most rapidly deployable armored division in the United States Army. The Third Infantry led the way in our efforts in Iraq 12 years ago. Today, a new group of young Americans wear the division patch and stand in the Kuwaiti sand fighting on behalf of our country.

The men and women not only drive, but and maintain and organize, the tanks, the Howitzers, and the helicopters of the Third Infantry Division representing the highest traditions of the United States Army. As a neighbor of these fine soldiers from Ft. Stewart, I am proud to offer the thanks of the American people whom they are fighting to protect.

SUPPORTING RIGHT TO ASSEMBLE AND PROTEST

(Mrs. JONES. of Ohio asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. JONES of Ohio. Mr. Speaker, yesterday I had the pleasure of leading the Pledge of Allegiance to the flag on behalf of this Congress. This morning I stand again as a strong patriot. I say on behalf of all of the people of the United States of America, to the military troops across this world who are fighting on our behalf, thank you.

I have said prayers day after day and as late as this morning on their behalf and that of their families. But as a patriot, I still think I have the ability and right to step up and say I think this war is not what we should be engaged in. I support the Presidency, I support the troops, but I also support the right to speak out, to assemble and protest.

Mr. Speaker, I say to the American public and those across the world that there are those of us who believe we should not be engaged in war; but those across the borders working on our behalf, we hold them in high esteem, and pray that they will return home safely.

CONGRATULATING INDIANA TEAMS COMPETING IN MARCH MADNESS

(Ms. CARSON. of Indiana asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. CARSON of Indiana. Mr. Speaker, I rise to congratulate the five Indiana teams competing in March Madness.

Mr. Speaker, for many, this is the best sporting day of the year, the commencement of "March Madness." I rise to congratulate the five teams from the State of Indiana; IUPUI, Butler University, Indiana University, Purdue University, and the University of Notre Dame for their advancement to compete in the NCAA Men's Basketball Championship.

As some of you may know, the NCAA Headquarters and the Hall of Champion is located in my hometown of Indianapolis. I wish to commend Myles Brand on an excellent job as the NCAA president.

The Butler Bulldogs, coached by Todd Lickliter, were winners of the Horizon League's regular-season crown, ending the season with a 25-5 record. This earned them an at-large bid to the tournament. Congratulations of Coach Lickliter and the Bulldog players for their outstanding season. I wish the Bulldogs good luck as they face the No. 5 seed of the East bracket, Mississippi State, this Friday.

Indiana University of Bloomington, IN, the runner-up of last years championship, has also advanced to the NCAA Championship. Congratulations to Coach Mike Davis and the Hoosiers, who will play the 10th seeded Alabama Crimson Tide this Friday.

I wish to extend my heartfelt congratulations to all of the Indiana schools competing in the NCAA tournament. You have made us proud!

I especially want to congratulate IUPUI and Butler University which reside in my hometown of Indianapolis.

Congratulations to Coach Ron Hunter who led the IUPUI Jaguars to a 66-64 victory over the Valparaiso Crusaders, earning an automatic bid to the tournament as champions of the Mid-Continent Conference. I would also like to congratulate the Jaguar players for their excellent performance and wish them luck as they take on the No. 1 seed of the Midwest bracket, Kentucky this Friday.

Mr. DOGGETT. Mr. Speaker, will the gentlewoman yield?

Ms. CARSON of Indiana. I yield to the gentleman from Texas.

A PRAYER FOR PEACE

Mr. DOGGETT. Mr. Speaker, today in this troubled world, many of us are moved to prayer and sober reflection. We lift up our voices for the safety of America's sons and daughters bravely executing their orders in the Persian Gulf, for the many innocent civilians who join them in harm's way, for the many patriots for peace in this country, may they express their well-justified concerns in ways that unite more Americans in our shared concern for humanity, rather than acting in ways that reinforce fear and alienation.

Our democracy is stronger when it respects the views of all people.

"I normally, and I still do, support our military and the fine work they are

doing. . . . But I cannot support a failed foreign policy." [House floor speech, April 28, 1999] Those words of the Republican Majority Leader, the gentleman from Texas (Mr. DELAY), during the Kosovo military action have never been more appropriate than today.

While many can be certain to take credit for the swift military victory that may ensue, this Administration must also accept responsibility for the cost of conflict in blood, in money, and insecurity to our families. It may take decades to undue the damage to our safety wrought by misguided policies and failed diplomacy.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. GOODLATTE). Pursuant to clause 8 of rule XX, proceedings will resume on approving the Journal and on motions to suspend the rules previously postponed.

Votes will be taken in the following order:

- On the Journal, de novo;
- H.R. 1307, by the yeas and nays; and
- H. Res. 132, 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.

THE JOURNAL

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the pending business is the question of the Speaker's approval of the Journal of the last day's proceedings.

The question is on the Speaker's approval of the Journal.

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

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

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

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 373, nays 49, answered "present" 2, not voting 10, as follows:

[Roll No. 75]  
YEAS—373

Abercrombie	Bell	Bono
Ackerman	Bereuter	Boozman
Akin	Berkley	Boswell
Alexander	Berman	Boucher
Andrews	Berry	Boyd
Baca	Biggett	Bradley (NH)
Bachus	Bilirakis	Brady (TX)
Baird	Bishop (GA)	Brown (SC)
Baker	Bishop (NY)	Brown, Corrine
Ballance	Bishop (UT)	Brown-Waite,
Ballenger	Blackburn	Ginny
Barrett (SC)	Blumenauer	Burgess
Bartlett (MD)	Blunt	Burns
Barton (TX)	Boehler	Burr
Bass	Boehner	Burton (IN)
Beauprez	Bonilla	Calvert
Becerra	Bonner	Camp

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

## NAYS—49

## ANSWERED "PRESENT"—2

## NOT VOTING—10

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE  
The SPEAKER pro tempore (Mr. GOODLATTE) (during the vote). Members are advised that 2 minutes remain on this vote.

□ 1041

Mr. TAYLOR of Mississippi changed his vote from "yea" to "nay."  
So the Journal was approved.  
The result of the vote was announced as above recorded.

## ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8, rule XX, the remainder of this series will be conducted as 5-minute votes.

## ARMED FORCES TAX FAIRNESS ACT OF 2003

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill, H.R. 1307.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. THOMAS) that the House suspend the rules and pass the bill, H.R. 1307, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 422, nays 0, not voting 12, as follows:

[Roll No. 76]

YEAS—422

Abercrombie	Andrews	Ballance
Ackerman	Baca	Barrett (SC)
Aderholt	Bachus	Bartlett (MD)
Akin	Baird	Barton (TX)
Alexander	Baker	Bass
Allen	Baldwin	Beauprez

Portman  
Price (NC)  
Pryce (OH)  
Putnam  
Quinn  
Radanovich  
Rahall  
Ramstad  
Rangel  
Regula  
Rehberg  
Renzi  
Reyes  
Reynolds  
Rodriguez  
Rogers (AL)  
Rogers (KY)  
Rogers (MI)  
Rohrabacher  
Ros-Lehtinen  
Ross  
Rothman  
Roybal-Allard  
Royce  
Ruppersberger  
Rush  
Ryan (OH)  
Ryan (WI)  
Ryan (KS)  
Sabo  
Sanchez, Linda  
T.  
Sanchez, Loretta  
Sanders  
Sandlin  
Saxton  
Schakowsky

Schiff  
Schrock  
Scott (GA)  
Scott (VA)  
Sensenbrenner  
Serrano  
Sessions  
Shadegg  
Shaw  
Shays  
Sherman  
Sherwood  
Shimkus  
Shuster  
Simmons  
Simpson  
Slaughter  
Smith (MI)  
Smith (NJ)  
Smith (TX)  
Smith (WA)  
Snyder  
Solis  
Souder  
Spratt  
Stark  
Stearns  
Stenholm  
Strickland  
Stupak  
Sullivan  
Sweeney  
Tancredo  
Tanner  
Tauscher  
Tauzin  
Taylor (MS)

Taylor (NC)  
Terry  
Thomas  
Thompson (CA)  
Thompson (MS)  
Thornberry  
Tiahrt  
Tiberi  
Tierney  
Toomey  
Turner (OH)  
Turner (TX)  
Udall (NM)  
Upton  
Van Hollen  
Velazquez  
Visclosky  
Vitter  
Walden (OR)  
Walsh  
Wamp  
Waters  
Watson  
Watt  
Waxman  
Weiner  
Weldon (FL)  
Weldon (PA)  
Weller  
Wexler  
Wicker  
Wilson (SC)  
Wolf  
Woolsey  
Wu  
Wynn  
Young (FL)

NOT VOTING—12

Ballenger  
Buyer  
DeLay  
Gephardt

Hyde  
Kleczka  
Skelton  
Towns

Udall (CO)  
Whitfield  
Wilson (NM)  
Young (AK)

The SPEAKER pro tempore (Mr. GOODLATTE) (during the vote). Members are advised they have 2 minutes remaining to vote.

□ 1051

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mrs. WILSON of New Mexico. Mr. Speaker, on rollcall No. 76, I was inadvertently detained. Had I been present, I would have voted "yea."

Mr. WHITFIELD. Mr. Speaker, on rollcall No. 76, I was unavoidably detained. Had I been present, I would have voted "yea."

Mr. KLECZKA. Mr. Speaker, on rollcall No. 76, I wish to be recorded as voting "yea." Had I been present, I would have voted "yea."

Mr. SKELTON. Mr. Speaker, on rollcall No. 76, I was unavoidably detained outside the House Chamber and was unable to cast a vote in favor of H.R. 1307, the Armed Forces Tax Fairness Act. Had I been present, I would have voted "yea."

SENSE OF HOUSE THAT NEWDOW V. UNITED STATES CONGRESS IS INCONSISTENT WITH THE SUPREME COURT'S INTERPRETATION OF THE FIRST AMENDMENT AND SHOULD BE OVERTURNED

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and agreeing to the resolution, H. Res. 132.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wisconsin (Mr. SENSENBRENNER) that the House suspend the rules and agree to the resolution, H. Res. 132, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 400, nays 7, answered "present" 15, not voting 12, as follows:

[Roll No. 77]  
YEAS—400

Abercrombie  
Aderholt  
Akin  
Alexander  
Allen  
Andrews  
Baca  
Bachus  
Baird  
Baker  
Baldwin  
Ballenger  
Barrett (SC)  
Bartlett (MD)  
Barton (TX)  
Bass  
Beauprez  
Becerra  
Boyle  
Bereuter  
Berkley  
Berry  
Biggart  
Bilirakis  
Bishop (GA)  
Bishop (NY)  
Bishop (UT)  
Blackburn  
Blunt  
Boehlert  
Boehner  
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)  
Calvert  
Camp  
Cannon  
Cantor  
Capito  
Capps  
Cardin  
Cardoza  
Carson (IN)  
Carson (OK)  
Carter  
Case  
Castle  
Chabot  
Chocola  
Clay  
Clyburn  
Coble  
Cole  
Combest  
Cooper  
Costello  
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  
DeLauro  
DeMint  
Deutsch  
Diaz-Balart, L.  
Diaz-Balart, M.  
Dicks  
Dingell  
Doggett  
Dooley (CA)  
Doolittle  
Doyle  
Duncan  
Dunn  
Edwards  
Ehlers  
Emanuel  
Emerson  
Engel  
English  
Eshoo  
Etheridge  
Evans  
Everett  
Farr  
Fattah  
Feeney  
Ferguson  
Filner  
Flake  
Fletcher  
Foley  
Forbes  
Ford  
Fossella  
Franks (AZ)  
Frelinghuysen  
Frost  
Gallegly  
Garrett (NJ)  
Garner  
Gibbons  
Gilchrest  
Gillmor  
Gingrey  
Gonzalez  
Goode  
Goodlatte  
Gordon  
Goss  
Granger  
Graves  
Green (TX)  
Green (WI)  
Greenwood  
Crijalva  
Gutierrez  
Gutknecht  
Hall  
Harman  
Harris  
Hart  
Hastings (FL)  
Hastings (WA)  
Hayes  
Hayworth  
Hefley  
Hensarling  
Hill  
Hinojosa  
Hobson  
Hoeffel  
Hoekstra  
Holden

Holt  
Hooley (OR)  
Hostettler  
Houghton  
Hoyer  
Hulshof  
Hunter  
Inslee  
Isakson  
Israel  
Issa  
Istook  
Jackson (IL)  
Jackson-Lee  
(TX)  
Janklow  
Jefferson  
Jenkins  
John  
Johnson (CT)  
Johnson (IL)  
Johnson, E. B.  
Johnson, Sam  
Jones (NC)  
Jones (OH)  
Kanjorski  
Kaptur  
Keller  
Kelly  
Kennedy (MN)  
Kennedy (RI)  
Kildee  
Kilpatrick  
Kind  
King (IA)  
King (NY)  
Kingston  
Kirk  
Kleczka  
Kline  
Knollenberg  
Kolbe  
Kucinich  
LaHood  
Lampson  
Langevin  
Lantos  
Larsen (WA)  
Larson (CT)  
Latham  
LaTourette  
Leach  
Lee  
Levin  
Lewis (CA)  
Lewis (GA)  
Lewis (KY)  
Linder  
Lipinski  
LoBiondo  
Lowey  
Lucas (KY)  
Lucas (OK)  
Lynch  
Majette  
Maloney  
Manzullo  
Markey  
Marshall  
Matheson  
Matsui  
McCarthy (MO)  
McCarthy (NY)  
McCollum  
McCotter  
McCrery  
McGovern  
McHugh  
McInnis  
McIntyre  
McKeon

McNulty  
Meehan  
Meek (FL)  
Meeks (NY)  
Menendez  
Mica  
Michaud  
Millender-  
McDonald  
Miller (FL)  
Miller (MI)  
Miller (NC)  
Miller, Gary  
Mollohan  
Moore  
Moran (KS)  
Moran (VA)  
Murphy  
Murtha  
Musgrave  
Myrick  
Napolitano  
Neal (MA)  
Nethercutt  
Ney  
Northup  
Norwood  
Nunes  
Nussle  
Oberstar  
Obey  
Ortiz  
Osborne  
Ose  
Otter  
Owens  
Oxley  
Pallone  
Pascrell  
Pastor  
Paul  
Pearce  
Pelosi  
Pence  
Engel  
Peterson (MN)  
Peterson (PA)  
Petri  
Pickering  
Pitts  
Platts  
Pombo  
Pomeroy  
Porter  
Portman

Price (NC)  
Pryce (OH)  
Putnam  
Quinn  
Radanovich  
Rahall  
Ramstad  
Rangel  
Regula  
Rehberg  
Reyes  
Reynolds  
Rodriguez  
Rogers (AL)  
Rogers (KY)  
Rogers (MI)  
Rohrabacher  
Ros-Lehtinen  
Ross  
Rothman  
Roybal-Allard  
Royce  
Ruppersberger  
Rush  
Ryan (OH)  
Ryan (WI)  
Ryun (KS)  
Sabo  
Sanchez, Loretta  
Sanders  
Sandlin  
Saxton  
Snyder

Solis  
Souder  
Spratt  
Stearns  
Stenholm  
Strickland  
Stupak  
Sullivan  
Sweeney  
Tancredo  
Tanner  
Tauscher  
Tauzin  
Taylor (MS)  
Taylor (NC)  
Terry  
Thomas  
Thompson (CA)  
Thompson (MS)  
Thornberry  
Tiahrt  
Tiberi  
Tierney  
Toomey  
Towns  
Turner (OH)  
Turner (TX)  
Udall (NM)  
Upton  
Van Hollen  
Velazquez  
Visclosky  
Vitter  
Schrock  
Scott (GA)  
Sensenbrenner  
Serrano  
Sessions  
Shadegg  
Shaw  
Shays  
Sherman  
Sherwood  
Shimkus  
Shuster  
Simmons  
Simpson  
Skelton  
Slaughter  
Smith (MI)  
Smith (NJ)  
Smith (TX)  
Smith (WA)  
Snyder

NAYS—7

Ackerman  
Frank (MA)  
Honda

McDermott  
Nadler  
Scott (VA)

Stark

ANSWERED "PRESENT"—15

Ballance  
Berman  
Blumenauer  
Capuano  
Conyers  
Delahunt

Hinchey  
Lofgren  
Miller, George  
Olver  
Payne

Sanchez, Linda  
T.  
Schakowsky  
Waters  
Watt

NOT VOTING—12

Bonilla  
Buyer  
Collins  
Cox

DeLay  
Dreier  
Gephardt  
Herger

Hyde  
Renzi  
Udall (CO)  
Young (AK)

The SPEAKER pro tempore (during the vote). Members are advised that there are 2 minutes remaining to vote.

□ 1059

Ms. SCHAKOWSKY changed her vote from "yea" to "present."

Ms. MCCARTHY of Missouri changed her vote from "present" to "yea."

Mr. ACKERMAN changed his vote from "present" to "nay."

So (two-thirds having voted in favor thereof) the rules were suspended and the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

□ 1100

## RECESS

The SPEAKER pro tempore (Mr. GOODLATTE). Pursuant to clause 12(a) of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 11 a.m.), the House stood in recess subject to the call of the Chair.

□ 1230

## AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. GILLMOR) at 12 o'clock and 30 minutes p.m.

PROVIDING FOR CONSIDERATION OF H. CON. RES. 95, CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2004

Mr. HASTINGS of Washington. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 151 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 151

*Resolved*, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the concurrent resolution (H. Con. Res. 95) establishing the congressional budget for the United States Government for fiscal year 2004 and setting forth appropriate budgetary levels for fiscal years 2003 and 2005 through 2013. The first reading of the concurrent resolution shall be dispensed with. All points of order against consideration of the concurrent resolution are waived. General debate shall not exceed three hours, with two hours of general debate confined to the congressional budget equally divided and controlled by the chairman and ranking minority member of the Committee on the Budget, and one hour of general debate on the subject of economic goals and policies equally divided and controlled by Representative Saxton of New Jersey and Representative Stark of California or their designees. After general debate the concurrent resolution shall be considered for amendment under the five-minute rule. The amendment in the nature of a substitute specified in part A of the report of the Committee on Rules accompanying this resolution shall be considered as adopted in the House and in the Committee of the Whole. The concurrent resolution, as amended, shall be considered as read. No further amendment shall be in order except those printed in part B of the report of the Committee on Rules. Each amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for one hour equally divided and controlled by the proponent and an opponent, and shall not be subject to amendment. All points of order against the amendments printed in the report are waived except that the adoption of a further amendment in the nature of a substitute shall constitute the conclusion of consideration of the concurrent resolution for amendment. After the

conclusion of consideration of the concurrent resolution for further amendment, and a final period of general debate, which shall not exceed 20 minutes equally divided and controlled by the chairman and ranking minority member of the Committee on the Budget, the Committee shall rise and report the concurrent resolution, as amended, to the House with such further amendment as may have been adopted. The previous question shall be considered as ordered on the concurrent resolution and amendments thereto to final adoption without intervening motion except amendments offered by the chairman of the Committee on the Budget pursuant to section 305(a)(5) of the Congressional Budget Act of 1974 to achieve mathematical consistency. The concurrent resolution shall not be subject to a demand for division of the question of its adoption.

The SPEAKER pro tempore. The gentleman from Washington (Mr. HASTINGS) is recognized for 1 hour.

(Mr. HASTINGS of Washington asked and was given permission to revise and extend his remarks.)

Mr. HASTINGS of Washington. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Texas (Mr. FROST), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, House Resolution 151 is a structured rule providing 3 hours of general debate with 2 hours equally divided and controlled by the chairman and ranking member of the Committee on the Budget, and 1 hour on economic goals and policies equally divided and controlled by the gentleman from New Jersey (Mr. SAXTON) and the gentleman from California (Mr. STARK).

The rule waives all points of order against consideration of the concurrent resolution. It further provides that the amendment in the nature of a substitute specified in Part A of the Committee on Rules report accompanying the resolution shall be considered as adopted in the House and in the Committee of the Whole.

The rule makes in order only those amendments printed in Part B of the Committee on Rules report which may be offered only in the order printed in the report. Said amendments may be offered only by a Member designated in the report, shall be considered read, shall be debatable for 1 hour equally divided and controlled by an opponent and a proponent, and shall not be subject to amendment.

The rule waives all points of order against the amendments printed in the report, except that the adoption of a further amendment in the nature of a substitute shall constitute the conclusion of consideration of the concurrent resolution for amendment.

Resolution 151 also provides, upon the conclusion of consideration of the concurrent resolution for amendment, for a final period of general debate not to exceed 20 minutes equally divided and controlled by the chairman and ranking minority member of the Committee on the Budget.

Finally, the rule permits the chairman of the Committee on the Budget to offer amendments in the House to achieve mathematical consistency and provides that the concurrent resolution shall not be subject to a demand for a division of the question of its adoption.

Mr. Speaker, as the House takes up the proposed Federal budget for fiscal year 2004, it does so with two overriding objectives in mind: to successfully complete the war we have just begun in Iraq, and to revitalize our Nation's economy today while building a firm foundation for long-term economic growth.

The budget resolution passed by the Committee on the Budget reflects these realities and does so in a time of extraordinary fiscal strain. The members of the Committee on the Budget are to be commended for completing their work in a timely manner.

This budget resolution, of course, is only the first step in the long process by which Congress sets the Nation's spending and revenue policies. Much hard work remains to be done by the various committees of jurisdiction, and the Committee on the Budget has, in large measure, left those committees the flexibility to make decisions on specific programs and priorities.

Mr. Speaker, make no mistake about it, the challenges before us in this area are great, and we are not alone. State and local governments all across the country are struggling to tighten their belts, and we must do the same thing here in Washington, D.C. Hard choices are inevitable, and no Member is likely to get everything he or she would like to see in this budget resolution, but we must act, and we must act now. All of us learned a painful lesson this last year about the consequences of allowing the budget process to break down.

Mr. Speaker, House Concurrent Resolution 95 provides for a Federal budget of \$2.22 trillion, an increase of 2.9 percent or \$62 billion over the current fiscal year. It puts the Nation back on a path to a balanced budget, which would be achieved by the year 2012, 9 years from now, with the projected budget surplus of \$21 billion that year.

Although there will be ample time during general debate to highlight key provisions of the resolution, I am particularly pleased to advise my colleagues that the proposed manager's amendment to the resolution reinstates the reserve fund for Medicare, which puts, in essence, a fence around the \$400 billion to fund Medicare modernization and prescription drug coverage for older Americans.

In closing, Mr. Speaker, let me remind Members that the budget resolution is only a blueprint in the broadest sense. The details will take shape in coming months, but the sooner we can complete this blueprint and move on to the hard work of enacting its various components, the better off we will be. Neither the war in Iraq nor the urgent work of economic recovery can afford to be hindered simply because the

budget resolution is not perfect in the eyes of every Member of Congress.

Accordingly, Mr. Speaker, I urge my colleagues to support both the rule and the underlying concurrent resolution on the budget.

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

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

Mr. Speaker, there is something in politics called having a tin ear. That means being totally oblivious to everything around you.

Right now we have troops in the field, a war has begun, and we should be doing everything we can to speak with one voice and achieve national unity. Yet the Republican leadership insists at this moment in bringing to the floor one of the most partisan, divisive issues of the entire year. I question their judgment and their timing. I would hope that we would move fairly quickly today to a resolution supporting our troops in the field. Unfortunately, our Republican friends prefer to have on the floor a matter of high partisanship which will divide this Congress.

Like all of my colleagues, Republicans as well as Democrats, and like the American people themselves, I fully support our troops. I hope and pray that they will accomplish their mission as quickly and safely as possible.

For that reason, Mr. Speaker, I have argued that we should not be considering this bill today. Republicans have offered a budget that is as partisan as it is divisive, as dishonest as it is dangerous to the country, and, at a time like this, when the United States Congress should be demonstrating its unity to the world, I fear that bringing it to the floor guarantees a divisive debate.

But that is what Republican leaders have done today. And unfortunately, there is no minimizing the differences between the Democratic and Republican budgets. The Democratic budget alternatives offered by the Committee on the Budget ranking member, the gentleman from South Carolina (Mr. SPRATT), is a responsible plan to strengthen national security and restore economic growth and fiscal responsibility. It tightens Federal spending and balances the budget using honest accounting, but it still meets priorities like defense, education, and health care, and it does more for homeland security than the Republican budget does.

There are two other budget alternatives offered by groups of Democrats: the Blue Dogs on one hand, and the Congressional Black Caucus and Progressive Caucus on the other. They are worthwhile, and I am glad that they are in order under this rule.

The Republican budget stands in stark contrast, Mr. Speaker. The Republican budget is intellectually dishonest, morally indefensible, and just plain bad for our economy and our Na-

tion. It explodes the deficit and raises the death tax on all Americans. It shortchanges homeland security to pay for tax breaks for millionaires, and it proves once again just how out of touch House Republicans truly are.

At a time which this Nation must come together, Republicans offer a budget that will pull us apart. Simply put, the Republican budget separates Americans into two categories: winners and losers. The winners are the wealthiest few who get hundreds of billions of dollars in tax breaks; the losers are everyone else, the people who have to sacrifice to pay for those tax breaks for the wealthiest few.

To paraphrase Winston Churchill, never have so many been asked to sacrifice for so few.

Mr. Speaker, the Republican budget skimps on homeland security. It slashes priorities like education and health care. It shortchanges veterans and farmers, and it still explodes the deficits. That is because the Republican budget is a shameless work of fiction. It calls for draconian cuts, cuts in priorities like veterans' benefits, student loans, and law enforcement, and still gives massive tax breaks to the wealthiest. But it requires the tax breaks to be enacted by April 11 and gives Republicans until July 11 to make the spending cuts.

Mr. Speaker, when you get your desert before you eat your spinach, you never eat your spinach. Any American parent can tell us that, and so can anyone else who has watched the Republican budget charade drive up the deficit over the past few years. As the gentleman from Texas (Mr. STENHOLM), the foremost proponent of fiscal responsibility in this House, told us yesterday in the Committee on Rules, the tax cuts will be enacted, and the spending cuts will be abandoned, and the deficit will continue to explode.

Why are Republicans foisting this dangerous budget on America and on our economy? Mr. Speaker, for one simple reason: because they stubbornly insist on giving massive tax breaks to the wealthiest few.

They say that to govern is to choose. Well, take a look at the consequences of the choices Republicans have made in this budget. American troops are at war, but Republicans chose to shortchange the veterans who defended this Nation in past years and to give tax breaks to millionaires. That is why the Veterans of Foreign Wars opposes the Republican budget. Republicans chose to slash education, and to give tax breaks to millionaires. They chose to cut health care for children and seniors on Medicaid, and to give tax breaks to millionaires.

□ 1245

They chose to cut assistance to farmers and to give tax breaks to millionaires. That is why the conservative Farm Bureau opposes the Republican budget. Republicans are even shortchanging homeland security; and once

again, they are making sure millionaires get all the tax breaks they want.

Mr. Speaker, despite all these cruel cuts, cuts that touch almost all Americans and their families, this Republican budget still explodes the deficit. All the budget gimmicks and phony accounting in the world, what President Bush once called fuzzy math, cannot hide that truth.

All in all, the Republicans are proposing an economic horror show at a time when Americans are still suffering from the latest Republican recession. Since President Bush took office, 2.5 million Americans have lost their jobs in the private sector, the surplus has gone, and last year's deficit was \$317 billion.

But Republicans refuse to face that fact, so they propose a budget that would actually harm the economy by driving the Nation deeper into debt, raising the debt tax on all Americans and their children, and increasing families' mortgage payments and credit card bills.

Moreover, this Republican budget does not account for how we are going to pay for a war with Iraq that has begun. So yesterday in the Committee on Rules the gentleman from Missouri (Mr. SKELTON), the top Democrat on the Committee on Armed Services, offered an amendment to set aside \$20 billion in a contingency fund to begin paying for the war. But Republican leaders refused to allow the House to vote on it.

Mr. Speaker, from veterans and farmers to students and seniors, this budget asks almost everyone in America to sacrifice. Everyone, that is, but the millionaires who get the big tax breaks. That is not just wrong; it is fiscally irresponsible. It is bad for the economy, and it is bad for America.

Mr. Speaker, as I said at the beginning, we are one country and we are one Congress, especially when our troops are risking their lives abroad to protect us here at home. I am very disappointed that the Republican budget fails to demonstrate that.

I urge my colleagues to reject the Republican budget and vote for the Democratic alternative offered by the gentleman from South Carolina (Mr. SPRATT), and join Democrats in restoring fiscal responsibility and protecting the economy against more of the same failed Republican economic policies.

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

Mr. HASTINGS of Washington. Mr. Speaker, I am pleased to yield 5 minutes to the gentleman from Georgia (Mr. LINDER), a member of the Committee on Rules.

Mr. LINDER. Mr. Speaker, I rise in support of this rule. I urge all of my colleagues on both sides of the aisle to join me in supporting House Resolution 151, which provides for the consideration of the fiscal year 2004 budget resolution.

H. Res. 151 is a conventional rule for consideration of the annual budget resolution, and it provides for the consideration of four amendments in the nature of a substitute, including the so-called Blue Dog budget, the Progressive and Black Caucus budget, the Republican Study Committee's budget, and the minority leader's budget.

I want to commend my friend and colleague, the chairman of the Committee on the Budget, the gentleman from Iowa (Mr. NUSSLE), for crafting a budget that understands that we have an obligation to, first and foremost, fund our Armed Forces and protect the people of the United States; second, strengthen the American economy; and, third, maintain our commitment to priorities such as education, health care, welfare reform, while ensuring long-term fiscal responsibility.

To protect the United States, our budget must fund both homeland security and national defense priorities. Since World War II, the United States has been the world leader in freedom and democracy. As this leader, we have the responsibility of defending these principles throughout the world.

Our commitment, however, is sustained through the perseverance and strength of our Nation's military. Without the efforts of these heroes, our Nation could not possibly be the bastion of freedom and democracy it is today. We cannot possibly expect these individuals and our Nation to continue to bear this responsibility without providing the absolute best possible equipment for the task at hand. This budget provides that funding. It allocates funding for the Department of Defense to continue the mission to eliminate terrorism across the world, increases military personnel pay for our Armed Forces, and targets funding to ensure the deployment of our national ballistic missile defense.

In terms of homeland security, I am pleased that our budget provides \$890 million in funding for Project Bioshield to secure vaccines against bioterrorism attacks, \$3.35 billion for first responder training and equipment, and billions more to improve security and assess future threats to our Nation's airports, nuclear power plants, water facilities, and telecommunications networks.

Second, it is clear that our economy remains sluggish and that our budget must stimulate growth and get our fellow Americans back to work. To achieve this, our budget includes President Bush's jobs and economic growth plan, including an accelerated reduction in the marriage penalty, an increase in the child tax credit, and an overall acceleration of all tax rate cuts.

I always welcome this debate because it will speak volumes about the differing opinions on the role of the Federal Government in the lives of the American people. We continue to believe that individuals make much better choices with their money than the government can. At this time, not only

am I certain that the American people will make better choices with their money, but that returning it to them will also help promote investment and increase consumer spending, which will in turn enhance our economy.

In its entirety, our budget is a commonsense plan to provide security for the American people by funding domestic and international security, invigorating the American economy, returning funds to the American people, strengthening Social Security, and reaffirming our recent successful welfare reforms.

Mr. Speaker, this is a fair rule. I urge my colleagues to support the rule so we may begin the debate on the multiple budget options before the House today.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentlewoman from Oregon (Ms. HOOLEY).

Ms. HOOLEY of Oregon. Mr. Speaker, I thank my colleague for yielding time to me.

Mr. Speaker, this is a time that budgets should reflect our Nation's priorities. This irresponsible budget fails to do that and certainly fails to reflect the priorities of my district. This budget is opposed by the Farm Bureau and by many veterans groups. Why? Because it cuts money to both farmers and veterans. Why does it make those cuts? In order to give tax cuts to people that make over \$300,000 a year.

I do not have any problem with people making over \$300,000 a year. The problem is, we are running a huge deficit. This is not the time to make those kinds of tax cuts. This budget fails our children. Not only does it pass on an incredible amount of debt to future generations; it fails to invest in our future through education. Why does it do this? To give tax cuts to the wealthiest.

This is a bad rule which fails to make in order simple amendments designed to improve it. During committee, I attempted to get more money in for our veterans. This is not the time to cut their health care; this is not the time to cut their compensation.

I also went to the Committee on Rules and I said, we need to address a couple of issues in this budget. Actually, we need to address a lot of them, but I addressed one: homeland security. This is not the time to be chintzy about homeland security; this is a time to make sure our communities and our States have the money they need to secure our future.

I said, this budget needs to provide for IDEA. This is a promise we made 28 years ago to our schools. This budget does not do that. Why does it not do that? Because it wanted to give money to the wealthiest.

The Republican budget is irresponsible. Please vote for the Democratic budget, and I urge my colleagues to defeat the rule.

Mr. HASTINGS of Washington. Mr. Speaker, I am happy to yield 3 minutes to the gentleman from Mississippi (Mr. WICKER), a member of the Committee on the Budget.

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

Mr. Speaker, indeed, I am a member of the Budget Committee. It is my first year on this committee and my ninth year on the Appropriations Committee. Certainly I am pleased with the progress that we have made during my 8 years of service in the Congress in terms of what we have been able to do on the budget.

In 1995, a Democrat President came before this Congress and proposed deficits as far as the eye could see: the first decade, deficits of \$200 billion a year; then \$300 billion a year every year after that. We Republicans said that we could do it differently. We said we could make the tough choices, and we enacted a budget resolution in 1995 to say that we would balance the budget in 7 years.

We had a little good luck with the economy, I think in large part because of our tax cuts that we gave to the American people, and we were able to balance the budget in half that time. Now, this day, in 2003, we are facing deficits.

So what happened between those successful days of surpluses and the budget deficit that we are facing right now? The main thing that happened to our budget to put us back into deficits is, frankly, the terrorist attack of 9-11, 2001. That one event, Mr. Speaker, cost us \$80 billion in additional expenditures in one fiscal year alone, and an additional \$200 billion, approximately, in lost revenue. So it is no wonder that that hit to our economy has cost us the surplus, and that we are back into deficits.

Of course, we are experiencing a recession now, and we have to address that, also. It has been another part of this deficit.

But this debate today, as provided for under the rule, Mr. Speaker, will be very instructive. I just want to point out to my colleagues, Mr. Speaker, that everyone today will want to come down to the floor and decry deficit spending. We will not hear one single Member of this House of Representatives come to the floor today and advocate deficits or say they like deficits.

The big difference in the debate, as provided for under this rule, is how we propose to tackle the problem. Today—this budget debate—is one of the best opportunities to see the differences between the two political parties on this issue. My friend, the gentleman from Georgia who spoke just a few moments ago, is exactly correct on this. It is very instructive because it represents two very different philosophies of spending.

With all due respect, my Democrat friends will present proposals today that say they want to attack the deficit problem by enacting higher taxes and higher spending. I say that with all due respect. It is their political philosophy and it is simply a fact.

On the other hand, the House Republican budget that I support today, presents a plan to balance the Federal

budget in 9 years. How do we do that? We do that the way we always try to do it, by keeping the pressure on to hold down Federal expenditures and the rate of growth of Federal spending, and by boosting the economy by reducing the tax burden on hardworking Americans.

Some people have said that our budget is too austere, that it does not spend enough money. We will have that debate today. But I would like for my colleagues, Mr. Speaker, to look at this chart about where spending has been under the 8 years of Republican majorities and where it will go under the budget resolution. This spending trend of non-Social Security mandatory outlays in billions of dollars shows that this very austere budget will still amount to quite an increase in Federal expenditures.

Mr. Speaker, let's not let anyone tell us that we are actually cutting Federal spending in anything we do today. The question is simply, What is the rate of growth and who will grow it at a larger rate? Our budget grows the total Federal budget at a rate of 3.1 percent for next year. I say, Mr. Speaker, that is an adequate figure, considering the fact that we are going to have to spend more money on national defense and that we are in a recession and we need to give the American taxpayer more of their money back in the form of tax cuts to stimulate the economy.

Mr. Speaker, I congratulate my chairman, the gentleman from Iowa (Chairman NUSSLE), on this budget. I thank him for working with me as a new member of the Committee, and certainly I intend to support this budget resolution. I ask each of my colleagues to join in a "yes" vote on the rule and also on the Republican budget proposal.

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

Mr. Speaker, the preceding speaker asked what were the differences between the surpluses piled up during the second half of the Clinton Presidency and the deficits piled up during the first 2 years of the Bush Presidency.

True, there was a terrible attack on our country, and we have had to pay quite a bit because of the consequences of that. But I would suggest that the \$1 trillion tax cut forced through by the new administration is the main reason why we face the deficits we have today. The \$1 trillion, which primarily benefited the wealthy, forced through by the new administration, is the primary reason why we have the large deficits we have today, rather than the surpluses enjoyed during the Clinton Presidency.

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

□ 1300

Mr. EDWARDS. Mr. Speaker, I am saddened and deeply disappointed that this divisive, partisan budget bill is being brought up on a day when we Americans should be coming together to show support for our soldiers and

troops, servicemen and women in Iraq. Young Americans are fighting for our country even as we speak. They are in harm's way and deserve our full attention and support today.

Instead the Republican House leadership has us debating a partisan bill that cuts taxes for the wealthiest Americans who sit safely here at home and astonishingly pays for those tax cuts by cutting benefits to war-wounded veterans.

To do so at any time would be wrong. To do so during the first 4 hours of our war in Iraq is shameful. Is the altar of dividend tax cuts so sacred to our House Republican leadership that it is even willing to cut veterans' benefits by over \$28 billion on the day our future veterans are risking their lives for our country?

Tax cuts for the wealthy, paid for by benefit cuts to veterans, is this the new Republican model for the long time-honored American tradition of shared sacrifice in time of war?

Mr. Speaker, I hope my colleagues will pay attention to the words of the national commander of the Disabled American Veterans, the honored and distinguished Edward R. Heath, Senior. This is what he said just 3 days ago in his letter to the gentleman from Illinois (Mr. HASTERT), the Speaker of the House.

"Has Congress no shame? Is there no honor left in the hallowed halls of our government, that you choose to dishonor the sacrifices of our Nation's heroes and rob our programs, health care and disability compensation to pay for tax cuts for the wealthy?"

Mr. Heath also went on to say that, Mr. Speaker, this budget dishonors the service of millions of service-connected disabled veterans, including combat-disabled veterans, and seriously erodes the Nation's commitment to care for its defenders.

"I urge you," Commander Heath said to the Speaker, "to reconsider the inequitable and ill-advised course proposed in the committee's partisan budget proposal."

I believe, Mr. Speaker, the sentiments expressed by the national commander of the Disabled American Veterans reflects the values of Americans everywhere.

I understand that in this budget last night or so they made a fig leaf change so that now they are only cutting veterans' benefits by \$28 billion rather than \$30 billion. I think Mr. Heath and our veterans all across this land of ours will recognize that as nothing but a political fig leaf, and that fig leaf will not work.

We ought to be supporting our veterans and servicemen and women today, not cutting their benefits in a divisive debate.

Mr. HASTINGS of Washington. Mr. Speaker, I yield myself 30 seconds to just briefly respond to the gentleman that just spoke.

In the manager's amendment that we will adopt, when we adopt the rule in

discretionary spending for veterans, we provide a 6.1 percent increase, which has doubled, as my friend from Mississippi said, the overall budget. The mandatory spending in the manager's amendment that we will adopt, that calls for a spending increase of 7.5 percent for our veterans. So we respond to the needs of those that have made our country as free as it is.

Mr. Speaker, I am pleased to yield 2½ minutes to the gentleman from Michigan (Mr. SMITH).

Mr. SMITH of Michigan. Mr. Speaker, I suspect that every budget proposal is somewhat partisan, but I hope we would try so that it would not be that.

I congratulate the gentleman from South Carolina (Mr. SPRATT). I think we are moving in the right direction. First let me just briefly, Mr. Speaker, represent what we have done in terms of veterans' benefits.

Spending has grown 51.7 percent since our first budget in the majority for an average growth of 6.1 percent each year. That is almost three times the rate of inflation representing the dedication, hopefully of both parties, to take care of our veterans.

Let me now talk about the important issue of what we have been doing on spending. As my colleagues can see by this chart, discretionary spending increases have averaged 6.3 percent each year since 1996 and 7.7 percent each year in increased spending since 1998. So we should be concerned with the dramatic growth in spending.

What has this done to the total debt of this country? We are looking at the total debt of this country going to \$10 trillion in the next 10 years. The question, Mr. Speaker, is how do we control the debt? Do we increase taxes to control the debt we are leaving to our kids and our grandkids, or do we do it by cutting back on spending?

This budget that the Republicans are suggesting says let us start holding the line and slow down the increase on spending, and if anybody does not believe there is at least 1 percent of fraud and abuse and waste in government spending, then they are mistaken. As a person that has worked in the administration, I will guarantee my colleagues we can save on percent.

Let us move ahead with this Republican budget. The gentleman from South Carolina's (Mr. SPRATT) budget, according to the Committee on the Budget, increases taxes by \$126 to \$128 billion. Even the Blue Dog budget increases taxes by something around \$124 billion between 2006 and 2011. So let us not reduce deficits with tax increases, let us do it with holding a line on spending, Mr. Speaker.

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri (Mr. SKELTON).

Mr. SKELTON. Mr. Speaker, I thank the gentleman from Texas for yielding me the time.

We had a well-known Missourian named Mark Twain who once said, "The more you explain it to me, the more I don't understand it."

A few moments ago my friend and colleague from Georgia (Mr. LINDER) spoke about this budget taking care of the military. I have the privilege of serving on the Committee on Armed Services, which is a hard-working and, I might say, very bipartisan committee, but also I might point out, Mr. Speaker, we are at war.

Last night were the opening volleys to bring down Saddam Hussein, and yesterday I appeared before the Committee on Rules to ask for an amendment to recognize the fact that we would soon be at war and would soon have expenses for the aftermath in the country of Iraq.

Sadly, the Committee on Rules did not accept my ability to offer an amendment. I offered an amendment which would establish a \$20 billion reserve fund. This was done back during the initial era of the war on terrorism, and I chose a modest amount, a \$20 billion amount, for this reserve fund because it was estimated that it would cover a 5-month occupation and a 1-month conflict. Hopefully, that will be the case. In all probability, it will be much longer than that.

We have war-related costs, and this budget does not accept the fact or recognize the fact that we need to pay for this war. We are telling the American people, should this budget be passed, that there will be no money, no reserve fund, no dollars, no war-related costs that would help the troops, the ships, the fliers in working toward a victory. It would provide no humanitarian assistance for the inevitable flow of refugees, nothing to establish a transitional government. As a matter of fact, Mr. Speaker, some analysts believe that the American costs could exceed \$100 billion, and yet my amendment was for a mere \$20 billion to recognize reality.

We are in a war. This budget should recognize that. This budget should have allowed an amendment to be offered in that case. The Committee on Rules was wrong not to make my amendment in order. I am saddened by that fact. They failed to include it in this provision, and consequently, Mr. Speaker, I will ask my colleagues in this Chamber to vote against the resolution.

Mr. HASTINGS of Washington. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from Florida (Mr. LINCOLN DIAZ-BALART), a member of the Committee on Rules.

Mr. LINCOLN DIAZ-BALART of Florida. Mr. Speaker, I would like to thank first the gentleman from California (Mr. DREIER) for leading the effort, as he has in so many times before, to ensure that the minority party is well represented in this rules process.

Of the four amendments made in order under this rule, three of them are Democrat amendments. In fact, each of the Democrat amendments is an amendment in the nature of a substitute, giving the minority the opportunity to make wholesale changes to the budget.

I would also like to thank the gentleman from Iowa (Mr. NUSSLE) and the entire Committee on the Budget for their tireless efforts to make tough decisions and put our budget back on the road to surplus. Under their leadership, the United States will again see surpluses in the Federal budget.

As we begin the disarmament and liberation of Iraq, this budget provides a substantial funding increase for the Armed Forces, funding which will continue to ensure that our brave men and women in uniform remain the best trained and best equipped in the world.

The President and the Committee on the Budget have also correctly identified the need to increase funding for homeland security, including funding for the Nation's first responders. The budget will work to ensure the safety of Americans at home and abroad.

If the budget is accepted today by the House, and I hope it will, we will also send a message to the American people that we are tired of government waste and abuse by requiring Federal dollars be used in the most efficient way to bring safety to the Nation and to perform the government's responsibilities.

Mr. Speaker, this is a good budget, and it is a fair rule, a very fair rule in fact. I ask my colleagues to support both the rule and the underlying legislation.

Mr. FROST. Mr. Speaker, I yield 1 minute to the gentleman from South Carolina (Mr. SPRATT), the ranking Democrat on the Committee on the Budget.

Mr. SPRATT. Mr. Speaker, I rise to correct the RECORD. It was said here that we raise taxes in our budget proposal. The truth of the matter is we open the proposal to reduce taxes to give hard-working Americans a tax rebate of about \$60 billion. This time it will go to the millions who did not get it the last time and who are likely to spend it and give this economy a boost.

We also provide for expensing of purchases made by small businesses in the year of purchase, and we provide a 50 percent bonus to larger firms. Corporations who make investments in plant equipment this year, 50 percent of it can be written off. That is in our bill.

Furthermore, we take, instead of repealing the estate tax in 2011, we provide for the Pomeroy estate tax provision, which gives Americans immediate estate tax relief. That is a \$33 billion reduction, too.

The only thing we do is freeze the top two brackets, the very highest top brackets. We do not raise them. We simply freeze them in place. They can get the cuts they have gotten today, but until we get the budget back in balance, we would suspend those, but the tax effects, at best, are a wash. We are not raising taxes in our budget resolution.

Mr. HASTINGS of Washington. Mr. Speaker, how much time is remaining on both sides?

The SPEAKER pro tempore (Mr. GILLMOR). The gentleman from Wash-

ington (Mr. HASTINGS) has 11 minutes remaining. The gentleman from Texas has 12½ minutes remaining.

Mr. HASTINGS of Washington. Mr. Speaker, I would observe it looks like my friend from Texas has more requests for time than I have. So I will reserve my time.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. ISRAEL).

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

Mr. Speaker, in 2001 I was 1 of only 28 Democrats to support the President's tax cuts, 1 of 9 to support his economic stimulus package. I will continue to support tax cuts that truly stimulate our economy and spur investment, but I believe that the Republican budget before us today and the sweeping magnitude and breadth and depth of tax cuts to the most affluent at the cost of the most urgent national needs is irresponsible.

The Republican plan allows U.S. troops to go into a war today and then slashes their veterans' benefits by billions when they return tomorrow because their budget needs those billions from veterans to fund a \$90,000 tax cut per millionaire.

Mr. Speaker, I represent some affluent areas. I represent people who are millionaires. They are good, hard-working people, but I cannot imagine a single one of them coming up to me and saying, give me my \$90,000 tax cut today, and I do not care about those soldiers who are fighting for my freedoms and safety in Iraq.

□ 1315

I do not care if they have to go without their veterans benefits tomorrow; I want mine now.

Mr. Speaker, that is precisely what this budget does. This budget could eliminate enrollment for 158,000 veterans, necessitate 400,000 fewer hospital-bed days, reduce the number of nurses by 8,700. For veterans, it means longer waits and higher premiums.

The alternative is the moderate Blue Dog budget. It repeals the marriage penalty. It makes estate tax relief immediate and permanent. It accelerates middle-class and small business tax cuts, but it provides for our local first responders. It offers seniors an initial prescription drug benefit. It stays within the President's own discretionary spending levels. It achieves \$2 trillion less debt than the President's plan over 10 years. What it asks is that those who are at the highest tax bracket simply postpone their tax cuts until the war is paid for, until our veterans benefits are secured, until this budget is back on the path towards balance.

Mr. Speaker, for our national security today, for our homeland security today, for our veterans' health and economic security tomorrow, let us pass the moderate Blue Dog budget. Let us not balance this budget on the backs of people fighting on desert fronts.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. PALLONE).

Mr. PALLONE. Mr. Speaker, I listen to my colleagues on the other side of the aisle, and I am amazed at some of the things that they have said today. The gentleman from Mississippi blamed the entire deficit in this budget on September 11. There is no truth in that. The fact of the matter is, if it was not for the tax cut that the Republicans put in place in the last session of Congress, there would not be a deficit.

The deficit is being created primarily because of the constant effort on their part to put in place tax cuts that primarily benefit the very wealthy and special corporate interests. Then I heard the gentleman from Florida say the budget puts us back on the road to surplus. They are creating a deficit, and they are saying they are creating a surplus. There is purposeful activity in creating the deficit by the kinds of tax cuts they put in place and the way they frame this budget.

They are taking a situation where a few years ago we had a surplus that was done on a bipartisan basis under President Clinton with a Republican House and a Democratic Senate; but nonetheless, it was done because we felt we had to balance the budget. Now the opposite is happening. They are creating a huge deficit.

Then another Member on the other side of the aisle said we have to have these tax cuts because we do not want to put all of the burden on the taxpayers. What about our children, grandchildren, and future generations? What about the fact that we are borrowing this money to pay for the deficit from Social Security and Medicare, and that these programs are going to run dry in the future when our children and grandchildren have to deal with the problem? That is the most irresponsible thing I have ever seen.

This is a radical proposal by the Republican leadership here. This is not common sense. This is the most radical budget that I have ever seen in the 15 years that I have been here. They are basically shifting the burden. They are shifting the burden to future generations. It should not be allowed. They should say what they are doing, and they are not.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland (Mr. WYNN).

Mr. WYNN. Mr. Speaker, I rise in opposition to this rule. I have to say, I am appalled that we even have this bill on the floor today. We are now in the first 24 hours of a war against Iraq, and I think that Congress should present a unified front supporting our men and women in harm's way.

But no, the Republicans decide this is a great time to slip through a budget while people are watching the Iraq situation and may not pay attention to the big tax cuts for the very wealthy, may not pay attention to the cuts in education, veterans benefits, and in

other critical domestic programs. Well, if they want to have this bruising and controversial debate, let us have at it.

First of all, this budget is designed to protect a \$396 billion corporate dividend tax cut that benefits the wealthy. Let us look at the State of Maryland. The average 1 percent of earners in Maryland would get a tax break of \$30,000; 24 percent of couples would get zero. And 43 percent of couples and singles would receive less than \$100 from this tax break. So when the other side says it is a big tax break for the American people, no. It is a big tax break for the very wealthy.

In order to give the wealthy this tax break, what we find out is they cut critical programs. They have cut veterans programs by \$15 billion. That is kind of ironic when we are at war. We are sending men and women into war, and they are cutting benefits to the veterans who have already made that sacrifice. What do they cut? They cut compensation for service-oriented disabilities. They cut burial benefits, Montgomery GI bill benefits, and rehabilitation benefits.

The Democratic budget, on the other hand, provides \$16 billion more than the Republicans for our veterans. Do not let them wave the flag unless they are willing to put some money there. Do not just believe me, believe the veterans organizations. The Disabled American Veterans, the Paralyzed Veterans of America, and the American Legion have all issued statements opposing the Republican budget.

Then they give us a prescription drug plan on the cheap so they can give a big tax cut to the wealthy. They give \$400 billion for prescription drugs. We give \$528 billion. We keep seniors in Medicare; they say they have to go to an HMO.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. SHERMAN).

Mr. SHERMAN. Mr. Speaker, we are united in our prayers for the success and safety of our men and women in combat. The powers that be have brought to this floor a highly divisive budget resolution. This budget resolution is designed to enrich the rich at the expense of economic growth for all America. It means larger budget deficits, higher interest rates, larger trade deficits. It will take capital out of the private sector and away from business investments while underinvesting in education and infrastructure.

But I rise to address another point, another flaw in this budget resolution; and I will do so with an analogy to a credit card advertisement that we are all familiar with.

Allowing corporations to get out of paying American taxes just by renting a hotel room in the Bahamas, \$4 billion; ending taxes on all dividends, \$385 billion; ending the estate tax even on the largest estates, \$662 billion; knowing Members can pass the entire cost of all of this to future generations, priceless. RepubliCard, it is everything the super rich want it to be.

Also available, the new Deficit Express Card soon with a \$4.2 trillion credit limit. The Deficit Express Card, do not leave the House without it.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. HONDA).

Mr. HONDA. Mr. Speaker, I rise today to express my strong opposition to the House Republican budget resolution. I believe our national budget should be a statement of our country's values. It should reflect the priorities of the American people for good jobs, safe communities, quality education, and access to health care.

Unfortunately, the Republican budget fails to fund these national priorities. The Republican budget has only one clear priority, to fund the President's \$1.6 trillion tax cut. The Republicans fund this tax cut at the expense of the social and economic interests of the American people. Republicans are offering us a budget today that cuts funding for every single domestic priority in order to fund a \$1.6 trillion tax cut that will only help a small percentage of Americans. These tax cuts are even more inappropriate when we consider the fact that our country is engaged in a war that will strain our already weakened financial resources.

Democrats, on the other hand, will be offering a variety of alternative budgets today that reflect the priorities of the American people. We will push for tax provisions that will help the backbone of our economy, small businesses and working families, while providing the necessary resources for quality health care and education for all Americans.

While I do not fully endorse all of the Democratic alternatives, each is far better than the Republican budget resolution. So today Democrats step up to the plate with superior alternatives while Republicans offer a Bush-league budget.

Mr. Speaker, it is clear that the Republicans have chosen the interest of the elite few over the needs of the many. It is clear where their priorities lie. I urge Members to align their priorities with those of the American people and vote for the Democratic budget resolution.

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

Mr. Speaker, we are ready to proceed to consideration of this rule. The rule lays out three different Democratic alternatives. Unfortunately, the Committee on Rules chose not to make in order some very important amendments, specifically the amendment offered by the gentleman from Missouri (Mr. SKELTON). We all support the troops. It is time for us to put our money where our mouth is. Unfortunately, this budget resolution does not provide any money for the ongoing war in Iraq. The Skelton amendment should have been made in order. It is regrettable the other side of the aisle did not give the House the opportunity to do what we all should be doing today.

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

Mr. HASTINGS of Washington. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. DREIER), the chairman of the Committee on Rules.

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

□ 1330

Mr. DREIER. Mr. Speaker, I rise in strong support of this rule and of the budget which will come forward from the Committee on the Budget. This is a wartime budget. Our Nation has been at war since September 11 of 2001. President Bush has made that very clear. And then, of course, last night that war expanded to our challenge of taking on Saddam Hussein.

This rule is a very fair and balanced rule. I see having just walked into the Chamber my good friend the gentleman from Texas (Mr. STENHOLM). His substitute will be made in order. We will have a substitute for the gentleman from Pennsylvania (Mr. TOOMEY) and the Republican Study Committee. We will have the Progressive Caucus substitute that will be made in order. We will, of course, have the gentleman from South Carolina's (Mr. SPRATT) substitute.

I will say to my friends that not since 1987, that is 16 years ago, have we seen the Committee on Rules under either Republicans or Democrats make in order a provision which allowed for anything other than a complete substitute. And so the rule that we are going to be voting on in just a few minutes follows that 16-year tradition again under both Democrats and Republicans.

Mr. Speaker, I totally agree with the concept of the Skelton amendment. The gentleman from Missouri (Mr. SKELTON), the ranking minority member of the Committee on Armed Services, is one of the most respected Members of this House, and I believe very strongly in what it is that he wants to do here.

We know that once we get this budget behind us, we are going to be dealing with a supplemental appropriations bill. It is no secret at all. It has been talked about as a measure which will range somewhere between 80- and \$100 billion. We know that it will take a great deal of resources to win this war and obviously to rebuild Iraq. It is our hope that we will be able to see a lot of help in that effort, not just from the U.S. taxpayer.

We know that there are tremendous oil resources in Iraq. We also know that the multinational coalition that is now supportive of the President is even larger than the 28-nation coalition that existed under President Bush No. 41 to liberate the people of Kuwait 12 years ago. And so as we see this coalition build to 35, 40 more nations, it is our hope that those nations will join in the rebuilding effort of Iraq.

That is why I believe that the message behind the gentleman from Missouri's very thoughtful amendment, while not made in order under this measure because we make substitute budgets in order, is a message which is important, it has resonated, and I strongly support the idea behind it. I can assure him that we will address this issue.

As we look, Mr. Speaker, at the budget itself, there are so many things that have been said, I do not have any charts showing credit cards or anything like that, but I will say that this is a budget that is focused on the situation that really created the economic challenge that we face over and above the war on terrorism and now our going to war with Saddam Hussein, and that happens to be the issue of economic growth.

The economic downturn began in the last two quarters of the year 2000. I will say that again, Mr. Speaker. The economic downturn began in the last two quarters of the year 2000, before the last Presidential election. Since that time we have been able to put into place President Bush's tax bill. That reduction in the tax burden dealing with issues like encouraging investment, the marriage tax penalty, those sorts of issues, based on the assessment of virtually every economist, mitigated the downturn that we have seen in the economy, meaning that without President Bush's tax plan, the tax reduction measure, the economic downturn would have been much worse than what we have gone through.

We went through two quarters of negative economic growth, meaning an economic recession last year, in 2001, and since that time we have seen growth that is not nearly what it should be. We enjoyed tremendous economic growth following the implementation of our tax measures in the mid to late 1990s, and I am happy to say that we have an opportunity to lay the groundwork for that to happen again. That is why the provision that is provided for in this budget for \$724 billion of tax reductions is a provision which will encourage economic growth.

Why is it that we are going into deficit spending? Well, yes, we have had to increase the spending on the war. Since September 11 we have had to expend over \$100 billion in the war on terrorism alone. But the fact of the matter is, Mr. Speaker, we have this challenge because of economic growth which is not strong enough. Anyone who looks at what it will take to get us growing the economy again realizes that you do not increase taxes at a time of an economic slowdown; what you do is you cut taxes.

I hope very much that we will be able to maintain and have intact the President's economic growth package, but I have a proposal which I hope we can include with that, and this budget makes provisions for that, which will make the President's package even better. It is a provision which would cut the top

rate on capital gains from 20 percent down to 10 percent prospectively, meaning for new investment. It would say, Mr. Speaker, to people who are considering investing today, who may be waiting on the sidelines, that they would have an opportunity when the new investment that they would embark upon appreciates of having a rate that is cut from 20 percent down to 10 percent, from 35 percent to 20 percent for corporations. That kind of incentive for new investment is just what we need. That is the kind of tax reduction which will provide an important stimulant to the economy.

As we look at the overall quest to ensure that we have funding for a wide range of priorities, including education, including veterans, I have heard people talk about so many of these cuts that we are facing that are going to hurt working Americans and those who are at the lower end of the economic spectrum, and it is just not true.

We are focusing with a provision that we have in this rule on the issue of Medicare. I feel very strongly about the need to address a concern that I have in my State for the reimbursement to hospitals for the disproportionate share on Medicaid funding for the tremendous burden that they have carried. It is my hope that within the guidelines of this budget that we will be able to address those very important priorities that are out there.

Mr. Speaker, this is a very fair rule. I want to praise my colleague from Washington State (Mr. HASTINGS). He has worked day and night on the Committee on Rules. We worked until late last night fashioning this rule, and just the other night he was not able to be in the Committee on Rules because he was working until 1:30 in the morning on this budget in the Committee on the Budget. He is our representative from the Committee on Rules to the Committee on the Budget. He has done a great job in working on the budget, establishing our priorities, recognizing that this is a wartime budget, and at the same time moving us on the road towards economic growth and fiscal responsibility. He has also done a good job in fashioning, putting together and supporting and managing this rule.

Mr. Speaker, it is a rule which allows, as the gentleman from Texas (Mr. FROST) correctly said, for three options from Democrats to be considered, the gentleman from South Carolina (Mr. SPRATT), the Black Caucus/Progressive Caucus substitute, and the so-called Blue Dog package that the gentleman from Texas (Mr. STENHOLM) has brought forward. I think it is the right thing for us to do, to have a full airing. We are going to do that.

This is one of the most solemn days in our Nation's history as we have begun this war, but at the same time no better signal could be sent to the rest of the world that the United States of America stands strong and ready and determined to continue with

the greatest experiment in individual liberty known to man, that being the United States of America.

Mr. HASTINGS of Washington. Mr. Speaker, I thank the chairman for the kind words that he gave me.

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

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

**MODIFICATION TO AMENDMENT IN THE NATURE OF A SUBSTITUTE NO. 4 MADE IN ORDER TO H. CON. RES. 95, CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2004**

Mr. SPRATT. Mr. Speaker, I ask unanimous consent that during consideration of H. Con. Res. 95 pursuant to House Resolution 151, the amendment numbered 4 in House Report 108-44 may be considered as modified by the form that I have placed at the desk.

The SPEAKER pro tempore (Mr. HASTINGS of Washington). The Clerk will report the modification.

The Clerk read as follows:

Modification to amendment in the nature of a substitute No. 4 printed in part B of House Report 108-44 offered by Mr. Spratt:

Strike section 204 and insert the following:

**SEC. 204. CONTINGENCY PROCEDURE FOR SURFACE TRANSPORTATION.**

(a) COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE.—In the House, if the Committee on Transportation and Infrastructure 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 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 2004: \$39,233,000,000,
- (2) for fiscal year 2005: \$39,998,000,000,
- (3) for fiscal year 2006: \$40,841,000,000,
- (4) for fiscal year 2007: \$41,684,000,000, or
- (5) for fiscal year 2008: \$42,605,000,000,

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 2004 and for the period of fiscal years 2004 through 2008 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.—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 \$38,594,000,000 for fiscal year 2004, 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 for such fis-

cal 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).

Mr. SPRATT (during the reading). Mr. Speaker, I ask unanimous consent that the modification be considered as read and printed in the RECORD.

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

There was no objection.

The SPEAKER pro tempore. Is there objection to the original request of the gentleman from South Carolina?

Mr. NUSSLE. Mr. Speaker, reserving the right to object, and I will not object, I rise only to take a moment to thank my colleague and ranking member from South Carolina for his work in trying to conform this important provision within both of our budgets. We may have some disagreement throughout the day here on a number of provisions, but procedurally we usually have an esprit de corps and unanimity. In this instance I will not object. This is an appropriate thing for the gentleman to do. I made a similar manager's amendment at Rules last night, and this allows us to conform the budget, so I will not object.

Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

**GENERAL LEAVE**

Mr. NUSSLE. Mr. Speaker, I ask unanimous consent that Members have 7 legislative days to revise and extend their remarks with regard to the budget we are about to consider.

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 2004**

The SPEAKER pro tempore. Pursuant to House Resolution 151 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the concurrent resolution, H. Con. Res. 95.

□ 1340

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the concurrent resolution (H. Con. Res. 95) establishing the congressional budget for the United States Government for fiscal year 2004 and setting forth appropriate budgetary levels for fiscal years 2003 and 2005 through 2013, with Mr. GILLMOR in the chair.

The Clerk read the title of the concurrent resolution.

The CHAIRMAN. Pursuant to the rule, the concurrent resolution is considered as having been read the first time.

General debate shall not exceed 3 hours, with 2 hours confined to the congressional budget, equally divided and controlled by the chairman and ranking member of the Committee on the Budget, and 1 hour on the subject of economic goals and policies, equally divided and controlled by the gentleman from New Jersey (Mr. SAXTON) and the gentleman from California (Mr. STARK).

The gentleman from Iowa (Mr. NUSSLE) and the gentleman from South Carolina (Mr. SPRATT) each will control 1 hour of debate on the congressional budget.

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

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

I would like to begin by thanking our staff from the Committee on the Budget. They have worked enormously hard to bring us to this point in time where we are able to come to the floor to talk about the budget. Usually we reserve this to the end of the debate, but I just want to thank them because we are at a very unique time in our history. It requires some difficult choices. It requires us to analyze the situation very carefully. We have good people that work for us in both the majority and minority. I want to thank them for the work that they do. They have been asked to do a job, they do it, they do it well, and we find ourselves on the floor ready to debate the bill on time and ready to debate the budget within the procedure that we laid out at the beginning of the year.

Similarly, we ask young men and women overseas to do a job today. They are doing it in fine fashion. They represent us well. They represent our hopes and our dreams. They represent our freedom. They represent America. We are proud of our troops. We are proud of the job that they do, and we are proud that they do the job without blinking an eye, without any hesitation.

I believe they would ask the same of us here today, that while there are certainly trials and tribulations that confront us around the world today, that we do our work, that we are not distracted by a tyrant in Baghdad, and we are not distracted by terrorism around the world. It would be very easy to be distracted by that. It would be very easy to suggest, let's maybe wait for another day. But I think what America demands is that we continue the work of freedom, we continue the work of democracy. That is what they are fighting for, and that is what we need to do as well.

Mr. Chairman, we are at war. I did not have to practice that part of the speech because we were at war even before last night. We are at war against

international terrorism. The President determined that soon after September 11, 2001. That war continues. The fact that we opened up another front last night and that we will continue to pursue that front should not deter us, and we need to plan for it within our budgets. We need to take that into consideration as we debate this budget here today. So we are debating a wartime budget at a time during very difficult economic challenges and at a time when we face deficits for this foreseeable future.

□ 1345

None of us, at least most of us, do not want deficits. In fact, I said in my very first opening statement at the committee this year that I do not like deficits, I do not want deficits, and I will not pretend to this body, to my colleagues, to the President, to the Senate, or to my constituents at home that deficits do not matter. However, we are faced with that; and all of the yelling and screaming and all of the finger-pointing in the world and all of the things that might go on here today will not change that fact, and in fact no one today is bringing forth a budget that balances today or even this year or even next year.

In fact, none of the budgets before us balance, and there is a reason. Because this did not just happen overnight. While there are some who will come here today and blame and finger-point and suggest that the surpluses disappeared because of tax cuts, I would suggest that there are many reasons, many reasons why we face deficits here today.

It is true that just 2 years ago we faced surpluses and we decided to do something about that. We made a very deliberate decision that when Washington has more resources than it needs to meet those challenges in peace time at that time, that it is appropriate to say let us get the economy going again. Remember where we were, the economy was sluggish. President Bush came into office facing a recession. So we decided we were going to reduce taxes and certainly the tax reduction did reduce the surplus. That is represented by this blue amount.

But spending and the economy took most of the surplus and spending on what? An emergency. September 11, 2001, the emergency facing New York, the emergency facing the Pentagon, the emergency facing the airlines, the emergency facing homeland security. In an appropriate bipartisan response, every one of us came to the floor and said it is time to increase spending for those very appropriate purposes. And in addition to that in a bipartisan way, we came to the floor and said we need to cut taxes even further in order to stimulate the economy because the preattack recession got worse. So cheerfully, as a body, we decided it was time to spend a little bit more, stimulate the economy; and as a result, the tax cut took part of it, the spending

took part of it, but the economic changes, the economy, the gut punch that each one of us faced whether it was home savings, whether it was increased prices around the kitchen table we had to deal with, whether it was just balancing our own budget around our kitchen table with our family, each one of us was affected by what happened in September of 2001, and certainly it affected our budget.

So we can finger-point, and we can talk about the past, and we can talk about Reagan and Clinton and Bush and, I do not know, maybe somebody even mentioned Roosevelt here today. The fact of the matter is that we are in deficit and we have to do something about it. But we do not start behind the eight ball. We build upon some huge amounts of spending.

Let me show what we have been doing the last 10 years around here. Cheerfully, and again oftentimes in a bipartisan way, look at the spending, each year increasing. In 1993 when President Clinton took office, we had a \$1.4 trillion budget. What are we proposing today? \$2.1 trillion, a 50 percent increase just since 1993, 4.5 percent each year. So when people go home and they start talking about how kids are going to be thrown out in the street and education is going to be cut and health care is going to be ruined, please remember that before we even talk about this year's budget, we have been increasing spending steadily during that period of time, and I will tell my colleagues when it really took off. When it really took off was when we got to balance in 1998.

Let me show what I mean by that. If we take the spending that we control every year, called discretionary spending or the spending from the appropriation bills, discretionary spending was holding its own, holding its own as we tried to get to balance since we became the majority, and then at 1998 all of a sudden look at it take off. In 1998 we had about \$511 billion spent on discretionary spending, and just this last year in the bill that we just finished a month ago, we were at \$768 billion, or an average of 7.7 percent each year since we reached balance. So when people talk about how, oh, boy, this cut is going to be tough or there might be ways that this could hurt folks or, boy, there is not a lot of waste, fraud abuse or excess, please remember that we build upon a huge base of spending in discretionary.

Let us look at some of the individual programs. I have heard a lot of talk lately about how Medicare is being devastated by this budget, budgets that were proposed, budgets that we will vote on here today, and budgets that we will consider. Since 1995 when the Republicans took the majority of Congress, we have increased spending for Medicare 56 percent. Was that appropriate? Yes. No one is suggesting it was not, but when people talk about how Medicare is being devastated, it is not because of the spending that Medicare

is in trouble. It is because the way the program operates. I can tell you in Iowa people are very happy with Medicare; so to suggest that all we need to do is add more money into Medicare and everything will be fine does not recognize that Iowa does not get a fair shake from Medicare. Many other States, Wisconsin and others, do not get a fair shake from Medicare. So to suggest that all we need to do is pile more money on to Medicare, do not touch the program, just add more benefits and everything will be fine is sticking our heads in the sand. It will not work. But again we build upon some huge increases.

I have heard Governors suggest that Medicaid is in trouble and how the Federal Government has not done its fair share with regard to Medicaid. Look at the Medicaid budget since we became the majority in 1995. It was \$89 billion of our budget. Today it has increased 77 percent since we became the majority. We have supported the health care for the poor and the disabled in this country to the point now where again we will continue in this budget to increase Medicaid.

Let us look at education because oftentimes education is used in a partisan way to suggest we do not care about children. Education spending under the Republican majority has doubled. It has doubled. Special education has tripled as a result of the Republican majority again as we move into this budget. This is what we build upon. There are accomplishments that we should be proud of. But when people whine and complain and suggest we are not spending enough, can we ask the question, what did we get for this? Which is why last year we said we need some accountability within our system and not just pour more money into it.

I have a number of very important constituents in my district who are veterans who before last night did their part to defend America and give us the ability to stand here today in peace and freedom in this country and debate issues of importance. And what have we done for them? Again, we build upon some important accomplishments. Spending has grown 40 percent since we reached balanced budget, an average of 6.9 percent each year. This budget will continue that trend with a 7 percent increase for veterans healthcare spending.

So let us look at what the budget is going to do. First of all, I want to put it into context. There is no question that we have three important issues as we come to the table today to discuss the budget, and some of these are even bipartisan, believe it or not. Number one is protecting America. There is not a person who is going to come to the floor today who does not feel that that is the most important thing that we do, and I compliment all of the budgets with regard to that issue. When it comes to homeland security, when it comes to national defense, certainly there will always be those who say we

can do more. In fact, there has even been a few who have suggested that there is a lot of waste within the Pentagon, and I would concur with that. But at this time in our history where our men and women are in the battlefields of Kuwait and Iraq and Saudi Arabia, we need to make sure that we support them; and each one of the budgets that comes here today does just that. It also supports homeland security.

The second most important issue that we have is making sure the economy gets growing again, making sure folks have a job. Because while we are going to talk a lot today about the Federal budget, we all know that the most important budget to each and every one of us is the one that I debate with my wife around my kitchen table and that my colleagues may debate with their families around their kitchen table and our constituents debate with their families around their kitchen table when they are trying to figure out how to pay the phone bill and the light bill and the college tuition and buy the clothes for their kids and the washer that breaks down or whatever it might be. That is the budget that matters; and if one does not have a job and if the economy is not growing in their household, it does not matter what we are debating.

Get a fancy chart. It does not matter what the fancy chart says if one's checkbook does not balance. So unless our budget puts as a top priority getting the economy to grow and create jobs, we have failed, in my estimation, and that is why the most important second issue that we put forth today is getting the economy to grow. It used to be a slogan. I remember hearing it a few years back: "It's the economy, stupid." Maybe that was not an appropriate way to say it, but the point of the matter was important. Make sure the economy is taken care of.

The third issue, and it is an important one as we look forward into the future because again I think there is bipartisan support for this as well, and that is fiscal responsibility. We have all given spellbinding speeches about how the government cannot spend more than it takes in. But do my colleagues know what? There are some times when that has to happen, and by and large we agree when those times are. When there is a war, I do not think anybody begrudges anybody to borrow some money to do that. We have got to take care of business, and we will spend anything it takes to make sure we win and our folks have the right equipment and the right training. The second time we do it is when our country is under attack. Homeland security, again, each and every one of us came down here and cast a vote in support of homeland security spending even though it caused deficits. And there is another time we would do it, and that is when we have a recession or an economic downturn, and both parties during their histories have had to make that

challenge. So while we are faced with those challenges, we still want to keep our eye on that fiscal responsibility.

So how do we do it in this budget? We ask a simple thing. We say out of the billions of dollars that we spend around here, do the Members think we could find a penny on the dollar? Most people back home in Iowa tell me I bet we could find a nickel on the dollar. In fact, we have heard amazing stories of people who are deceased getting checks from the Veterans Administration. We have even heard of Social Security recipients who are overseas that we send a check to. We have heard about food stamps that have been stolen. We have heard about all sorts of crazy things involving credit cards at the Pentagon where people have been using it for their own personal expenses.

Tell me there is not a penny on the dollar. Tell me that the earned income tax credit has not been abused. Tell me that Medicare, according to the General Accounting Office, has not had overpayments and erroneous payments. Tell me that at the end of the year bureaucrats do not run in to their boss and say, You know what? We have got extra money in our budget. We had better use it or we are going to lose it. And what we do in this budget is we say each and every committee can find that, and is it not now the time to find it when every State and every family and every business is doing the exact same thing? The Federal Government cannot do that too?

So fiscal responsibility is an important part of it. But we are still going to hear people come to the floor today and talk about deep and devastating, "excruciating" was a word I have heard recently, deep and excruciating cuts. Let me show the Members what our budget does. First of all, total budget, here is our budget. This is where we actually are, and look what happens under the budget. It goes up every single year in total spending. So the total budget is not cut.

Let us look at another area. Let us look at non-Social Security mandatory spending. What is that? That is Medicare and all the other, what we call, entitlements or automatic spending. Does that get cut? Every year it has been going up. Every year under the budget it continues to go up.

□ 1400

All right. Well that is not cut.

Let us look at Medicare maybe, see if Medicare is cut. Under our budget, every year it goes up. In our budget it continues. In fact, we say let us modernize it and put in, for the fourth year in a row, a Republican version of a prescription drug package. We are the only body that has passed one, and we will do it again this year, to make sure we modernize the program and make sure that reimbursements and other modernizations for the Medicare program help ensure its seriousness as a health care delivery program for years into the future. So Medicare is not cut.

Well, all right, let us look at total discretionary spending, which includes defense and homeland security. No, that is not cut. Every year it has gone up. In fact, look what happens here. Huge increases. It looks like it slows down here.

Why does it slow down? Because this is where the budget asks for some relief. It says this first year, outside of defense and homeland security and veterans, we just want to look for a little bit of waste, just a little bit of waste.

If there is a Member of Congress that goes home to tell their constituents that there is not any waste in Washington, I want you to ask them if they have read the volumes of General Accounting Office reports that indicate billions of dollars of waste, or the inspector generals that work for the departments that have identified billions of dollars of waste, or if they have talked to the Congressional Budget Office or held hearings on this in committees, because until they do that, do not tell people that there is not wasteful Washington spending. We know there is. For the first time in quite a while, we go after it.

Are we looking to cut some spending there? Yes. But do not believe that we are going to throw people out on the street. You do not have to do that in order to find the waste within the program. Everybody has heard about the \$500 hammers and the toilet seats in the Pentagon and all those kinds of crazy programs that we hear about all the time. That is what we are asking people to go find, a penny on the dollar. That is not that much to ask, when we are at the same time running the kinds of deficits we find ourselves in.

So protecting America, that is first; getting the economy to grow, that is an important second thing to do; third, let us do it in a fiscally responsible way. I believe if we build on those three functions, without raising taxes, without huge spending increases, I think we can get this under control, support our troops in the Gulf right now and around the world defending our freedom, and do so in a way that is fiscally responsible, and gets us back to balance in a very reasonable time.

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

Mr. SPRATT. Mr. Chairman, I yield myself 7 minutes.

Mr. Chairman, my colleague calls this a wartime budget, but everyone should understand there is nothing in this budget to pay for the war in Iraq that is now underway. There is not even anything in this budget to pay for the war against global terrorism which is being waged in places like Afghanistan.

The administration deliberately omitted any provision for those costs in this budget for various reasons. They claim that they could not estimate accurately what those costs are likely to be, but we all know that there will be what we call in this House a supplemental appropriation coming,

and it will run into billions of dollars, maybe 50- to \$100 billion for the war in Iraq itself, and after that the postwar occupation will cost, the CBO says, between \$1.8 billion a month and \$3.8 billion a month.

We have a huge, huge cost item that is not included here. I say that because everyone should understand that there is no surplus left in this budget. My friends, proposing a tax cut now that is as large as the last tax cut we undertook in 2001 will only drive the bottom line of the budget deeper and deeper by the proposals they have made here.

Two years ago, we had the happy circumstance of a budget that was \$5.6 trillion in surplus, or so we were told by our forecasters at the Office of Management and Budget in the Bush administration. Two years later, we open this budget season on a somber note, not just being at war, that is a grave situation, but that \$5.6 trillion surplus, according to the Office of Management and Budget, is gone.

First of all, they said we overstated the surplus by at least \$3.2 billion. The real surplus was not \$5.6. We are now told it is about \$2.4 trillion over the time period 2002 through 2011. Of that \$2.4 trillion, OMB tells us \$2.5 trillion has already been committed, mostly to tax cuts undertaken in 2001, and, to some extent, to defense spending increases and other spending increases. But, in any event, the surplus is gone.

We are actually in deficit as we stand here, and everybody is on notice that every dollar of additional tax reduction that you decree in this budget resolution will go straight to the bottom line. It will go straight into the deficit and add to the deficit, dollar for dollar. Knowing this, there is no way around it. What our Republican colleagues propose is they propose another \$1.35 trillion in tax reductions, tax cuts, which will go straight to the bottom line and add to the deficit.

Here is the situation: This is the first table in CBO's analysis of a couple of weeks ago of the President's budget, which was sent to us about a month ago. Strikingly, if you add from 2002, the first fiscal year that the Bush administration was in office, through 2013, which is the last year in our 10-year budget time frame, the total amount of deficits that the Bush administration's fiscal policies will yield is \$5.158 trillion. That is what they propose to add to this national debt under the Bush administration.

Now, my Republican colleagues, and I will give them part credit, saw this number, and I think they could not stomach it themselves, \$5.158 billion under the Bush administration's fiscal policies. They undertook to provide some offsets. They did not give up the tax cut. No, they went with the full tax cut, or slightly less, but they undertook to come up with some offsets.

The first thing they proposed to do was to tell the Committee on Ways and Means, which has jurisdiction over Medicare, and the Committee on En-

ergy and Commerce, which has jurisdiction over Medicaid, cut \$372 billion out of those two programs.

They have now relented and backed off their own proposal. They reduced the instruction to the Committee on Ways and Means from \$262 billion to about \$62 billion, and they have reduced the instruction to the Committee on Energy and Commerce from \$110 billion to \$107 billion. But both of those cuts could come out of the two health care entitlements that we have in this country that so many people, maybe from 50- to 60 million to 80- to 90 million people, are dependent on. That is what they propose to do.

This budget says a lot about priorities. What happens with the rest of the budget in order to make room for this tax cut?

In saying it is a wartime budget, they attempt to make room in the rest of the budget, at least partially, to offset this enormous tax cut of \$1.350 trillion. What does that mean? That means they cut with abandon, left and right. They cut our young, our children, in terms of education; they cut our seniors in terms of Medicare and Medicaid; and they cut some of the most worthy citizens in our society, the sick and disabled veterans. They put an instruction in this budget, which I cannot believe, and neither can any veterans' organization in America, to cut \$15 billion out of veterans' disability compensation and some \$12 billion to \$13 billion out of veterans' health care facilities. They cut education by \$40 billion below what is necessary just to keep it level with inflation. They cut Medicaid, as I said.

All of this is necessary to accommodate their tax cut. It is not necessary because of the budget circumstances we find ourselves in. This is self-inflicted pain. Yes, it will be painful if these cuts are made, you had better believe it, but they are not necessary. You do not have to make them.

To prove it we have come up with a budget resolution about a better bottom line. We get to a surplus in the year 2010. It takes them until 2012 to get to a surplus. In the process of getting there, we have a lower deficit every year than they do, we accumulate \$851 billion over 10 years less in national debt than they do, and we adequately provide for education. We do not eviscerate Medicare, we do not cut Medicaid, because it is already strained as it is, and we certainly do not cut our veterans in a time of war, or any time, for that matter, by \$30 billion in just mindless cuts.

So there is an alternate way. There is a better budget. It is a fiscally more responsible budget, and it meets the obligations we have. Members of this House today have a stark choice, a clear choice, in terms of values, in terms of fiscal responsibility. The right vote is our budget resolution.

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

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

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

Mr. Chairman, I rise in strong opposition to this resolution. The Federal budget reflects our priorities. It demonstrates our values, our commitments to those less fortunate in our society, and our ideas for building a better America for our children and our grandchildren.

The Republican budget resolution before us today makes a mockery of these ideals. It would not spur economic growth, it would underfund the country's critical challenges, and it would lead to chronic deficits for the foreseeable future.

Mr. Chairman, I must say I find it incredulous that this resolution is before us today. Just last night hostilities began against Iraq. We are asking our men and women in uniform to make incredible sacrifices, including leaving their families behind, to serve their country. Sadly, we worry that some may make the ultimate sacrifice. But where is the sacrifice from those who benefit from these tax cuts? Many of them are the wealthiest in our society. This is shameful.

The Republican resolution embraces the administration's irresponsible tax cut package that will not encourage economic growth, and this country simply cannot afford it. These provisions are ill-considered and so unfair to the vast majority of working American families. They should be rejected.

Mr. Chairman, I say this as one who has often voted for tax cuts, including the last tax bill. I believed then and I believe now there were many excellent provisions in that measure, but we were also in a very different time.

The huge surpluses have morphed into huge deficits, and we are now in a war on terrorism and in Iraq, both of which will have huge mounting costs. The cost of the war in Iraq is not even mentioned in this budget. And our domestic challenges, prescription drugs, education, veterans' health care, are still unmet.

We should not proceed with more tax cuts while we face chronic deficits and critical unmet domestic and international challenges.

Mr. Chairman, I want to say something to my moderate Republican friends. Many of you have spoken convincingly on this floor about the dangers of unchecked deficit spending and the irresponsibility of passing these costs on to our children. We have worked together on countless issues, like funding for schools, protecting our environment and addressing rural health care issues. I know you are all deeply committed to meeting the needs of this country, and doing so in a fiscally responsible manner.

I do not see how you can support this budget. The tax cuts called for in this

budget will bring endless deficits, robbing us of our ability to meet our country's needs now and for the foreseeable future.

We can do better. We need to reject this Republican budget today.

I believe that the Spratt substitute meets the priorities that our country values. The tax cuts are targeted to those which will jump-start our economy. Programs are funded, education and veterans' health care and the environment, that the people of this country need and demand, and this is done in a fiscally responsible manner.

Mr. Chairman, I urge all my colleagues to reject the Republican budget and to vote for and support the Spratt substitute.

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

Mr. KIND. Mr. Chairman, now that the military campaign to disarm Saddam Hussein has begun, our thoughts and prayers go out to the young men and women in uniform as well as to their families. May they complete their mission quickly and decisively so they can return home soon and safe.

Yet here we are today in this Chamber to consider a fantasy budget. It is ludicrous for the House leadership to move forward with this budget debate by ignoring the issue of the day, Iraq, and the cost of that campaign, merely to lock in huge tax cuts and offer unrealistic spending cuts to health care, education and veterans' services.

□ 1415

We know the proposed Draconian cuts will not happen, but we also know that the President will send an emergency supplemental spending request for Iraq shortly to us and demand that a check be sent back immediately, and it will be, because we all do support our troops during this time.

But this is the classic recipe for exploding budget deficits as far as the eye can see; it's the height of fiscal irresponsibility occurring at exactly the wrong moment during our Nation's history when 80 million of our Americans, the so-called baby boomers, are rapidly approaching retirement age, a demographic time bomb ready to explode. That is why the Republican budget proposal, in effect, constitutes taxation without representation, because it will be our children and our grandchildren who will be asked to pay for this fiscal mess. I couldn't think of doing anything more unfair to them.

As the father of two little boys, I did not come to this Congress to leave a legacy of debt for them or future generations to climb out of. Our Democratic alternative, however, anticipates this demographic time bomb by achieving balance by 2010, while offering an economic stimulus plan now, which is fair, quick, and responsible. It supports our troops, but it also supports our Nation's veterans, our seniors, and our children's education programs.

So I urge my colleagues to support the Democratic substitute. I would call on the leadership in the House to pull their budget resolution so that we can have an honest debate with honest figures, factoring in the cost of the Iraq operation. I encourage my colleagues to support the substitute.

Mr. SPRATT. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois (Mr. EMANUEL).

Mr. EMANUEL. Mr. Chairman, this budget resolution is a failed economic plan.

Fourteen months ago, this body passed a tax cut worth \$1 trillion, a little over \$1 trillion; and the net result has been 2.5 million Americans without work, 4 million Americans without health insurance, nearly \$1 trillion worth of corporate assets have been foreclosed on, and 2 million more Americans have left the middle class for poverty. That is the net economic result and the economic effect felt by America's families.

In this budget resolution, Members of this body will be asked to vote for only 5,000 new units for affordable housing here in America. Yet, 3 weeks from now, 4 weeks from now in the reconstruction budget for Iraq, we will provide 20,000 units in Iraq. This budget calls for no new spending for health care for the uninsured who work full-time in America, yet the Iraqi reconstruction will call for \$13 billion, half the population of Iraq, to have basic health care, 100 percent maternity coverage; yet we cut Medicare and Medicaid in this budget resolution. In the area of education, the Iraqi reconstruction calls for 25,000 new schools to be rebuilt, yet we zero out 40 programs here in America.

I will support and work towards the reconstruction and funding for the reconstruction of Iraq because it is the right thing to do after this war when it is over, and we will win it successfully. But I want that same commitment, that same emphasis for here at home. Iraq matters; Illinois matters and the people there.

We need an economic plan that invests in America, our education, our health care, and puts our fiscal house back in order. That is what the proposal from my good colleague, the gentleman from South Carolina (Mr. SPRATT), has, is an economic plan that is balanced. It seizes the future by investing in the right areas of health care, education, and the environment, puts our fiscal house back in order so we can meet the needs of our retirement and our plans for the future.

What we are about to do today is the wrong choice for America's future. We will be asked in the next 3 weeks to do right by what we need to do in Iraq. Let us be balanced in our approach.

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

Ms. HOOLEY of Oregon. Mr. Chairman, I thank the gentleman for yielding me this time. I would like to thank

the gentleman for all of his hard work and his leadership during these very trying times.

Mr. Chairman, when we as a House pass a budget, we are outlining our priorities as a House and a Nation. Sadly, this irresponsible budget fails to accurately reflect the priorities of my constituents or of this Nation.

This is an irresponsible budget that passes on our problems and our deficits to our children and our grandchildren while, at the same time, failing to invest in our children and grandchildren by underfunding education.

Last Congress we were all speaking about the importance of children and education. We said, we do not want to leave a child behind, and yet that is exactly what this budget does. We cannot shortchange this priority; we must invest in our children.

This budget also shortchanges our veterans. Our veterans have made great personal sacrifices, and we have a responsibility to serve our retired military personnel, just as they served our country. At a time when we have sent our men and women into harm's way, what better way to honor their service and to show them how valued they are than by treating their predecessors with respect and dignity. Not one soldier who puts his or her life on the line should have to worry about whether he or she will get health care when he or she returns from battle.

Finally, this is a budget that fails to adequately protect our homeland security. Our first responders, our police, our fire, our emergency personnel should be our priority; but they are not a priority in this budget.

Mr. Chairman, I urge my colleagues on both sides of the aisle to stand up for our children, to stand up for our veterans, and to stand up for the safety of our communities. Show us what your priorities are. Support the Spratt amendment and oppose the underlying bill.

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

Ms. BALDWIN. Mr. Chairman, today we have before us one of the most irresponsible budgets I have seen. Republicans have made their priorities crystal clear. Their number one priority in this budget is making room for a \$1.35 trillion tax cut that will benefit the very wealthiest of Americans. They are doing this at the expense of programs that constitute the very safety net of this country and on the backs of hard-working Americans.

This careless Republican budget will have dire ramifications for many. Republicans cut most education programs by 8.3 percent. They reduced the maximum Pell grant award. They do not provide enough money for a meaningful prescription drug benefit. They cut funding for the National Institutes of Health by over \$3 billion, and would reduce Medicaid spending by \$163 billion. This is irresponsible.

To make matters worse, at this very moment, this country is at war. We

have nearly a quarter million servicemembers deployed near Iraq. Despite this, Republicans have proposed \$14.6 billion in cuts to veterans programs. We must stop neglecting the health care needs of our veterans. We promised to eliminate the VA case backlog that is currently at a point near crisis. We must deliver the quality health care that was promised to those who have served to protect American lives and interests around the world.

For far too long, the Federal Government has turned its back on our Nation's veterans and the promises made to them. The cuts proposed in the Republican budget for essential veterans programs are unconscionable. The Democratic alternative addresses the rising demand for veterans health care by providing more funding than the President's budget and the House Republican budget in each of the next 10 years, a total of \$4.3 billion above the President's budget and \$16.2 billion more than the House Republican budget.

It is clear that the Republican budget in no way honors our commitment to the health of our veterans. Today's men and women in the service, today's men and women in uniform, today's men and women in Iraq are tomorrow's veterans. Will the promises we made today be empty tomorrow?

When the government makes promises to ensure the health of our veterans, it ought to keep them. For that reason, we should vote "no" for this Republican budget resolution and "yes" for the Democratic alternative.

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

Ms. DELAURO. Mr. Chairman, I rise in opposition to this budget resolution, the most irresponsible budget in our Nation's history.

The budget is antijobs, antigrowth, antifamilies. It adds almost \$3 trillion to the public debt. It undermines our Nation's savings, investment, growth, jobs, and retirement security, and will do serious long-term damage to our economy, compromising our ability to address the most serious challenges that face us.

And it does this all in the name of \$1.4 trillion in tax cuts for the wealthiest Americans and corporations, two-thirds of which would flow to people who have an income above \$350,000. These tax cuts are paid for on the backs of disabled veterans, nutrition programs, children participating in the school lunch program, college loan assistance, \$670 billion in cuts vital to services that people in this country are interested in.

This administration also seriously endangers the public health by starving agencies that are responsible for protecting our environment, funding that is needed in order to enforce our environmental laws. It cuts Superfund cleanup, water quality, clean air, water funding, cuts of \$3.1 billion in all.

This administration continues to undermine the credibility of our environ-

mental statutes by failing to enforce vital environmental requirements. Penalties for violations of environmental laws have decreased precipitously since the Bush administration took office, with the amount of the average penalty dropping by more than half.

Mr. Chairman, asthma is currently the most common chronic disease in children. The EPA conservatively estimates that 15,000 premature deaths occur each year due to the exposure to air pollution. The National Resources Defense Council puts the number at 60,000. That tells us that environmental protection matters, that this budget and these cuts have real consequences for every American family and child. By putting a \$1.4 trillion tax cut ahead of the public health, this budget will have catastrophic effects on pollution enforcement efforts. It does not reflect our values as a Nation and our priorities as a people. I urge my colleagues to oppose it.

Mr. NUSSLE. Mr. Chairman, as I said, we built our budget upon three principles, the first of which is protecting America.

Mr. Chairman, I yield 5 minutes to the gentleman from Texas (Mr. THORNBERRY) to discuss that issue.

Mr. THORNBERRY. Mr. Chairman, I thank the chairman and commend him for the amazing job he is doing in a difficult situation.

Mr. Chairman, today, of course, our thoughts and our prayers and our admiration are with those young men and women who are in the Middle East, risking their lives to help make us and the rest of the world more secure. We have absolutely the finest military in the world, and I have no doubt that they will make the most of the tools that we help provide them to do their job.

Part of our job today is to begin to work to support them for the fiscal year 2004. Now, that is not an easy thing to do, because obviously, there is a lot going on in the world. We continue to fight the war on terrorism on several different fronts; and of course, we have the military activity in Iraq today.

So for us to predict ahead exactly what the military situation is going to be or what the homeland security situation is going to be in 2004 is not an easy thing to do. But what this budget does is to fully support, completely support the request of the President for defense and homeland security.

Now, it may be that extra funding is required for homeland security or defense when we get there. We have heard folks on the other side talk a lot about supplementals for 2003, but what we are focused on now is what is the appropriate amount in this budget to help keep America secure for 2004, given what we know now.

□ 1430

This budget supports the President. It is important to say that no amount

of money can guarantee absolute safety. I am afraid, Mr. Chairman, that there is sometimes a tendency for us in Congress to spread money around liberally.

However, part of our responsibility, particularly with homeland security, is to make sure that money can be used well and effectively and really makes us safer; not just replacing one dollar with another dollar, but really makes us safer. So that is what this budget tries to do. It tries to advance three important goals with national security: to win the war on terrorism, to protect America's homeland, and to help prepare for future challenges.

First, of course, the war on terrorism is on the forefront of our minds with the operations in Iraq and the continuing efforts to deal with terrorists all around the world. This budget makes a clear commitment supporting the President to make sure that we provide our Nation with the best-trained, best-equipped, most effective military force anywhere in the world.

It allocates \$380 billion for the Department of Defense. That is an increase of \$15 billion over this year. It includes a substantial pay raise for our military. It includes substantial increases for operation and maintenance. It includes substantial increases for the weapons systems we buy. As a matter of fact, it is the highest procurement budget ever in the history of the country. It includes nearly \$10 billion to help us develop and deploy defenses against ballistic missiles.

We have already seen in the Iraq conflict missiles of various ranges, and the threat that that can pose. Of course, there are other places in the world where that is important.

As pointed out, this budget does not include the direct operational costs of military engagement in Iraq because this is the 2004 budget. We will probably have a supplemental to deal with the 2003 costs here, but this is giving us the baseline for 2004.

A second goal is to help protect America's homeland. There is more than \$40 billion here to help do that. It includes things like programs to buy vaccines for smallpox and anthrax and other sorts of biological warfare.

It includes \$1.7 billion to help improve our border safety, which is absolutely critical to homeland security. It continues to put money into the Transportation Security Administration for air travel and other things, to make sure that our air travel and other transportation systems are safe.

It includes \$3.5 billion in first responder training and equipment. There are other programs not included in the \$3.5 billion, for example, in the Department of Justice, in the Centers for Disease Control, that also help local folks be ready to make our country safer. Again, this budget supports the President's request to try to use money smartly to make sure that we are really safer.

Thirdly, it helps to prepare for future challenges. With all that is going on in

the world, we have to remember that there are other challenges ahead. We cannot see them clearly, but we know we have to do the research and development and training and testing and joint exercises for the military that help us prepare for that future day. So there is \$61.8 billion for military research and development.

Overall, Mr. Chairman, for today and tomorrow, this budget helps make America safer.

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

Mr. Chairman, we, too, fully fund homeland security. By the best of our reckoning, we are providing at least \$24 billion over and above the increase that the President is providing. It is allocated among lots of different functions: community and regional development, the Justice Department. We have identified and also specified in a sense of the Congress that we have \$24 billion there.

In addition, we have put into our budget resolution the stimulus proposal that we made on January 6 of this year. If it were adopted, there would be \$10 billion for the States to undertake homeland security projects in places like seaports, which were woefully underprovided for.

In addition, Mr. Chairman, I would point out to everyone that in doing our budget, we have left a contingency reserve of \$54 billion. It could be used for lots of things; but it could be used, among other things, for homeland defense and for national defense generally, if and when a supplemental comes.

I want to make it clear there is very, very little difference between us when it comes to national security, not at a time like this. We are fully providing for homeland security, and then some, in particular.

Mr. Chairman, I yield 2½ minutes to the gentleman from Alabama (Mr. DAVIS).

Mr. DAVIS of Alabama. Mr. Chairman, I thank the gentleman from South Carolina for yielding time to me.

I am acutely aware, Mr. Chairman, that we are debating a budget at a time when the attention of this country is diverted thousands of miles abroad. It is a reality that much of what we say here today will be drowned out by the drumbeat of attention around the war.

However, it is my opinion that what we do and say today will not permanently go unnoticed. There will be a time when the attention of our constituents comes back home to the shores of the United States of America. When that time comes, I would submit to my friends on the other side of the aisle, they will not understand what it is that this budget seeks to do.

They will not understand that this budget asks us to cut a quarter billion dollars from Medicare at a time when the health of our seniors requires that Medicare be strengthened and not weakened. They will not understand

cutting \$100 billion from Medicaid at a time when our States are crying out for relief. They will not understand a budget that breaks a promissory note to our children by cutting funding for No Child Left Behind. They will not understand a budget that breaks faith with our veterans in a time of war by cutting \$15 billion for veterans programs. They will not understand a budget that cuts the thread of the safety net at a time when millions of Americans are struggling through economic anxiety.

In short, Mr. Chairman, in a climate when so many of our people would have us do more to relieve their struggle, this budget would have us do less. There are undoubtedly some who think a wartime budget is incapable of being generous to the American people, but I would say in response that the forcefulness of our international will must be matched by the force of our commitment to the needs of our own people.

Our constituents will not reward this body if the reconstruction of another country is allowed to crowd out the pressing need to reconstruct this country and to make it whole.

There are reasoned arguments, Mr. Chairman, on behalf of all the Democratic alternatives today, but I would submit in conclusion that there is no argument that reflects this country's values that can fully be made on behalf of the Republican majority budget today. It is wrong, stunningly wrong, in its lack of ambition for the American people. It is wrong in its lack of compassion for those who are struggling in our society. It is wrong at wartime, just as it is in peacetime.

This budget leaves far too many Americans behind. It leaves far too many Americans, it leaves far too many States, who are struggling to fend for themselves. I would say this, Mr. Chairman: no country can be truly strong when too many of its people are weak. That is the obligation of this Congress today.

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

Mr. Chairman, in Washington sometimes people define cuts not as less money than the year before, but as decreases in anticipated increases. The gentleman who just spoke has issued yet a new one, that is, if we used to have a draft of a budget that possibly found some savings, now we can come and claim that as a cut. We are not cutting Medicare; we are increasing it.

Mr. Chairman, I yield 2 minutes to the gentleman from Kansas (Mr. RYUN) to continue the discussion on national defense.

Mr. RYUN of Kansas. Mr. Chairman, I thank the chairman for his hard work on this budget.

I rise in support of the Republican budget passed by the Committee on the Budget because this budget has the right priorities. Every dollar spent by the Federal Government during these challenging economic times should be very carefully evaluated. When times

are tight, we must prioritize, rooting out waste and abuse of government spending.

This budget holds the total spending increase to 3.1 percent. This is a modest increase that leads back to balance in 9 years. While I believe we could root out even more waste in Federal spending to maintain greater fiscal discipline, this budget takes a responsible step to keep us from passing even more debt to our children and to our grandchildren.

Especially at this time in our Nation's history, we are all too aware that a strong defense is necessary for the survival of our freedom. Key to our defense are the brave men and women who serve in our Armed Forces. We must retain our most experienced personnel and compensate them accordingly. This budget provides \$98.6 billion for pay and benefits. It will allow for pay raises ranging from 2 percent to 6.5 percent, targeted by rank and years of experience.

As we are becoming aware of new threats to the safety here at home, we must ensure that new defenses are developed. This budget meets the President's request for \$9.1 billion for the Missile Defense Agency to begin the development of defenses against long-range ballistic missile threats. This would provide a near-term defense against North Korean missiles.

Why is this critical? North Korea has already threatened our inspectors from the International Atomic Energy Agency and resumed missile testing. The CIA has reported that the Koreans are working on a missile that could hit the west coast of the United States, and they are widely suspected of beginning the process of taking the spent fuel rods from the reactor to extract plutonium.

It is clear that the need for missile defense is no longer in the realm of hypothetical. Developments like these missiles make a missile defense system critical to ensuring and securing our future. The Republican budget puts us on path to develop a missile defense system for next year.

I urge my colleagues to support this fiscally sound policy and support this particular bill.

Mr. NUSSLE. Mr. Chairman, I yield 2 minutes to the gentleman from South Carolina (Mr. BROWN).

Mr. BROWN of South Carolina. Mr. Chairman, I thank the chairman for his hard work on this budget this year. I know it was a difficult time to have to face the budget restraints at this time.

Mr. Chairman, I rise today in support of the budget on veterans affairs for fiscal year 2004. As a member of both the Committee on Veterans' Affairs and the Committee on the Budget, I am pleased to lend my support to a budget resolution that fulfills America's promise to her veterans. There are currently 26 million veterans living in this country. This budget clearly reflects our solid commitment to them.

This resolution on the budget accepts the President's increase in funding providing an increase of \$1.6 billion or 6.1 percent over last year. This represents the largest annual increase ever proposed by a President.

The Department of Veterans Affairs operates the largest direct health care delivery system in the country. Managing the large increase in the demands for veterans' health care services has consistently been the Department of Veterans Affairs greatest challenge. This budget meets the challenge as it accepts the President's request of \$25.2 billion, an increase of \$1.3 billion, or an increase of 5.6 percent in funding for veterans health care benefits.

Mr. Chairman, we should not let the other side of the aisle lead us to believe that we are leaving our veterans out. The number one commitment for my service in Congress is to look after the veterans and their families.

To achieve primary care access standards that compliment the quality standards of veterans health care, this budget allows for a sharper focus in the veterans health care system. Waiting times for an appointment at a VA medical clinic are as long as 1 year in some areas. Secretary Principi has pledged that this backlog for medical care will be eliminated by 2004.

Mr. Chairman, let us give the Secretary an opportunity to bring accountability to this organization.

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

Mr. Chairman, let me say to my friend, the gentleman from South Carolina (Mr. BROWN), that this resolution on the floor calls for \$15 billion in cost reduction of the veterans health care system. It also calls for a \$15 billion decrease in mandatory programs, which means veterans' disability compensation.

We can argue over what is an increase or decrease, but every veterans organization in this town thinks that they are being hit and hit hard by this budget resolution. There is no doubt about it; it is still about a \$28 billion or \$29 billion hit after the minor modification the gentleman made to make this resolution presentable.

Mr. Chairman, I yield 3 minutes to the gentleman from Virginia (Mr. MORAN).

Mr. MORAN of Virginia. Mr. Chairman, I thank the very distinguished ranking Democrat on the Committee on the Budget for his tireless work in putting together a responsible budget.

We did not have a lot to work with, Mr. Chairman, because the other side has already taken nearly \$2 trillion off the table in the tax cuts they have already enacted. That is why we could not come up with a budget that was responsible last year. We have come up with a budget this year that is the best that America can do under the circumstances.

Let me compare the two budgets. In the first place, in our budget, the Democrats achieve a balanced budget

by 2010, 2 years earlier than the Republican budget. More importantly, Republicans incur \$821 billion more of public debt than the Democratic budget. Which is the party of fiscal responsibility?

The Democratic budget has a fair, a fast-acting, and a fiscally responsible stimulus. None of these criteria is true for the Republican so-called economic growth package. In fact, less than 5 percent of the Republican economic growth package even occurs this year, when we are in a recession, when we need the stimulus. It does not happen. Yet our budget costs one-sixth as much as the Republican so-called economic growth package. We have \$136 billion going straight into the economy this year, as opposed to only \$42 billion from the Republican budget.

□ 1445

This is what people want to know. What is the budget going to do for me and my family? How is it going to help me get a job and be able to contribute back to this economy?

The Bipartisan Joint Economic Committee says that, in fact, the Democratic economic stimulus package, at one-sixth the cost, would generate 1,122,000 more jobs; the Republican budget half as much. For one-sixth the cost we generate twice as many jobs.

Many people have talked about the Medicare prescription drug issue. I think as people look at the Republican plan, they are going to see this is not an acceptable plan. We have a plan that, in fact, will provide prescription drug benefits to people who truly need them at a cost they can afford.

The last major area where we have a vastly different budget policy is in what we call nondefense domestic discretionary spending. That is the American people would take the big hit under the Republican budget. The President's budget already cut over \$100 billion from the current services level over the next decade. This budget comes in and doubles that, \$265 billion coming from the current services level right now. What does that mean? Let us go beyond the numbers. Let us look at the faces, the faces of the people that deserve and need help, veterans, poor mothers and kids on Medicaid, students' loans, retirees' pension cuts. This is what we are going to hear about in the debate. This is what is important. Pass the Democrat's budget proposal.

Mr. NUSSLE. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey (Mr. GARRETT), a member of the committee.

Mr. GARRETT of New Jersey. Mr. Chairman, I rise in support of this budget. The Committee on the Budget has passed a resolution that strikes the balance between the needs and the desires of this House and of the people of this country to provide for a better quality of life for all of us.

Since September 11, we have realized the threat of terrorism, a threat that is

so great and so different than any before us. It knows no boundaries with regard to where it will strike and what time, and it certainly places no value on human life, and today, for that reason, we must step forward and address that threat.

After the vicious attack of September 11, we realized that we had to take immediate action to close the gaps in our homeland defense. We had to unify our efforts from the national to the State, county and local efforts, and this budget resolution takes a long step in getting that job done.

What this resolution does do is fully funds the President's request to defend our Nation against further terrorist attack. What this resolution does do is provide \$41 billion in total homeland security funding.

As part of that effort, what the resolution does is provide in the budget \$3.5 billion in funding. That is a \$3 billion increase to ensure that every first responder is trained and has the equipment necessary to get the job done. More specifically, in the resolution it provides \$500 million in grants to first responders so that they will have the equipment necessary should they have to respond to a terroristic threat, and the bill would also provide \$500 million for State and local law enforcement with regard to terrorism prevention initiatives as well.

Moving closer to home, in New Jersey, we have just 10 miles from Bergen County a nuclear power plant. This resolution provides us with \$619 million in an effort to protect our nuclear power plants across the Nation because we know there are nuclear power plants, if they were ever struck, would have a devastating impact on all citizens.

Mr. Chairman, I would just in closing say that we must move ahead on this resolution. Support this resolution. Protect the quality of life and homeland security for all Americans.

Mr. Chairman, I rise in support of the House budget resolution for fiscal year 2004. Last week, in the early morning hours, I along with my fellow colleagues on the House Budget Committee passed a resolution that strikes a balance among America's competing demands, weigh desires against needs and sets a plan to fund programs that improve the quality of life for all Americans.

Since September 11, our country has realized the threat of a new wave of terrorism. A threat so great that it knows no boundary to whom or where it strikes and places no value on human life. And today, we are still at risk to this new and changing threat. This is a war, the likes of which no nation has ever faced before.

To protect our communities and neighborhoods, we must continue to take the necessary steps to develop a national, State, and local strategy for homeland security. Mr. Chairman, the fiscal year 2004 budget that is before us is committed to making our homeland safe.

Homeland security is an important priority and our budget fully funds President Bush's request to defend our Nation against further terrorist attacks. By providing \$41 billion in

total homeland security spending, this budget provides the newly created Department of Homeland Security and related agencies with all the resources necessary to protect our homeland from terrorist attacks.

As part of our continued commitment to America's First Responders, our budget proposes \$3.5 billion—a \$3 billion increase over fiscal year 2003, to ensure every first responder is properly trained and equipped. Mr. Chairman, this budget provides a significant increase for the nearly 3 million State and local First Responders who regularly put their lives on the line day after day to protect the lives of others and make our country safer.

More specifically, we have provided \$500 million in grants to firefighters for health and safety equipment and vehicles as they prepare to respond to possible future terrorist incidents. And we have also included an additional \$500 million for State and local law enforcement terrorism prevention initiatives. Finally, there is \$181 million for the Citizen Corps initiative to engage individuals in helping communities prevent, prepare for and respond to disasters of all kinds, including terrorist attacks.

Our nuclear power plants if struck would also prove devastating to all citizens. This budget provides \$619 million in an effort to protect our nuclear power plants across the country, including Indian Point Nuclear Plant less than 10 miles from Bergen County, NJ.

Mr. Chairman, our budget also provides the Coast Guard with \$5.7 billion—an increase of \$503 million to ensure that they have the adequate resources necessary to better protect our ports, cargo, and coastal areas. Mr. Chairman, when it comes to securing our homeland, the Coast Guard serves a vital and significant mission. In this post-September 11 world, where only 2 percent of the cargo that enters our ports is actually screened, we have created a budget that fully supports our Coast Guard as a component of the National Strategy for Homeland Security.

Specifically, this budget provides \$65 million to deploy six new Maritime Safety and Security Teams to respond to terrorist threats or incidents in domestic ports and waterways and \$20 million to hire additional personnel for search and rescue and shore based command centers.

Mr. Chairman, for all of the cargo that enters the Ports of Newark and Elizabeth, in New Jersey, the third largest in the United States and the premier port on the eastern seaboard, I strongly urge my fellow colleagues in the House to support this budget.

As we continue to be engaged in the newest and most difficult war of the 21st century, it has become a day to day responsibility that we are ready on a permanent basis to protect our country. And we owe it to every national, State, and local homeland security employee, as well as ourselves and our families that we give them the support they need to protect America.

After the vicious attacks of September 11, 2001, we realize we had to take immediate action to close the gaps in our defenses on land, sea and in the air. We had to unify our homeland security efforts under one roof and under one chain of command. To meet the ever changing threat, we had to be able to immediately deploy the men and women of the homeland security department wherever and whenever they were needed.

Mr. Chairman, this budget does just that. There is no doubt in my mind that by working together, demonstrating courage and a strong moral character we will prevail in this war against terror.

Mr. SPRATT. Mr. Chairman, I yield 15 minutes to the gentleman from California (Mr. THOMPSON), and I ask unanimous consent that he be permitted to yield blocks of time.

The CHAIRMAN pro tempore (Mr. NETHERCUTT). Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. THOMPSON of California. Mr. Chairman, I yield myself such time as I may consume. I thank the gentleman from South Carolina (Mr. SPRATT) for the time, and for his good work on this budget. It is a matter of economic security.

Mr. Chairman, I believe that the easiest way that we can ensure economic security to this Nation is to pass a budget that actually balances. The other side will argue that theirs does, but we know that it does not, not unless we use the Social Security Trust Fund to pay down the debt, and that is not really balancing. It is breaking a promise to the American people and raiding a priority to pay for a select tax expenditure.

In this time of sacrifice, we are debating the passage of a budget that increases the debt and takes money away from programs that help our most deserving, our seniors and our veterans.

This budget cuts almost \$107 billion from the Medicaid program and \$62 billion from the Medicare program, and in this time of war, this budget cuts our veterans programs by \$30 billion.

I received a letter today from one of my constituents, Florence Newton from Humboldt County, California, a retired marine, who sent me an article that talks about the 7-month wait for veterans to get an appointment with the VA, and she asks is there not something we can do about this? She describes the situation with one word, unconscionable, and she is right. It is unconscionable that we are slashing these critical programs, and it is even more unconscionable that we are doing so to finance a \$1.6 trillion tax expenditure.

Today, the Blue Dogs will introduce an alternative that does balance the budget and does so without raiding Social Security. It adopts the spending level in the President's budget proposal, reserves money for the Medicare prescription drug program, provides immediate and targeted tax relief to all taxpayers, particularly those middle-class families, and it has \$1.35 trillion less debt than the Republican budget, reducing the amount of money we spend on paying interest on the debt, which currently costs us \$1 billion a day, reducing it by \$250 billion.

It acknowledges the fact that we are a Nation at war. It pays for the war, and it provides funding, \$24 billion for our veterans programs. This means

funding for discretionary veterans programs like the VA Health Care Program, the service-connected disabilities and burial benefits, all of which are cut drastically by the Republican proposal that is on the floor today.

The Blue Dog budget responds to the concerns of constituents like Florence Newton, who are finding our financial affairs and the resulting shortage in services to be unconscionable. I am proud to stand behind the Blue Dog alternative which provides this Nation with the economic certainty it needs in these uncertain times and into the future.

Mr. Chairman, I yield 2 minutes to the gentleman from Georgia (Mr. SCOTT), a distinguished new Member of the House that spent 20 years on the appropriations committee in Georgia balancing their budget.

(Mr. SCOTT of Georgia asked and was given permission to revise and extend his remarks.)

Mr. SCOTT of Georgia. Mr. Chairman, I certainly appreciate those kind words that the gentleman had to say.

It is very important for us to understand exactly where we are right now, and let me start by setting the stage of my remarks by sharing with my colleagues the words of William Shakespeare, who said in Julius Caesar, when Julius Caesar was being stabbed, he said, "O, Brutus, yours is the meanest cut of all." That is what these veterans are saying today.

To my friends from the Republican Party and their alternative in their budget, it is the meanest cut of all, to cut our veterans at this time, at this day, at this hour when we are watching television and we see over in the Middle East where our men and women in uniform are putting their lives on the line, and what are we doing here? What is the Republican answer to that, to our military veterans? To cut them by \$15 billion. Indeed, the meanest cut of all.

My colleagues talk about conservative compassionism. I am here to tell my colleagues, this is not conservative compassionism. This is downright conservative meanness. It is mean to cut our military and our veterans, by any amount. They need help.

Fifteen billion dollars is going to eliminate 200,000 of our veterans off the rolls. It is going to fold and close up 400,000 hospital beds. That is meanness. We need to turn it around and follow our Blue Dog coalition budget, which is very responsible. We are not cutting the budget for Veterans Affairs by \$15 billion. No. We are adding to that by \$24 billion. That is what the American people want, and at no time is it better to send the right message.

I conclude my remarks by simply saying, what better time is there to stand and give our veterans respect than at this important moment in our history?

Mr. Chairman, the Nussle budget focuses on fiscally irresponsible tax cuts, while failing to address priorities and commitments to

working families, the elderly, and veteran. What concerns me is that future generations will pay for the deficits created by this budget, while our veteran's will pay now.

On Monday the American Legion, the Veterans of Foreign Wars, and the Disabled American Veterans called on Congress to scrap proposed budget cuts in disability compensation, pensions, and healthcare to offset the costs of tax breaks and huge spending increases on defense and homeland security.

The Nussle budget cuts approximately \$15.1 billion from veterans programs, of which \$844 is cut from veterans health care programs. This could eliminate enrollment for 168,000 veterans, necessitate 400,000 fewer hospital bed days of care, or reduce the number of nurses by 8,700.

Further, according to the VA's own national data, over 200,000 veterans are waiting 6 months or more just to get in the VA Medical System and it can take over 18 for certain types of specialty treatments.

Our Nation cannot commit men and women to fight overseas while reducing the health care and benefits that our veterans have earned risking their lives serving their country.

It is unbelievable that the Nussle budget cuts funding for veterans' programs to offset the costs of tax cuts for the wealthy.

The Blue Dog budget, which I support, contains \$24 billion more funding for veterans programs than the Nussle budget. It contains \$9 billion more for discretionary veterans programs such as VA health care, and does not require the Veterans Affairs Committee to reduce spending on veterans benefits and other mandatory veterans programs by \$15 billion as the Nussle budget would do.

I support the President and his efforts to oust Saddam Hussein from power. I want to give him as much support as possible to help pay for this conflict. This budget resolution contains no funding for a military conflict with Iraq or the post-conflict occupation and reconstruction costs that will follow.

The costs of the war with Iraq will largely be borne by the United States taxpayer and prudent fiscal policy requires that these costs must be included within the budget resolution.

Mr. NUSSLE. Mr. Chairman, I yield 2 minutes to the gentleman from Virginia (Mr. SCHROCK), a member of the committee.

Mr. SCHROCK. Mr. Chairman, I thank the gentleman from Iowa (Mr. NUSSLE) for the magnificent job he has done in putting this budget resolution together.

Mr. Chairman, the House Republican budget recognizes that the single most important defense investment we can make is in our military personnel, the men and women of our Armed Forces. That is why our budget includes initiatives to allow the Department of Defense to continue to recruit, train and retain the highest-quality personnel in the world.

Our budget assumes \$98.6 billion for paying benefits. The increase funds a range of military pay increases from 2 percent to 6.5 percent targeted by rank and years of service. This initiative is intended to retain DOD's most experienced personnel. For our Green Berets and other elite units who play a critical role in the war against terrorism,

our budget provides \$4.5 billion, which is a 47 percent increase.

Our budget also provides for full funding of health care benefits for Active Duty members, retirees and their dependents.

Our budget provides for an array of quality-of-life initiatives for our military personnel, including improving military housing. For many years military housing has been one of the trouble spots in the defense budget with inadequate housing and substantial out-of-pocket costs to our service personnel, but our budget continues the efforts that the administration has made over the past 2 years to improve conditions by providing for \$1.2 billion to build and renovate 44 barracks with 13,000 living spaces.

There is \$167 million to construct and modernize seven medical treatment centers and \$87 million for two new elementary schools for dependents, as well as for school renovations.

Our budget also reduces out-of-pocket housing costs from 7.5 percent to 3.5 percent for personnel living in private housing, and last, these costs are scheduled to drop to zero in fiscal year 2005.

Mr. THOMPSON of California. Mr. Chairman, I yield 3 minutes to the gentleman from Florida (Mr. BOYD), an esteemed Blue Dog colleague and former first lieutenant with the 101st Airborne in Vietnam.

Mr. BOYD. Mr. Chairman, I want to thank my friend and colleague from California for yielding me the time.

Mr. Chairman, I rise in strong opposition to the Republican budget and in support of the Blue Dog alternative. I would like to discuss three major problems with the Republican budget that we have before us.

First of all, I want to talk about Medicaid. I think most of my colleagues have seen this chart. These are reconciliation instructions included in the Republican budget which would require the Committee on Energy and Commerce to cut \$107 billion, \$107 billion over the next decade out of Medicaid.

I have talked to some of my hospital folks and began to ask questions about where these cuts may come from, and they believe that the major portion of those cuts will have to come out of an account we call the disproportionate share for hospitals, that is, DSH payments, which are payments made to our hospitals who are providing the major portion of indigent care.

There are 86 hospitals in Florida which receive DSH payments for a total of \$221 million. Many of those are rural hospitals, 27 of them. All 27 of those rural hospitals in Florida, for the most part, are in financial trouble, and I believe and the hospitals believe that that account will have to be cut by some 80 percent to meet these reconciliation instructions.

If that is not bad enough, let us look at the farm bill that this Congress just enacted last year. We are telling farm-

ers now and consumers, forget what we did last year, let the farm bill debate begin again. This budget requires the House Committee on Agriculture to cut about \$18.6 billion out of programs that were enacted last year in the farm bill. What will be cut? Nutrition programs that provide food for those less fortunate, or will we cut it out of the record low margins that the farmers are getting in the marketplace now?

□ 1500

Mr. Chairman, we are trying hard in this country to keep a viable agricultural industry so we can produce our own food and fiber and not put ourselves in the situation that we are in with oil. That is what will happen if we abandon this farm bill.

Third, what we are doing to veterans is not acceptable. Many of my Republican colleagues have said we are just slowing down the growth. That is malarkey. That would be true if the number of people being treated in the veterans hospitals was not going to explode in the next decade, but we know it is. Today, within 24 hours of the time our troops have invaded Iraq, we are standing on the floor with a budget that cuts billions of dollars out of current veterans programs. It is unconscionable. I ask Members to reject the Republican budget and support the Blue Dog budget, which is responsible on the spending side and gets us into balance by 2009.

Mr. NUSSLE. Mr. Chairman, I yield myself 10 seconds.

Mr. Chairman, I have to scratch my head and wonder out loud how, when we increase the veterans budget in our budget 6.1 percent, the other side of the aisle can call that a cut, yet that is what Member after Member comes to the floor and says.

Mr. Chairman, I yield 6 minutes to the gentleman from Ohio (Mr. PORTMAN), a member of the Committee on the Budget, to discuss the second important plank of our budget, and that is economic growth and job creation.

Mr. PORTMAN. Mr. Chairman, the gentleman from Texas (Mr. THORBERRY) and I have spoken about the fact that this budget protects our country, our national defense, and our homeland security. And nothing is more important this afternoon, as this is a very critical time in the Persian Gulf. Our troops are committed, and we are committed to them.

However, this budget meets another challenge, and that is the challenge of strengthening the American economy and creating new jobs. Promoting growth in this economy and getting people back to work is a top priority of ours, and it is reflected in this budget. That is why it provides for policies that create an economic environment for boosting both long-term and short-term growth. In particular, the budget leaves room for President Bush's jobs and economic growth plan to strengthen the economy by providing an immediate stimulus to help struggling

American workers and by laying the groundwork to promote long-term, sustainable growth in our Nation's economy.

A Member on the other side of the aisle called this growth package irresponsible. We do not think it is irresponsible to bolster household finances or encourage consumer spending. We do not think it is irresponsible to promote investment because it leads to job creation, and we do not think it is irresponsible to help the unemployed get back to work. That is what this budget does.

Mr. Chairman, 2 years ago we passed tax relief that not only put money back in people's pockets, but it slowed an advancing recession that President Bush inherited. The 2001 tax relief plan made that recession the mildest in history, and it created 1.5 million new jobs. Without the leadership this Congress showed on a bipartisan basis and this President showed, the recession and the job loss would have been far worse when America came under attack on September 11, 2001.

Now in this budget we provide for the President's economic growth package which will create new jobs and sustain growth. The plan accelerates the reductions in personal income tax rates, the marriage penalty relief in the 2001 tax cuts. It accelerates the child tax credits from 2001. It increases small business expensing, and it eliminates the unfair double taxation of dividend income.

Experts generally agree that this proposal will boost stock prices dramatically. Some say 7 percent, some say 20 percent. The fact is, we are going to add significantly to the value of our stock market, which helps all of us as Americans, including half of all American families now invested in the market. It helps the economy in general.

Economists also say it is going to lower unemployment rates for the next several years. In fact, the average of private forecasters' estimates show the President's plan will result in more than 1 million new jobs by the end of next year. It goes without saying that America is still dealing with the aftermath of the September 11 terrorist attacks and with the continued uncertainty on the international front, including in Iraq today. Our economy is not performing as it should, and too many Americans are out of work.

This budget resolution is responsive because it helps get the economy going again; and when that happens, revenues grow. It happened in the 1960s under the leadership of President John Kennedy, and it happened in the 1980s with President Reagan's tax relief plan because it was pro-growth.

Here is a chart which indicates the Reagan-era revenues. Look at this, from 1982 until 1989, the dramatic increase in revenues. Again 1960s, 1980s. That is what we are trying to replicate now.

Mr. Chairman, with the growth package, we are also going to be able to be

sure we can afford these tax cuts. I have heard Members say we cannot afford them; it is good to have growth tax packages, but we cannot afford it. This is an interesting chart. This is a static analysis, meaning it shows absolutely no impact of the tax relief, which has countered everything we have seen in history.

When we provide that incentive for job creation, it increases revenue. It helps the budget, but this assumes none of that happens. Just to have the tax relief in place, this is the difference. The red on the chart shows what the budget would be like with the tax relief taken out altogether. No tax relief at all. The green shows the impact of all this pro-growth tax policy, again on a static analysis. As Members can see, it is a very small difference. The tax relief is not crowding out additional spending, it is growing the economy so we can get people back to work and grow our revenues.

Mr. Chairman, I would like to encourage Members on the other side of the aisle to listen to one of their former colleagues, currently a Governor in the State of New Mexico. Bill Richardson, who was also a member of the Clinton cabinet, has a plan for his State that restrains spending; and, yes, it reduces tax. Why? Because he knows it is going to help his State's economy and in the end help in terms of revenues. He has said and he offers this as free advice to his fellow Democrats. He said, "We Democrats need to stop talking about class warfare and distribution of wealth. We need to start talking about economic growth, and reducing taxes puts us on the road to economic growth." I think he is right. I always liked Bill Richardson, and now I know why. Well put.

Mr. Chairman, this is a responsible budget because it protects our country and because it grows the economy, gets the economy back on track and creates jobs.

Mr. THOMPSON of California. Mr. Chairman, I yield myself such time as I may consume.

The national chairman of the Disabled American Veterans wrote the gentleman from Illinois (Mr. HASTERT) and he said, "Has Congress no shame? Is there no honor left in the hallowed halls of our government that you choose to dishonor the sacrifices of our Nation's heroes and rob our programs, health care and disability compensation, to pay for tax cuts for the wealthy?"

Mr. Chairman, I yield 2 minutes to the gentleman from Georgia (Mr. BISHOP), who represents a number of veterans at Fort Benning, Georgia.

Mr. BISHOP of Georgia. Mr. Chairman, I rise in strong support of the Blue Dog budget, a fair and balanced alternative to the harsh and misguided priorities of the Republican budget. The Blue Dog budget is fiscally responsible, combining spending restraint and budget enforcement to balance the budget and set us on a path to growth.

The Blue Dog budget is balanced, protects Social Security, contains less debt than the Republican budget, and includes a reserve fund for the war in Iraq.

Make no mistake about it, the Blue Dog budget gives Americans more than the Republican budget, and it does so responsibly. It gives \$10.4 billion more for discretionary programs in fiscal year 2004; \$130 billion more for non-Medicare health care programs, primarily Medicaid; \$30 billion more for education and training programs; more agriculture spending for commodity programs, conservation, crop insurance and nutrition programs; and \$24 billion more for veterans programs than the Republican budget. All this with reasonable and fair tax cuts that cost only half as much as the Republican budget. For example, it speeds up the child tax credit, eliminates the marriage penalty, exempts \$6 million per couple from the death tax, delays cuts for the two highest tax brackets.

The Blue Dog budget helps Americans with substantially less debt than the Republican budget without the deep cuts in important programs that help Americans and strengthen our position in these uncertain economic times. I urge Members to support the Blue Dog budget. It is a better budget. Reject the Republican budget. It is not good for America, and it is especially not good for America today in these uncertain economic times.

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

Mr. Chairman, just to respond to the points on the veterans' issues. First of all, we increase discretionary spending 6.1 percent on veterans, we increase the mandatory spending 7 percent, and they call that a cut. They ask us to honor veterans. In fact, in this country we honor veterans so much that we paid 5,500 of them benefits after they were dead. That is how much we honor veterans. That is why we need to look at every program for waste and abuse.

Mr. Chairman, I yield 2 minutes to the gentleman from South Carolina (Mr. BARRETT).

Mr. BARRETT of South Carolina. Mr. Chairman, as part of this budget, the President's job and economic growth plan is designed to strengthen the economy and allow Americans to keep more of their own money to spend, save, and invest. And I know my constituents in my district know how to spend their money better than we do in Washington.

The President's plan also calls for speeding up the tax relief passed in 2001 so families get the benefits of those tax cuts today, ending the unfair double taxation on dividends, giving small businesses incentives to grow, and providing help for unemployed Americans.

Let me read some statistics on the President's growth plan that has been dynamically scored. In this budget, the economy would enjoy an annual average of 837,000 new jobs from 2004 to 2013, with 997,000 and 1.03 million jobs in 2004

and 2005 respectively; an annual average of \$69 billion in additional GDP from 2004 through 2013, with an increase of \$84 billion in GDP in 2004 alone; an average of \$120 billion in additional disposable income from 2004 through 2013. And also in 2004 through 2013, if we talk about the dividend plan alone, we are talking about 69 percent in job growth, a 72 percent increase in GDP growth, \$50 billion, and a 64 percent increase in additional disposable income.

Mr. Chairman, this budget is the right budget for the country and this stimulus package is the right package for growth and economic prosperity.

Mr. THOMPSON of California. Mr. Chairman, I yield 2 minutes to the gentleman from Texas (Mr. SANDLIN), a member of the Committee on Ways and Means.

Mr. SANDLIN. Mr. Chairman, I applaud the Committee on Rules for making in order the Blue Dog budget alternative, and I urge Members on the other side of the aisle to take this opportunity to support a responsible budget. By allowing the Blue Dogs to offer our budget substitute, the Republican leadership has finally acknowledged that the House needs to have an honest debate on a sensible alternative to the majority's unrealistic and irresponsible budget resolution.

The Republican budget operates under the fiction that our country can afford a tax cut of \$1.35 trillion as the United States embarks upon a necessary mission to liberate Iraq. The attempt to proceed with new tax cuts during a time of war is without precedent in American history, and for good reason.

The Republican budget resolution does not take into account our country's current economic and military situation. It is stubbornly stuck in the past. In their delusional attempt to provide new tax cuts while fighting a war and simultaneously attempting to balance the budget, the majority will succeed only in a failed attempt to balance the budget on the backs of our Nation's senior citizens, our veterans, our students, our farmers, our economically disadvantaged. How in the world the majority can propose spending cuts in veterans health care during a time of war is beyond me, and the Veterans of Foreign Wars and the Paralyzed Veterans of America share my amazement.

□ 1515

Our good friend indicated that they were doing everything for veterans. It is very funny that the veterans organizations do not agree with it and do not adopt that posture. The Blue Dog substitute will balance the Federal budget in 10 years without relying on the Social Security surplus and without sacrificing our Nation's veterans and our seniors. At the same time, the Blue Dogs provide both immediate and long-term tax relief to American taxpayers. This relief consists largely of an accel-

eration of cuts already scheduled. Further, the Blue Dogs are committed to sticking with the President's overall funding levels for defense and non-defense discretionary spending.

I urge my colleagues on the other side of the aisle to join the Blue Dogs in our effort to support the President and support his total funding levels. I urge every Member of the House to support the reasonable, responsible Blue Dog budget alternative.

Mr. NUSSLE. Mr. Chairman, I yield 2 minutes to the gentleman from Alabama (Mr. BONNER), a member of the committee.

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

Mr. BONNER. Mr. Chairman, I rise in strong support of the budget resolution. Let me commend the gentleman from Iowa for his hard work in developing this budget. The product of his effort is bold and innovative, and it deserves our support. Economic growth is the cornerstone of our Republican budget. Too many Americans, too many of my constituents in south Alabama, are struggling to make ends meet. This budget works to grow our economy and to get unemployed Americans back to work.

We assume the President's jobs and economic growth package because it provides an immediate boost to our struggling American workers, and it lays the groundwork for the long-term, sustainable growth of our Nation's economy.

The President's tax cuts were always intended to promote long-term, sustainable growth. Our budget calls for accelerating these tax cuts, because taxpayers and the economy deserve this extra support now. These tax cuts would allow workers to keep more of their hard-earned money to spend as they see fit. With more disposable income, it will be these workers who will propel our economy back to a state of sustained health and growth.

I am particularly glad to note that the 2001 tax cuts would be made permanent, allowing us to avoid a de facto tax increase in the year 2010.

Mr. Chairman, there are plenty of reasons to support this budget. I think one of the most compelling reasons, however, is that it provides the right medicine at the right time to create jobs and get our economy growing again.

Mr. THOMPSON of California. Mr. Chairman, I yield 2 minutes to the gentleman from California (Ms. HARMAN), ranking member of the Permanent Select Committee on Intelligence.

Ms. HARMAN. I thank the gentleman from California for yielding me this time.

Mr. Chairman, at this time I am guessing that most Americans are watching events unfold in Iraq on their television sets. These are the events they should be watching, not this debate on a budget that does not even include expenses for the war and the re-

construction effort in Iraq. If I had my way, we would be talking about that war all day today, or if we were debating a budget, we would be debating a wartime budget that called on us to make real sacrifices. That is not what we are doing. We are debating a set of resolutions, the best of which by far is the Blue Dog resolution, and I rise to support it.

I represent smart constituents. They know that money does not grow on trees. They do not want a tax cut, and they are not asking for it. They do not want trillion-dollar budget deficits, and they certainly are not asking for them. Indeed, in contrast to the yawn of a response the administration gave to projected deficits, my constituents understand the serious fiscal consequences of hemorrhaging red ink.

Rather than punt this issue to future generations as the Committee on the Budget proposes, families in my district, like families everywhere, expect Democrats and Republicans to sit down together and make tough choices on what our government can afford now and what we must defer.

That is where the Blue Dogs come in. Frankly, the Blue Dogs are one of the few groups around this place that have the integrity and expertise to present a credible budget alternative. The Blue Dog budget makes reasonable and fiscally prudent assumptions about spending and tax policy and achieves a budget surplus by 2009. It is fair and fiscally responsible, and I am very proud to support it.

The Blue Dogs have long been leaders in the fight for a balanced and fiscally responsible budget. They have made the hard decisions expected of policymakers, and we have the welts to show for it. I urge my colleagues to support the Blue Dog budget proposal which will be offered later in this debate.

Mr. NUSSLE. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan (Mr. MCCOTTER), a member of the committee.

Mr. MCCOTTER. Mr. Chairman, we cannot quantify the cost of our freedom; however, in passing a budget we must calculate the cost of our homeland security and our household security. To fulfil this duty, we are best guided by the verities of our history. A war runs a deficit, and, with determination, we retain our freedom and inevitably regain our prosperity. Truly our Nation's homeland security and household security are best served by budgetary balance born out of fiscal discipline. But sadly there come moments when time connives and fate conspires to preclude us from budgetary balance, and we must sacrifice in the present to strengthen our future.

Mr. Chairman, our Nation has been at war since September 11, a war on terror of which Operation Iraqi Freedom is the most recent theater. It has been, is and will continue to be a struggle of momentous sacrifice, yet we will prevail, and we will prosper.

This budget, which restores us to balance in 9 years, will speed our path to

peace and prosperity. For after each year of this budget, our deficit diminishes, our homeland security increases, and our household security increases. Yes, this is a difficult budget for these difficult times because it is a war budget in a time of war. Mr. Chairman, to preserve and promote our Nation's security, opportunity and prosperity, I urge its passage.

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

I just want to reiterate my support for the Blue Dog budget, a budget that is balanced, it reduces the debt, and provides a reasonable level of services to our veterans and our seniors. Unlike the majority budget, it does it without robbing from Social Security, Medicare and the veterans programs. I urge everybody on both sides of the aisle to vote for the Blue Dog budget.

Mr. SPRATT. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts (Mr. NEAL).

Mr. NEAL of Massachusetts. I thank the gentleman very much for yielding me this time.

Mr. Chairman, today in Northampton, Massachusetts, they are having problems funding a homeless shelter for veterans. As we watched the morning headline and the evening newscast, we are struck by the brave commitment of our men and women on the borders of Iraq and perhaps, as I speak, within the borders of Iraq as they prepare for an all-out invasion of Iraq. At a moment like this when we are watching this commitment, it is important to think of the significant and personal sacrifices these brave men and women are making. But at the same time that we are creating hundreds of thousands of new veterans through their distinguished service, the Congress today debates a Republican budget that mandates cuts in veterans programs.

I talk to these folks at the Northampton VA, I meet with them regularly, and they point out there simply is less money every year in the VA for honoring the commitment we made to our soldiers.

I know that the Republicans today through another manager's amendment, only because when they went back to their membership, the membership said to them, "what are you thinking of," that they have added in this amendment a few more dollars in an attempt to ameliorate some of their cuts. But the compelling truth is that this nominal increase will quickly be overcome by more than 2 percent in annual cuts in the years following. According to the Congressional Budget Office, their spending on veterans' health care and benefits is not enough to maintain purchasing power, which simply means real cuts in veterans programs.

As the National Commander of the Disabled American Veterans said of this budget being proposed by the majority Republican Party in this Con-

gress, "This budget dishonors the service of millions of service-connected disabled veterans, including combat-disabled veterans, and seriously erodes the Nation's commitment to care for its defenders."

Stand strong today for the Democratic proposal. Honor the commitment we made to our veterans and vote down this Republican budget proposal.

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON THE BUDGET,  
Washington, DC, March 20, 2003.

AMERICAN LEGION DECLARES SPRATT BUDGET  
"BETTER APPROACH"

DEAR COLLEAGUE: The Republican budget that will be considered on the floor today cuts discretionary funding for veterans health care below the level needed to maintain purchasing power at the 2003 level by a total of \$14.2 billion over ten years. Their budget also directs the Veterans' Affairs Committee to cut \$14.6 billion from mandatory benefit payments to veterans, including compensation for service-connected disabilities, burial benefits, and veterans education benefits.

Unlike the Republican budget, the Democratic alternative rejects any cuts to veterans' benefits over the next ten years. And it addresses the rising demand for veterans health care by funding veterans' health programs, including medical research and construction, at \$2 billion above the level needed to maintain purchasing power at the 2003 level over the next ten years. For 2004, the Democratic budget provides \$633 million more for veterans programs than the Republican plan, and it provides \$30.3 billion more for veterans than the House Republican budget over ten years. The American Legion calls the Democratic alternative "a much better approach toward reaching a balanced budget".

The four groups—Disabled American Veterans, AMVETS, Paralyzed Veterans of America, and the Veterans of Foreign Wars—that assess the needs of veterans and the funding they believe is required to meet those needs, known as The Independent Budget, have reviewed the Republican plan and the Democratic alternative and have concluded that the Democratic alternative "represents a solid step forward in meeting the very real needs of veterans".

I have attached these letters and ask that you give them your attention before you vote on the Budget Resolution today.

Sincerely,

JOHN M. SPRATT, Jr.  
Ranking Member.

MARCH 19, 2003.

THE INDEPENDENT BUDGET

A BUDGET FOR VETERANS BY VETERANS

Hon. JOHN M. SPRATT, Jr.,  
Ranking Member, Committee on the Budget,  
House of Representatives, Cannon House  
Office Building, Washington, DC.

DEAR REPRESENTATIVE SPRATT: On behalf of the co-authors of the Independent Budget, AMVETS, Disabled American Veterans, Paralyzed Veterans of America, and the Veterans of Foreign Wars, we are writing to offer our appreciation for introducing the Democratic Alternative to the Budget Committee's Budget Resolution, H. Con. Res. 95. Although this Alternative Budget Resolution does not provide all the resources for veterans' health care that we feel are necessary, it does recommend \$1.1 billion in additional discretionary spending in FY 2004, and \$17 billion more over the course of 10 years. In addition, and perhaps most importantly, the Alternative Budget Resolution does not in-

clude the draconian cuts to Department of Veterans Affairs (VA) mandatory programs that are contained in H. Con. Res. 95.

To require deep cuts in VA mandatory programs, \$463 million in FY 2004 and \$15 billion over ten years, that are called for in H. Con. Res. 95 is unconscionable. We do not consider payments to wartime-disabled veterans, pensions to the poorest disabled veterans, burial benefits and G.I. Bill benefits for soldiers returning from Afghanistan to be "fraud, waste and abuse." These would be the very programs directly affected by the Budget Resolution approved by the Committee. In addition, we note that H. Con. Res. 95 provides fewer discretionary dollars in FY 2004 than was recommended by the Administration. We are all on record as recommending close to \$2 billion in additional funding, above the \$1.3 billion recommended by the Administration, for VA health care, and we find it difficult to see how H. Con. Res. 95 can even match the President's inadequate request.

Again, we applaud your efforts to negate the cuts in VA mandatory programs and provide \$1.1 billion in discretionary spending above H. Con. Res. 95 in FY 2004, and \$17 billion more over the course of 10 years. Although not meeting The Independent Budget recommendation for VA health care, the Democratic Alternative Budget Resolution represents a solid step forward in meeting the very real needs of veterans, and those who will soon be veterans.

Sincerely,

RICK JONES,  
National Legislative  
Director, AMVETS.

JOSEPH A. VIOLANTE,  
National Legislative  
Director, Disabled  
American Veterans.

RICHARD B. FULLER,  
National Legislative  
Director, Paralyzed  
Veterans of America.

DENNIS CULLINAN,  
National Legislative  
Director, Veterans of  
Foreign Wars of the  
United States.

THE AMERICAN LEGION,  
Washington, DC, March 19, 2003.

Hon. JAMES A. NUSSLE,  
Chairman, Committee on the Budget, House of  
Representatives, Cannon House Office  
Building, Washington, DC.

DEAR MR. CHAIRMAN: The American Legion is deeply troubled by the impact H. Con. Res. 95, the Concurrent Resolution on the Budget for Fiscal Year 2004, would have on veterans, especially severely service-connected disabled veterans, and their families. Forced budgetary reductions in mandatory and discretionary funding is not in the best interest of disabled veterans, recently separated veterans, and active-duty service members entitled to certain VA benefits that are funded by mandatory appropriations. Therefore, The American Legion must oppose H. Con. Res. 95 passed by the Committee.

Representative Spratt, the Committee's Ranking Democratic Member, shared with The American Legion and other veterans' service organization the Democratic Alternative. After careful review, The American Legion agrees the alternative is a much better approach toward reaching a balanced budget.

The American Legion is also aware that the Blue Dog Coalition and the Congressional Black Caucus may also offer alternatives as well. Although The American Legion has not seen these proposals, it is clear there is much work to be done before final passage of the Budget Resolution for FY 2004,

especially one that treats earned benefits of American veterans fairly.

Veterans did not cause the budgetary shortfalls and should not be financially penalized in the name of fiscal responsibility. Much has been said that all Americans must be willing to make sacrifices to eliminate the budget deficit—severely service-connected disabled veterans have already made significant, personal sacrifices for their earned entitlements.

Sincerely,

STEVE ROBERTSON,  
Director,  
National Legislative Commission.

[From the Washington Post, Mar. 20, 2003]

CHANGES AT VA VEX ADVOCATES FOR  
HOMELESS

(By Edward Walsh)

John F. Downing doesn't understand why he was turned down for federal funds.

Eighteen months ago, he took over a successful program that every night provides shelter and counseling to as many as 120 homeless veterans in western Massachusetts. When United Veterans of America, where he is the executive director, applied last year for renewal of a federal grant that subsidizes the cost of half of the 120 beds at the facility, he thought it would sail through. It didn't, leaving Downing angry and perplexed.

"The whole thing is preposterous to us," he said.

Peter H. Dougherty understands why Downing is miffed. As director of homeless programs at the Department of Veterans Affairs, Dougherty is positioned at the other end of the bureaucratic process that decides such matters. But while Dougherty has sympathy for the complaints from Massachusetts, from where he sits in Washington, the VA's program for homeless veterans is doing just fine.

"I don't blame them, but in the meantime thousands more homeless vets are getting service," Dougherty said. Recent research suggests that veterans account for about 23 percent, or 460,000 of the 2 million adults who experience homelessness over the course of a year.

These competing perspectives—one from the nation's capital, the other from Northampton, Mass.—are the result of policy decisions that had nothing to do with the 60 beds that Downing is fighting to preserve. The private facility on the grounds of a VA medical center in Northampton was not so much rejected for renewed federal funding as it fell victim to vastly increased competition for a limited amount of money that the VA made available for the homeless veterans program.

The key step that threatens the federal subsidy to half of the beds at the facility was the VA's decision to merge two programs for homeless veterans into one. Two years ago, the VA received 67 requests for the operating subsidies, known as the "per diem only program," and approved 53 of the applications. The grants provided \$19 per bed per night to help run homeless shelters.

But in the most recent round of awards of operating subsidies, announced in December, 252 private agencies, including United Veterans of America, sought help from the VA, but again only 53 were approved. More than one third of the applicants had previously operated with help from the other VA homeless program that was merged with the per diem only program. There was also a sharp increase in interest in the program, with 125 new agencies for the first time seeking a VA operating subsidy.

More than half of the homeless shelters that applied for renewal of existing VA subsidies were turned down in the latest round. This has led to suspicions among some that

the administration gave preference to shelters run by "faith-based" organizations, furthering President Bush's goal of boosting the role of such organizations. The VA added to this impression by boasting, in its announcement of the new awards, that more than 40 percent of the recipients were faith-based organizations.

But Dougherty and other VA officials deny that faith-based organizations were given any advantage.

"What we're doing is what the administration asked for, and that is to have a level playing field," Dougherty said. When per diem only subsidies were awarded in 2000, faith-based organizations accounted for 35 percent of the recipients, he said.

But the "level playing field" meant that homeless programs already operating with VA subsidies also did not receive any special consideration, although Dougherty said the panels of VA officials who made the selections would be aware if an application was for a renewal and would probably factor that into their decisions.

VA officials defend the decision to merge the two homeless programs. Under the second program, known as Health Care for Homeless Veterans, VA medical facilities contracted with local residential facilities to take in homeless veterans. But officials said that program was more expensive, costing an average of \$39 per day per veteran, than the per diem only subsidies and essentially served the same population.

"We looked to see if there were any distinctions between veterans in both programs," said Gay Koerber, VA's associate chief consultant for health care for homeless veterans. "There was no difference in their health problems, substance abuse problems; they were about the same age. Based on that, it seemed much more cost-effective to shift resources into the per diem program."

Koerber and Dougherty also note that, under a variety of VA programs, the number of beds available continues to grow and that the operating subsidy is scheduled to increase from \$19 to \$26.95 a day. The other 60 beds at the Northampton facility, for example, continue to be supported under a VA program designed to enlarge the number of beds available nationwide.

Downing and others have complained that not a single application from Massachusetts was approved by the VA in the latest round, but, according to Koerber, the agency is helping to operate 247 beds for homeless veterans in the state (not counting the 60 that will lose the subsidy at the end of this month), the fourth-highest total among the 50 states.

All of this is scant comfort to Downing, who views the program from Northampton, not Washington.

"I have a commitment to veterans and to this facility to keep as many people safe and sober as we can," he said. "Our issue has been we don't want to put anybody back on the streets."

Mr. NUSSLE. Mr. Chairman, I yield 2 minutes to the gentleman from Florida (Mr. MARIO DIAZ-BALART), a member of the committee.

(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, first I would like to commend the gentleman from Iowa on this great budget resolution that adheres to the principles that this Chamber has been speaking about forever, fiscal discipline, tax relief, and job creation. This budget resolution includes President Bush's job growth plan,

which provides immediate help for Americans who are facing very difficult economic times right now, and also lays the groundwork for strong and sustained economic growth in the future. This plan will boost job growth by 2.1 million jobs over the next 3 years. In my home State alone, Florida, it will create 54,000 jobs in 2004, and almost 250,000 jobs will be created over the next 4 years. Small businesses, sometimes an entity that is forgotten so much in these conversations, will receive tax cuts averaging over \$2,000 under this budget, this plan.

The long-term tax incentives will not only help job growth, but it will also create, as I said before, long-term financial security for all Americans in our wonderful country.

I keep hearing about this Blue Dog budget, but this Blue Dog Democratic alternative increases taxes, increases taxes on Americans that are struggling right now to pay their rent, to pay their mortgage, to keep their jobs. It increases taxes to hire more bureaucrats. They may call it a Blue Dog plan, but when you take off the dressing, it is just a dog. Increasing taxes in America in this day and age will do nothing to help the economy. It will slow down economic growth.

That is why this plan, the Republican plan, makes so much sense. It is the right plan for the right time. It is one that will increase jobs, not decrease; that will lower taxes on working Americans, lower taxes on small businesses, not increase taxes to hire more bureaucrats here in Washington.

It is time to bring common sense. This budget does so.

Mr. SPRATT. Mr. Chairman, I yield 3 minutes to the gentleman from Virginia (Mr. SCOTT).

Mr. SCOTT of Virginia. I thank the gentleman for yielding me this time.

Mr. Chairman, a few years ago, we were asked to pass the budget, the Republican budget. We passed it. This is the economic growth over the last few years. We got the lowest economic growth that we have gotten in 50 years. We also have a budget that creates new debt.

This is the surplus and deficit over the past few years. You will notice it under Reagan and Bush; the Clinton budget, which was passed without any Republican help; President Bush came in, and we are back down into deficit.

This is called a wartime budget. Unfortunately, there is no wartime money in the budget.

How bad do deficits have to get?

This is a chart that shows where the interest on the national debt has gone. Interest on the national debt, if the Republicans had not messed up the budget, would have gone to zero by the end of this budget deficit. The red line is the interest on the national debt under the Republican plan. To put it in perspective, the blue line is the entire nondefense discretionary budget. Instead of going to zero, we are going to be spending more on interest on the national debt than we are spending on everything in government.

□ 1530

Because of the deficits we are cutting education. The 12 percent increase over the past few years, this budget is a cut in education. We are talking about cuts not only in the veterans benefits that we had but also cuts in education, cuts in safe and drug-free schools, after-school programs, education for homeless children, vocational education, 28,000 Head Start students not being educated under the Head Start program.

At a time when States are increasing their tuitions, we are cutting Pell grants. We are cutting student loans and school lunches. We are also not funding No Child Left Behind. The President went all over the country talking about No Child Left Behind and the amount of money that was authorized to be spent. Unfortunately, we are not even spending on No Child Left Behind what we spent last year.

Look at the difference in what we are spending. In order to take pay cuts for the wealthy, we have run up a huge debt, cut veterans benefits, cut education. That is the wrong priority. We should fund veterans and education first and then consider tax cuts second. We have got the wrong priorities. Education is the right priority.

Mr. NUSSLE. Mr. Chairman, could I inquire how much time is remaining on both sides.

The CHAIRMAN pro tempore (Mr. SIMPSON). The gentleman from Iowa has 11¼ minutes remaining. The gentleman from South Carolina has 11½ minutes remaining.

Mr. NUSSLE. Mr. Chairman, that sounds pretty close. It is about as balanced as any of the budgets.

Mr. Chairman, I yield 2 minutes to the gentleman from Louisiana (Mr. VITTER).

Mr. VITTER. Mr. Chairman, today as we embark on a new chapter in the war against terror, I want to return to a crucial theme for this budget, which is homeland security. That goes to the heart of national security, and it also goes to the heart of economic security since by far the biggest setback we could have to our economy, for another setback, which would be another major terrorist attack.

This budget includes a substantial increase for the protection of our Nation's infrastructure, \$829 million, for instance, a more than 300 percent increase for the Department of Homeland Security's Information Analysis and Infrastructure Protection which will provide new capabilities in the war against terror by mapping intelligence and threat information about the Nation's potential vulnerabilities. That includes \$500 million to assess the Nation's critical infrastructure and to ensure that our highest-priority vulnerabilities are properly addressed. This is important everywhere, including my home State of Louisiana. We have a vast amount of critical infrastructure there, including some of the most active ports in the world and a

large portion of the strategic petroleum reserve, infrastructure that transports a huge percentage of the Nation's oil and gas needs and so much more. Terrorist attacks to any of these facilities would be devastating to my State and, indeed, the entire Nation.

So in this time of war, in this time of threat, providing for our military and protecting our homeland first and foremost are top priorities. This budget does both of those. It protects our economy also as a result, and I urge my fellow Members to support this strong budget.

Mr. SPRATT. Mr. Chairman, I yield 3 minutes to the gentleman from Minnesota (Mr. OBERSTAR).

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

Unfortunately, this Republican budget is likely to force the Committee on Transportation and Infrastructure to slash the pensions of 34,000 Coast Guard retirees and 645,000 railroad retirees and their dependents and cut the relief provided to families of the victims of September 11.

Who in this House believes that we should cut the September 11 Victims' Compensation Fund to finance tax cuts for the rich? As a Nation at war, who believes that the men and women of the Coast Guard protecting our shores, ensuring the safe passage of U.S. Navy ships in the Persian Gulf should be worrying that Congress might cut their retirement?

This budget shows a callous disregard for the families of the victims of September 11, the men and women of the Coast Guard, railroad retirees, as well as the infrastructure needs of this country.

The budget resolution directs the Committee on Transportation and Infrastructure to cut \$3.7 billion for mandatory programs over the 10 years and to find savings from waste, fraud, and abuse and produce greater efficiency. Those platitudes may make for good rhetoric, but the policies will have devastating effect on the retirees and on the families of the victims of September 11. The Congressional Budget Office says 90 percent of the programs of the Committee on Transportation and Infrastructure's mandatory accounts include the September 11 Victims' Compensation Fund, Coast Guard retirement pay, railroad retirement pensions, and unemployment compensation for railroad workers. Is that where we are supposed to find waste, fraud, and abuse?

The Victims' Compensation Fund makes payments to the victims who were injured and the families of those who were killed in the September 11 attacks. Mr. Chairman, no one in this Chamber can possibly ever forget the tragedy of September 11, and I hope the families are beginning to put their lives back together again. How in good conscience can we retreat from the solemn commitment made on this floor to help them rebuild their lives?

I commit to them that I will oppose this Republican budget plan that will cut their funding. Similarly, the 36,000 Coast Guard officers and their enlisted personnel and the 34,000 Coast Guard retirees, we pledge to them on our side that we will oppose this budget resolution and its cuts in Coast Guard retirement pay.

Coast Guard cutters, as we debate this budget resolution, are on combat patrol with the U.S. Navy, securing the shipping lanes and the safe passage of Navy ships in the Persian Gulf and the Mediterranean. At home the Coast Guard continues to protect our shores and our ports. Just this week the Secretary of Homeland Security initiated Operation Liberty Shield, increased security at our ports, protect infrastructure, key assets. The Coast Guard under Operation Liberty Shield is increasing its patrols of waterways, escorts of ferries and cruise ships, sea marshals on board vessels of high interest. We get more out of our investment in the Coast Guard than virtually any other agency of the Federal Government. Why should we make them worry about this Republican effort to cut retirement pay?

Mr. Chairman, I rise in strong opposition to H. Con. Res. 95, the FY2004 Budget Resolution. Regrettably, this Republican Budget is likely to force the Transportation Committee to slash the pensions of 34,000 Coast Guard retirees and 645,000 railroad retirees and their dependents, and cut the relief provided to families of the victims of September 11th. Who in this House believes that we should cut the September 11th Victims' Compensation Fund to finance more tax cuts for the rich? With the Nation now at war, who in this House believes that the men and women of the Coast Guard, who are protecting our shores and ensuring the safe passage of U.S. Navy ships in the Persian Gulf, should be worrying that this Congress may cut their retirement? This Budget displays a callous disregard for the families of the victims of September 11th, the men and women of the Coast Guard, railroad retirees, as well as the infrastructure needs of this country.

Section 201 of the Republican Budget Resolution directs the Committee on Transportation and Infrastructure to cut \$3.7 billion from its mandatory programs over the next 10 years. We are told to find these savings from "waste, fraud, and abuse" and to produce greater efficiency in our programs. While these platitudes of "waste, fraud, and abuse" make for good rhetoric, these policies will have a devastating effect on these retirees and the families of the victims of the September 11th attack.

The Congressional Budget Office says that 90 percent of the Transportation Committee's funding of mandatory programs includes these three:

The September 11th Victims' Compensation Fund,

Coast Guard retirement pay; and  
Railroad retirement pensions and unemployment compensation for railroad workers.

And this is where we're expected to find "waste, fraud, and abuse"?

The September 11th Victims' Compensation Fund makes payments to the victims who

were injured and the families of those who were killed in the September 11th terrorist attacks. Mr. Chairman, no one in this chamber will forget the tragedy of September 11th. I can only hope that families of the victims of September 11th have begun to put their lives back together. How can we, in good conscience, retreat from our solemn commitment to help them rebuild their lives? I commit to them now that I will oppose this Republican plan that could cut funding from the families of the victims of September 11th.

Similarly, I commit to the men and women of the Coast Guard, both the 36,000 Coast Guard officers and enlisted personnel and the 34,000 Coast Guard retirees, that I will strongly oppose this Republican Budget Resolution and its likely cuts in Coast Guard retired pay.

As we debate this Budget Resolution, Coast Guard cutters are on combat patrol with the U.S. Navy to help secure shipping lands and the safe passage of Navy ships in the Persian Gulf and the Mediterranean. At home the Coast Guard continues to protect our shores and ports. On Monday, March 17, the Secretary of Homeland Security initiated Operation LIBERTY SHIELD to increase security at our Nation's borders and protect our critical infrastructure and key assets. Under Operation LIBERTY SHIELD, the Coast Guard is increasing patrols of major U.S. ports and waterways, increasing its escorts of ferries and cruise ships, providing armed Sea Marshals onboard every high interest vessel arriving at or departing from U.S. ports, and enforcing security zones in and around critical infrastructure sites in key ports and petroleum facilities close to large coastal communities. In addition to its military and homeland security missions, the Coast Guard continues its search-and-rescue mission—responding to nearly 37,000 calls and saving 3,654 lives in 2002—and many other missions. The Coast Guard has long been stretched thin, but has always been ready—"Semper Paratus"—to answer the call. I have always maintained that the public gets more out of its investment in the Coast Guard than virtually any other government service. The enlisted men and women and officers of the Coast Guard should not have to worry about this Republican effort to cut their retirement pay.

The Republican Budget Resolution also is likely to result in significant cuts to railroad workers' retirement and unemployment compensation programs. Railroad workers, unlike other workers, are not covered by the Social Security system. They have their own retirement program. Last Congress, the bipartisan leadership of the Transportation Committee, with the strong support of rail unions, railroads, and rail retirees and their dependents, introduced H.R. 1140, a bill to revise the railroad retirement program to restore rail worker benefits and decrease railroad payroll taxes. The House overwhelmingly passed this legislation, by a vote of 383-33, and it became law. Today, the Republican Budget Resolution forces the Transportation Committee to consider changing this Act to cut railroad worker retirement benefits and unemployment compensation. I commit to the 248,000 rail workers and the 645,000 rail retirees and their dependents that I will fight any attempt to roll back the benefits so recently restored to you.

Beyond these devastating cuts required by the reconciliation instructions, this Budget Resolution does little to meet our infrastructure

investment needs. For the reauthorization of the Transportation Equity Act for the 21st Century (TEA 21), the Transportation and Infrastructure Committee urged the Budget Committee to provide \$50 billion in budget authority for highway, highway safety, and transit programs. In its letter to the Budget Committee, 74 of the 75 Members of the Transportation Committee stated that we must provide this level of funding in FY2004 to maintain our surface transportation systems and have any hope of improving the overall condition of the Nation's highway and transit systems.

Regrettably, this Budget Resolution provides \$39 billion for these programs—little more than the status quo for TEA 21 reauthorization. Through the vigorous efforts of the bipartisan leadership of this Committee, the Resolution also provides a reserve fund that would allow for additional allocations if this or other legislation includes increases in Highway Trust Fund receipts. Although this does provide the Transportation Committee with the opportunity to address this issue at a later date, this Resolution does nothing to address our enormous highway and transit infrastructure needs in the fiscal year ahead.

Moreover, the Republican Resolution cuts the amount of highway and transit funding that actually may be obligated in FY2004 below the CBO baseline. Specifically, the Republican Budget Resolution assumes a cut in the transit program of \$98 million in FY2004 and \$2.5 billion over the next six years. This cut is directly contrary to TEA 21's goal of modal balance. Under TEA 21 we significantly increased transit funding by guaranteeing \$36 billion for transit. As a result of this increased investment, transit ridership has added 1.6 billion riders—more than 900,000 new riders each day—over the last five years. This transit renaissance could be threatened by these cuts in transit funding.

At a time when our Nation's infrastructure faces huge unmet safety and security needs, congestion is crippling our cities, and our economy has lost 2.5 million jobs in the past two years, the Republican Budget Resolution cuts these vital programs that could address infrastructure security needs and congestion problems and create family-wage jobs to grow our economy. Instead, it provides more than \$1 trillion of new tax cuts.

This Budget Resolution reflects more than misplaced priorities. It is an assault on working men and women from the Coast Guard to the Maintenance of Way railroad employees.

Mr. Chairman, I strongly oppose the Republican Budget Resolution and urge my colleagues to vote "no".

Mr. NUSSLE. Mr. Chairman, I yield 2 minutes to the gentleman from Texas (Mr. HENSARLING), a member of the committee.

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

Mr. Chairman, I rise today in strong support of this budget resolution. With America at war and with families having to make tough decisions around their kitchen tables, should we not in Congress at least be expected to make smart decisions to promote economic growth and to take a stand against waste and fraud?

Many across the aisle oppose this budget and attack the tax relief. But,

Mr. Chairman, less than 5 percent of this budget is about tax relief; 95 percent of this budget is about spending, 3 percent more, more, than last year. Unfortunately, much of it continues to be waste and fraud. The Department of Housing and Urban Development made \$2.6 billion in section 8 overpayments, 7 percent of their entire budget just lost. That is enough money to pay the downpayment for 300,000 people to get into their first homes.

The Medicare program paid out \$13.3 billion in 1 year to people who did not even qualify. That is enough money this year to pay one third of the cost of a prescription drug benefit for our seniors.

The list goes on. Social Security pays benefits to dead people. Twenty-three percent of the people having their student loans discharged due to disability actually hold jobs. The National Park Service spent \$800,000 on an outhouse, and it does not even work. In the real world when people lose this much money, they are fired or they go to jail. In Washington it is just an excuse to ask for even more money next year.

Mr. Chairman, there are a thousand ways we can save money in Washington without cutting any needed services and without raising taxes on our hard-working families and our men and women in uniform. People should quit trying to fool the American people into thinking otherwise. If we fail to endorse this budget and just promote even more government spending without reform, we are simply sanctioning fraud. What an insult to the American people.

Mr. SPRATT. Mr. Chairman, I yield 3 minutes to the gentleman from North Carolina (Mr. PRICE).

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

Mr. PRICE of North Carolina. Mr. Chairman, I rise today in opposition to the Republican budget and in support of the alternative budget being offered by my colleague from South Carolina (Mr. SPRATT).

Mr. Chairman, the 10-year \$5.6 trillion unified budget surplus projected less than 2 years ago is gone, completely gone, thanks in large part to the Bush tax cuts mainly benefiting upper-bracket taxpayers. Now the Republicans offer a budget with over a \$2 trillion deficit for the same 10-year period, \$4.4 trillion if we exclude the Social Security trust fund. That is a fiscal reversal of almost \$8 trillion.

Unfortunately, in the face of the worst fiscal reversal in this Nation's history, the Republicans' response is to propose more of the same failed policies. Finding themselves in a hole, their message seems to be: just keep digging.

The Republicans' budget proposes \$1.3 trillion in new tax cuts, every penny of it funded by increased government debt. The result, Mr. Chairman, is that the Republican budget would provide the worst of both worlds. We

would go over the cliff fiscally, while at the same time radically reducing money available for education, the environment, transportation, healthcare, and law enforcement.

At a time when our veterans are waiting 6 months for an appointment at VA hospitals, the Republican budget would cut compensation for service-connected disabilities and education benefits by \$15 billion and veterans healthcare funding by another \$14 billion over the next 10 years.

As the National Commander of the Disabled American Veterans said in a letter to Speaker HASTERT, "Has Congress no shame? Is there no honor left in the hallowed halls of our government that you choose to dishonor the sacrifices of our Nation's heroes and rob our programs, healthcare and disability compensation, to pay for tax cuts for the wealthy?"

The Republican budget not only fails to fund No Child Left Behind, the bipartisan education program enacted a year ago; it actually would require cuts in school lunch programs and in student loans. The Republicans mandate billions in cuts from appropriated health programs, but do not say where the ax would fall. From major disease research at the National Institutes of Health? From community health centers. There would be \$2.5 billion in cuts required next year alone. From where?

The Republican budget does not even keep up with inflation in funding for homeland security. And what new money is proposed is largely offset by cuts in law enforcement programs on which our police and other first responders have depended in years past. The Democratic alternative provides \$10 billion for the States immediately for homeland security, as provided in our economic stimulus plan. The Republican budget does not contain one dime of this funding.

Mr. Chairman, the Democratic budget has its priorities straight. A fast-acting and effective economic stimulus, a serious prescription drug plan, protection of veterans benefits, prudent investments in education and homeland security, and all of this with \$821 billion less in deficits and debt than the Republican proposal. The Democratic alternative is realistic and responsible, fair and fiscally sound, and I urge colleagues to support it.

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

I have been looking through my budget, and I cannot find one of the facts that the gentleman just stated. Not one of the cuts he just stated is in my budget document. I have looked through there. I cannot find them. I do not know where the gentleman is coming up with these numbers.

I will say this, though: the person I would like to introduce next to speak basically wrote title II, which is our reconciliation construction regarding waste, fraud, and abuse, asking the committees to go out and look for those instances of waste, fraud, and

abuse, ways that we can find deficiencies within this budget, and that is the very distinguished gentlewoman from Florida (Ms. GINNY BROWN-WAITE).

Mr. Chairman, I yield 2 minutes to the gentlewoman from Florida (Ms. GINNY BROWN-WAITE).

Ms. GINNY BROWN-WAITE of Florida. Mr. Chairman, first of all, I would like to thank the gentleman from Iowa (Mr. NUSSLE), the chairman, for working so hard on this budget. I have had lengthy discussions with him about my concerns for protecting Medicare and veterans. The spending cuts that were in the original budget that we passed out of the Committee on the Budget concerned me deeply. He listened and I am very pleased with the results.

Most Americans agree that Medicare must be reformed. The 38-year-old program benefit package is outdated and actually insufficient for most seniors' needs. The current program lacks much-needed prescription drug coverage, leaving many seniors to choose between food and drugs. I know. I represent many of those seniors. The Republican budget begins the process of reforming the outdated Medicare system. It includes a historic proposal to provide \$400 billion over 10 years to update the Medicare benefits package and also provide a prescription drug benefit. Additionally, I have worked with the committee and the Republican leadership to ensure that Medicare is untouched by across-the-board cuts. The constituents of the fifth congressional district have also expressed a great concern that the veterans healthcare system is broken.

□ 1545

I have constituents in my district who are being forced to wait up to 16 months for an appointment to see a physician, and in some of the counties it is up to 18 months. Last year, in fiscal year 2003, there was a 12 percent increase in the VA medical care funding, yet the waiting times have not substantially improved. The system must be fixed.

Additionally, this budget provides for an increase in veterans' discretionary spending of 6.1 percent over fiscal year 2003, as well as a 7.5 percent increase in mandatory outlays. We are working to ensure that these resources are adequately and geographically spread so that we meet the needs of seniors.

I urge my colleagues to vote in favor of increasing the spending on veterans' health care and protecting those who have always been willing to protect us. The budget works for seniors, and I urge support.

Cutting 1 cent on the dollar for other agencies in fraud, waste and abuse is very, very achievable. Let us not say that we cannot find the savings. We deserve, for the sake of the taxpayers, to at least try.

Mr. SPRATT. Mr. Chairman, I yield myself 1 minute, before yielding to the gentleman from Tennessee (Mr. FORD),

to respond to our distinguished chairman, who wants to know where all these cuts we are alleging come from.

They come from the budget documents. His budget calls on the Committee on Energy and Commerce, for example, to reduce spending by \$107,359,000,000. The only thing they can take that out of is the Medicaid program.

He calls on the Committee on Government Reform, which has jurisdiction over the Federal Employees Health Benefits Plan and the Civil Service Retirement Plan, to effect cuts in those programs of \$38,319,000,000 to achieve savings.

They are there. If you look at function 550 in this budget, which is the health function, if you look at the level of funding, it is \$2.4 billion below what is necessary to maintain purchasing power. We say "current services." That has got to come out of some of the organizations like NIH who get their funding from this particular function of the budget. It is there. No question about it.

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

Mr. FORD. Mr. Chairman, out of respect to the chairman, I know he wants 2 minutes to close, I will just take a minute. I will be very brief.

Mr. Chairman, one of the reasons I think that sometimes we find ourselves as a body not taken as seriously as we would like to be taken is because of exercises like this. We have heard over and over again from colleagues on one side of the aisle and colleagues on this side.

The Nation is focused on the war we are faced with right now. There is obviously going to be an enormous cost associated with that war.

Second, most people across the country are focused on local and State government challenges. Many State governments are facing enormous budget shortfalls, it has been estimated some \$70 billion in current year shortfalls across the country. That number has grown by 50 percent, Mr. Chairman, in just the last 3 months.

If we are serious about helping States and serious about helping people get back up on their feet, serious about helping this economy move in the right direction, let us be honest. We are not paying for the war, and my friends on the other side of the aisle pretend that they cannot even contemplate a model that can give us scenarios for how much this war will cost. That is disingenuous, it is wrong, and it is unfair to the American people.

Two, you do very little for your hospitals, your schools. People mention Medicare and Medicaid. For those watching at home, that means those hospitals in your States will not get the amounts of money that they need to ensure that people are covered and that people are treated.

For those teachers and those of you who have kids in public schools, that

means that bill we bragged about, the No Child Left Behind Act, we will not have the money to fund it. All of the promises about homeland security, it takes money to pay for these things.

The difference between our budget and theirs is simple: We set a different set of priorities than they have set.

I hope my friends on the other side of the aisle at the end of day can at least be honest and say to those of us on this side and to the American people that your priorities are vastly and radically different than ours. We believe States should be helped, we believe that the war should be paid for, and we believe we should balance the budget. Your priorities are different, and you owe it to the American people to tell them the truth.

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

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

Mr. Chairman, let us just go to the bottom line and look at the differences between the two proposals that will be the chief proposals before the House when we vote tonight on the budget resolutions, the Democratic proposal and the Republican proposal.

As anyone who can see this chart can easily see, under our budget in every year from 2004, next year, through 2013, the Democratic budget has a lower deficit than the Republican budget, and by a significant margin.

What is more, every year our bottom line gets better and better and better, until in the year 2010 we are in unified balance. All accounts included, we have no more deficit by the year 2010. And we do not get there with improbable, unlikely spending cuts of the kind you have heard mentioned on the floor today. We get there with good, solid economics and with complete fairness to things that are important to us. It is a huge difference.

But this tells it all: Over that 10-year period of time, the cumulative difference between us and them, between Republicans and Democrats, between our resolution and their resolution, is \$913 billion less public debt. So as we move from a deficit to a surplus, we accumulate \$913 billion less debt than do the Republicans in their resolution. That is an enormous difference, particularly for anybody who says that deficits matter.

We insist that deficits do matter. This administration has taken a different attitude. The Director of Management and Budget says we should not start hyperventilating over all these deficits. We think they matter. We think in the long run they affect the growth of our economy, they affect jobs and things that matter to people, they affect the interest we have to pay on our national debt.

This is the difference between us and them. By 2010, we are in balance. It takes them until 2012 to get there. Along the way we accumulate \$913 billion less debt. But what is most important is ours is feasible and credible and

probable; theirs is infeasible, unlikely, and, to my way of thinking, unbelievable.

The Republican budget presents us with two choices: We will either have devastating cuts, in which event they may get to balance in 2012, or those cuts will not be achieved, in which event the deficit itself will have done devastating damage.

That is the choice before us, and that is why the Democratic balanced budget resolution is far and away the better choice for everybody in this House.

Mr. NUSSLE. Mr. Chairman, I yield the balance of my time to my friend, the gentleman from Connecticut (Mr. SHAYS), the very distinguished vice chairman of the Committee on the Budget, to close the debate.

The CHAIRMAN pro tempore (Mr. SIMPSON). The gentleman from Connecticut is recognized for 5½ minutes.

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

Mr. Chairman, I think if we were honest with each other, we would say we do not like any of our budgets, because we would like them to be balanced today, but that, regrettably, is not possible. But in comparing the budgets, I prefer the budget that we are presenting.

I prefer it because in our budget we are protecting America, we are increasing our defense budget, we are increasing our homeland security budget. In our budget, most importantly, and you do not see it to the extent you need to in our colleagues' budgets, we are strengthening the economy and creating new jobs. In our budget, we are providing fiscal responsibility.

One of the things I found most curious in the debate in the committee last week was that when we added up all the dollars that were spent in amendments offered by our Democratic colleagues, they amounted to over \$1 trillion. Now, they would say to you what they did is they eliminated our tax cuts, and, in some cases, increased taxes to pay for their \$1 trillion of new spending over the next 10 years.

When we came to Washington, a number of us said we wanted to get our country's financial house in order and balance the Federal budget and not grow this government. But what we see in the other budget is a growing of the government.

Mr. Chairman, what is disappointing to me is that when we have seen their amendments, both last week and this week, we have not seen any effort to reduce spending but increase it. And when we see what we do, what we are having to defend, I am embarrassed that it seems so difficult to defend. We have to defend a 1 percent cut in discretionary spending over this year's budget for just 1 year. Then we allow the budget to go up in the second year, we allow it to go up in the third year, we allow it to go up in the fourth year. The logic, though, is if you can make cuts in 1 year, they have benefit in terms of reducing spending for 10 years. I am proud of that.

But when our colleagues talk about the savings we are making, they add up all 10 years and then imply that it happens all in 1 year, or they say we are going to cut 1 percent every year, and we are not allowing the budgets to grow.

We want to slow the growth in the budgets next year, and then we are going to allow them to grow in the second year, allow them to grow in the third year, allow them to grow in the fourth year, allow them to grow in the fifth year, allow them to grow in the sixth year, allow them to grow in the seventh year, allow them to grow in the eighth year, allow them to grow in the ninth year, and allow them to grow in the tenth year.

But we are having to defend a 1-cent-per-dollar cut next year in some programs, but we are not cutting defense, homeland security, Medicare or Social Security, and we have also agreed that veterans' spending is going to go up.

So, for me, I am having a difficult time, because I would have liked our budget to have reduced spending more. But this is what we can agree to.

Now, when we talk about the 1 percent reduction, what we are looking at is waste, fraud, abuse and mismanagement. You mean to tell me there is not 1 cent on a dollar of waste, fraud, abuse and mismanagement in our government? You could not look at anyone with a straight face and tell them that.

I happen to have served on the Committee on Government Reform, for 16 years. I love that committee. We look at waste, fraud and abuse, and we attempt and are successful in many ways in getting reform. But it is taking too long. We need the authorizers to do a better job of looking at waste, fraud and abuse now, and we need the appropriators to do so as well.

Mr. Chairman, on my desk are hundreds of GAO reports. These are just for a few months. Financial Management Service; Significant Weaknesses In Computer Control Continue. You could save millions of dollars there.

Weak Controls Result In Improper and Wasteful Purchases at FAA. You can save money there.

Medicaid Financial Management: Better Oversight Of State Claims For Federal Reimbursement Needed.

I love this one. Medicare Home Health Care. Payments To Home Health Agencies Are Considerably Higher Than Costs.

U.S. Postal Service: Deteriorating Financial Outlook Increases Need For Transformation. We have got to do those things.

Now, DOD has to be looked at as well, and that is one way we can help pay for all the needs that we have in DOD. Overpayments Continue, And Management And Accounting Issues Remain. Defense Inventory: Control Weaknesses Leave Restricted And Hazardous Excess Property Vulnerable To Improper Use, Loss And Theft.

These are just a few of the hundreds on my desk. This is just GAO. What

about the Inspector General's reports? We could fill up this whole table. This is literally the tip of the iceberg.

So, I am proud of our budget, because it is better than the budget we are seeing, but, Lord knows, it could be even better.

I encourage my colleagues to vote out our budget resolution. Let us get our country's financial house in order, and let us have the needed tax cuts that will generate the economic activity that will grow this economy. We want to protect America, strengthen the economy, and have fiscal responsibility. Our budget does that.

The CHAIRMAN pro tempore. The gentleman from New Jersey (Mr. SAXTON) and the gentleman from California (Mr. STARK) each will control 30 minutes on the subject of economic goals and policies.

Is the gentleman from Wisconsin (Mr. RYAN) a designee of the gentleman from New Jersey (Mr. SAXTON)?

Mr. RYAN of Wisconsin. I am, Mr. Chairman.

The CHAIRMAN pro tempore. The gentleman from Wisconsin (Mr. RYAN) will control the time of the gentleman from New Jersey (Mr. SAXTON).

The Chair recognizes the gentleman from Wisconsin (Mr. RYAN).

□ 1600

Mr. RYAN of Wisconsin. Mr. Chairman, I yield 2 minutes to the gentleman from Georgia (Mr. ISAKSON).

Mr. ISAKSON. Mr. Chairman, I thank the distinguished gentleman for yielding the time, and I thank the chairman of the Committee on the Budget, the vice chairman, and the Members from both sides for the work that they are doing.

Let us face it. Every one of us can come here and every one of us would do it differently, but I would like to address something that has been talked about quite a bit and lend some perspective.

There was a movie known as the American President, and in it Michael Douglas played the American President, and in it there is a great line. Michael Douglas was being attacked for a very difficult decision he had made as President of the United States. He called a press conference, he stood before the media, and he says, "America has serious problems, and we need serious people to solve them."

So for one second I would like to be a serious person and talk about the fundamental foundation of the beginning of what we must do; that is, the reconciliation language regarding waste, fraud, and abuse.

We have to in America prioritize our spending and slow the growth in that spending, or we are going to spend ourselves into a position that we cannot afford, either our citizens or ourselves. And it is an appropriate first step, as this budget recognizes, to go through these agencies and look for the reduction in the rate of growth, it is a reduction in the rate of growth, and find

that funding wherever possible where there has been waste, where there has been fraud, or where there has been abuse.

And we in this Congress already have set one precedent. There is a program that is off limits, so to speak, in this budget called Medicaid, but when we established the Medicaid program and experienced waste and fraud and abuse in that program, particularly fraud, this Congress, years ago, established that we would offset from the Federal 65 percent match, the amount of money that was found to have been fraudulently spent by the State that administers the program. From the time that was implemented, the rate of fraud went down, which ensured that the money going into Medicaid was going where it should be, and that is to benefit those most in need.

We need to establish the same mechanism in every department of the Federal Government. If there is an accountability for the allowance of waste, for the allowance of fraud, or for abuse, with no consequence in the future, then it will continue. I commend the committee, and I commend the chairman.

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

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

Mr. STARK. Mr. Chairman, last night, President Bush started the war against Iraq, a war that offends the vast majority of moral and religious groups in the world. Most major religious organizations, the Vatican, Muslim, Buddhists, Jewish, Protestant religious groups, oppose his war on moral grounds. Over 80 percent of the nations in the world oppose the war on ethical and moral grounds.

But now that Bush has created this disaster to cover up his failed diplomatic, social, and economic agenda, it is up to Congress to find ways to support our troops overseas, and support them we must. For President Bush talks the talk of support for our troops while he and Republican leaders fail to walk the walk. In reality, they trash the future lives here at home for our brave servicemen and women today.

How do George Bush and his Republican henchmen mistreat our troops? Well, let me count the ways. They are all outlined in the Republican budget before us today. Even though Bush may lie from time to time, the figures in his budget reveal his true intentions, and here they are.

First, there is no money for our troops to fight this war of his, no money, period. So much for Republican support for our troops.

Second, troops. Watch out if you come home as a veteran, because Bush and his Republican allies are cutting \$15 billion from veterans' benefits, a fine thank you for your service. When you return from war, no health care at the VA hospital? Do not turn to Medicaid or Medicare for help. Bush and his

Republican allies are cutting more than \$160 billion from these vital health care programs as well. These cuts mean over 5 million children will lose their health coverage benefits. Benefits will be reduced by 30 percent for the children lucky enough to remain in Medicaid, which, by the way, may have to drop its prescription drug coverage altogether.

Now, Republicans talk about a Medicare drug benefit, but they do not budget funds to provide it, and a million elderly nursing home residents could be put out on the streets. So much for the parents of our military.

Now, for our soldiers, sailors, airmen, and marines, got kids? Do not look for help from Bush. His budget takes child care away from 30,000 children, kicks 570,000 kids out of after-school programs, eliminates Head Start for 28,000 children, and prevents a half a million poor children from getting free and reduced-price school meals. Even if your kids are lucky enough to get to school, they will be left shortchanged by Bush's \$9.5 billion cut to education that was needed to assure his oft-touted plan to leave no child behind. Clearly, that campaign is history.

Need help with housing when you get back? Too bad. The President cuts housing subsidies for 75,000 families.

Having trouble finding a job in the Bush recession? Sorry. Republicans do nothing in this budget to extend unemployment benefits for those who cannot find jobs. At least his daddy and Ronnie Reagan extended unemployment benefits for over 33 weeks.

Say your war takes a long time and you want to retire when you come home. Forget about Social Security and Medicare. Bush took the money to fund those programs and gave it away as \$1.5 trillion in tax cuts to the very richest Americans, 80 percent of those cuts going to people with incomes over 100 grand a year. The only servicemen and women I know who are making that much are working two night jobs.

So there you have it. The President starts a war to eliminate terror, knowing that it will only increase terrorist attacks at home. He tries to disarm a nation with no proven weapons of mass destruction, and he ignores a far worse threat of North Korea's nuclear weapons. He orders the assassination of an inhumane dictator to cover up the fact that he cannot find bin Laden, and then tells us in Congress to support the troops while he dishonors their very future by giving America's resources away to a small, rich cadre of Republican officeholders and campaign contributors.

Mr. Chairman, you do not praise a person for driving home drunk and avoiding an accident. You do not praise an A grade awarded to a child who cheats to get it. And thus, we should not support the war program of a President which defies every moral and ethical standard set by religious and government leaders around the world.

If you truly want to support and honor our servicemen and women, vote

against this antiveteran, antichild, anti-Christian, "Bush-league" Republican budget.

ANNOUNCEMENT BY THE CHAIRMAN PRO TEMPORE

The CHAIRMAN pro tempore (Mr. DUNCAN). The Chair would remind all Members that although remarks in debate may level criticism against the policies of the President, still, remarks in debate must avoid personality and, therefore, may not include personal accusations such as lying.

Mr. RYAN of Wisconsin. Mr. Chairman, I yield myself 15 seconds.

This is the period of debate where the Joint Economic Committee takes over to discuss the Humphrey-Hawkins period of debate, which is supposed to be about monetary policy. I see from my colleague, the last speaker, we are going to move beyond monetary policy, I guess. So in that spirit, I yield 2 minutes to the gentleman from Nebraska (Mr. TERRY).

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

Mr. TERRY. Mr. Chairman, I thank the gentleman for his introduction.

Now, one of the realities that we must recognize as we debate our budget are the realities of today's economy and those facing our municipalities, our cities, and our States, and our families today. The reality is that when we have this economic slowdown, all of those entities that I just mentioned have made tough decisions to cut their budgets. I hear about families doing it all the time. The city of Omaha has done it, the State of Nebraska has done it. But yet when we are in the Federal Government, because we do not have a balanced budget amendment, heck, we just sit there and say, spend, spend more, give away all the money at a time of economic slowdown, at a time when we have to protect American citizens.

So I am proud to stand in support of a budget that recognizes those realities today that face American families, that face our municipalities, that face our States, and make the same tough decisions that they have. I am proud that this budget, the Republican budget, controls spending. Yes, I would like to see it control spending even more. There is a lot of areas of this budget that I, frankly, do not think we are restraining the spending. In fact, I believe that the budget for veterans, actually we are increasing veterans spending under this proposed Republican budget.

But what we are asking for in this budget, we are asking agencies to save taxpayers' money, just as Americans are sitting down at their tables trying to find ways to save money in their family budgets. And our economic growth is contingent upon responsible spending in all sectors of our economy: business, personal spending, and government.

Now, this budget protects the fiscal soundness of our government and in-

corporates cost-cutting provisions that will pay dividends well into the future. Through responsible tax cuts, we are returning the power back to the people.

Mr. STARK. Mr. Chairman, I am pleased to yield 3 minutes to the distinguished gentleman from North Carolina (Mr. WATT).

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

I was listening to my colleagues say that this was the Joint Economic Committee, and we are supposed to talk about monetary policy, and I want to return us to monetary policy, because I am kind of reflecting back to when I first ran for Congress in 1992. That was the year that deficits were approximately \$130 billion, \$140 billion. All of my Republican opponents, colleagues, economists, everybody at that time was telling me that there was something sinister about budget deficits, and I could not quite understand what their preoccupation was. But I did realize over a period of time that it was projected that the budget deficit for 1993 and 1994 was going to keep going up, and at that time, the maximum budget deficit that anybody was projecting was \$260 billion. It was sacrilegious for anybody to think that we ought to be projecting a \$260 billion budget deficit.

So it is kind of amazing to me now that I could see a Republican budget for the year 2004 project a \$319 billion deficit.

I was talking to a reporter before I came over here and he said, well, are you all talking about war today? I said, no, we are debating the budget. He said, oh, you are talking about money for the war? And I said, no, there is not a dime of money for the war that we are fighting in the budgets that anybody has proposed today, except for the defense spending, which would be there even if we were not fighting a war.

Well, over time I came to understand that when you have those kinds of budget deficits every year accumulating, they keep adding into the national debt, and when you have a national debt, you have to pay interest on that national debt. So to see a Republican budget that in the outyears, 2009, 2010, projects that we will be paying \$250 plus billion in interest only on the national debt, it does not take much for me to understand, well, if I had that \$250 billion in my budget, I could do something with it, like pay for education and health care and things that are important to our country's future.

□ 1615

That is the microbasis that I want to talk about.

Mr. RYAN of Wisconsin. Mr. Chairman, I yield myself 10 seconds.

Mr. Chairman, we do not know how much the war is going to cost. The war just got started, and it is not over yet. When we know how long it will have lasted, then we will know how much it

will have cost. Then we will be able to budget for it.

Mr. Chairman, I yield 3 minutes to the gentleman from Indiana (Mr. PENCE).

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

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

Mr. Chairman, I rise in strong support of the majority budget resolution today. Mr. Chairman, I love being in Congress. It is a place of unbounded personalities and unbounded debate and enthusiasm. But today is the first day that I have been called a henchman and anti-Christian all in the same speech, simply because I believe that in this struggling economy that we should speed tax relief to working families, small businesses, and family farms.

Or perhaps it is because I believe that once we set aside the spending, a historic increase in military spending for defense, once we set aside our commitment to our veterans, our commitment to our seniors, and even our commitment to seniors' health care in Medicare, that what is left behind, Mr. Chairman, I suppose I earn those monikers because I believe that we could find one penny out of all of the remaining spending in waste, fraud, and abuse.

I come from a heartland district that serves most of eastern Indiana here in Washington, D.C. One of the maxims that we Hoosiers have endorsed since a Californian rode to the White House on that message in 1980 was that government is too big and it spends too much.

I believe the overwhelming majority of the American people believe that today, from the storied days of the Grace Commission to the present moment, the Republican vision of government has not been a vision of hardship for families or cuts in education. The truth of it has been about meeting our public obligations while sharpening our pencils and trying to serve the interests of taxpayers in the long term.

Those who doubt that the provisions of the Republican budget that call for the finding of one cent out of every dollar, outside defense, homeland security, Medicare, and Social Security, cannot happen ought to look at some research on government spending. According to the GAO, the Federal Government right now cannot account for \$17.3 billion that it spent in 2001.

Also, according to the Government Accounting Office, they are currently refusing to certify the government's own accounting books because, in an almost Enron-like statement, they say the bookkeeping is too poor by the Federal Government to do that.

In fact, the Federal Government made nearly \$20 billion in overpayments on contracts, according to their own records. In department after department we find examples, not always through malfeasance and misfeasance, but oftentimes through mistake and

error and sometimes negligence, we find ample evidence of waste and abuse.

The Republican budget is about taking a penny out of a dollar out of those nonessential programs, because government is too big and does spend too much.

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

Mr. Chairman, I would note that there is \$1.8 billion being cut from the Medicaid contributions to the State of Indiana, which I am sure the previous speaker supports.

Mr. Chairman, I yield 6 minutes to the gentleman from New York (Mr. RANGEL), the distinguished ranking member of the Committee on Ways and Means, who knows all too well what it is to fight in a war with real bullets, unlike the White House and the current Republican administration.

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

Mr. RANGEL. Mr. Chairman, I want to thank the gentleman from California (Mr. STARK) for giving me this opportunity to address the House in probably the saddest day that I have had in my career, to be a Member of Congress and to not be able to respond to my constituents, and indeed, to so many people in our great Nation, as to how we find ourselves in the situation we do today.

What is even more remarkable is how we can debate putting together a budget and say that we have to wait until the war gets started good or the war is over, and then we will be able to come back and fit it into the budget. It is almost like saying that we would like to give prescription drugs and hospital assistance, but we do not know how many people are going to be sick. We would like to give prisons and cops and security, but we really do not know how many people are going to commit crimes, so wait until it is all over and then trust us, we will come back.

Another problem that I have today is that so many of my colleagues find it very, very difficult to understand that we come together in our hearts, and wanting to make certain that no young person that is in our military today will ever have any reason to challenge that this United States Congress appreciates them for their dedication, their loyalty, and that we are prepared to do anything and everything that we can for them to have the security in knowing that we are all Americans together and nothing, not Republicans and not Democrats, not liberals and not conservatives, is going to breach this bond that we have a constitutional and moral right to have.

I have been involved in a lot of debates as to when American troops should be introduced into harm's way. I was not here when they went into the Dominican Republic. God knows I was not here when they went into Korea. I was not even here when they had a vote on the Tonkin Gulf resolution.

I was here and I heard debate on Kosovo. I was here and heard debate on Haiti and the Persian Gulf. We had Democrat and Republican Presidents, and we had serious differences of opinion. Most of the time, at the conclusion of these debates, we praised each other and expressed support that it was intellectually and politically the right thing for the Republic and a great Nation like ours to do. Nobody accused someone of being unpatriotic because they differed with the President, whether he was Republican or Democrat.

Today I hope, Mr. Chairman, that we are not going to challenge each other as to who loves our country and who respects our flag the most; but we concentrate on the fact that those that are placed in harm's way, they do not have the opportunity to debate which war they support or which war they are against. They do not have the opportunity to make the decisions. When the decision is made, they have to go; and we have to be there for them.

I suspect if the gauge of patriotism was gauged not on how many flags we had stuck on your automobiles but, rather, how patriotic we were in wanting to help the troops, that we would be here and we would be coming here saying how many members of our family have we encouraged to join up and to volunteer and to get involved in this thing, not only to bring democracy to Iraq but to bring democracy to the region.

I would suspect that if we were all as patriotic as sometimes I hear the words said, that we would reflect this not only in the budget, but we would be talking about expanded services for our veterans, for our warriors, for those people who would want to expand and join the Reserves and join the National Guard.

I would suspect that if we did not have this attitude that "we will hold your coat, you go ahead and fight," but we were really saying, we appreciate what you are doing, that we would say, "and when you come home we are not going to treat you just as disabled veterans or sick veterans or veterans without homes, we are going to treat you as the heroes that you are for what you have done for us."

I would find it awkward when my veterans come home from Iraq to tell them that what I was really debating on the floor was how much money could we really take out; that I would be saying what we were trying to do on your behalf would be to have a \$1.5 trillion tax cut because we want to stimulate the economy; that what we were doing was trying to cut back a budget, to cut back health care, to cut back housing.

I would find it difficult to explain how the thought of terrorism would have this Congress so petrified that instead of doing the things that we have been sent down here to do, we are cutting back in spending, we are cutting back in taxes, and we are cutting back

in being those things that we are asking people to fight for, that is, a country where everyone has an opportunity to decent health care, a decent education.

I am going to be just as critical of this President as I can; but more than that, I am going to be just as supportive as this Congress allows me to be supporting those programs that allow them to get back home healthy and safe and to be able to be discharged and knowing that we are going to protect those rights.

I hope when that flag goes up we recognize one thing, that no one has a right to say that someone is less patriotic because they did not support every intrusion that a Congress has made or a President has decided of our men and women into a foreign country.

Mr. RYAN of Wisconsin. Mr. Chairman, I yield myself such time as I may consume.

I would just like to point out that veterans spending has increased in this majority budget. Discretionary veterans spending goes up by \$1.6 billion, and mandatory spending goes up by \$2.3 billion, about a \$4 billion increase in veterans spending.

Mr. Chairman, I yield 2 minutes to the gentleman from Georgia (Mr. KINGSTON).

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

I just want to say, when the Republicans took over the Congress in 1995 and became the majority party, they started working on our budgets. Probably since then almost every single Democrat has voted against every single budget, it is fair to say. It is always because of the seniors, it is because of veterans, it is because of the children, it is because of the teachers, because of education, because save the whales, killing baby seals. It does not matter. If they want to vote no, they find good reasons to vote no.

The reality is that despite all the gloom and doom, here is the Medicaid budget under the Republican majority. It has grown by 76 percent. Here is the transportation budget. Under Republican control, it has grown by 76 percent. Here is the veterans benefits. Under Republican control, it has grown by 51 percent.

Why is that important, Mr. Chairman? Because not one Democrat voted for it. Here they are coming down to the floor saying, we are the champions of this, we are the champions of that, yet they have voted against all the budgets that increase the spending.

Here is Medicare. There is a 56 percent under Republican control, an increase. Where are the Democrat votes? They are voting no on every single budget ever since our majority has taken over.

Here comes another budget. We are going to increase some of these very important areas for our seniors, for our national security, for our homeland security, for our troops overseas. Again,

where are the Democrats? It is the same parade we have been seeing nearly 10 years now: voting no, scaring the people back home, scaring the vulnerable members of our society by saying these budgets do horrible things.

The reality is that the budget takes care of the critical needs of our society. It takes care of defense, it takes care of Social Security, it takes care of homeland security, it takes care of unemployment. Yet the Democrats are focused in on the fact that we are asking some very wasteful government bureaucracy to reduce their budgets by one cent, one penny on the dollar.

We do that routinely to Americans back home. As families, as taxpayers, we often have to cut our budget. I find it unbelievable, and only in this town are people suggesting that bureaucracy cannot find one cent on one dollar outside of these very critical areas.

The CHAIRMAN pro tempore (Mr. DUNCAN). The Committee will rise informally.

The SPEAKER pro tempore (Mr. PENCE) assumed the Chair.

#### MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Ms. Wanda Evans, one of his secretaries.

The SPEAKER pro tempore. The Committee will resume its sitting.

#### CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2004

The Committee resumed its sitting.

□ 1630

Mr. STARK. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from New York (Mrs. MALONEY), who is fighting Republican efforts to cut \$13 billion in Medicaid funds from the State of New York.

Mrs. MALONEY. Mr. Chairman, I thank the gentleman from California (Mr. STARK) for yielding me the time and for his leadership.

Today is a solemn day, but as Americans focus on our Armed Forces abroad, here at home we face an unprecedented moment in our budget history. Never before has Congress tried to pay for a war and at the same time pass a massive tax cut. This budget also compromises future economic stability because it is so demographically blind.

If we cannot plan to address the debt now, how are we going to keep our promises to the elderly when the baby-boom generation retires? The fiscal policies of the President enacted by the Republican Congress will impose a massive deficit burden on our children and our grandchildren.

In 2000 we had not only eliminated the deficit, President Bush inherited a surplus of over \$230 billion a year, but now the projected deficit is over \$300 billion for this year alone, and at the

close of fiscal year 2002, the government debt stood at \$6.2 trillion.

The President's own numbers show that were we to enact his programs as proposed, we would grow this debt by \$2.1 trillion from 2002 to 2011, and that is before we begin to account for the war. And we know that former economic adviser to the President, Lawrence Lindsey, estimated the war would cost over \$100 billion.

We have learned that we cannot have guns and butter without negatively affecting the economy, yet the Republican budget pushes ahead with a massive long-term tax cut before we finance the war.

At the same time, they grow the deficit, the Republican budget manages to cut vital programs, including health care, Medicare, Medicaid, housing, school lunches and veterans' benefits. The impact of these Federal cuts will be magnified by the States where budgets are unbalanced, forcing additional reductions in services and local tax increases.

The Republican budget does absolutely nothing to help the States. The Democratic budget does. This irresponsible budget has long-term consequences. I disagree with the administration. Deficits do matter. Over time, the debt will lower economic growth and increase interest rates. The effect will be a hidden tax increase on our constituents in the form of higher interest rates on mortgages, credit cards and car loans.

I urge a no vote on the Republican budget and a yes vote on the responsible Democratic budget.

Mr. RYAN of Wisconsin. Mr. Chairman, I yield 2 minutes to distinguished gentleman from Florida (Mr. PUTNAM).

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

Mr. Chairman, we have been through this budget process, and I serve on the Committee on the Budget, and we have worked through a very deliberative process where there can be legitimate disagreement over how we fund these priorities, but the bottom line is this.

This country has suffered a national emergency through September 11. We are engaged in war at this time, and we have come out of a recession that has put tremendous pressures on our revenues, but there are some in this Chamber who think that Washington should be exempt from belt-tightening when every school board, every municipality, every State in America is going through the same process. Just because we print the money does not mean that we should not have to find savings.

There are people on both sides of the aisle, Mr. Chairman, who want to work towards a responsible way to save Social Security, to save Medicare. As a young Member of this Congress, I believe we have to think beyond the next election and beyond the next budget to do those kinds of things, but if we cannot find 1 percent savings, then we will never, ever be able to tell the American people that we can take the giant leaps to reform those huge programs.

The gentleman managing the floor for the other side on this debate has labeled some of us in this Chamber as henchmen for supporting our President's crusade to liberate Iraq. He has accused the President of ordering the assassination of Saddam Hussein to cover up for the fact that we have yet to find bin Laden, although we have disrupted al Qaeda. I resent that, Mr. Speaker, and I think that he should take his tongue-in-cheek tirade back to Baghdad where some of his colleagues have trod in the past. It is unacceptable when our young men and women are at war to have those kinds of character assassinations. To label Members of this body as henchmen, to go after the character of our President who has led this Nation through so much, goes above and beyond legitimate disagreement over the priorities that this budget should have, and it is unacceptable, and it should not stand.

Mr. STARK. Mr. Chairman, I think the previous speaker was a little confused.

Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Washington (Mr. MCDERMOTT) who has been to Baghdad recently and has also served in the military, but also recognizes that the State of Washington is going to lose \$1.7 billion in Medicaid funds if this budget were to pass.

Mr. MCDERMOTT. Mr. Chairman, I thank the gentleman from California for yielding me the time.

When the gentleman from Iowa (Mr. NUSSLE) heard I was coming over here, he said, are you bringing your walnut shells? Are we playing the shell game again over here? I said, no, I have got a new thing that came from the White House. It is a rubber stamp. It says "official rubber stamp." I approve of everything George Bush does.

Now that is what we have on here on the floor. You are not henchmen. You are just a rubber-stamp bunch.

What is awesome about this day is we are going to war. Maybe that message we just got in here was the war message, I do not know, from the President, but Iraq is a country where 60 percent of the people get their food through the Oil-for-Food Program. We have now told the United Nations take their people out, there is no longer any way to feed 60 percent of the 24 million people in Iraq.

They are your responsibility now. You have taken that on by saying, we are going to bring you democracy. Democracy is a pretty empty thing if you have got an empty stomach. So you are going to have to come up with some money to pay for the food program. There is not one thin dime in here.

My colleagues know that the Lord Jesus Christ went up on the Sermon on the Mount there, and he gave this sermon and said that you should feed the poor. That is in Matthew, Matthew 26, I believe, and my colleagues all know that. All good Christians know that. We are all Christians in this country, are we not? We ought to have some

money in here figuring out how we are going to pay for those people.

It is not just the Iraqis that are going to be in trouble. In Eritrea, the whole food program will be out in 2 months. Burundi has enough for another 4 weeks. The beans are gone in Liberia, and by the end of May they will have no cereal. There are 1,000 refugees in Guinea with nothing after August 10.

This is a budget where we put 400- and I do not know how many billions of dollars into the defense budget, but there is not a thin dime in here for the people of Iraq. We are saying, oh, we are bringing in democracy, oh, yes. Those people in Afghanistan learned about our democracy. The first year we did not authorize anything. Then we coughed up \$300 million after a while. The U.N. said they needed \$10 billion. We put in \$300 million. The next year we are about \$270- or \$290-, and we refused to make any long-term commitments. This is a country where we spent \$4.5 billion bombing them, and we can only come up with \$300 million a year to rebuild them. Tell me how the Sermon on the Mount figures into that. Do my colleagues think that is what Jesus would want us to be doing?

The fact is that the President of Afghanistan came over here, Karzai. He went to the White House very shortly ago, last week or the week before, begging for money because he is broke. We gave him \$50 million in OPEC money, but said, by the way, \$35 million has to go to build a hotel.

Mr. RYAN of Wisconsin. Mr. Chairman, I am not sure how to respond to all that other than just to say I yield 1 minute to the gentleman from Ohio (Mr. TURNER).

Mr. TURNER of Ohio. Mr. Chairman, I want to congratulate the gentleman from Iowa (Mr. NUSSLE) for his leadership. I commend him for taking on the task of restraining spending and making certain that we move back to fiscal responsibility.

With the war on terrorism and our struggling economy, our projected budget deficits are staggering. Throughout our country, State, local, community governments and businesses are cutting their budgets to respond to declining revenues. Americans expect us to do the same.

Only the Federal Government tries to put together a budget where it looks to see how much it is going to spend first and then looks to revenues, and to some Members of this body the Federal Government can never spend enough.

This budget asked certain Federal agencies to find 1 percent in savings in waste, fraud and abuse and efficiencies. It is amazing today that we would have a discussion over an argument over 1 penny in a dollar. There is not an agency in our government, there is not an organization that we have that cannot find 1 percent in waste and efficiency even in good times. In the times that we are in, it is certainly essential that we put forth the effort.

Mr. STARK. Mr. Chairman, could I inquire of the Chair how much time remains on both sides?

The CHAIRMAN pro tempore (Mr. DUNCAN). The gentleman from California (Mr. STARK) has 10 minutes remaining. The gentleman from Wisconsin (Mr. RYAN) has 17½ minutes remaining.

Mr. STARK. Mr. Chairman, could I inquire of the distinguished gentleman how many speakers he has?

Mr. RYAN of Wisconsin. We have enough speakers to fill up the time. Would the gentleman like us to catch up?

Mr. STARK. Sure.

Mr. RYAN of Wisconsin. Mr. Chairman, I yield 2 minutes to the gentleman from Texas (Mr. HENSARLING).

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

Mr. Chairman, today I rise in strong support of the majority budget resolution. Some critics across the aisle believe that the only answer to our Nation's challenges is to take a larger slice of the family income pie. This budget works to increase the size of that pie by growing the economy.

At a time of war, it is irresponsible to do anything else, but to get economic growth, to get better jobs, to get better wages, to get families and small businesses to risk their time and their savings on that new software idea, that transmission repair shop, they must have tax relief, and they need real and permanent tax relief.

Our plan does just that. The Democrat plan, more taxes, more waste, more fraud, more spending, more big government.

Mr. Chairman, it is not just faith that we have, but historical evidence that tax relief works. When President Reagan lowered tax rates in the 1980s, real economic growth averaged 3.2 percent a year, and Federal revenues actually increased, increased by 20 percent. President Kennedy reduced tax rates in the 1960s, and we experienced several years of 5 percent economic growth. The same is true of tax relief in the 1920s.

Some of the colleagues across the aisle criticize this budget because they do not believe it grows government fast enough. This budget is growing the government by 3 percent, almost twice the rate of inflation, but more importantly, it helps American families pay for their programs.

Forty-six million married couples would keep \$1,700 more of what they earn. That is enough to pay two mortgage payments. That is a housing program. Thirty-four million families with children would keep an additional \$1,500, enough to purchase a personal computer. That is an education program. Six million single mothers would keep \$541, enough to purchase a month of day care. That is a child care program.

Mr. Chairman, contrary to what our colleagues across the aisle believe with

their budget, we cannot tax our way into prosperity. We cannot spend our way into prosperity. We cannot sue our way into prosperity. We can only grow our way into prosperity.

Mr. RYAN of Wisconsin. Mr. Chairman, I yield 1 minute to the gentleman from Maryland (Mr. GILCHREST).

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

I would like to tell my colleagues on actually both sides of the aisle that none of us are rubber stamps over here. We are actual human beings and Members of Congress. We do not rubber-stamp what the President wants or does not want us to do.

I would also like to say to my colleagues, and, if I may, to the people of Iraq, we will stay with you to not only feed you in the interim.

ANNOUNCEMENT BY THE CHAIRMAN PRO TEMPORE

The CHAIRMAN pro tempore. The Chair would remind all Members that remarks are to be addressed to the Chair.

Mr. GILCHREST. Mr. Chairman, to give a man a fish, he eats a day. To teach a man how to fish, he will eat for the rest of his life, and the oil in Iraq will be used to improve the quality of life for people in Iraq.

□ 1645

Mr. Chairman, this has been one of the best, well-planned operations in the history of the world. It has been open for debate for months and months and months; and, yes, we support our troops in Iraq. The United States Government's major role is to defend this country, but also to ensure that those in need are taken care of: those that are hungry, the sick, the infirm, the homeless, and the children. And what is the government's role as far as the economy is concerned? The government's role as far as the economy is to create a structure that stimulates economic productivity in the private sector. Support the resolution.

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

Mr. DOGGETT. Mr. Chairman, if the enemies of America had a plan to slowly undermine our country and sap our economic vitality, I think it might look a lot like the plan that underlies this resolution. With bombs dropping, missiles flying, and America's brave sons and daughters in the desert preparing to march against the tyrant, Saddam Hussein, the Republican leadership buries its head in the sand, offering a budget that does not even include the costs of this war or the rebuilding and occupation, which may go on for decades, in a land as volatile as the oil beneath it.

I spent more on a cup of coffee this morning than the Republicans have included in this budget for the war—a war that every American is watching and praying about and that is unfolding as we speak.

Of course, the last Republican to estimate the cost of war, the President's top economic adviser, Lawrence Lindsey, was fired for his efforts, even though he gave a low-ball figure of a mere \$200 billion. This represents part of a deliberate strategy by this Administration to hide from the American people the true cost in blood, money, and insecurity of its reckless, new, preemptive-strike policy.

The deliberate choice to ignore the war in this budget is similar to the President's decision to ignore the last war in the budget he just proposed to us. He forgot to include any money for Afghanistan this year, absolutely nothing. Yesterday's priority and headlines, are today's forgotten footnotes.

It is not that the Republican leadership is intentionally harming our people. It is just that they are so blinded by their rigid ideology and lack of new ideas that all they can offer our people in this hour of need is more tax breaks for the few. How else can we explain the recent declaration of the Republican leader, the gentleman from Texas (Mr. DELAY), that "nothing is more important in the face of war than cutting taxes."

Today with so many staring death right in the face, is there really nothing more important than cutting taxes?

While our Defense Secretary may deride our traditional allies as "old Europe," some of us yearn for the old America, an America that when it confronted war understood the importance of shared sacrifice from all of our people, that did not say to some, go risk your life in defense of our country, and to the rest, you risk having to get a bigger pocketbook for more tax breaks; an America that did not say, we will borrow all of the money from those who pour in their Social Security and Medicare tax dollars, we will borrow from them in order to grant tax breaks to a few.

This is a Republican leadership that is AWOL on observing the duty to pay for America's needs. It is our children who will suffer from it.

Mr. RYAN of Wisconsin. Mr. Chairman, I yield 1 minute to the gentleman from Indiana (Mr. CHOCOLA).

Mr. CHOCOLA. Mr. Chairman, today of all days, there is no greater priority than protecting Americans, supporting our troops, and supporting our Commander in Chief. In the face of unprecedented threats to our domestic and international security, this wartime budget ensures that we can win the war on terrorism, and at the same time it protects our homeland from future challenges by providing for the new Department of Homeland Security.

It also strengthens our economic security. By leaving more money in the hands of the people who earn it, we encourage Americans to invest in their families and communities, to create jobs and grow the economy.

Finally, this budget also continues our commitment to our seniors by providing for a prescription drug benefit.

Mr. Chairman, this resolution will defend our Nation. It will grow our economy. It will protect our seniors, and it will place our Nation's budget back on the path of balance. I urge this House to pass this budget resolution.

Mr. STARK. Mr. Chairman, I yield 2½ minutes to the gentleman from North Dakota (Mr. POMEROY).

Mr. POMEROY. Mr. Chairman, I find it very surprising that the leaders of the House would schedule this important national debate today during the first 24 hours of the Nation's war against Iraq. We should be standing in respectful solidarity with the brave men and women carrying out this very difficult and dangerous assignment in Iraq.

Yet the budget before us presents two features that leap out as nothing less than bizarre given the military action under way. First, nowhere in the budget is there any cost provided for the waging of this war or the U.S. taxpayer dollars that will be spent in Iraq when we have prevailed, spent to safeguard the democratic transformation of Iraq, spent to safeguard the welfare of the Iraqi people. What will it cost? \$100 billion, \$110 billion, \$120 billion. Nobody knows. We cannot know on the first day of military action, but we all know it is not going to be cheap. It will cost, and it will cost a lot. Yet the budget plan before us which runs deficits for the next 10 years does not reserve a penny for these costs.

The second aspect of this budget is even worse in light of the mission under way in Iraq. \$28 billion is cut over the next 10 years from the budget of veterans affairs. The ultimate impact will be reduce veterans health care services, force cuts in disability benefits for those permanently disabled while serving our Nation's military. Today we have young men and women with their lives on the line. It is wrong, absolutely wrong to cut the health benefits and the disability benefits of those that have served our Nation in the military.

Later today this House is going to consider a resolution of words supporting our troops. Support of words will not provide the health care our veterans need, fund the disability checks of those forced to live with the wounds of battle. Resolutions of support offered while imposing cutbacks in veterans benefits and disability benefits ring hollow, indeed, and, in fact, represent the most hypocritical act I have seen while serving in this Congress. Our Nation's troops deserve so much better. Reject those veterans cuts; reject this budget.

Mr. RYAN of Wisconsin. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would like to point out, the veterans budget increases in this budget. The discretionary budget increases by 6 percent; the mandatory budget increases by 7 percent. We increase veterans spending in this budget.

Mr. Chairman, I yield 2 minutes to the gentlewoman from Tennessee (Mrs. BLACKBURN).

Mrs. BLACKBURN. Mr. Chairman, the gentleman from Washington (Mr. MCDERMOTT) mentioned Jesus Christ in this budget, and I kind of think Jesus Christ would have liked it. In our house we always had a saying, if 10 percent was good enough for God, 10 percent ought to be good enough for the budget; and this budget is going to save millions of Americans billions of dollars over the next 10 years because it puts in place a new, lower 10 percent rate, and that is a good thing when we leave money in the pockets of American taxpayers.

Mr. Chairman, I rise to support this budget and am pleased that it includes funding for tax relief by the President. Implementation of the President's economic growth package would create thousands of jobs and reduce taxes for 1.7 million Tennessee taxpayers, many of who are family and small business owners. Indeed, it is important to note without enacting this package, an additional 1.4 million taxpayers will have to pay the alternative minimum tax. This tax was originally enacted in the 1960s to preserve fairness in the code; but over the last 10 years, this tax has started to affect many middle-class families. Over the next 10 years, these families would have to pay more than \$37 billion in extra taxes. I am sure they will not think that is fair, and I am sure they will not be happy with the other side of the aisle who are blocking reform because they do not think we can save even a penny on a dollar of waste, fraud, and abuse in this budget.

The President's growth package raises the exemption level of the AMT to save these taxpayers from these additional costs. Mr. Chairman, I know this House wants to provide tax relief to the families of America, especially in this time of economic uncertainty.

Mr. STARK. Mr. Chairman, I yield 1 minute to the gentlewoman from the District of Columbia (Ms. NORTON).

Ms. NORTON. Mr. Chairman, the President and the majority have put us on a budgetary equivalent of automatic pilot. No matter what the Nation faces in emergencies, wars and ups and downs of the economic cycle, only tax cuts for the rich remain stable.

Denials and delusions have taken over the majority. They now tell us that the Bush tax cuts are the only thing that saved us from a worst economy. That must be magic then, because the tax cuts have not gone into effect, only the rebate has and that ought to be called the Democratic tax cut.

This budget cheats each and every other American except wealthy Americans. The only people who have sacrificed for this country since September 10, 2001, were those who died in New York and the Pentagon and those who are now serving as Reservists abroad.

Mr. Chairman, we have to show that we can do more than what this administration has done for the last 2 years, which is to give us 2.5 million jobs lost. We must not approve a budget where the only sacred cows are not citizens, seniors or children, but tax cuts for the wealthy. Vote for the Democratic alternative.

Mr. RYAN of Wisconsin. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the purpose of this hour of debate is dedicated to the Joint Economic Committee to talk about the economy, so I would like to spend a few moments to do just that.

Our economy is in trouble. Just in the last month of February, we lost 308,000 jobs. That is one of the sharpest drops in recent history. The unemployment rate at this time stands at 5.8 percent. While this is relatively low by historical standards, it is high by recent history. Unemployment was only 4 percent as recently as the year 2000.

□ 1700

Mr. Chairman, there are three parts of our economy by definition, consumption, investment and government spending. Consumption is relatively high in this country: retail sales, new refinancings on homes, car purchasing. It is why our economy grew at 2.75 percentage points last year. Government spending, even though you would not hear it from the other side, is at an all-time high. Investment on the other hand, Mr. Chairman, has declined in this economy. In fact, investment spending in this economy has declined for eight consecutive quarters, for 2 years.

What are we going to do about it? That is an important question, and that is a question that is addressed and answered in this budget.

Mr. Chairman, there are two schools of thought here in Washington. One school of thought we are seeing on the other side of the aisle is that we just need to spend more money, and that way we will grow the economy. Let me review that for a moment here with this chart, and let me explain why more government spending does not create jobs.

Number one, to spend a dollar the government first must tax or borrow that dollar from an individual or business. Second, that individual or business now has 1 less dollar to spend or invest. Third, the government then spends that dollar. But, fourth, there is no net effect in economic activity. Government spending goes up by a buck, personal private spending goes down by a buck.

What is the alternative vision to that, Mr. Chairman? The alternative vision is to create jobs and promote economic growth by reducing taxes. How does that happen? How does this work? Number one, the higher taxes are, the less incentive there is to work or invest. It is an economic principle that economists from the left and the

right agree upon. For example, an individual will invest more money when their after-tax income on each dollar invested is 80 cents than they would likely invest if their after-tax income is 50 cents. Put another way, if half of your money goes to taxes, you have less of an incentive to work and invest. If more of your money goes into your own pocket, you have a higher incentive effect to work and invest. More investment means more capital to expand, create businesses and to grow jobs. So new and expanded businesses means new jobs. That is why the net effect of reducing taxes in this budget will create jobs.

What kind of tax cuts are we talking about? How many new jobs are we looking at? To give you a quick preview of what Americans are looking at in the President's economic growth package, in the economic growth package that is accommodated in this budget, it is basically this. Under the President's proposal to speed up tax relief, 92 million American taxpayers would receive, on average, tax cuts of over \$1,000 in this year alone. Forty-six million married couples would receive an average tax cut of \$1,716. Thirty-four million families with children would benefit from an average tax cut of \$1,473. Six million single women with children would receive an average tax cut of \$541. Thirteen million elderly taxpayers would receive an average tax cut of \$1,384. Twenty-three million small business owners would receive tax cuts averaging \$2,042. For example, a typical family of four with two income earners earning a combined \$39,000 in income would receive a total of \$1,100 in tax relief and would wipe out their Federal tax liability.

Mr. Chairman, how many jobs is this going to create? This is something that has been a topic of discussion for quite a while this year, and there are a lot of estimates on this point. According to conservative estimates by the Council of Economic Advisers, this plan will generate 2.1 million jobs over the next 3 years. According to other estimates, like the Business Roundtable, they put that figure at about 3 million new jobs at the end of the year. Macroeconomic Policy Advisers from St. Louis estimates that this economic growth package would increase new jobs, create brand new jobs, to the tune of 2 million new jobs by the end of 2004.

This is what it is all about, Mr. Chairman. The reason we went into deficit is because people went from working and paying taxes to getting laid off and collecting unemployment. Sixty-eight percent of the loss of the surplus that occurred last year alone occurred because of this. We realize more spending is necessary to fight the war on terrorism, to win the war in Iraq, but we also realize that if we can get people back to work, the most moral economic policy is getting a person a job. It is becoming good economic policy, it is good fiscal policy, because if a person has a job, they are paying

taxes, and they are bringing more money to the Federal Government.

An issue that often comes around when we are talking about the tax bill is dividends. I would like to shed some light on why we are trying to repeal the double taxation of dividends. It is no secret if you go around this country and talk to manufacturers, talk to farmers, talk to small business men and women, that we are in global competition, that we are under pressure from trade from China, from Mexico, from other areas. One area where our Nation is so uncompetitive is in the area of taxes. When you take a look at how dividends are taxed, it is done basically like this. First a company makes money, and then it pays taxes on that money. Then if it wants to share its earnings with its owners, its shareholders, it passes that on to its shareholders in the form of a dividend. But in this country, that dividend gets taxed again. And so we have double taxation on dividends, which actually looks at about 60 to 70 percent of every dollar moving through our economy.

To put it another way, Mr. Chairman, we tax dividend income higher than any other industrialized country in the world except for Japan. Looking at this chart here, which shows us basically a list of all the industrialized countries in the world, the United States of America taxes dividend income more than any other country except for Japan. I would not want to be Japan because they are entering their second decade of recession right now.

What is accomplished by repealing the double taxation on dividends? Who benefits? This is a discussion that we have heard a lot. Mostly who benefits by repealing the double taxation on dividends are senior citizens. Half of all Americans who receive dividend income are senior citizens, and half of all seniors in America receive dividends. But more than just that. The people who own stocks, half of all households in America own shares in the stock market. People who have pension plans, people who have 401(k) plans, people who have IRAs will benefit from this because by repealing the double tax on dividends, you are increasing the after-tax rate of return on investment. What that means is you are increasing the value of all equities in the stock market. This is why economists from all over the spectrum, liberal and conservative, are telling us that if we repeal the double tax on dividends, we will increase the value of the stock market by anywhere from 7 to 20 percent. Imagine that, a 20 percent increase in the value of stock markets.

Mr. Chairman, we all heard the stories about seniors who have seen their savings portfolio wiped out by the losses in the stock market that have occurred over the last year or two. We have seen the stories where pensioners, where people getting close to retirement have seen their retirement go away to the point they have to go back to work or work longer than they had

planned. If we can do something that would actually improve the value of people's pension funds, IRAs, the stock market, that would be a good thing, I would think.

And so, Mr. Chairman, that is why it is important to do this kind of economic policy. If we repeal the double tax on dividends, not only will we help senior citizens, not only will we help revive the stock market, not only will we help get people their jobs back and grow the economy, but we will also help restore good corporate governance to our Nation's corporations.

One of the reasons why the stock market declined so much in this past year is because of all that corporate malfeasance that occurred. One of the reasons why we have bad decision-making in America's boardrooms is because in our Tax Code is an incentive to actually grow your corporation through borrowing, through debt financing, rather than honestly through equity growth. What I mean when I say that is we give companies a tax break if they borrow and borrow and borrow to grow their companies. And when we go into tough times, like a recession, what happens is these companies go bankrupt. That is one of the reasons why WorldCom, Global Crossing and all of these companies went bankrupt. But if we give companies an incentive to share the wealth with their shareholders, to grow their companies honestly through equity, we can strike a blow for good corporate governance.

For many reasons, this is why this economic growth plan makes sense. The most important reason, Mr. Chairman, why we are trying to pass this budget is, number one, protect our priorities, win the war on terrorism, win the war in Iraq, and get people their jobs back. The best way to get this economy growing is to let people keep more of what they earn and allow businesses to keep more of what they make.

One of the other great provisions in this tax bill is the fact that we lower the small business tax rate down to the level of large corporations. What we do not see that is being offered later in the budgets that are the alternative budgets, the Blue Dog budget, the Spratt budget, is that they raise taxes. They actually raise taxes on small businesses. What we are doing here is recognizing the fact that today, this very day, we are taxing small busi-

nesses at a higher tax rate than we tax large corporations in America. And so what we are simply trying to do is lower the tax rates on small businesses, not below the tax rate that large corporations pay, but down to the tax rate that large corporations pay.

I urge a "yes" vote on this budget, Mr. Chairman.

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

Mr. STARK. Mr. Chairman, I am delighted to yield 2 minutes to the distinguished gentleman from Michigan (Mr. LEVIN), who understands that Michigan is going to lose almost \$3 billion in funds for SCHIP and Medicaid under the Republican budget.

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

Mr. LEVIN. Mr. Chairman, we have heard the siren song again, but let us look at the facts. First of all, as to veterans, this is undeniable, and I want to read it: The reconciliation instructions in the Republican plan require \$14.6 billion in unspecified reductions in veterans' benefits. This \$14.6 billion cut represents a cut of 3.8 percent in mandatory spending below the levels in current law, and we are doing this on this day.

Secondly, as to the income figures, for families with incomes below \$75,000, they are not going to receive this big boon as stated in terms of the dividend tax cut. They will receive an average tax benefit of \$42. And for the families that are in the middle 20 percent, the average is not in the thousands under the tax cut of the Republicans, but only \$246.

So what has happened here? A party that once said they had the mantle of fiscal responsibility, they are sacrificing that on the altar of irresponsible tax cuts; deficits not as far as the eye can see, but further than the eye can see. In the long run, all will be hurt except the very wealthy as interest rates go up, and, therefore, it impacts on our houses and our cars and everything we buy; in the short run, kids and their education, veterans, as I mentioned, people who need health care, and all of us who need homeland security.

This is an irresponsible budget and digs a deeper and deeper hole of deficits. We have some sound alternatives. Let us vote for them.

The CHAIRMAN pro tempore (Mr. DUNCAN). The gentleman from Cali-

fornia (Mr. STARK) has 1½ minutes remaining.

Mr. STARK. Mr. Chairman, before I yield a final minute to the ranking member of the Committee on the Budget, I would like to use part of my 30 seconds to just suggest to the Chair and thank him for his kind and considerate presiding this afternoon. I know that could only come from a gentleman with whom I served, John Duncan, Sr., for many years the ranking member of the Committee on Ways and Means. I always say that fruit does not fall very far from the tree. Thank you, Mr. Chairman.

I am going to leave it to the gentleman from South Carolina (Mr. SPRATT) with the remaining time to discuss again the tax cut. It is too bad we do not talk more about 42 million uninsured Americans and children without education and the things that are being buried by this recent war talk.

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

The CHAIRMAN pro tempore. The gentleman from South Carolina (Mr. SPRATT) is recognized for 1 minute.

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

Mr. SPRATT. Mr. Chairman, quickly let me commend to the gentleman's reading an excellent piece of work done by the Joint Economic Committee staff called an Economic Policy Brief, and in particular to page 8, because if you will turn here, we will see that the JEC staff have run these same numbers through several established mathematical economic models, including two that are used prominently by the White House.

According to these models, the Democratic alternative will add 1.6 percentage points to GDP growth in 2003. The Bush alternative, at six times the cost, would yield 1.1 percent growth.

Our proposal would yield or generate 1,122,000 jobs. Theirs, at six times the cost, would generate 600,000 jobs.

If you go down to economy.com, you will find the same results. Our proposal generates, according to their model, 1,150,000 jobs for a \$138 billion impact this year; theirs, for \$726 billion, generates 640,000 jobs.

### NOTICE

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*Today's House proceedings will be continued in the next issue of the Record.*