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House of Representatives

The House met at 10 a.m. and was called to order by the Speaker pro tempore (Mr. LAHOOD).

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
March 24, 2004.

I hereby appoint the Honorable RAY LAHOOD to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,
Speaker of the House of Representatives.

PRAYER

Don Aldo Brunacci, Casa Papa Giovanni, Assisi, Italy, offered the following prayer:

''May the Lord give you peace,'' St. Francis of Assisi.

Lord, merciful, almighty, Creator of heaven and Earth, we praise You for Your glory and thank You for Your love and protection. We are gathered here today in Your name. You have entrusted us with the gift of leadership of a great Nation. Give us the wisdom and the strength we need to fulfill our mission according to Your will. Help us never to betray our mission but to do Your will in respect and obedience to our own conscience. Give us the gift of discernment never to falter in our decision-making.

Lord God, You have treated our Nation with great generosity. Help us to treat others with kindness, generosity, and justice.

Give us peace of mind and heart, that peace which comes from You. Grant peace to our families, to our Nation, and to the whole world.

THE JOURNAL

The SPEAKER pro tempore. 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. BOOZMAN. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER pro tempore. 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. BOOZMAN. 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. 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The point of no quorum is considered withdrawn.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 pro tempore. Will the gentleman from California (Mr. OSE) come forward and lead the House in the Pledge of Allegiance.

Mr. OSE 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.

WELCOMING DON ALDO BRUNACCI

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

Mr. FERGUSON. Mr. Speaker, I rise today to honor our guest chaplain, Don Aldo Brunacci. A canon of the Cathedral of San Rufino in Assisi, Italy, Don Aldo Brunacci is being honored with the National Gaudete Medal. It is presented to a community leader who represents the life and teaching of St. Francis of Assisi.

Don Aldo embodies the spirit of service and joy that St. Francis taught. His life has exhibited the words engraved in the medal: ''For service to God and humanity in the Franciscan spirit of compassion and sacrifice, faith and humility, hope and joy.''

In January 2003, he was presented with the Order for Merit of the Italian Republic, awarded by President Carlo Azeglio Ciampi of Italy, for his service in assisting hundreds of Jewish refugees during World War II. Currently, Don Aldo operates the Casa Papa Giovanni, a major retreat house in Assisi.

St. Bonaventure's College is here in Washington today to honor Don Aldo with this prestigious award. He is not only a proud example to his community and his family, but also to his country and his faith.

INSIGHTFUL EDITORIAL CENSORED

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

Ms. LOFGREN. Mr. Speaker, ''Catering to the Religious Right,'' that is the tagline the editors at the San Jose Mercury News used to introduce its March 15 editorial and cartoon regarding President Bush's science policy.

The editorial outlined the Bush administration's distortion and censorship of scientific research. On global warming, stem cell research, drinking water and air, women's health, the Bush administration has overlooked proven scientific data to placate big business or the religious right.

The Mercury News serves the largest media market in Northern California and is read by millions of people around the world, and I thought that

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the Members of the House should also see this editorial which was to become part of my ''Dear Colleague'' letter last week. Unbelievably, the Republican staff of the Committee on House Administration vetoed the letter as too political. They came to this conclusion without consulting the Democratic staff.

Readers of a newspaper of general circulation can read the truth, but not the elected Members of the House of Representatives. Should we be surprised? Republicans in the White House are censoring scientists; apparently the Republican majority in this House is following that pattern. Republicans may be able to stop me from sending a letter, but they cannot stop me from speaking on the floor.

SUPREME COURT CONSIDERS PLEDGE

(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, today the Supreme Court will hear arguments on whether children should be allowed to say the words ''under God'' in the Pledge of Allegiance.

In 2002, the 9th Circuit ruled that the Pledge of Allegiance is unconstitutional. The question raised was whether the Pledge forces an establishment of religion on the American people. Ninety percent of the American public answers this question ''no.'' Yet it never ceases to amaze me that the radical activist minority in this country can use the courts and the first amendment on the one hand to permit targeting of children with pornography; and on the other hand they manipulate it to ban any reference to faith, God, or religion in public life.

There is no way around it. That is an extremist agenda contrary to the letter and spirit of the Constitution, and it is contrary to the will of the people. The fact that this case even made it so far in the courts is a travesty. Our Founders believed, as the American people do, that there is an acceptable beneficial role for public faith and private convictions in the public life of this country. Those who say otherwise are mistaken.

TRUTH AND CONSEQUENCES IN BUSH ADMINISTRATION

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

Mr. EMANUEL. Mr. Speaker, telling the truth and facing the consequences in the Bush White House has become truth and consequences.

General Shinseki, retired Army Chief of Staff, said occupying Iraq would require several hundred thousand troops, and was forced to resign.

Marine Commander General Zinni said there were greater priorities than Iraq; Zinni was not reappointed as Middle East adviser.

Larry Lindsey, the President's chief economic adviser, said the war in Iraq would cost $200 billion; he was fired.

John DiIulio, former director of Faith-Based Initiatives, said there was no policy apparatus in the White House and was forced to quit.

Our chief Medicare actuary knew the real cost of the Medicare bill and was told there would be extreme consequences for insubordination.

Paul O'Neill, the former Secretary of the Treasury, criticized the tax cuts as stated in ''The Price of Loyalty'' and what they would do to the fiscal order in the United States; he was fired.

Joe Wilson challenged the claim that Iraq tried to buy uranium from Africa; his wife, an undercover CIA agent, was outed.

And now Dick Clarke joins a list of officials whose character was assassinated for telling the truth, truth and consequences in the Bush administration.

REDUCE UNNECESSARY REGULATIONS

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

Mr. FORBES. Mr. Speaker, despite the negative chants we hear from those refusing to take off their partisan uniforms, there is good news when it comes to the economy: 6 consecutive months of job growth; 364,000 new jobs in the last 6 months; and the largest 8-month decline in unemployment since 1995. But there are more challenges ahead.

Perhaps our biggest opportunity is the chance to reduce unnecessary government regulations on small businesses. Every single year, the cost of complying with government regulation adds up to $843 billion. For firms employing fewer than 20 employees, the annual regulatory burden is $6,975 per employee. We put these costly regulations on small businesses, which provide approximately 75 percent of the net new jobs added to the economy, represent 99.7 percent of all employers, employ 50.1 percent of the private workforce, and represent 97 percent of all U.S. exporters.

Instead of trying to raise taxes on small businesses, we need to reduce unnecessary regulations.

REMEMBERING THE ''EXXON VALDEZ''

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

Mr. MCDERMOTT. Mr. Speaker, 15 years ago today the *Exxon Valdez* ran aground and gushed 11 million barrels of oil into Alaska's pristine Prince William Sound. It is pristine no more.

Fifteen years later, Exxon still has not paid the $7 billion in damages a jury awarded to thousands of Alaskans whose livelihoods were devastated. The *Exxon Valdez* ruined 1,300 miles of Alaskan coastline, decimated wildlife, and devastated fisheries. What have we learned?

Fifteen years later, single-hull tankers continue to be the common method of oil transportation. Fifteen years later, America continues to consume fossil fuels with a blatant disregard for global climate change. Fifteen years later, we are still just as vulnerable.

Mr. Speaker, I wonder if Vice President CHENEY invited Exxon into his oil policy meetings that he says should be kept secret from the American people. Perhaps if we knew who had been sitting at the table, we would be able to figure out why 15 years later we are looking at this. Tomorrow it is the budget wreck.

MEDICARE MODERNIZATION ACT HELPS RURAL HOSPITALS

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

Mr. SHIMKUS. Mr. Speaker, I want to thank today's guest chaplain who talked about the blessings of leadership on this great Nation, which is our task at hand. One of those tasks was the Medicare Modernization Act, which provided great help to this country at large.

I want to focus primarily on one part of the Medicare prescription drug plan and the representation of the most generous package ever to rural health care providers. The Medicare law equalizes payments so that rural and suburban hospitals receive billions in much-needed relief over the next decade. They will receive continued standardized amounts of assistance without pause, increased help for DSH rural and small urban hospitals, adjusted payments to low volume hospitals to provide more equitable reimbursements for health care costs, and greater flexibility for rural and small urban hospitals to have more graduate medical residents providing better care.

We should not have a discrepancy between the care in urban and suburban areas and rural health care. The Medicare Modernization Act is the best health care package that rural America has ever seen. I am glad it was passed, and I look forward to the implementation of the law.

□ 1015

THE BUDGET

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

Mr. BLUMENAUER. Mr. Speaker, history shows in the last 10 years that we are increasingly taking the budget process here less and less seriously. This week's alternative from the Republican Party will be no exception. It

is an alternative that will actually increase our deficit more than if we simply did nothing.

But it is not that the budget resolutions should not be taken seriously. The environment is one key area. We Democrats will be providing an alternative that actually lowers the deficit while protecting the environment, funding Superfund cleanup, which creates jobs, funding the Land and Water Conservation Fund without drilling in the Arctic Wildlife Refuge.

There was a time when fiscal restraint and protecting the environment were bipartisan objectives. I hope I am in this Chamber long enough where that comes back to be the priority again.

IN HONOR OF PFC BRANDON SMITH

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

Mr. BOOZMAN. Mr. Speaker, I rise today to honor one of America's bravest, Specialist Brandon Smith, who grew up in Fayetteville, Arkansas. Brandon was killed in action in Al Qaim, Iraq, late last week. His Humvee ran over a land mine as he rushed to assist his fellow soldiers who were under enemy fire.

When Brandon joined the Marines, he told his friends that he had found his life's calling. However, for Brandon to fulfill his lifelong dream, it was no simple task. Every morning he had to run laps around Asbell Park, lift weights and literally lose 80 pounds to be in shape for Marine boot camp.

Brandon selflessly put himself in harm's way, serving his country so that future generations can live in a world free of terror. His father, Gordon Smith, put it best when he said Brandon ''was taking a stand and making a difference.''

Mr. Speaker, Specialist Brandon Smith made the ultimate sacrifice for his country. He is a true American hero. I ask my colleagues to keep Brandon's family and friends in their thoughts and prayers during this very difficult time.

SUPPORTING ISRAEL

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

Ms. BERKLEY. Mr. Speaker, I rise today in strong and unwavering support of Israel, this Nation's strongest ally and the only democracy in the Middle East. The first duty of any Nation is to protect its citizens. Israel is in a fight for its very survival. It longs for peace. It has no partner for peace.

Out of desperation, Israel has been forced to identify those who are planning and coordinating terrorist attacks against its citizens, against innocent women and children. And because Arafat will not end the terrorism, will not rein in the terrorists, Israel has been forced to act.

Over the past three decades, Sheik Yassin has led the terrorist group Hamas as it launched one bloody attack after another. Hundreds of Israelis are dead, over three dozen Americans are dead, and over 2,000 innocent people have sustained wounds that they will never recover from. These facts are not in dispute.

It is time for the double standard to end. Israel's action against Yassin is no different from America's hunt to destroy Osama bin Laden. We are halfway around the world searching for the man who masterminded the 9/11 attack on our Nation. The world will rejoice when Osama bin Laden is gone. Israel suffers the same on almost a daily basis.

Let us not confuse the perpetrators of terrorism with the victims. Israel's actions are appropriate, justifiable and their duty, safeguarding innocent lives, has been done.

SOCIAL SECURITY

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

Mr. SAM JOHNSON of Texas. Mr. Speaker, today's report on the Social Security trust fund says that in 2018, current taxes will no longer pay for benefits. That means digging into our Federal Treasury. This is just another wakeup call. We ought to use it to provide momentum to reform and improve Social Security. The best way to do that is to increase the rate of return by creating personal accounts for young people.

Let us be clear. Social Security will be there for current and near retirees. It is the younger generations who need the most help when it comes to saving for retirement. Personal accounts definitely represent the best option.

An election year is the perfect time to showcase the differences between parties and ideas. Democrats want to demagogue and tax and spend their way to a Social Security solution. Republicans want to increase the rate of return through personal responsibility and conservative values. The choice is clear.

It is my hope we can move forward next year on real reform when politics will not stifle the debate.

TYCO SHAREHOLDER VOTE

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

Mr. NEAL of Massachusetts. Mr. Speaker, while the House today takes up a budget resolution to fund important programs for education, national defense, health care, homeland security, environment and veterans, let me point out that there is another vote taking place today. That is the vote of the shareholders of the Tyco corporation. They are going to continue to shirk their responsibilities, apparently.

In 1997, New Hampshire-based Tyco, International renounced its corporate citizenship and changed its mailing address to Bermuda to avoid paying $400 million in U.S. taxes. Today, shareholders will be asked to vote on a resolution that will change that. My hunch—it is going to fail.

This is unfortunate for all Americans because they are being asked to make sacrifices during a wartime economy. We have 134,000 troops in Afghanistan and Iraq while Tyco, International and the Bermuda-based companies, all for the price of a $27,000 post office box they do not want to contribute, and the other side does not want to do anything about it.

I am the sponsor of the Corporate Patriot Enforcement Act which would deny tax benefits to former American companies that reincorporate offshore simply to avoid paying the same taxes the rest of us do. According to the Joint Committee on Taxation, we could save $4 billion just asking these folks to pay their fair share.

RICHARD CLARKE'S ALLEGATIONS ARE FALSE AND MISLEADING

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

Mr. WILSON of South Carolina. Mr. Speaker, it is clear why misleading allegations have been made by Richard Clarke, a former adviser of Presidents Clinton and Bush. His motivations have become evident over the last few days to the American people as his comments have been timed to the release for sales of his book. And we learned he was passed over for promotion and that he is a close friend of Rand Beers, an adviser to the current Democratic nominee for President.

Mr. Clarke's strange accusations about Security Adviser Condoleezza Rice and President Bush's handling of the war on terrorism are false as the facts refute the rhetoric. President George W. Bush and his team, with our troops, have shown bold leadership to successfully fight the war on terrorism, have encouraged Libya to disarm, inspired Pakistan to deploy 70,000 troops to fight al Qaeda terrorists, and have led to the liberation of millions from terrorist-sponsoring regimes. President Bush has taken the battle to the terrorists so that we can reduce further attacks on American families.

In conclusion, may God bless our troops and we will never forget September 11.

MICROSOFT AND THE EUROPEAN UNION

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

Mr. INSLEE. Mr. Speaker, I come to the floor to express concern about the European Union's first step in a decision against Microsoft, one of the most creative engines of economic growth in American history. The reason we all ought to be concerned about this European Union decision is it essentially breaches and disturbs, if not destroys, a carefully wrought-out resolution of antitrust issues in the American judicial system.

Whatever one thinks of our judicial system, we ought to know one thing, that it is better that these matters be resolved in the American system than internationally when the international groups now could turn into a feeding frenzy, if you will, of upsetting this apple cart after we have worked for years and millions of dollars of effort to have a very carefully calibrated resolution of these antitrust issues.

We hope that our government expresses and does not acquiesce in this issue since we need to have comity and a consistent application of antitrust rules across borders. We hope that our government will take that position.

MEDICARE

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

Mr. BLUNT. Mr. Speaker, like many other Members who voted for the addition of prescription drugs to Medicare and Medicare reform on both sides of the aisle, I have been out in my district talking to people about this first significant change in Medicare in 38 years. What I am finding is a tremendous reception to the changes we have made:

The prescription drug card that will be available in June where people can call in and find out, based on the medicines they take, which card is best for them; the significant assistance to low-income seniors who not only get that card for free but also get $600 of credit on that card; and as we move into the full Medicare program in 2006, get their premiums paid if they choose to get their premiums paid. But, of course, as you are dealing with seniors and many of us who are not all that comfortable with change, the most important thing you can say is, You don't have to do anything if you don't want to, but you can look at these new options and see if these options are better for you than what you've got. If they aren't better for you than what you've got or you just don't want to change, you don't have to.

The addition of prescription drugs to Medicare brings Medicare in line with medicine. It is about time, Mr. Speaker. I am glad we did it.

SUPREME COURT TO RULE ON PLEDGE OF ALLEGIANCE CASE

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

Mr. PENCE. Mr. Speaker, Thomas Jefferson wrote those transcendent words in the Declaration of Independence, that our founders believed that we were endowed by our Creator with certain unalienable rights. Abraham Lincoln, in establishing the first National Day of Prayer, quoted scripture as he affirmed that which had been truth throughout the ages, that only those nations are blessed whose God is the Lord.

Nevertheless, at this hour across the street the Supreme Court of the United States of America is hearing a case about whether the American people may acknowledge that we are one Nation under God in our Pledge of Allegiance. This case today I offer, Mr. Speaker, is less about the facts than it is about who we are as a Nation, a Nation with a Congress that opened this day in prayer, and a court, a Supreme Court, that actually opened their work today with the words ''God save the United States and this honorable court,'' about a government that displays the name of God throughout its buildings and in its best traditions, telling the American people that they cannot do likewise.

Let us hope and pray that those nine jurists on the Supreme Court see the freedom of religion and not the freedom from religion in the first amendment of our Constitution.

MEDICARE TRUSTEES REPORT

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

Mr. STEARNS. Mr. Speaker, the Medicare trustees have reported that the Medicare trust fund is in trouble. Imagine what would happen if the Democrat minority had successfully passed their bill. The reforms that we passed to preserve the life of the Medicare system would have disappeared and the trillion-dollar-plus price tag of the Democratic bill would have ended Medicare as we know it. We would have no choice but to make painful cuts or increase taxes to pay for the Democrats' Medicare bill.

The irony is that now that we are so close to finally implementing the law and finally getting cheaper prescription drug benefits for seniors, the Democrats want to repeal it. What we should do, Mr. Speaker, is not take away the prescription drug coverage for American seniors, but rather we should try to improve upon it, modify it and eventually make it fiscally responsible and highly workable.

MEDICARE REFORM

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

Mr. PORTMAN. Mr. Speaker, following on the comments of my colleague from Florida, I will say that this Medicare bill that the House passed last year, which adds a prescription drug benefit, is good medicine. It comes after years and years of this Congress talking about adding a prescription drug benefit for our seniors. Lots of rhetoric, no action. Finally, late last year, this House got together on a bipartisan basis and passed a benefit that truly helps seniors.

It is a good bill because it adds prescription drugs, but it is even better than that because it adds another great, exciting new tool for our seniors, but also for all Americans, to be able to save tax free for their health care: health savings accounts. You make a contribution tax free, it builds up tax free, and when you pay for your health care needs, it is tax free.

This will help in a few different ways. One, it will encourage preventive health care, people taking care of themselves, reducing costs in Medicare as a result. Second, it will add more competition to the health care system. It is your own dollar now that you are spending. That also will reduce costs in Medicare. Finally, it will help with the uninsured.

Many small businesses who do not now provide coverage for the uninsured will now be able to provide that coverage and individuals will be able to make contributions to an account like this to be able to cover their own health care needs.

Mr. Speaker, it is a good part of a good bill.

MEDICARE

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

Mr. GERLACH. Mr. Speaker, I rise today to speak about the importance of the new Medicare-endorsed prescription drug discount card. Starting in May, seniors across America will have the choice to enroll in a drug discount card plan. At this time, over 100 companies have applied to offer a prescription drug discount card. In June, older Americans can begin using those cards to save anywhere from 10 to 25 percent on their prescription drugs. Low-income seniors who choose to enroll in a drug discount plan will receive $600 of Federal assistance in 2004 and 2005 to further defray the costs of their medications.

The discount cards enable seniors to save money on their prescription drugs now while work is being done to implement the new Medicare Part D benefit. For those older Americans with no prescription drug coverage, waiting is not an option.

It is vital that we communicate to seniors their options regarding prescription drug assistance. I encourage all of my colleagues to reach out to seniors in their districts to explain the choices and benefits that older Americans now have.

I encourage seniors to visit Medicare on the Web at www.medicare.gov or to

call Medicare's 24-hour toll-free information line at 1–800–MEDICARE to get the answers to any questions they may have about their benefits.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. LAHOOD). Pursuant to clause 8 of rule XX, the Chair will postpone further proceedings today on motions to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 6 of rule XX.

Record votes on postponed questions will be taken later today.

□ 1030

MULTIDISTRICT LITIGATION RESTORATION ACT OF 2004

Mr. SENSENBRENNER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1768) to amend title 28, United States Code, to allow a judge to whom a case is transferred to retain jurisdiction over certain multidistrict litigation cases for trial, and for other purposes, as amended.

The Clerk read as follows:

H.R. 1768

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Multidistrict Litigation Restoration Act of 2004''.

SEC. 2. MULTIDISTRICT LITIGATION.

Section 1407 of title 28, United States Code, is amended—

(1) in the third sentence of subsection (a), by inserting ''or ordered transferred to the transferee or other district under subsection (i)'' after ''terminated''; and

(2) by adding at the end the following new subsection:

''(i)(1) Subject to paragraph (2) and except as provided in subsection (j), any action transferred under this section by the panel may be transferred for trial purposes, by the judge or judges of the transferee district to whom the action was assigned, to the transferee or other district in the interest of justice and for the convenience of the parties and witnesses.

''(2) Any action transferred for trial purposes under paragraph (1) shall be remanded by the panel for the determination of compensatory damages to the district court from which it was transferred, unless the court to which the action has been transferred for trial purposes also finds, for the convenience of the parties and witnesses and in the interests of justice, that the action should be retained for the determination of compensatory damages.''.

SEC. 3. TECHNICAL AMENDMENT TO MULTIPARTY, MULTIFORM TRIAL JURISDICTION ACT OF 2002.

Section 1407 of title 28, United States Code, as amended by section 2 of this Act, is further amended by adding at the end the following:

''(j)(1) In actions transferred under this section when jurisdiction is or could have been based, in whole or in part, on section 1369 of this title, the transferee district court may, notwithstanding any other provision of this section, retain actions so transferred for the determination of liability and punitive damages. An action retained for the determination of liability shall be remanded to the district court from which the action was transferred, or to the State court from which the action was removed, for the determination of damages, other than punitive damages, unless the court finds, for the convenience of parties and witnesses and in the interest of justice, that the action should be retained for the determination of damages.

''(2) Any remand under paragraph (1) shall not be effective until 60 days after the transferee court has issued an order determining liability and has certified its intention to remand some or all of the transferred actions for the determination of damages. An appeal with respect to the liability determination and the choice of law determination of the transferee court may be taken during that 60-day period to the court of appeals with appellate jurisdiction over the transferee court. In the event a party files such an appeal, the remand shall not be effective until the appeal has been finally disposed of. Once the remand has become effective, the liability determination and the choice of law determination shall not be subject to further review by appeal or otherwise.

''(3) An appeal with respect to determination of punitive damages by the transferee court may be taken, during the 60-day period beginning on the date the order making the determination is issued, to the court of appeals with jurisdiction over the transferee court.

''(4) Any decision under this subsection concerning remand for the determination of damages shall not be reviewable by appeal or otherwise.

''(5) Nothing in this subsection shall restrict the authority of the transferee court to transfer or dismiss an action on the ground of inconvenient forum.''.

SEC. 4. EFFECTIVE DATE.

(a) SECTION 2.—The amendments made by section 2 shall apply to any civil action pending on or brought on or after the date of the enactment of this Act.

(b) SECTION 3.—The amendment made by section 3 shall be effective as if enacted in section 11020(b) of the Multiparty, Multiforum Trial Jurisdiction Act of 2002 (Public Law 107–273; 116 Stat. 1826 et seq.).

The SPEAKER pro tempore (Mr. LAHOOD). Pursuant to the rule, the gentleman from Wisconsin (Mr. SENSENBRENNER) and the gentlewoman from Texas (Ms. JACKSON-LEE) each will control 20 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. SENSENBRENNER).

GENERAL LEAVE

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 1768, the bill, currently under consideration.

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

There was no objection.

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

Mr. Speaker, this legislation addresses two important issues in the world of complex multidistrict litigation. First, the bill reverses the effect of the 1998 Supreme Court decision in the so-called ''Lexecon'' case. For 30 years prior to the Lexecon decision, a Federal judicial entity, the Multidistrict Litigation Panel, selected the one U.S. district court that was best suited to handle pretrial matters in complex multidistrict cases filed in State and Federal district courts around the country. The district courts selected, called the ''transferee'' court, would then invoke a separate general venue statute to retain all the cases for trial matters. This situation promoted judicial administrative efficiency, then produced results that were more uniformly fair to the litigants.

In the 1998 Lexecon decision, the Supreme Court ruled that the statute empowering the MDLP to operate did not authorize a transferee court to retain cases after the pretrial matters were concluded. The bill amends the Federal multidistrict litigation statute by explicitly allowing a transferee court to retain jurisdiction over referred cases for trial, for the purposes of determining liability and punitive damages, or to refer them to other districts as it sees fit. It simply responds to the Court's admonition that Congress amend the statute to allow the MDLP and the affected transferee courts to act as they had done without incident for 30 years prior to Lexecon.

Second, the passage of H.R. 1768 ensures that a special ''disaster'' litigation statute enacted last term will operate as Congress intended. Among other prescribed conditions, this new law creates original jurisdiction for U.S. district courts to adjudicate cases in which the accident has led to 75 deaths. This provision, now codified as a part of the Department of Justice authorization act from the 107th Congress, contemplates that the Lexecon problem is solved.

In other words, the new disaster litigation law only creates original jurisdiction for a U.S. district court to accept these cases and qualify as a transferee court under the multidistrict litigation statute. But the transferee court still cannot retain consolidated cases for the determination of liability and punitive damages which effectively guts the statute. In this sense, the Lexecon fix set forth in H.R. 1768, its freestanding merits aside, also functions as a technical correction to the recently enacted disaster litigation statute.

In sum, this legislation speaks to process, fairness, and judicial efficiency. It will not interfere with jury verdicts or compensation rates for litigators.

I urge my colleagues to join me in a bipartisan effort to support this bill.

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

Ms. JACKSON-LEE of Texas. Mr. Speaker, I yield myself such time as I may consume.

Let me first of all, Mr. Speaker, say that there is good news for those victims who had been victimized by catastrophic injuries and catastrophic accidents such as airplane crashes, terrorist actions, and others because we have been able to provide for an opportunity for those cases to remain in their jurisdiction of the incident or the jurisdiction that is accommodating to those plaintiffs; and I applaud that relief that was given by the exclusion

from this language to require cases to be moved at random, if you will, out of the State court system.

So I rise in support of H.R. 1768, and I ask my colleagues to support it. The House of Representatives has approved legislation containing the provisions of H.R. 1768 in each of the past two Congresses. In the 107th Congress, the House passed such legislation by unanimous consent and in the 106th Congress, the House passed by voice vote on suspension. Thus I believe it is fair to say that the House has several times found this legislation to be unobjectionable and noncontroversial.

As to its substance, H.R. 1768 has a very narrow purpose and effect. It is to overturn the 1998 decision of the Supreme Court in Lexecon v. Milberg, Weiss. The Lexecon decision held that a multidistrict litigation transferred to a Federal court for pretrial proceedings cannot be retained by that court for trial purposes. In so holding, the Lexecon decision upsets decades of practice by the Multidistrict Litigation Panel and Federal district courts. The Lexecon decision also increases the cost and complexity of such multidistrict litigation by requiring courts other than the transferee court, which has overseen discovery and other pretrial proceedings, to conduct the trial. Again, major burdens on our petitioners or plaintiffs.

H.R. 1768 overturns the Lexecon decision. Its enactment will once again allow a transferee court to retain the trial on liability issues and when appropriate on punitive damages, and it protects those jurisdictional cases that can rightly belong in the State courts that happen to be class actions. H.R. 1768 is carefully crafted to overturn the Lexecon decision without expanding the power previously exercised by transferee courts. It creates a presumption for trial that compensatory damages will be remanded to the transferor court. This presumption is important because it ensures that plaintiffs will not be unduly burdened in pursuit of their claims.

I also note that H.R. 1768 as reported by the Committee on the Judiciary is substantially different than the introduced version. These differences represent a significant improvement.

Explaining those relevant differences requires a brief recount of recent history. As part of the DOJ reauthorization legislation enacted in 2002, Congress created minimal diversity jurisdiction in Federal court for certain actions involving large-scale, single accidents. Among other things that legislation, which had been a part of the predecessor to H.R. 1768, created Federal diversity jurisdiction for such accidents only where at least 75 people had been killed or injured. The agreement between House and Senate conferees to set the bar at 75 people represented a significant departure from the House-passed legislation which had only required a 25-person threshold. Again, a negative impact on plaintiffs.

As introduced, H.R. 1768 would have, among other things, upset this agreement by instituting a 25-person threshold. Upsetting this agreement would have also upset many members of the Committee on the Judiciary, as well as those Senators who had insisted on a 75-people threshold as the price for supporting enactment of a single accident provision and also, might I say, providing equity in the courts of justice and allowing those individuals to have access to the courts of their choice. Thus, during the Committee on the Judiciary markup, the chairman wisely decided to offer an amendment that leaves the current 75-person threshold in place. By doing so, he has rendered the bill unobjectionable.

This bill's narrow breadth should be contrasted with broader and more troubling legislation to expand Federal court jurisdiction, such as supposed class action reform. Support for H.R. 1768 in no way implies support for any of the various class action bills. Unlike H.R. 1768, the class action bills represent a radical rewrite of class action rules, would ban most forms of State class actions, would burden the Federal courts and unreasonably limit plaintiffs' access to the courts, and require in-depth, thorough analysis and long, long study of that matter.

In sum, because the bills are so vastly different in scope and effect, support for H.R. 1768 should in no way be read as support for class action legislation. I ask my colleagues to support this bill, H.R. 1768.

Mr. Speaker, I rise in support of this legislation only insofar as it does not preclude classes of individuals from bringing most actions into State Court to obtain relief in the form of a class action. On January 21, 2004, my colleagues and I of the Judiciary Committee marked this bill up, and I supported it with caveat. The Multidistrict Litigation Restoration act of 2003 was introduced on April 11, 2003. This bill was introduced, largely, in order to improve the ability of federal courts to handle complex multidistrict litigation arising from a common set of facts.

H.R. 1768 contains two operative sections. Section 2 allows a transferee court in multidistrict litigation to retain jurisdiction over all of the consolidated cases with the presumption that compensatory damages will be remanded to the transferor court. Section 2 seeks to overturn the decision of the United States Supreme Court in Lexecon v. Milberg Weiss Bershad Hynes & Lerach, interpreting 28 U.S.C. Section 1407, the federal multidistrict litigation statute. In Lexecon, the Supreme Court held that a transferee court (a district court assigned to hear pretrial matters by a multidistrict litigation panel in multidistrict litigation cases) must remand all cases back for trial to the districts in which they were originally filed, regardless of the views of the parties.

Section 3 amends the Multiparty, Multiforum Trial Jurisdiction Act (MMTJA) of 2002 (Section 11020 of H.R. 2215, the Department of Justice appropriations authorization), which expanded federal court jurisdiction by requiring only minimal diversity (as opposed to complete diversity) for mass torts arising from a single incident, and established new federal procedures in these narrowly defined cases for the selection of venue, service of process and issuance of subpoenas. Section 3 would provide for the consolidation of these mass tort cases into a single district, and would reduce from 75 to 25 the number of individuals that must have suffered injury in such cases.

In the past, I have voted for legislation containing substance nearly identical to the bill we have before us today, and I will continue to support it so long as its provisions maintain a narrowly-tailored expansion of federal jurisdiction to hear consolidated cases with carefully placed caveats to allow for remand to the district of original jurisdiction. One of the most important concerns with this type of legislation is the answer to the questions of whether it will truly serve the interest of justice and whether it will not preclude parties from receiving a fair opportunity to present their case and have it considered.

On a related matter, class actions are an important and efficient legal tool for minority consumers to use in order to obtain redress and to deter wrongful conduct—which is critical given the portion of the domestic market that is occupied by minorities.

Class actions lawsuits are the only effective remedy when a large number of people are harmed but sustain small amounts of damages for which individual litigation would be inefficient. Class actions have resulted in refunds to consumers for fraudulent HMO, credit card, and telecommunications billing methods; free medical check-ups for persons exposed to toxic substances; and most importantly, changes to business practices that have in some way cheated or threatened the health of consumers.

The Class Action Fairness Act would move most state court class actions into federal courts, posing a threat to basic civil rights and unfairly blocking the disadvantaged members of society, including women and racial minorities, from obtaining relief from discrimination and unlawful practices. Class action litigation is one of the most important tools that women and other minorities can use to bring about equality. Therefore, I support H.R. 1768 with the understanding that I do not in the same vein support the Class Action Fairness Act.

Mr. Speaker, for the above reasons and with the limitations set forth, I support this legislation.

Mr. SMITH of Texas. Mr. Speaker, this legislation makes it easier for federal judges to retain jurisdiction of a lawsuit when questions regarding the facts are not in dispute, such as the facts in lawsuits stemming from a plane crash.

For example, a plane crash with 100 fatalities from 25 states can result in 25 different plaintiffs. This legislation allows those 25 cases to be transferred to one court, which reduces the burden on our federal courts.

Thirty years ago federal judges were authorized by circuit and district court case law to transfer cases to their own district or another district for trial. This provided them the ability to consolidate cases in their jurisdiction or refer cases to the appropriated jurisdiction as they saw fit.

Unfortunately, in 1998, the Supreme Court reversed that practice in the Lexecon case because of the language in the statute. The opinion said that Congress could resolve the issue. Mr. Speaker, that is why we are here today.

The Lexecon decision has prevented the federal court system from adjudicating complex cases even when all parties to a case have agreed on the wisdom of a transfer. That is not the most efficient and effective way for the management of our federal courts.

Our transferee judges are federal judicial experts. We must provide them with the freedom they need so they can supervise day-to-day pretrial proceedings, which include the underlying facts, laws and the possibility of a settlement.

Mr. Speaker, I urge my colleagues to support this legislation.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I yield back the balance of my time.

Mr. SENSENBRENNER. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

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 pass the bill, H.R. 1768, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

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

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

COMMUNITY RECOGNITION ACT OF 2004

Mr. SENSENBRENNER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3095) to amend title 4, United States Code, to make sure the rules of etiquette for flying the flag of the United States do not preclude the flying of flags at half mast when ordered by city and local officials, as amended.

The Clerk read as follows:

H.R. 3095

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Community Recognition Act of 2004''.

SEC. 2. FLAG CODE AMENDMENT.

Section 7(m) of title 4, United States Code, is amended by inserting after the sentence beginning ''In the event of the death of a present or former official of the government of any State'' the following: ''In the event of the death of a present or former official of any city or other locality, the chief elected official of that locality may proclaim that the National flag shall be flown at half staff.''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Wisconsin (Mr. SENSENBRENNER) and the gentlewoman from Texas (Ms. JACKSON-LEE) each will control 20 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. SENSENBRENNER).

GENERAL LEAVE

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on the bill, H.R. 3095, currently under consideration.

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

There was no objection.

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

Mr. Speaker, H.R. 3095 simply clarifies title 4 of the United States Code to permit the chief elected officer of a city or locality to order the United States flag flown at half mast to honor the death of a present or former official of that locality. Though current law does not expressly prohibit a local official from executing this decision, it does not specifically grant this authority either. In the unfortunate event of a death of a local official, the law's lack of clarity regarding this authority has forced local officials to seek permission from either the President of the United States or the Governor of their respective State, both of whom have explicit authority under current law to order the flag lowered.

As we all recognize, an individual's death often cannot be anticipated, and when a community is faced with such a loss, the President or Governor may not be able to be give immediate consideration to the request to lower the flag. Recognizing this problem, I believe that it is important that we vest our local officials with this authority rather than run the risk of missing an opportunity to honor and recognize the service of the deceased local official.

I would note that similar legislation was passed by the House in the 107th Congress by a vote of 420 to nothing, but unfortunately no action was ever taken by the other body.

I urge my colleagues to once again support this legislation.

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

Ms. JACKSON-LEE of Texas. Mr. Speaker, I yield myself such time as I may consume.

Let me, first of all, thank the chairman and say that we have an expression of recognition bill that all of us can support and is protected by the first amendment, and that is H.R. 3095, the Community Recognition Act, in which the question is not one of free speech but of recognition.

Mr. Speaker, I rise in support of H.R. 3095, the Community Recognition Act of 2003. This legislation is identical to H.R. 1022, which passed the House by a vote of 420 to zero. I am aware of no opposition to this bill. The chairman has clearly explained the bill, and I urge my colleagues enthusiastically to support H.R. 3095.

Mr. Speaker, I rise in support of this legislation, H.R. 3095, the Community Recognition Act. In January of this year, my colleagues and I of the Committee on the Judiciary held a markup hearing to consider this bill, and I supported it at that time. This legislation is identical to H.R. 1022, which was reported by the Judiciary Committee in the 107th Congress by voice vote with no debate and which passed the House by a vote of 420–0. However, it did not receive consideration by the Senate.

H.R. 3095 would amend the ''Flag Code'' to allow local officials to order the flag of the United States in that jurisdiction flown at half-staff in the event of the death of a present or former official of that locality. Current law specifies instances in which the flag should be flown at half-staff, who is authorized to order it, the manner in which it should be displayed, and how long it should be so flown in honor of different individuals. It grants this authority to the President and to the governors to order that the flag be flown at half-staff, but does not mention local officials. This bill would include local officials.

Current law, including the Flag Code, does not prohibit anyone flying the flag at half-staff for any reason at any time. Moreover, the Constitution allows anyone to do anything they wish with a flag, including burn it as an act of protest. Let us not forget about the case of Texas v. Johnson in 1989 where during the 1984 Republican National Convention in Dallas, Texas, Gregory Johnson accepted a United States flag taken from a flagpole outside the convention center, doused the flag with kerosene, and set the flag on fire. Arrested by police officers on the scene, Johnson was prosecuted and convicted under a Texas law which prohibited desecration of the Texas and United States flags. The law defined desecration as ''physical mistreatment of such objects in a way which the [accused] knows will offend one or more persons likely to observe or discover the act.'' Several witnesses testified that they had been seriously offended by the flag burning.

The use of the American flag in this instance does not present strong challenges to rights under the First Amendment. Instead, it would make clear that local officials also have the authority to order the flag flown at half-staff under certain circumstances.

The flag of the United States serves as a symbol of the nation. In the case of West Virginia v. Barnett, 1943, the Court struck down a West Virginia law requiring a salute to the flag, commenting: ''Those who begin coercive limitation of dissent soon find themselves exterminating dissenters.'' The Court went on to say, ''There is no mysticism in the American concept of the State or of the nature or origin of its authority. We set up government by consent of the governed, and the Bill of Rights denies those in power any legal opportunity to coerce the consent. Authority here is to be controlled by public opinion, not public opinion by authority. . . .''

In Texas, the Government Code, Section 3100.072 sets forth the Governor's authority regarding the flag and limitations on governmental subdivisions or agencies. However, some states and jurisdictions do not have similar state legislation in place to grant this authority. Therefore, H.R. 3095 will add much needed uniformity to the United States Code.

Mr. Speaker, I support this legislation for the above reasons.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I yield back the balance of my time.

Mr. SENSENBRENNER. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

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 pass the bill, H.R. 3095, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

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

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

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

Mrs. MILLER of Michigan. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 328) recognizing and honoring the United States Armed Forces and supporting the designation of a National Military Appreciation Month, as amended.

The Clerk read as follows:

H. CON. RES. 328

Whereas the vigilance of the members of the Armed Forces has been instrumental to the preservation of the freedom, security, and prosperity enjoyed by the people of the United States;

Whereas the success of the Armed Forces depends on the dedicated service of its members, their families, and the civilian employees of the Department of Defense and the Coast Guard;

Whereas the role of the United States as a world leader requires a military force that is well-trained, well-equipped, and appropriately sized;

Whereas to maintain such a force, the youth of the United States must possess a commitment to military service sufficient to achieve the levels of recruitment and retention necessary to sustain the strength, vitality, and character of the Armed Forces;

Whereas to foster and sustain such a commitment it is vital for the youth of the United States to understand that the service provided by members of the Armed Forces is an honorable legacy that protects the freedoms enjoyed by citizens of the United States as well as citizens of many other nations;

Whereas the Federal Government has a responsibility to raise awareness of and respect for this aspect of the heritage of the United States and to encourage the people of the United States to dedicate themselves to the values and principles for which Americans have served and sacrificed throughout the history of the Nation;

Whereas service in the Armed Forces entails special hazards and demands extraordinary sacrifices from service members and their families;

Whereas the support of the families of service members enhances the effectiveness and capabilities of the Armed Forces;

Whereas the observance of events recognizing the contributions of the Armed Forces is a tangible and highly effective way of sustaining morale and improving quality of life for service members and their families;

Whereas on April 30, 1999, the Senate passed S. Res. 33 (106th Congress), entitled ''Designating May 1999 as 'National Military Appreciation Month' '', calling on the people of the United States, in a symbolic act of unity, to observe a National Military Appreciation Month in May 1999, to honor the current and former members of the Armed Forces, including those who have died in the pursuit of freedom and peace; and

Whereas it is important to emphasize to the people of the United States the relevance of the history and activities of the Armed Forces through an annual National Military Appreciation Month that includes associated local and national observances and activities: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That Congress—

(1) supports the goals and objectives of a National Military Appreciation Month;

(2) urges the President to issue a proclamation calling on the people of the United States, all Federal departments and agencies, States, localities, organizations and media to annually observe a National Military Appreciation Month with appropriate ceremonies and activities; and

(3) urges the White House Commission on Remembrance, established by Congress to honor those who died in service to the United States and those who continue to serve the Nation, to work to support the goals and objectives of a National Military Appreciation Month.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from Michigan (Mrs. MILLER) and the gentleman from Illinois (Mr. DAVIS) each will control 20 minutes.

The Chair recognizes the gentlewoman from Michigan (Mrs. MILLER).

□ 1045

GENERAL LEAVE

Mrs. MILLER of Michigan. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H. Con. Res. 328, as amended

The SPEAKER pro tempore (Mr. LAHOOD). Is there objection to the request of the gentlewoman from Michigan?

There was no objection.

Mrs. MILLER of Michigan. Mr. Speaker, I yield myself such time as may consume.

Mr. Speaker, on behalf of the Committee on Government Reform, I am very pleased that the House is considering House Concurrent Resolution 328. During the 106th Congress, on April 30, 1999, the United States Senate passed Senate Resolution 99 that called for May of 1999 to be signified as National Military Appreciation Month. Today's resolution, House Concurrent Resolution 328, supports the goals and ideals of National Military Appreciation Month. As the war on terror continues, this is an appropriate piece of legislation for the House to pass today.

The Members of our Armed Forces have fought to preserve freedom for the American people for over 200 years. Recently, new challenges have confronted our brave military men and women since the horrific attacks on our Nation of September 11, 2001. Our soldiers have courageously and effectively carried out remarkable missions in Afghanistan and Iraq that respectively intended to disrupt the terrorist networks and to end the regime of dictator Saddam Hussein.

In addition, Mr. Speaker, the United States Armed Forces have dramatically expanded their presence in the Middle East and Central Asia into once unthinkable locations, such as former Soviet republics. These new bases seek to strengthen American alliances with friendly countries and to protect the citizens of countless nations across the globe.

Indeed, the war on terror has tested our armed services, and I am proud to reported that our servicemen and women have responded very honorably.

In addition to the war on terror, nearly 1,800 United States soldiers have defended the Haitian capital Port-au-Prince in recent weeks as well. Unquestionably, our great Nation and, indeed, the entire world is a safer place because of their commitment and their sacrifice.

Mr. Speaker, I know that the sponsor of this resolution, the distinguished chairman of the Committee on Government Reform, wanted to be here for consideration of this legislation. Consistent with my earlier request for general leave, I will submit his statement on House Concurrent Resolution 328 in writing. I commend the gentleman from Virginia (Chairman TOM DAVIS) for this important resolution, and I urge every Member of this House to support its adoption.

I salute all of our Nation's gallant servicemen and women.

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

Mr. DAVIS of Illinois. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, there is no greater gift a person can give to his or her country than to serve in the Armed Forces. Today, we honor the thousands of soldiers, men and women, serving our country at home in the United States and around the world, as well as the millions of Americans who have served in years past.

While our reasons for going to Iraq, or any other war, for that matter, can be questioned and scrutinized, one issue that should remain above the political fray is the profound courage that has always been exhibited by our troops. They have always honored America by protecting our Nation both at home and abroad in a manner befitting a great nation. Today our Nation turns to them and says, ''Thank you.''

Over 500 Americans have lost their lives thus far in Iraq, and it is crucial to the future of both our Nation and other nations that Americans, both young and old, understand that without these soldiers and the countless

others who have died in wars past, making this ultimate sacrifice, there would be no America as we know it today.

The tremendous freedoms we all enjoy, including freedom of speech, the right to representation in government and the right to assemble were all earned because tremendous human beings were willing to fight for those freedoms. Although no gesture can ever do justice to the work done by our men and women of the Armed Forces, with the designation of a National Military Appreciation Month, our Nation can do no more to thank these brave Americans for the unbelievable service they have provided to all of us.

Mr. TOM DAVIS of Virginia. Mr. Speaker, I rise today in strong support of House Concurrent Resolution 328 and urge my colleagues to do so as well.

Throughout the course of American history, nearly 48 million men and women have dedicated their lives to the defense of our land, our people and our principles as members of the Armed Forces. The strength of the United States is a direct result of their courageous, patriotic and dedicated service.

Last year, I introduced this important resolution to recognize and honor both those who have served throughout our history and those serving around the world today, and to support the goals and objectives of National Military Appreciation Month. This resolution is a follow-on effort to Senate Resolution 33, introduced by Senator MCCAIN in the 106th Congress and unanimously passed by the Senate on April 30, 1999.

While we always appreciate the men and women of the military, it is fitting that we set aside time to do so publicly. National Military Appreciation Month seeks to coordinate and provide a framework to do so by capitalizing on the various observations throughout the month of May, including Loyalty Day, the National day of Prayer, Military Spouses Day, Victory in Europe Day, Armed Forces Day, and Memorial Day.

Many groups are already supporting these efforts through various means, and they should be applauded. With passage of this resolution we call on federal, state and local entities, civic and fraternal organizations, places of worship, schools, businesses, the media and all Americans to commemorate and celebrate the men and women of our Armed Forces. It is exactly what a grateful nation should do.

I urge my colleagues to vote in favor of this important resolution.

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

Mrs. MILLER of Michigan. Mr. Speaker, I simply would urge all Members to support the adoption of House Concurrent Resolution 328, and I yield back the balance of my time.

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

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mrs. MILLER of Michigan. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

LLOYD L. BURKE POST OFFICE

Mrs. MILLER of Michigan. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3059) to designate the facility of the United States Postal Service located at 304 West Michigan Street in Stuttgart, Arkansas, as the ''Lloyd L. Burke Post Office''.

The Clerk read as follows:

H.R. 3059

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. LLOYD L. BURKE POST OFFICE.

(a) DESIGNATION.—The facility of the United States Postal Service located at 304 West Michigan Street in Stuttgart, Arkansas, shall be known and designated as the ''Lloyd L. Burke Post Office''.

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in subsection (a) shall be deemed to be a reference to the Lloyd L. Burke Post Office.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from Michigan (Mrs. MILLER) and the gentleman from Illinois (Mr. DAVIS) each will control 20 minutes.

The Chair recognizes the gentlewoman from Michigan (Mrs. MILLER).

GENERAL LEAVE

Mrs. MILLER of Michigan. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 3059.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Michigan?

There was no objection.

Mrs. MILLER of Michigan. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 3059 designates the Stuttgart, Arkansas, postal facility as the Lloyd L. Burke Post Office. All members of the Arkansas congressional delegation have signed on as cosponsors to this legislation.

Mr. Speaker, through this point in the 108th Congress, the House has passed 43 meaningful bills that name post offices after physicians, after political leaders, athletes, military servicemen and certainly other worthy individuals as well, but we may never consider a commemorative piece of legislation that honors a braver person than Lloyd Burke.

Colonel Lloyd Burke served in the Army during World War II, the Korean and Vietnam wars. Most notably, he was a legitimate hero of the Korean War. Facing a battle over a strategic hill outside of Seoul, then Lieutenant Burke led a group of only 35 battle-weary American soldiers toward a brigade of over 300 Korean fighters in December of 1951. On this day, Lloyd Burke practically defeated this overwhelming enemy force with only his bare hands.

Lloyd Burke led the charge against the Korean brigade by firing his rifle and throwing grenades. He attacked enemy trenches all by himself, clearing out enemy machine gun positions. During his attack, his rifle jammed, and then he was forced to catch three grenades thrown at him and hurled them back at the enemy soldiers. He ultimately manipulated his rifle and returned it to working order, firing it until he ran out of ammunition. At that point, he used only his pistol to attack the heavily armed Korean soldiers.

Burke's bravery inspired his fellow troops. When the dust settled, most of the 300 enemy soldiers had been killed and the remaining Army troops had captured the hill. It was estimated that Lloyd Burke had killed 100 of the enemy himself. It was an unbelievable scene, and an important strategic victory for the 5th Cavalry Regiment that day.

Mr. Speaker, when Lloyd Burke returned home the following spring, President Harry S. Truman awarded him the Medal of Honor at the White House on April 11, 1952. Many years later, Colonel Burke was a guest of another President here in Washington, President Bill Clinton, at the dedication of the Korean War Memorial in July of 1995. These were two highly deserved honors for a serviceman to whom all Americans owe a debt of gratitude.

Mr. Speaker, Lloyd Burke passed away in his sleep at the age of 74 at his home in Hot Springs, Arkansas, on June 1, 1999. Therefore, I want to commend the gentleman from Arkansas (Mr. BERRY) for working to permanently honor Colonel Lloyd L. Burke with this post office dedication. Colonel Burke's bravery and commitment to his country was above and beyond the call of duty, and therefore I am pleased today that the House remembers his service today.

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

Mr. DAVIS of Illinois. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, when I lived in Arkansas, we used to call Stuttgart the ''rice, duck and mosquito capital of the world.''

Mr. Speaker, it is my pleasure to yield such time as he may consume to the gentleman from Arkansas (Mr. BERRY), the author of this resolution.

Mr. BERRY. Mr. Speaker, I am honored today to rise to ask for support of H.R. 3059, a bill to designate the Stuttgart, Arkansas, post office, as the Lloyd L. Burke Post Office.

Mr. Burke was born in Tichnor, Arkansas, a small community in the south end of Arkansas County. He later graduated from Stuttgart High School in 1942 and served his country during World War II and the Korean War.

Mr. Burke was a hero to this great Nation. His unselfish acts during times of conflict have already been recognized with the Congressional Medal of Honor for his outstanding courage while serving as a First Lieutenant in the United States Army during the Korean War.

Over the past year, I have received numerous letters from citizens of Stuttgart citing undeniable reasons why they would be honored to name their postal facility after Mr. Burke. I would like to read to you a description of the incidents for which Mr. Burke received the Medal of Honor, as I feel this account best displays his courageous and selfless nature during his service in the Korean War.

''On October 28, 1951, intense enemy fire had pinned down leading elements of Mr. Burke's company committed to securing commanding ground when the First Lieutenant left the command post to rally and urge the men to follow him toward three bunkers, impending the advance.

''Dashing to an exposed vantage point, he threw several grenades at the bunkers, returned for an M–1 rifle and adaptor, and made a lone assault, wiping out the position and killing the crew. Closing on the center bunker, he lobbed grenades through the opening, and with his pistol, killed three of its occupants attempting to surround him.

''Ordering his men forward, he charged the third emplacement, catching several grenades in midair and hurling them back at the enemy. Inspired by his display of valor, his men stormed forward and overran the hostile position, but were again pinned down by increased fire.

''Securing a light machine gun and three boxes of ammunition, First Lieutenant Burke dashed through the impacted area to an open knoll, set up his gun and poured crippling fire into the ranks of the enemy, killing at least 75. Although wounded, he ordered more ammunition, reloaded and destroyed two mortar emplacements and a machine gun position with his accurate fire. Cradling the weapon in his arms, he then led his men forward, killing some 25 more of the retreating enemy and securing the objective.

''First Lieutenant Burke's heroic action and daring exploits inspired a small force of 35 troops, resulting in victory over the enemy. His unflinching courage and outstanding leadership reflect the highest credit upon himself, the infantry, and the United States Army.''

Mr. Speaker, I can think of no better tribute to Mr. Burke than to allow his name to live on in the City of Stuttgart. The heroism displayed on October 28, 1951, was an invaluable contribution to his city, the State of Arkansas, and this great Nation for which he served so admirably.

I ask that Members please support H.R. 3059 in honor of Mr. Burke's patriotic achievements.

Mr. DAVIS of Illinois. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I will close by just simply saying that as we celebrate Military Appreciation Month, I can think of no better way to do that than by naming a post office in honor of Lloyd Burke, whose display of courage is an indication of all that has made this Nation the great Nation that it is. I strongly support this resolution.

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

Mrs. MILLER of Michigan. Mr. Speaker, I urge all Members to support the passage of H.R. 3059.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Michigan (Mrs. MILLER) that the House suspend the rules and pass the bill, H.R. 3059.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mrs. MILLER of Michigan. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

BUREAU OF ENGRAVING AND PRINTING SECURITY PRINTING ACT OF 2004

Mr. CASTLE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3786) to authorize the Secretary of the Treasury to produce currency, postage stamps, and other security documents at the request of foreign governments on a reimbursable basis.

The Clerk read as follows:

H.R. 3786

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Bureau of Engraving and Printing Security Printing Act of 2004''.

SEC. 2. PRODUCTION OF DOCUMENTS.

Section 5114(a) of title 31, United States Code (relating to engraving and printing currency and security documents), is amended—

(1) by striking ''(a) The Secretary of the Treasury'' and inserting:

''(a) AUTHORITY TO ENGRAVE AND PRINT.—

''(1) IN GENERAL.—The Secretary of the Treasury''; and

(2) by adding at the end the following new paragraphs:

''(2) ENGRAVING AND PRINTING FOR OTHER GOVERNMENTS.—The Secretary of the Treasury may produce currency, postage stamps, and other security documents for foreign governments if—

''(A) the Secretary of the Treasury determines that such production will not interfere with engraving and printing needs of the United States; and

''(B) the Secretary of State determines that such production would be consistent with the foreign policy of the United States.

''(3) PROCUREMENT GUIDELINES.—Articles, material, and supplies procured for use in the production of currency, postage stamps, and other security documents for foreign governments pursuant to paragraph (2) shall be treated in the same manner as articles, material, and supplies procured for public use within the United States for purposes of title III of the Act of March 3, 1933 (41 U.S.C. 10a et seq.; commonly referred to as the Buy American Act).''.

SEC. 3. REIMBURSEMENT.

Section 5143 of title 31, United States Code (relating to payment for services of the Bureau of Engraving and Printing), is amended—

(1) in the first sentence, by inserting ''or to a foreign government under section 5114'' after ''agency'';

(2) in the second sentence, by inserting ''and other'' after ''including administrative''; and

(3) in the last sentence, by inserting '', and the Secretary shall take such action, in coordination with the Secretary of State, as may be appropriate to ensure prompt payment by a foreign government of any invoice or statement of account submitted by the Secretary with respect to services rendered under section 5114'' before the period at the end.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Delaware (Mr. CASTLE) and the gentleman from Massachusetts (Mr. FRANK) each will control 20 minutes.

The Chair recognizes the gentleman from Delaware (Mr. CASTLE).

□ 1100

GENERAL LEAVE

Mr. CASTLE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on this legislation, and to insert extraneous material thereon.

The SPEAKER pro tempore (Mr. LAHOOD). Is there objection to the request of the gentleman from Delaware?

There was no objection.

Mr. CASTLE. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I rise to voice my strong support for H.R. 3786, the Bureau of Engraving and Printing Security Printing Act of 2004, introduced by the gentleman from New York (Mr. KING). The bill authorizes the Secretary of the Treasury to print, under certain conditions, currency and security documents for foreign governments if it is consistent with our foreign policy objectives.

Mr. Speaker, while the United States Mint is allowed in law to produce coins for other countries, the Bureau of Engraving and Printing, or BEP, as we know it, is not. This prohibition has prevented the BEP from responding to a number of requests or opportunities to help smaller countries strengthen their economies by producing currency or security documents such as stamps or deeds or passports that are difficult

to counterfeit. Simply put, Mr. Speaker, if the opportunity is there to impede counterfeiting of this sort and the BEP is prevented by law from taking it, we are all the losers.

The bill is essentially in the same language as that which has passed the House by both voice and recorded vote in the past several Congresses after being introduced at the request of both this and the prior administration, Mr. Speaker.

Because of the current prohibition in law, we have turned away currency-printing requests from friends such as Kuwait after the first Gulf War and Mexico a couple of years ago when they were redesigning their currency, and we were unable to bid on reprinting the currency of Iraq to remove the image of Saddam after last year's war.

Mr. Speaker, many countries lack the resources to produce secure currency or secure passports. Nothing in this legislation prevents a country from choosing a U.S.-based private sector printer; but the history of this sort of printing is that while a private sector printer is bound to be less expensive, the business is not price-sensitive. Typically, when countries turn to a printer outside their own borders, it is to another government printer: the bank of Australia, the Bank of England, or the European Central Bank printers. In my view, the United States Treasury should be on that list as well.

Mr. Speaker, this legislation specifies that the BEP could not bid on any printing contract for another government unless it could do the work without interrupting the printing and delivery of U.S. currency and security documents, and unless the Secretary of State certified that the work would be consistent with U.S. foreign policy.

Additionally, the BEP must be reimbursed by the client country, so that the work does not cost the U.S. taxpayer and it is not just another form of foreign aid. All costs, including administrative costs, will be passed to the foreign governments and no rogue state or unfriendly nation will receive the benefit of our knowledge and expertise.

Mr. Speaker, I urge my colleagues to support this long overdue legislation and permit BEP to print currency, postage, and other security documents for foreign governments.

Mr. Speaker, today I rise in support of H.R. 2993, the "District of Columbia and United States Territories Circulating Quarter Dollar Program Act," introduced February 10 by the gentleman from New York, Mr. KING.

This legislation will enhance the popular 50-State Quarter program I am proud to have authored, with the addition of a one-year program that will include designs reminiscent of the District of Columbia, American Samoa, Guam, Puerto Rico, the U.S. Virgin Islands, and the Commonwealth of the Northern Mariana Islands on the reverse of our circulating quarters in the year following the end of the State quarter program in 2008. With passage of this legislation, the District of Columbia and the U.S. territories will rightly be included in the historical depictions on the quarter. I support these inclusions for both the historical importance and financial benefit for the United States Treasury.

Mr. Speaker, the State quarter program—which reached the halfway mark at the end of December—has dramatically increased general knowledge of the historical contributions of our fifty States. I believe the legislation under consideration today would do the same for the District and the territories. These areas have some of the highest enlistment rates in our armed forces—their commitment continues through today's conflicts and includes the tragic sacrifice of the lives of among others Lance Cpl. Gregory E. MacDonald of the District of Columbia, and Army Pvt. Jonathan I. Falaniko, of Pago Pago, American Samoa.

As well, Mr. Speaker, the District and the territories have made many historical, cultural and athletic contributions to our Nation, and this bill we consider today is a great opportunity to recognize them, in artwork on the reverse of the quarters.

The one-year program provides more than intangible benefits to the United States. It provides an economic boon to our Nation's Treasury. The success of the State quarter program has been overwhelming. The quarters have become one of the most popular collector's items in the United States and abroad. As of December, the halfway point of the program, Federal revenues had grown by over four billion dollars, representing coins that have been taken out of circulation by collectors. As a result, it is estimated that if the popularity of quarters produced under this legislation follow similar trends, as much as one billion dollars worth of the quarters may be taken out of circulation.

Mr. Speaker, I applaud the gentleman from New York, Mr. KING, for introducing this bill, and the gentlewomen from the District of Columbia, Ms. NORTON, for her tireless campaign towards its passage. I also commend many others who have urged passage over the past, including the gentleman from Alabama, Mr. BACHUS, who sponsored a previous version of the legislation, and the gentlewomen from California, Ms. WATERS. Of course, I would also like to thank the ranking member of the Subcommittee, the gentlewomen from New York, Mrs. MALONEY and the Chairman and Ranking Member of the full committee, Mr. OXLEY and Mr. FRANK, for their assistance in making this legislation possible.

Mr. Speaker, I urge swift passage of H.R. 2993 to recognize the invaluable contributions of the District and the territories.

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

Mr. FRANK of Massachusetts. Mr. Speaker, I yield myself such time as I may consume.

This is a perfectly reasonable bill, and I support it. However, I do want to comment on what seems to me the poignancy that this great House of Representatives, this Chamber that represents the American people, in the middle of the week, in the middle of what will be a short session because it is an election year, cannot find anything more important to do with its time.

Actually, there is one interesting thing about this law. We will get to see some foreign money. We will get to see it only when we print it for them, and then we will send it right back. Unfortunately, our economic policies and our approach to trade and globalization mean that we do not see much other foreign money. We have not been very diligent about trying to promote other ways in which we could get something from globalization for the people here, but at least we will get to wave at the money as we send it overseas.

I did want to, though, particularly join in one sentiment expressed by the gentleman from Delaware. I very much agree with him: This is an example of where the public sector can do the job better than the private sector. Now, that is not usually the case. We have a private sector economy and we depend, for the creation of wealth, of goods, and services, primarily on the private sector. But it ought to be underlined that there are some things important to our society that can only be done by the public sector. This is an example.

When another country is asking us to print their money for them, the question of security becomes very important; and this is something, security, which is particularly appropriate for the public sector to do. This will mean some work for the public sector, but not enough, because we are in an unusual situation now with our economy.

Because of a set of technological factors, public policy choices, the nature of globalization, we have the odd situation in which something which is a very good thing in the abstract, increased productivity, has sadly some negative consequences in reality. We are in a situation in which we are able, through productivity, significantly to increase wealth. An example here today is America's superiority in the printing of money over many others. We do that in a very productive way. But because of retrograde public policies, as well as the inherent nature of much of what happens, that wealth is not nearly as well-shared as it should be. We are in an odd situation in which, as wealth is created, too little goes to the people who work for others and are compensated for that work through a living. We have unemployment not dropping; we have real wages dropping. We have health care being eroded because employers no longer want to pay for it. And while public policy has not been the major cause of these trends, we have had public policies recently, the weakening of labor unions, unfair tax policies, one-sided trade policy, which asks nothing of those with whom we trade so that this redounds the disadvantage of workers here when we try to maintain standards. We have exacerbated that situation, and that we ought to change.

So I am pleased to join in reaffirming the importance of the American Government as the superior way for foreign countries to get their currency printed. I am glad to affirm that. I regret only, Mr. Speaker, the narrowness with which that principle is now being affirmed and the fact that on a prime

day in the middle of the legislative week, in the middle of the legislative session, this is all the leadership of this House can find to ask us to do. There are issues involving the extension of unemployment benefits, and there are other important questions that we should be dealing with. Unfortunately, we do not.

So I do not mean to blame this nice little bill for not being what it is not. This bill deserves to be passed. But this country deserves a chance for this House of Representatives to deal with much more substantive legislation addressing the economic distress that so many of our fellow citizens now encounter.

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

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

I am very pleased that this bill at least addresses in some very small part some of the concerns which the gentleman from Massachusetts holds, and I understand all that. But I think he is correct about this bill. I do not think there is any argument that what we are doing is essentially positive for the environment and for a government agency which can provide these services.

Mr. OXLEY. Mr. Speaker, I rise in support of H.R. 3786, the "Bureau of Engraving and Printing Security Printing Act of 2004."

Mr. Speaker, it is rare when the Members of this body can do something that is good for the country, good for the world, bad for nobody except crooks and terrorists and cost U.S. taxpayers nothing. This is one of those occasions.

Mr. Speaker, by approving this legislation, which would allow the Treasury Department to print currency and security documents such as passports or stock certificates for foreign governments, Members of the House will be voting to help strengthen the economies of friendly smaller nations and cutting the opportunities fraud and identity theft worldwide. Further, should the Treasury Department print any such documents, the work would be done on a fully reimbursable basis while allowing our expert engravers and printers at Treasury to refine their craft by working on anti-counterfeiting techniques that are not yet ready for the high-volume production necessary for U.S. documents but which with refinement someday may find their way to U.S. security documents or currency.

Mr. Speaker, this legislation is similar to bills introduced at the request of both this and the previous Administration, which was broadly and bipartisanly approved in this chamber in several recent Congresses. That it never has been considered in the other body is a shame—the Treasury was unable to participate in producing new currency for Iraq that removed the face of the dictator, Saddam Hussein.

No work authorized under this legislation could be performed if doing so would interfere with the Treasury's job of providing currency and other security documents for the U.S. or if such work would not be in full harmony with U.S. foreign-policy objectives. Further, the bill does not prevent foreign nations from sending such printing to a U.S.-based private-sector printer, although such printing is usually done by government printers in larger nations.

Mr. Speaker, this is good legislation. It deserves our full support, and I recommend its immediate passage.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Delaware (Mr. CASTLE) that the House suspend the rules and pass the bill, H.R. 3786.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

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

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

DISTRICT OF COLUMBIA AND UNITED STATES TERRITORIES CIRCULATING QUARTER DOLLAR PROGRAM ACT

Mr. CASTLE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2993) to provide for a circulating quarter dollar coin program to honor the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands, and for other purposes.

The Clerk read as follows:

H.R. 2993

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "District of Columbia and United States Territories Circulating Quarter Dollar Program Act".

SEC. 2. ISSUANCE OF REDESIGNED QUARTER DOLLARS HONORING THE DISTRICT OF COLUMBIA AND EACH OF THE TERRITORIES.

Section 5112 of title 31, United States Code, is amended by inserting after subsection (m) the following new subsection:

"(n) REDESIGN AND ISSUANCE OF CIRCULATING QUARTER DOLLAR HONORING THE DISTRICT OF COLUMBIA AND EACH OF THE TERRITORIES.—

"(1) REDESIGN IN 2009.—

"(A) IN GENERAL.—Notwithstanding the fourth sentence of subsection (d)(1) and subsection (d)(2) and subject to paragraph (6)(B), quarter dollar coins issued during 2009, shall have designs on the reverse side selected in accordance with this subsection which are emblematic of the District of Columbia and the territories.

"(B) FLEXIBILITY WITH REGARD TO PLACEMENT OF INSCRIPTIONS.—Notwithstanding subsection (d)(1), the Secretary may select a design for quarter dollars issued during 2009 in which—

(i) the inscription described in the second sentence of subsection (d)(1) appears on the reverse side of any such quarter dollars; and

(ii) any inscription described in the third sentence of subsection (d)(1) or the designation of the value of the coin appears on the obverse side of any such quarter dollars.

"(2) SINGLE DISTRICT OR TERRITORY DESIGN.—The design on the reverse side of each quarter dollar issued during 2009 shall be emblematic of one of the following: The District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands.

"(3) SELECTION OF DESIGN.—

"(A) IN GENERAL.—Each of the 6 designs required under this subsection for quarter dollars shall be—

"(i) selected by the Secretary after consultation with—

"(I) the chief executive of the District of Columbia or the territory being honored, or such other officials or group as the chief executive officer of the District of Columbia or the territory may designate for such purpose; and

"(II) the Commission of Fine Arts; and

"(ii) reviewed by the Citizens Coinage Advisory Committee.

"(B) SELECTION AND APPROVAL PROCESS.—Designs for quarter dollars may be submitted in accordance with the design selection and approval process developed by the Secretary in the sole discretion of the Secretary.

"(C) PARTICIPATION.—The Secretary may include participation by District or territorial officials, artists from the District of Columbia or the territory, engravers of the United States Mint, and members of the general public.

"(D) STANDARDS.—Because it is important that the Nation's coinage and currency bear dignified designs of which the citizens of the United States can be proud, the Secretary shall not select any frivolous or inappropriate design for any quarter dollar minted under this subsection.

"(E) PROHIBITION ON CERTAIN REPRESENTATIONS.—No head and shoulders portrait or bust of any person, living or dead, and no portrait of a living person may be included in the design of any quarter dollar under this subsection.

"(4) TREATMENT AS NUMISMATIC ITEMS.—For purposes of sections 5134 and 5136, all coins minted under this subsection shall be considered to be numismatic items.

"(5) ISSUANCE.—

"(A) QUALITY OF COINS.—The Secretary may mint and issue such number of quarter dollars of each design selected under paragraph (4) in uncirculated and proof qualities as the Secretary determines to be appropriate.

"(B) SILVER COINS.—Notwithstanding subsection (b), the Secretary may mint and issue such number of quarter dollars of each design selected under paragraph (4) as the Secretary determines to be appropriate, with a content of 90 percent silver and 10 percent copper.

"(C) TIMING AND ORDER OF ISSUANCE.—Coins minted under this subsection honoring the District of Columbia and each of the territories shall be issued in equal sequential intervals during 2009 in the following order: the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands.

"(6) OTHER PROVISIONS.—

"(A) APPLICATION IN EVENT OF ADMISSION AS A STATE.—If the District of Columbia or any territory becomes a State before the end of the 10-year period referred to in subsection (l)(1), subsection (l)(7) shall apply, and this subsection shall not apply, with respect to such State.

"(B) APPLICATION IN EVENT OF INDEPENDENCE.—If any territory becomes independent or otherwise ceases to be a territory or possession of the United States before quarter dollars bearing designs which are emblematic of such territory are minted pursuant to

this subsection, this subsection shall cease to apply with respect to such territory.

''(7) TERRITORY DEFINED.—For purposes of this subsection, the term 'territory' means the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands.''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Delaware (Mr. CASTLE) and the gentleman from Massachusetts (Mr. FRANK) each will control 20 minutes.

The Chair recognizes the gentleman from Delaware (Mr. CASTLE).

GENERAL LEAVE

Mr. CASTLE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on this legislation, and to insert extraneous material thereon.

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

There was no objection.

Mr. CASTLE. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, today I rise in support of H.R. 2993, the District of Columbia and United States Territories Circulating Quarter Dollar Program Act, introduced on February 10 by the gentleman from New York (Mr. KING).

Similar to the popular 50–State Quarter program I am proud to have authored, the legislation would create a 1-year program to use designs reminiscent of the District of Columbia, American Samoa, Guam, Puerto Rico, the U.S. Virgin Islands, and the Commonwealth of the Northern Mariana Islands on the reverse of our circulating quarters in the year following the end of the State quarter program in 2008. Passage of this legislation would foster respect for and enhance historical knowledge of the District of Columbia and the territories that are an indispensable part of the United States and also would be an economic windfall for the United States Treasury.

Mr. Speaker, the State quarter program, which reached the halfway mark at the end of December of this past year, has dramatically increased general knowledge of the historical contributions of our 50 States. I believe the legislation under consideration today would do the same for the District and the territories. These areas have some of the highest enlistment rates in our Armed Forces. Their commitment continues through today's conflicts, through the tragic sacrifice of the lives of, among others, Lance Corporal Gregory E. MacDonald of the District of Columbia, and Army Private Jonathan I. Falaniko of Pago Pago, American Samoa.

As well, Mr. Speaker, the District and the territories have many historical, cultural, and athletic contributions to our Nation; and the bill we consider today would allow a great opportunity to recognize them in artwork on the reverse of the quarters.

The 1-year program provides more than intangible benefits to the United States. It provides an economic boon to our Nation's Treasury. The success of the State quarter program has been overwhelming. The quarters have become one of the most popular collector's items in the United States and abroad; and by the halfway point of the program, the government had already benefited by over $4 billion, representing coins that have been taken out of circulation by collectors. As a result, it is estimated that if the popularity of quarters produced under this legislation follows similar trends, as much as $1 billion worth of the quarters may be taken out of circulation.

Mr. Speaker, I applaud the gentleman from New York (Mr. KING) for introducing the bill, and the gentlewoman from the District of Columbia (Ms. NORTON) for her tireless campaign towards its passage. I also commend many others who have urged passage in the past, including the gentleman from Alabama (Mr. BACHUS), who sponsored a previous version of the legislation, and the gentlewoman from California (Ms. WATERS). Of course, I would also like to thank the ranking member of the subcommittee, the gentlewoman from New York (Mrs. MALONEY) and the chairman and ranking member of the full committee, the gentleman from Ohio (Mr. OXLEY), and the gentleman from Massachusetts (Mr. FRANK) for their assistance in making this legislation possible.

I urge swift passage of H.R. 2993 to recognize the invaluable contributions of the District and territories.

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

Mr. FRANK of Massachusetts. Mr. Speaker, I yield myself such time as I may consume.

My attention was first drawn to this bill by the gentlewoman from the District of Columbia, who has been a very strong advocate for the District of Columbia in this and in other matters. In recognition of her leadership role on this legislation, I yield such time as she may consume to the gentlewoman from the District of Columbia (Ms. NORTON).

Ms. NORTON. Mr. Speaker, I thank the gentleman for yielding me this time, and I am grateful to the gentleman from Massachusetts for his strong support and advocacy of this bill. May I offer my thanks as well to the gentleman from Delaware (Mr. CASTLE), who has been with this bill since 1998 and was, from the moment that the territories and the District were not included, helpful throughout and insistent that we be included. Of course, the exclusion of the territories and the District was entirely inadvertent; and he comes once again full circle, because he was chairman at that time.

Indeed, twice before, the House has passed a bill to afford the five insular areas and the District of Columbia a quarter coin bearing a design of their choice on the reverse side. Inadvertently, these Americans were excluded from the 50-State bill affording this same right to the States in 1998. We owe very special thanks to three successive committee chairs and ranking members of the Committee on Financial Services. It is one thing to ask a committee to come to the floor once with a bill; it is a burden to come three times, even on suspension. I would like to thank the gentleman from Delaware (Mr. CASTLE), who has chaired the Subcommittee on Domestic Monetary Policy, Trade, and Technology during the 105th Congress, and worked with me and introduced legislation to allow the District and the insular areas to participate in this program.

□ 1115

In the 106th Congress, the gentleman from Alabama (Mr. BACHUS), as chair of the same subcommittee, introduced this bill and the gentlewoman from California (Ms. WATERS), as ranking member of the subcommittee, cosponsored the legislation.

Today, I would especially thank the gentleman from New York (Mr. KING), who is chair of the subcommittee during the 107th and 108th Congress who introduced the bill and the gentlewoman from New York (Mrs. MALONEY), the ranking member, who sponsored the bill the last two sessions.

May I also give special thanks to the chair of the full committee, the gentleman from Ohio (Mr. OXLEY) and the gentleman from Massachusetts (Mr. FRANK) for their support. I want to particularly thank the majority leader, the gentleman from Texas (Mr. DELAY), with whom I recently spoke concerning the bill and who kindly agreed to move it to suspension.

To date, there have been over 21 billion State quarter coins minted; 26 States have had their State design on the reverse side of the quarter with four more States to be added before the end of this year. Five are added each year. All the coins are minted according to the year each State ratified the Constitution of the United States or were admitted into the Union.

Although the States have appropriate latitude, there are limitations as to what can be used as a design. According to Public Law 105–124, the Secretary of the Treasury has the final approval of each design. The law gives clear guidance as to what is an acceptable design concept. Such suitable design concepts include State landmarks, landscapes, historically significant buildings, symbols of State resources or industries, official State flora and fauna, State icons and outlines of the States themselves. State flags and seals are not considered suitable.

Among the examples of suitable coins already in circulation are New York's Statue of Liberty, Missouri's depiction of Lewis and Clark as they paddle down the Missouri River with the Gateway Arch in the background, and North Carolina's design depicting the first successful airplane flight.

We look forward to the day when the residents of the District of Columbia

and the insular areas can see similar symbols of their jurisdictions and of their American citizenship appear, as well.

This bill points up the importance of including all Americans in the symbols of American citizenship. The residents of the District and the insular areas are full and equal American citizens. To leave them out of mere expressions of citizenship is to deny the citizenship they revere and share with other Americans. The Americans who live in these areas have fought and died in our country's wars and have extraordinary records of service in the Armed Forces in considerably larger numbers than other States. The District of Columbia alone has lost more service members in Afghanistan and Iraq than many States and lost more in Vietnam than 10 separate States.

We in the Congress are proud to represent all Americans.

There are, of course, significant differences between the States and the jurisdictions covered by this bill. However, qualification to be a part of a program of quarter coins to commemorate congressional districts is not one of them. Under the Constitution, all Americans are equal notwithstanding important differences in form, structure and other significant distinctions. Today, by including all Americans, Congress avoids any appearance of differential or discriminatory treatment and any implication that these areas are colonies as, of course, was never the intention when the five jurisdictions were not included in the original bill as the House has made clear by repeatedly bringing this bill to the floor.

Today, when our country is at war and faces unparalleled dangers, this bill is yet another example of our unity as Americans and our indivisibility in honoring all of our country's citizens. By passing this measure, the House will make it abundantly clear that we are one country and that our hope is that the Senate will join us.

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

Mr. Speaker, I would just like to start by thanking the gentlewoman from District of Columbia (Ms. NORTON) for her tenaciousness on this. I always favored this concept as soon as I heard about it. But if it was not for her, frankly, pushing everybody, I do not think we would be where we are today. And I say that because we have been there a couple of times before, and she has had to do it again and again.

I doubt if there will be a Rose Garden ceremony for the signing of this if it passes, but I intend to come over there and shake your hand if it happens, because you deserve a lot of credit for it. We just have to get the Senate to cooperate.

Apropos of comments made earlier by the distinguished gentleman from Massachusetts (Mr. FRANK) on another bill, this is a pretty good day here on the floor, at least this portion of it, as far as the Federal Government is concerned. The BEP hopefully will be able to enter into the business that they can do specifically that the private sector really cannot do as well and perhaps have a chance to add some revenues to the Federal Government as has indicated. This quarter program has already produced $4 billion in money to the Treasury as a result of the keeping of these coins and collecting.

The chances are that the young people here are all collecting them. When you go to a classroom, you find that they are all collecting these coins.

We still have 5 years to run, hopefully a 6th year to run on this. We hope it will produce, as I indicated earlier, another billion dollars. It is not many programs that actually produce real money, real revenue for the Federal Government.

Pursuant to that, without advocating anything, I would say as an extension of this that I have introduced legislation, as you may know, for a Presidential program on the dollar coins, which is also, according to the studies that have been done, has the ability to produce revenue for the Federal Government as a collector's item, with the spouses to be on a gold coin sold at the price of gold which would be about $380 right now as a collector's item.

All of these also have the ability to do what this coin has been done and, most importantly, inform not just young people but all of us about our States, as the gentlewoman from the District of Columbia (Ms. NORTON) has pointed out, and about our territories, and about our Presidents hopefully.

So I think this has all been a very win-win-win situation. We are very appreciative of what this has done. I would encourage all of us to support this legislation, and hopefully this is something that we will get done this year.

Mr. FRANK of Massachusetts. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I did want to say that the gentleman from Delaware (Mr. CASTLE) deserves credit not simply for his advocacy here, but for being the main proponent of the whole program, which he correctly points out has been very successful, the State quarter program, the gentleman from Delaware (Mr. CASTLE) is the legislative author of that and is entitled to take all the credit for it.

Mr. Speaker, I yield such time as she may consume to the gentlewoman from Guam (Mr. BORDALLO).

Ms. BORDALLO. Mr. Speaker, I want to thank the gentleman from Massachusetts (Mr. FRANK) and the gentleman from Delaware (Mr. CASTLE) for managing this bill today.

Mr. Speaker, I rise today in strong support of H.R. 2993, a bill that will authorize the United States Mint to circulate quarter dollar coins depicting an important design representative of the District of Columbia and each respective United States territory.

Guam has long sought to be represented on the back of the quarter dollar coin in the same manner as the States do. And I guess I will say, Mr. Speaker, that perseverance does pay off eventually. It has been many years, and I thank the gentlewoman from District of Columbia (Ms. NORTON), as well as the subcommittee chairman, the gentleman from New York (Mr. KING), and the ranking member, the gentlewoman from New York (Mrs. MALONEY), for their leadership in guiding this legislation to the floor today.

This legislation was championed by the gentleman from Delaware (Mr. CASTLE). The Commemorative Coin Act was passed in 1997 authorizing the minting of 50 commemorative coin designs representing the unique culture and history of each respective State. The intention was to foster pride amongst citizens of each State, greater appreciation for the diversity of our Nation, and instill a sense of national unity. While this program has been a true success, I am pleased that we now come together to ensure that the District of Columbia, Guam, American Samoa, the Virgin Islands and the Commonwealth of Puerto Rico and the Commonwealth of the Northern Mariana Islands are equally recognized.

H.R. 2993 will help educate the public that the territories are recognized as being part of the United States, in addition to guaranteeing that our Nation's own capital city is honored. Many people are confused as to the relationship of Guam and the territories to the United States of America. By authorizing United States currency representative of the territories, we can educate our country and the world about the vast reach of our Nation and foster a better understanding about its culture and ethnic diversity.

Guam has a rich and patriotic history, and I support any effort that generates more interest in learning about our islands. Guam is an island approximately 3,500 miles southwest of Hawaii and is the southernmost island of the Marianas chain. With a population of 160,000, the island of Guam is home to two of the Nation's most important and strategic military bases, the Navy's COMNAVMAR base and Andersen Air Force Base. Natives of Guam, or Chamorros, are proud of their unique cultural heritage.

Guam has always been a true melting pot since it was first traversed by Europeans upon the arrival of Magellan in the early 16th century. After serving for centuries as a major stop-off point along the Spanish galleon trade route, Guam was ceded to the United States in 1898 after the defeat of Spain in the Spanish-American War. Since that time, Guam has served as an important gateway to the Pacific and an important center for commerce and cultural exchange between the United States and Asia.

During World War II, Guam was occupied by Japanese imperial forces from 1941 to 1944. However, citizens of Guam proudly and defiantly affirmed their patriotism to the United States.

When American forces arrived in 1944 in its push to win the war in the Pacific, patriots of Guam boarded small boats and paddled out to Navy warships volunteering to join forces to defeat the Japanese. Our island was liberated by the United States Marines and soldiers on July 21, 1944; and soon after, Congress granted United States citizenship to the people of Guam.

It is important to the people on Guam to gain greater recognition as being part of the United States of America. Guamanians have fought valiantly in every American conflict since being incorporated into the United States. Guam had the highest per capita number of deaths in the Vietnam conflict. Guamanians are proud and patriotic, and H.R. 2993 honors their contribution to American valor and culture.

So I do, Mr. Speaker, encourage my colleagues to support H.R. 2993.

Mr. FRANK of Massachusetts. Mr. Speaker, I yield such time as he may consume to the gentleman from American Samoa (Mr. FALEOMAVAEGA), another able advocate for one of the territories.

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

Mr. Speaker, I would not be standing here if it had not been for the able leadership and certainly the sensitivity and the commitment from the gentleman from Delaware (Mr. CASTLE) for all these years that we have worked tirelessly in providing for this legislation that we now come to this most historic occasion in presenting this proposed legislation before our colleagues and hopefully in my desire that we pass it.

Mr. Speaker, this is not a Republican or a Democratic issue. This is an American issue. We are talking about the lives of some 5 million of our fellow Americans who live in the Commonwealth of Puerto Rico, the District of Columbia and the insular areas.

I want to thank the gentleman from New York (Mr. KING) for his sponsorship of this legislation and our colleague, also from New York (Mrs. MALONEY), for her support as the ranking member of the subcommittee. And certainly I would be remiss if I did not thank the gentleman from Massachusetts (Mr. FRANK) for his support.

It saddens me, Mr. Speaker, for all these years that we have tried earnestly to provide passage of this legislation, that there is still some misunderstanding or misinformation among some of our colleagues to the point it saddens me that even some may have this idea that we are not worthy enough, we are not worthy enough as those of us fellow Americans coming from the District of Columbia, from the Commonwealth of Puerto Rico, where some 3.8 million Americans, U.S. citizens, live, that we do not deserve the privilege of circulating just a quarter dollar in honor of the contributions that we have also made for all these years to the greatness of our Nation.

□ 1130

I am reminded of a fellow Chamorro who is a retired Marine brigadier general, a former Member and colleague of ours, Mr. Ben Blaz, and he made this statement I have never forgotten over the years. He said to his colleagues here in this Chamber, we are equal in times of war, but we are not equal in times of peace.

Mr. Speaker, this legislation would amend the popular 50 States Commemorative Coin Program Act to include six new designs emblematic of the District of Columbia, American Samoa, Guam, Puerto Rico, the Virgin Islands and the Northern Mariana Islands. Designs on the reverse side of each quarter dollar issued during 2009 will be selected by the Secretary of the Treasury in consultation with the chief executive officers of these areas.

All five congressional delegates are and were original cosponsors of this bipartisan measure. This measure was first introduced in the 106th Congress and passed overwhelmingly in the House by a vote of 377 to 6. Unfortunately, the 106th Congress ended before the Senate was able to consider our bill.

Again, in the 107th Congress, we introduced H.R. 4005, identical legislation which also passed the House and was received in the Senate in October of 2002. Once again, the Senate was unable to consider this matter before the 107th Congress adjourned. Now we have introduced H.R. 2993; and we are hopeful, Mr. Speaker, that the House and Senate will pass this legislation before the 108th Congress adjourns.

At this time, I also want to thank the gentlewoman from the District of Columbia (Ms. NORTON) for her leadership, and I also want to thank our delegates who have worked tirelessly to ensure that this legislation is considered.

Speaking on behalf of my own district in American Samoa, I believe it is only fitting for Congress to acknowledge our relationship with the United States, which has now been in place for other 104 years. Many fellow Americans have never heard of American Samoa. American Samoa has had a long and proud history of supporting the United States. The traditional leaders of the islands of Tutuila and Aunu'u ceded our islands to the United States in 1900. Four years later, the King of Manu'a and his chiefs ceded the Manu'a Islands.

In the early part of the century, the harbor of Pago Pago, which was much sought after, was used as a coaling station for U.S. naval ships; and during World War II, these islands became a staging area for some 30,000 soldiers and Marines before they were sent to Tarawa and Guadalcanal and other parts of the Pacific during World War II. To this day, American Samoa serves as a refueling point for U.S. naval ships and military aircraft.

American Samoa also has a per capita enlistment rate in the U.S. military which is as high as any State or territory. I have had to personally carry two of my soldiers who recently died from Iraq in that terrible conflict. Our sons and daughters have served in record numbers in every U.S. military engagement since World War II to the present operations in Iraq. We have stood by the United States in good times and bad times, and I believe this relationship should be acknowledged with the issuance of a commemorative coin.

Mr. Speaker, H.R. 2993 affords us an opportunity to recognize the special contributions of the insular areas. I urge my colleagues to vote in favor of the legislation.

Mr. FRANK of Massachusetts. Mr. Speaker, I yield such time as she may consume to the gentlewoman from the Virgin Islands (Mrs. CHRISTENSEN), another of the able delegates who has been working for this on behalf of her territory.

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

I rise in strong support of H.R. 2993, the District of Columbia and U.S. Territories Circulating Quarter Dollar Program Act.

It is a pleasure for me to be here as we again move closer toward rectifying the omission of the District of Columbia and the insular areas from the original 50 State Commemorative Coin Program Act. It has been more than 3 years; but with the vote today on H.R. 2993, my constituents as well as those of my colleagues from the Nation's capital and the other territories will finally get the opportunity to have our Nation commemorate and celebrate a significant event or fact about our respective homes.

My district, the U.S. Virgin Islands, also known as America's Paradise, has many ecological, historical and cultural treasures which are worthy of commemoration. We also boast of having been the place where the first Secretary of the Treasury, Alexander Hamilton, grew up and honed the skills which served our fledgling nation so well.

For the benefit of those who might not know this, the Virgin Islands have been a member of the American family since 1917 when Denmark sold the islands of the former Danish West Indies, St. Thomas, St. Croix and St. John, to the United States for just $25 million.

We are located 1,000 miles southeast of Miami in the Caribbean Sea and are four main islands with numerous keys, with beaches that have consistently ranked among the best in the world. We also boast the only site where the members of Christopher Columbus' party are known to have set foot on what is today the U.S. The Salt River National Historical and Ecological Park was established in 1992 to, among other things, commemorate this important historical event.

Mr. Speaker, the people of the Virgin Islands see it as only fitting that we, along with the residents and citizens of Guam, American Samoa, the Northern Mariana Islands, Puerto Rico and the District of Columbia should also have the opportunity to educate our fellow Americans on whose side we have fought to defend and protect our Nation in every conflict from the Revolutionary War to the present day about our unique qualities, as well as promote our pride at being Americans.

Mr. Speaker, I also want to thank the gentleman from Delaware (Mr. CASTLE), the champion of the original bill, and our ranking member, the gentleman from Massachusetts (Mr. FRANK), for including the District of Columbia and our territories, and I particularly want to also extend our gratitude to the gentlewoman from the District of Columbia because it was her leadership and dogged determination that made this day possible, and I ask my colleagues to support her in our effort and vote ''yes'' on H.R. 2993.

Mr. FRANK of Massachusetts. Mr. Speaker, with renewed appreciation of the gentleman from Delaware and the gentleman from Ohio, the chairman of the full committee, for allowing this measure, so important to so many of our colleagues, to come forward, I yield back the balance of my time.

Mr. CASTLE. Mr. Speaker, I yield myself such time as I may consume. I will be very brief. I just want to thank the representatives from the various territories and from the District of Columbia for actual historical lessons here on the floor. I think it behooves all of us, I recall those comments of the gentleman from Nebraska next to me, that perhaps putting the territories and District of Columbia on the quarter is more important than the States in some ways as this is such a good educational tool for our young people. So, hopefully, we will get that done this year.

Based on all I have heard, I think the problem is in the Senate, not the House. So we all need to go to work over in the Senate and get this done.

Mr. OXLEY. Mr. Speaker, I rise in support of H.R. 2993, the "District of Columbia and United States Territories Circulating Quarter Dollar Program Act," and urge its immediate passage.

Mr. Speaker, we all know how fond the American people are of the 50-State quarter program that began in 1999. It has proved popular with collectors, of course, and it has caused all Americans to look at the change in their pockets or their purses in a new light. It has been an invaluable aid in teaching about the unique nature of each state.

All Members salute the gentleman from Delaware, Mr. CASTLE, for his foresight in authoring that legislation. Today we consider a completely separate program, one that is modeled on, but is not part of the State quarter program. Instead of honoring five States a year for a decade, this program will issue six different quarters, for the District of Columbia and the five territories, all in a single year.

Surely, the District of Columbia and the five territories will benefit in similar fashion as the states have. I think this program will be of particular benefit regarding the territories, which are not as well-known, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, of Guam and the United States Virgin Islands and American Samoa.

I have learned a lot about the territories from previous debates on similar legislation in previous Congresses, Mr. Speaker, and I think this legislation will be educational as well.

Mr. Speaker, the legislation before us has passed the House in a number of Congresses, passing by both recorded and voice votes. I know of no objection to it, and I urge all Members to support its immediate passage.

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

The SPEAKER pro tempore (Mr. LAHOOD). The question is on the motion offered by the gentleman from Delaware (Mr. CASTLE) that the House suspend the rules and pass the bill, H.R. 2993.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

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

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

AUTHORITY TO AGREE TO CERTAIN AMENDMENTS TO THE BORDER ENVIRONMENT COOPERATION AGREEMENT

Mr. BEREUTER. Mr. Speaker, I move to suspend the rules and concur in the Senate amendment to the bill (H.R. 254) to authorize the President of the United States to agree to certain amendments to the Agreement between the Government of the United States of America and the Government of the United Mexican States concerning the establishment of a Border Environment Cooperation Commission and a North American Development Bank, and for other purposes.

The Clerk read as follows:

Senate amendment:

Strike out all after the enacting clause and insert:

SECTION. 1. AUTHORITY TO AGREE TO CERTAIN AMENDMENTS TO THE BORDER ENVIRONMENT COOPERATION AGREEMENT; GRANT AUTHORITY.

(a) AMENDMENT AUTHORITY.—Part 2 of subtitle D of title V of Public Law 103–182 (22 U.S.C. 290m–290m-3) is amended by adding at the end the following:

"SEC. 545. AUTHORITY TO AGREE TO CERTAIN AMENDMENTS TO THE BORDER ENVIRONMENT COOPERATION AGREEMENT.

''The President may agree to amendments to the Cooperation Agreement that—

''(1) enable the Bank to make grants and non-market rate loans out of its paid-in capital resources with the approval of its Board; and

''(2) amend the definition of 'border region' to include the area in the United States that is within 100 kilometers of the international boundary between the United States and Mexico, and the area in Mexico that is within 300 kilometers of the international boundary between the United States and Mexico.''.

(b) GRANT AUTHORITY.—Part 2 of subtitle D of title V of Public Law 103–182 (22 U.S.C. 290m–290m–3), as amended by subsection (a), is amended by adding at the end the following:

"SEC. 546. GRANTS OUT OF PAID-IN CAPITAL RESOURCES.

''(a) IN GENERAL.—The President shall instruct the United States Federal Government representatives on the Board of Directors of the North American Development Bank to oppose any proposal where grants out of the Bank's paid-in capital resources, except for grants from paid-in capital authorized for the community adjustment and investment program under the Bank's charter of 1993, would—

''(1) be made to a project that is not being financed, in part, by loans; or

''(2) account for more than 50 percent of the financing of any individual project.

''(b) EXCEPTION.—

''(1) GENERAL RULE.—The requirements of subsection (a) shall not apply in cases where—

''(A) the President determines there are exceptional economic circumstances for making the grant and consults with the Committee on Foreign Relations of the Senate and the Committee on Financial Services of the House of Representatives; or

''(B)(i) the grant is being made for a project that is so small that obtaining a loan is impractical; and

''(ii) the grant does not exceed $250,000.

''(2) LIMITATION.—Not more than an aggregate of $5,000,000 in grants may be made under this subsection.''.

(c) CLERICAL AMENDMENT.—Section 1(b) of such public law is amended in the table of contents by inserting after the item relating to section 544 the following:

''Sec. 545. Authority to agree to certain amendments to the Border Environment Cooperation Agreement.

''Sec. 546. Grants out of paid-in capital resources.''.

SEC. 2. ANNUAL REPORT.

The Secretary of the Treasury shall submit annually to the Committee on Financial Services of the House of Representatives and the Committee on Foreign Relations of the Senate a written report on the North American Development Bank, which addresses the following issues:

(1) The number and description of the projects that the North American Development Bank has approved. The description shall include the level of market-rate loans, non-market-rate loans, and grants used in an approved project, and a description of whether an approved project is located within 100 kilometers of the international boundary between the United States and Mexico or within 300 kilometers of the international boundary between the United States and Mexico.

(2) The number and description of the approved projects in which money has been dispersed.

(3) The number and description of the projects which have been certified by the Border Environment Cooperation Commission, but yet not financed by the North American Development Bank, and the reasons that the projects have not yet been financed.

(4) The total of the paid-in capital, callable capital, and retained earnings of the North American Development Bank, and the uses of such amounts.

(5) A description of any efforts and discussions between the United States and Mexican governments to expand the type of projects which the North American Development Bank finances beyond environmental projects.

(6) A description of any efforts and discussions between the United States and Mexican governments to improve the effectiveness of the North American Development Bank.

(7) The number and description of projects authorized under the Water Conservation Investment Fund of the North American Development Bank.

SEC. 3. SENSE OF THE CONGRESS RELATING TO UNITED STATES SUPPORT FOR NADBANK PROJECTS WHICH FINANCE WATER CONSERVATION FOR TEXAS IRRIGATORS AND AGRICULTURAL PRODUCERS IN THE LOWER RIO GRANDE RIVER VALLEY.

(a) FINDINGS.—The Congress finds that—

(1) Texas irrigators and agricultural producers are suffering enormous hardships in the lower Rio Grande River valley because of Mexico's failure to abide by the 1944 Water Treaty entered into by the United States and Mexico;

(2) over the last 10 years, Mexico has accumulated a 1,500,000-acre fee water debt to the United States which has resulted in a very minimal and inadequate irrigation water supply in Texas;

(3) recent studies by Texas A&M University show that water savings of 30 percent or more can be achieved by improvements in irrigation system infrastructure such as canal lining and metering;

(4) on August 20, 2002, the Board of the North American Development Bank agreed to the creation in the Bank of a Water Conservation Investment Fund, as required by Minute 308 to the 1944 Water Treaty, which was an agreement signed by the United States and Mexico on June 28, 2002; and

(5) the Water Conservation Investment Fund of the North American Development Bank stated that up to $80,000,000 would be available for grant financing of water conservation projects, which grant funds would be divided equally between the United States and Mexico.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that—

(1) water conservation projects are eligible for funding from the North American Development Bank under the Agreement Between the Government of the United States of America and the Government of the United Mexican States Concerning the Establishment of a Border Environment Cooperation Commission and a North American Development Bank; and

(2) the Board of the North American Development Bank should support qualified water conservation projects which can assist Texas irrigators and agricultural producers in the lower Rio Grande River Valley.

SEC. 4. SENSE OF THE CONGRESS RELATING TO UNITED STATES SUPPORT FOR NADBANK PROJECTS WHICH FINANCE WATER CONSERVATION IN THE SOUTHERN CALIFORNIA AREA.

It is the sense of the Congress that the Board of the North American Development Bank should support—

(1) the development of qualified water conservation projects in southern California and other eligible areas in the 4 United States border States, including the conjunctive use and storage of surface and ground water, delivery system conservation, the re-regulation of reservoirs, improved irrigation practices, wastewater reclamation, regional water management modeling, operational and optimization studies to improve water conservation, and cross-border water exchanges consistent with treaties; and

(2) new water supply research and projects along the Mexico border in southern California and other eligible areas in the 4 United States border States to desalinate ocean seawater and brackish surface and groundwater, and dispose of or manage the brines resulting from desalination.

SEC. 5. SENSE OF THE CONGRESS RELATING TO UNITED STATES SUPPORT FOR NADBANK PROJECTS FOR WHICH FINANCE WATER CONSERVATION FOR IRRIGATORS AND AGRICULTURAL PRODUCERS IN THE SOUTHWEST UNITED STATES.

(a) FINDINGS.—The Congress finds as follows:

(1) Irrigators and agricultural producers are suffering enormous hardships in the southwest United States. The border States of California, Arizona, New Mexico, and Texas are suffering from one of the worst droughts in history. In Arizona, this is the second driest period in recorded history and the worst since 1904.

(2) In spite of decades of water conservation in the southwest United States, irrigated agriculture uses more than 60 percent of surface and ground water.

(3) The most inadequate water supplies in the United States are in the Southwest, including the lower Colorado River basin and the Great Plains River basins south of the Platte River. In these areas, 70 percent of the water taken from the stream is not returned.

(4) The amount of water being pumped out of groundwater sources in many areas is greater than the amount being replenished, thus depleting the groundwater supply.

(5) On August 20, 2002, the Board of the North American Development Bank agreed to the creation in the bank of a Water Conservation Investment Fund.

(6) The Water Conservation Investment Fund of the North American Development Bank stated that up to $80,000,000 would be available for grant financing of water conservation projects, which grant funds would be divided equally between the United States and Mexico.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that—

(1) water conservation projects are eligible for funding from the North American Development Bank under the Agreement Between the Government of the United States of America and the Government of the United Mexican States Concerning the Establishment of a Border Environment Cooperation Commission and a North American Development Bank;

(2) the Board of the North American Development Bank should support qualified water conservation projects that can assist irrigators and agricultural producers; and

(3) the Board of the North American Development Bank should take into consideration the needs of all of the border states before approving funding for water projects, and strive to fund water conservation projects in each of the border states.

SEC. 6. SENSE OF THE CONGRESS REGARDING FINANCING OF PROJECTS.

(a) IN GENERAL.—It is the sense of the Congress that the Board of the North American Development Bank should support the financing of projects, on both sides of the international boundary between the United States and Mexico, that address coastal issues and the problem of pollution in both countries having an environmental impact along the Pacific Ocean and Gulf of Mexico shores of the United States and Mexico.

(b) AIR POLLUTION.—It is the sense of the Congress that the Board of the North American Development Bank should support the financing of projects, on both sides of the international boundary between the United States and Mexico, which address air pollution.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Nebraska (Mr. BEREUTER) and the gentleman from Texas (Mr. HINOJOSA) each will control 20 minutes.

The Chair recognizes the gentleman from Nebraska (Mr. BEREUTER).

GENERAL LEAVE

Mr. BEREUTER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on this legislation and include extraneous material thereon.

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

There was no objection.

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

Mr. Speaker, this Member rises today to express his support for H.R. 254, as amended by the Senate. This bill makes necessary changes to the charter agreement of the North American Development Bank, or NADBank. This bill, which this Member reintroduced on January 8, 2003, contains legislative changes requested by the administration. This legislation passed the House on February 26, 2003. Over a year later, the Senate did pass H.R. 254, with an amendment, on March 12 of this year.

First, this Member would like to thank both the distinguished gentleman from Ohio (Mr. OXLEY), the chairman of the Committee on Financial Services, and the distinguished gentleman from Massachusetts (Mr. FRANK) for their efforts in bringing this measure to the House floor.

I would also like to thank the following four members of the House Committee on Financial Services who are original cosponsors of this legislation: two distinguished gentlemen from California (Mr. OSE) and (Mr. ROYCE) and two distinguished gentlemen from Texas (Mr. GONZALEZ) and (Mr. HINOJOSA). All four of these Members, who provided valuable input into H.R. 254, have a distinct interest in this subject, as they come from a State, either California or Texas, where the NADBank is commissioned to work along the international U.S.-Mexican boundary.

In addition to these Members, the following Members are seven additional bipartisan cosponsors of H.R. 254: the gentleman from Massachusetts (Mr. FRANK); the gentleman from Texas (Mr. BONILLA; the gentleman from Arizona (Mr. GRIJALVA); the gentleman from Arizona (Mr. KOLBE); the gentleman from Texas (Mr. ORTIZ); the gentleman from Texas (Mr. REYES); and the gentleman from Texas (Mr. RODRIGUEZ). All of these Members, with the exception of the gentleman from Massachusetts (Mr. FRANK), represent a portion of the U.S.-Mexican border.

In this Member's opening statement on H.R. 254, he would like to briefly discuss the following three items: the background on the NADBank; the contents of H.R. 254; and the description of the Senate amendment to H.R. 254.

First, as to background, during the 1993 debate on the North American Free Trade Agreement, or NAFTA, environmental issues emerged. A particular concern was that NAFTA could result in the industrialization and population growth in the U.S.-Mexico border region, which could further exacerbate pollution problems in the area. In addition, during the NAFTA debate, some Members of Congress were concerned that the perceived lax enforcement of environmental laws by the Republic of Mexico would not be sufficient.

As a result of these factors, which were raised in the NAFTA debate, the

U.S. and Mexico agreed to create the NADBank which was charged with financing environmental infrastructure projects on both sides of the U.S.-Mexico international boundary. The NADBank currently assists communities within 100 kilometers of the U.S.-Mexico border by financing environmental infrastructure projects that address the need for waste water treatment, drinking water, and disposal of municipal solid waste.

As the administration has testified, the NADBank's overall performance thus far has been inadequate and unsatisfactory. As of March 10, for example, of this year, the NADBank had approved only approximately $96.4 million in loans to projects and disbursed only $20.8 million in loans, despite having $450 million in scheduled paid-in capital and a total lending capacity of $3 billion.

In order to address the inadequacies of the NADBank, U.S. President Bush and Mexican President Fox came forth with a joint agreement which was announced in Monterrey, Mexico, in March of 2002. Two of the provisions in this joint agreement require U.S. congressional approval as they are amendments to the Border Environment Cooperation Agreement which established the NADBank.

Of the second thing, the legislation before us today includes the following changes agreed to by Presidents Bush and Fox. These provisions are as follows:

Number one, NADBank would be able to make grants and nonmarket rate loans out of its paid-in capital resources with the approval of the board of directors. Currently, NADBank can only finance market rate loans.

Two, the region that the NADBank serves will be expanded on only the Mexican side from 100 kilometers of the international boundary to within 300 kilometers of that boundary.

With respect to the first legislative change, the administration believes that NADBank's current financial framework is having a limited impact in regions with high poverty rates. Communities in the border regions in many instances have been unable to afford market rate financing for environmental infrastructure projects. An element of the financing which involves grants and nonmarket rate loans will make the NADBank more affordable for the eligible communities.

With respect to the second legislative change, the administration believes that the geographic expansion on the Mexican side of the international boundary will give the NADBank more opportunities to address a greater scope of environmental issues that affect communities along the U.S. and Mexican border. For example, with this change the NADBank will be better able to undertake projects that improve water use over a broader geographic area.

Furthermore, H.R. 254 would also enhance congressional oversight through an annual reporting requirement on the subject of the NADBank by the Secretary of the Treasury to both the House Committee on Financial Services and the Senate Committee on Foreign Relations. Currently, there is no such reporting requirement. In addition to this report, H.R. 254 also includes four different senses of the Congress resolutions which address either water pollution or water conservation.

Third and finally, the Senate amendment, which was authored by the distinguished senior Senator from Texas, would limit the amount of grants which can be given for any one project.

□ 1145

The rationale behind this argument was to help ensure that NADBank does not run out of money by using grants exclusively for just a few projects.

Specifically, the Senate amendment requires the U.S. representatives to the NADBank to oppose any proposal which would either: (1) Be for a project that is not being financed, in part, by loans from any source; or (2) for a NADBank grant to account for more than 50 percent of the financing for an individual project.

The Senate amendment also includes an exception to this above rule, however. The U.S. representative to the NADBank cannot oppose a proposal if the President determines there are exceptional economic circumstances for making a NADBank grant, which does not exceed $250,000, and the grant is made for a project for which finding a loan is impractical. If the President would make this determination, the President must consult with the Senate Committee on Foreign Relations and the House Committee on Financial Services.

In conclusion, for the reasons stated and many others, this Member urges his colleagues to support H.R. 254, as amended by the Senate. We have been told that the President is eager to sign this bill.

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

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

Mr. Speaker, I rise today in strong support of H.R. 254, the North American Development Bank Reauthorization bill. I want to thank the gentleman from Nebraska (Mr. BEREUTER) for his hard work in shepherding this bill through the legislative process. I also want to thank the gentleman from Ohio (Chairman OXLEY) and the ranking member, the gentleman from Massachusetts (Mr. FRANK), for their assistance in again bringing this bill to the floor for consideration. Hopefully, this third time will be a charm.

As the representative from the 15th district of Texas which includes the U.S.-Mexico region, my constituents are directly affected by the work of the North American Development Bank and are vitally interested in reforms that will improve it.

The NADBank was originally created to gain passage of the North American Free Trade Agreement. The NADBank was to be a partner in helping border communities deal with water and environmental problems that would result from increased trade. For example, adequate waste water treatment facilities were supposed to be built on the U.S.-Mexico border after passage of NAFTA 10 years ago.

Unfortunately, despite large amounts of available capital, the NADBank has funded only a small number of projects along the border because it was only allowed to offer market rate loans. Most communities in this impoverished region are unable to repay market rate loans. The environmental need for projects along the southwest border is too great for the bank to have money sitting idle. Many border communities still lack water and waste water infrastructure. Residents on both sides of the border remain at risk from the diseases caused by untreated water and pollution.

H.R. 254 fixes the problem by allowing NADBank to offer low-interest loans and grants to border communities to fund critical infrastructure projects. While I would have preferred that the bank have more flexibility in using grant funding, when appropriate, to assist the most distressed communities, the compromise which has been reached with the Senate will allow the bank to give up to $50 million for grant assistance.

The gentleman from Nebraska (Mr. BEREUTER) has given many of the details, so I will not repeat them; but that compromise certainly is acceptable. The reforms in this bill will finally allow the NADBank to live up to its promise and bring real assistance to border residents. I urge my colleagues to support H.R. 254.

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

Mr. BEREUTER. 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.)

Mr. DREIER. Mr. Speaker, I thank the gentleman from Nebraska (Mr. BEREUTER), the very able subcommittee chairman, for yielding me this time; and I congratulate him as well as the gentleman from Texas (Mr. HINOJOSA) for their work on this very important legislation.

We know that President Fox and President Bush both talked about the importance of pursuing this legislation. This has been a priority. Why? Because we have an extremely critical relationship in the area of commerce between our two countries.

It is with great regularity that some of my colleagues will come down and talk about the ills of trade between Mexico and the United States, and it is very rare that we focus on the important benefits. It would come as a shock to many people to realize that we have

a quarter of a trillion dollars in cross-border trade between the United States and Mexico. In fact, Mexico has emerged beyond Japan to become the United States of America's number two trading partner. Doing whatever we can to facilitate an expansion of that will benefit both sides of the border.

Mr. Speaker, I have long argued that it is absolutely ridiculous for the United States to be tolerant of having a poor southern neighbor. There is no benefit to the United States of America having a poor southern neighbor. As we look at the many problems about which we regularly commiserate, whether it is illegal immigration, the problem of drug trafficking, which I am happy to say has improved dramatically over the past several years; but as we look at these challenges, we have to understand that enhancing the economy of Mexico is the best way for us to provide a disincentive for people to illegally flee across the border into the United States.

That is why I think this legislation can go a long way in helping us expand what is already a very important and very positive trade relationship between our two countries.

I have had the opportunity, as I know most of my colleagues have, to visit Mexico and I regularly have people who say please make sure we have an opportunity to have access to more U.S. goods and services. This legislation will go a long way towards helping that, and I think we need to realize we are in this together.

There are some people who would like to make a change to the fact that we share 2,000 miles with Mexico. I know this will sadden some, but there is no way we will ever change the fact that we share a 2,000-mile border with Mexico, and it seems to me that in light of that reality, which I happen to personally think is a great one, we should do everything that we possibly can to improve it and make lives on both sides of the border even better.

Mr. HINOJOSA. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. GONZALEZ), home to the NADBank. The gentleman from Texas (Mr. GONZALEZ) has served more than three terms on the Committee on Financial Services and has spent a lot of time on this legislation and is very knowledgeable about the benefits to the communities on the U.S.-Mexico border that would benefit by the passage of H.R. 254.

Mr. GONZALEZ. Mr. Speaker, I thank the gentleman from Texas (Mr. HINOJOSA) for yielding me this time, and I rise in strong support of H.R. 254.

As previous speakers have already expressed their gratitude, I do not want to be remiss. I want to thank the gentleman from Ohio (Chairman OXLEY); the gentleman from Massachusetts (Mr. FRANK), the ranking member; the gentleman from New York (Mr. KING); and the gentleman from Nebraska (Mr. BEREUTER), our subcommittee chairman, who has been the driving force behind this and has given us an opportunity as Democrats to participate in this particular piece of legislation. We do thank the gentleman most sincerely, who will be sorely missed upon his retirement, although we are still trying to convince the gentleman to reconsider his decision.

The thing I wish to point out is maybe the third time will be a charm. We have passed this a couple of times. This is a piece of legislation that actually has been endorsed by the Congressional Hispanic Caucus. I think it is important to make some distinctions because I think it can be misinterpreted, and then we get into controversies that are truly not necessary.

I am gratified by the remarks of the gentleman from California (Mr. DREIER), but I want to make sure Members do not misunderstand the import of this legislation. So I guess I need to spend a couple of seconds on that. This is not a piece of legislation about NAFTA. This will not define you as to whether you opposed NAFTA when it was passed, you still oppose it, or you favor it. It is not of that dimension. It is not about trade dimension programs or immigration. Does it have some impact? Yes, it could increase the quality of life for residents on both sides of the border, and so that might have some indirect consequences on these other problems that we face and we try to grapple with in a cooperative fashion with our neighbor Mexico.

But this is a very simple bill. We know what it is not. But what is it? It is a bill that seeks congressional authorization to allow the United States and Mexico to finalize their agreement concerning improving the functioning of NADBank and the Border Environmental Cooperation Commission. That is all it is. It is no more than that.

In summary, this agreement streamlines the organization of these two institutions, expands the low-interest loan capacity of the bank, and expands NADBank's grant-making capacity to make it more efficient and effective.

Mr. Speaker, some of the communities that benefit from NADBank financing have average per capita income in the range of $5,000, and that is on the United States side of the border. Conventional financing alone is simply not an option for communities this economically disadvantaged, and I am sure the gentleman from Texas (Mr. HINOJOSA) can speak to that point.

NADBank gives border communities the financial tools to modernize their water supply and protect their air quality. It is quickly becoming a critical link in efforts to protect the public health of the United States-Mexican border citizens. I recognize and, in fact, agree with some of the concerns raised by others concerning the challenges in our relationship with Mexico. Fortunately, the NADBank was created to address some of those challenges.

Regardless of Members' opinions regarding the United States and Mexican relations, it is hard to disagree with the mission of NADBank: to improve the quality of life of some of the most disadvantaged communities in America.

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

Mr. HINOJOSA. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. ORTIZ), who represents the border between Texas and Mexico starting in Brownsville, a gentleman who is very knowledgeable about trade and commerce and the importance of this bill.

Mr. ORTIZ. Mr. Speaker, I rise today in support of H.R. 254, which improves elements of the North American Development Bank, the mission of which is to leverage Federal funding to borrowing entities to improve the infrastructure for water conservation and irrigation.

Most importantly, this bill says the board of the North American Development Bank should support qualified water conservation projects in the lower Rio Grande Valley, a show of the importance of the injury to south Texas regarding Mexico's noncompliance with the 1944 water treaty.

This bill enables the North American Development Bank to make grants and nonmarket rate loans out of its paid-in capital resources with the approval of its board of directors for qualified water conservation projects.

I am so grateful to the gentleman from south Texas (Mr. HINOJOSA) for carrying the water for us on this bill and trying to help educate the Members of this House about the travesty that we have lived through in south Texas in the Rio Grande Valley as a result of Mexico's noncompliance with our international treaty.

□ 1200

In this bill we formalize the following findings:

That Texas irrigators and agricultural producers are suffering enormous hardships in the lower Rio Grande River Valley because of Mexico's failure to abide by the 1944 water treaty entered into by the United States and Mexico;

That over the last 10 years, Mexico has accumulated a 1.5 million acre-feet water debt to the United States which has resulted in a very minimal and inadequate irrigation water supply in Texas;

That recent studies by Texas A&M University show that water savings of 30 percent or more can be achieved by improvements in irrigation system infrastructure such as canal lining and metering;

That the North American Development Bank's Water Conservation Investment Fund offered up to $80 million for grant financing of water conservation projects which grant funds, the money divided equally between the United States and Mexico.

While South Texas farmers were disappointed, to say it mildly, that farmers in Mexico were granted equal status with Mexico in the division of these

funds, the money is certainly better than nothing.

We appreciate the gentleman from Nebraska and the rest of the Members who realize that we have a very, very serious business to do in South Texas with this bill. I hope that all the Members will support this bill.

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

I am delighted that the gentleman from Texas (Mr. ORTIZ) has given a good explanation of the benefits that we will receive along the Texas border region where we have had a drought of over 7 years. Senator KAY BAILEY HUTCHISON and the Members from the border region who represent Texas are delighted that we are going to be able to help so many farmers and ranchers in improving the water distribution that is coming down the Rio Grande River all the way down from El Paso to Brownsville.

Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. RODRIGUEZ), chairman of the Congressional Hispanic Caucus, who also represents some of the Texas border area.

Mr. RODRIGUEZ. Mr. Speaker, I would also like to thank the gentleman from Texas (Mr. HINOJOSA) for his leadership on this issue.

The NADBank was created to improve water and wastewater infrastructure in communities along the border, on both sides of the border. This legislation will give NADBank the tools to do its job more effectively. I want to thank the leadership on both sides for making this happen.

The bill will allow NADBank to provide the low-interest loans and grants that are needed and create new ways to assist disadvantaged communities in water supply and other environmental infrastructure projects.

Since the NADBank's inception in 1995, it has provided vital assistance for infrastructure improvements along the U.S.-Mexico border. The NADBank to date has provided some $643 million in loans and grants in order to make over $2.1 billion worth of projects possible.

I would also like to provide one example of how the NADBank has worked in local communities in my district. Last year alone, the NADBank provided some $5.5 million for colonia water and wastewater improvements in the city of Roma. This project will provide first-time sewer service for some 3,688 households. Without the NADBank's assistance, this poor community would never have had the opportunity to make this possible.

The city of Roma, by the way, is located in Starr County. For those of my colleagues that do not know, this has the unfortunate distinction of being the poorest county in the entire United States. These are the types of communities that the NADBank was created to help. These communities are willing to move forward, willing to participate, willing to make a difference, but they find themselves without the opportunity to be able to obtain the loans.

The NADBank also should be empowered to help disadvantaged communities to the fullest extent possible. They currently have projects all along the border from Texas to California, including Laredo and Mission, Texas, as well as in the areas all along. These are critical issues.

I wanted to touch quickly on the discussion of the gentleman from Texas (Mr. ORTIZ) on the water issue. This water issue is not going to be going away anytime soon. The bottom line is that the Mexican Government owes over 1 million acre-feet of water. It is not just to the U.S. side; it is also to the Mexican side. It is almost an upstream versus downstream battle with the state of Chihuahua because the state of Tamaulipas on the other side would also benefit tremendously. It is an issue that is not going to go away because as time gets difficult and as people continue to move to the region, the need for water is going to be there.

There is a real need for us to continue to engage in that issue. The NADBank has been helping to make sure that we do that. In addition to that, we know that water is key for any growth and development. We need to continue work on that.

Mr. OXLEY. Mr. Speaker, I rise today in support of H.R. 254, a bill to make certain changes to the agreement between the United States and Mexico concerning the North American Development Bank (NAD Bank).

I would like to express my appreciation to the distinguished gentleman from Nebraska (Mr. BEREUTER) for his leadership and commitment to this important legislation. The legislation is important because it requires the U.S. representatives to the NAD Bank to agree to changes which will make the institution more effective in financing environmental infrastructure projects along the U.S./Mexico border. The legislation passed the House once already and it is my pleasure to support it again.

This legislation is needed in order to make two changes to the charter agreement before the NAD Bank can commence operations. First, the NAD Bank would be able to make grants and non-market rate loans for environmental infrastructure projects along the border out of its paid-in capital resources with the approval of its Board. Currently, the NAD Bank can only finance market rate loans.

Second, the legislation limits the amount of grants that can be provided to support any one project. This limitation is important in order to ensure that the NAD Bank does not run out of money by using exclusively grants for a small number of projects. It is a reasonable limitation that should protect the Bank's ability to support a wide range of projects through grants as well as concessional and market-rate lending.

I am confident that the congressional oversight authority established in this legislation will provide Congress with an on-going opportunity to review the NAD Bank's work. H.R. 254 includes an annual reporting requirement on the subject of the NAD Bank by the Secretary of the Treasury to both the House Committee on Financial Services and the Senate Committee on Foreign Relations. It also includes different sense of the Congress provisions regarding the water conservation needs of the U.S. border regions.

Establishment of the NAD Bank reflects the United States' continued commitment to its partner in the first regional free trade agreement of the modern era. The economies of Mexico and the United States are increasingly integrated. As our two economies grow together, the growing number of people living in the border areas between Mexico and the United States will increasingly share similar priorities regarding development of that border in an environmentally sensitive manner. Establishment of the NAD Bank will help ensure that projects consistent with the goals will have an opportunity to receive funding, benefiting both the United States and Mexico.

Mr. Speaker, this is straightforward legislation that enjoys broad bipartisan support. I urge my colleagues to support this bill.

Mr. PAUL. Mr. Speaker, H.R. 254 expands the authority of the North American Development Bank (NAD), which was created in the allegedly free-trade NAFTA agreement, to make below-market loans. H.R. 254 also expands the geographic area in which the NAD bank operates. This bill is economically unsound and blatantly unconstitutional and I hope my colleagues will reject it.

Supporters of the NAD claim that the bank facilitates economic development and thus improves the quality of life for those living in regions where NAD finances projects. In fact, the NAD bank hinders economic development.

When Congress funds institutions like NAD, it transfers resources from the private sector to the government. When resources are left in the private sector, they are put to the use most highly valued by individual consumers. In contrast, the use of resources transferred to the public sector by agencies like NAD is determined by bureaucrats and politically powerful special interests, thus assuring that the resources cannot be put to their highest-valued use. Therefore, determining the allocation of resources through the political process decreases economic efficiency. Thus, NAD will actually cost jobs and reduce the standard of living of the very workers NAD's supporters claim to benefit!

I would also like to remind my colleagues that there is no constitutional authorization for Congress to fund organizations like the NAD. If my colleagues are not convinced by the constitutional argument, I would hope they would consider the wisdom of expanding the scope of taxpayer support of programs like the NAD at a time when the government is facing massive deficits and Congress is scrambling to find the money to pay for national priorities.

In conclusion, Mr. Speaker, I urge my colleagues to stand up for sound economics and constitutional principles by rejecting H.R. 254, legislation expanding the North American Development Bank.

Mr. HINOJOSA. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

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

The SPEAKER pro tempore (Mr. FOSSELLA). The question is on the motion offered by the gentleman from Nebraska (Mr. BEREUTER) that the House suspend the rules and concur in the Senate amendment to the bill, H.R. 254.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

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

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

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

H.R. 3926, by the yeas and nays;

H. Res. 522, by the yeas and nays;

approving the Journal, de novo;

H.R. 1768, 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.

ORGAN DONATION AND RECOVERY IMPROVEMENT ACT

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill, H.R. 3926.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan (Mr. ROGERS) that the House suspend the rules and pass the bill, H.R. 3926, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 414, nays 2, not voting 17, as follows:

[Roll No. 76]

YEAS—414

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

NAYS—2

Flake
Paul

NOT VOTING—17

Bonilla
Brown-Waite, Ginny
Cannon
Clyburn
Conyers
DeMint
Gibbons
Gillmor
Hunter
Istook
Jones (OH)
Kolbe
Radanovich
Simmons
Simpson
Tancredo
Tauzin

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. FOSSELLA) (during the vote). Members are advised there are 2 minutes left in this vote.

□ 1229

Mr. AKIN and Mr. HOBSON changed their vote from ''nay'' to ''yea.''

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:

Mr. KOLBE. Mr. Speaker, today, I missed the vote on H.R. 3926, the Organ Donation and Recovery Improvement Act (No. 76). I intended to vote "aye."

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

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

SENSE OF HOUSE REGARDING HEART DISEASE AMONG WOMEN

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and agreeing to the resolution, H. Res. 522.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan (Mr. ROGERS) that the House suspend the rules and agree to the resolution, H. Res. 522, 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 420, nays 0, not voting 13, as follows:

[Roll No. 77]

YEAS—420

Abercrombie
Ackerman
Aderholt
Akin
Alexander
Allen
Andrews
Baca
Bachus
Baird
Baker
Baldwin
Ballance
Ballenger
Barrett (SC)
Bartlett (MD)
Bass
Beauprez
Becerra
Bell
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blackburn
Blumenauer
Blunt
Boehlert
Bonilla
Bonner
Bono
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brady (TX)
Brown (OH)
Brown (SC)
Brown, Corrine
Burgess
Burns
Burr
Burton (IN)
Buyer

Calvert
Camp
Cantor
Capito
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Carter
Case
Castle
Chabot
Chandler
Chocola
Clay
Coble
Cole
Collins
Conyers
Cooper
Costello
Cox
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Deutsch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Dooley (CA)
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emanuel
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Feeney
Ferguson
Filner
Flake
Foley
Forbes
Ford
Fossella
Frank (MA)
Franks (AZ)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gephardt
Gerlach
Gilchrest
Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Goss
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grijalva
Gutierrez
Gutknecht
Hall
Harman
Harris
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hill
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley (OR)
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
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
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Maloney
Manzullo
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Mollohan
Moore
Moran (KS)
Moran (VA)
Murphy
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Nethercutt
Neugebauer
Ney
Northup
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pearce
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
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)
Ryun (KS)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schakowsky
Schiff
Schrock
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shuster
Simpson
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stark
Stearns
Stenholm
Strickland
Stupak
Sullivan
Sweeney
Tanner
Tauscher
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Toomey
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Vitter
Walden (OR)
Walsh
Wamp
Waters
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOT VOTING—13

Barton (TX)
Boehner
Brown-Waite, Ginny
Cannon
Clyburn
DeMint
Gibbons
Gillmor
Norwood
Radanovich
Simmons
Tancredo
Tauzin

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. FOSSELLA) (during the vote). Two minutes are remaining in this vote.

□ 1236

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.

THE JOURNAL

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

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

Mr. FOLEY. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

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

RECORDED VOTE

Mr. FOLEY. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 377, noes 35, answered ''present'' 1, not voting 20, as follows:

[Roll No. 78]

AYES—377

Abercrombie
Ackerman
Aderholt
Akin
Alexander
Allen
Andrews
Baca
Bachus
Baird
Baker
Ballance
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Becerra
Bell
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonner
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brown (OH)
Brown (SC)
Brown, Corrine
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cantor
Capito
Capps
Cardin
Cardoza
Carson (IN)
Carson (OK)
Carter
Case
Castle
Chabot
Chandler
Chocola
Clay
Coble
Cole
Collins
Conyers
Cooper
Costello
Cox
Cramer
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Deutsch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Dooley (CA)
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emanuel
Emerson
Engel
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Ferguson
Flake
Foley
Forbes
Ford
Frank (MA)
Franks (AZ)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gephardt
Gerlach
Gilchrest
Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grijalva
Gutierrez
Gutknecht
Hall
Harman
Harris
Hastings (WA)
Hayes
Hayworth
Hensarling
Herger
Hill
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley (OR)
Hostettler
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
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
Larson (CT)
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (KY)
Linder
Lipinski
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Maloney
Manzullo
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McCrery
McGovern
McHugh
McInnis
McIntyre
McKeon
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Mollohan
Moore
Moran (VA)
Murphy
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Nethercutt
Ney
Northup
Nunes
Nussle
Obey
Ortiz
Osborne
Ose
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pearce
Pelosi
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Rahall
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)
Ryun (KS)
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schiff
Schrock
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shuster
Simpson
Skelton

Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stark
Stearns
Stenholm
Sullivan
Tancredo
Tanner
Tauscher
Terry
Thomas
Thornberry
Tiahrt
Tiberi
Tierney
Toomey
Towns
Turner (OH)
Turner (TX)
Upton
Van Hollen
Velázquez
Vitter
Walden (OR)
Walsh
Wamp
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOES—35

Baldwin
Brady (PA)
Capuano
Crane
English
Filner
Fossella
Hart
Hastings (FL)
Hefley
Larsen (WA)
Latham
Lewis (GA)
LoBiondo
McDermott
McNulty
Miller, George
Moran (KS)
Oberstar
Olver
Otter
Peterson (MN)
Ramstad
Sabo
Schakowsky
Strickland
Stupak
Sweeney
Taylor (MS)
Thompson (CA)
Thompson (MS)
Udall (CO)
Udall (NM)
Visclosky
Weller

ANSWERED ''PRESENT''—1

Majette

NOT VOTING—20

Blackburn
Bono
Brady (TX)
Brown-Waite, Ginny
Cannon
Clyburn
DeMint
Feeney
Gibbons
Gillmor
Goss
Houghton
Neugebauer
Norwood
Radanovich
Shimkus
Simmons
Tauzin
Taylor (NC)
Waters

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

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

□ 1244

Mr. LOBIONDO changed his vote from ''aye'' to ''no.''

So the Journal was approved.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. GIBBONS. Mr. Speaker, on rollcall Vote Nos. 76, 77, and 78, I was unavoidably detained in the Senate. Had I been present, I would have voted "yes."

MULTIDISTRICT LITIGATION RESTORATION ACT OF 2004

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 1768, as amended.

The Clerk read the title of the bill.

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 pass the bill, H.R. 1678, as amended, 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 418, nays 0, not voting 15, as follows:

[Roll No. 79]

YEAS—418

Abercrombie
Ackerman
Aderholt
Akin
Alexander
Allen
Andrews
Baca
Bachus
Baird
Baker
Baldwin
Ballance
Ballenger
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Becerra
Bell
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brady (TX)
Brown (OH)
Brown (SC)
Brown, Corrine
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cantor
Capito
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Carter
Case
Castle
Chabot
Chandler
Chocola
Clay
Coble
Cole
Collins
Conyers
Cooper
Costello
Cox
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Deutsch
Diaz-Balart, L.
Dicks
Dingell
Doggett
Dooley (CA)
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emanuel
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Feeney
Ferguson
Filner
Flake
Foley
Forbes
Ford
Fossella
Frank (MA)
Franks (AZ)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gephardt
Gerlach
Gibbons
Gilchrest
Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Goss
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grijalva
Gutierrez
Gutknecht
Hall
Harman
Harris
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hill
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley (OR)
Hostettler
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
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
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Maloney
Manzullo
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Mollohan
Moore
Moran (KS)
Moran (VA)
Murphy
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Nethercutt
Neugebauer
Ney
Northup
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pearce
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Porter
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)
Ryun (KS)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schakowsky
Schiff
Schrock
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shuster
Simpson
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stark
Stearns
Stenholm
Strickland
Stupak
Sullivan
Sweeney
Tancredo
Tanner
Tauscher
Taylor (MS)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Toomey
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Vitter
Walden (OR)
Walsh
Wamp
Waters
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOT VOTING—15

Barrett (SC)
Blackburn
Brown-Waite, Ginny
Cannon
Clyburn
DeMint
Diaz-Balart, M.
Gillmor
Houghton
Miller (FL)
Norwood
Simmons
Smith (MI)
Tauzin
Taylor (NC)

□ 1252

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

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. GOSS. Mr. Speaker, this afternoon I was called away from the floor to conduct official business. As a result, I was not able to be present for rollcall votes 78 and 79. Had I been present, I would have voted "yea" on both.

PERSONAL EXPLANATION

Mr. DEMINT. Mr. Speaker, I was absent during rollcall votes 76, 77, 78, and 79. Had I been present, I would have voted "yea" on each of those votes.

CHILD NUTRITION IMPROVEMENT AND INTEGRITY ACT

Mr. BOEHNER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3873) to amend the Richard B. Russell National School Lunch Act and the Child Nutrition Act of 1966 to provide children with access to food and nutrition assistance, to simplify program operations, to improve children's nutritional health, and to restore the integrity of child nutrition programs, and for other purposes, as amended.

The Clerk read as follows:

H.R. 3873

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Child Nutrition Improvement and Integrity Act''.

SEC. 2. TABLE OF CONTENTS.

The table of contents of this Act is as follows:

Sec. 1. Short title.
Sec. 2. Table of contents.

TITLE I—ENSURING ACCESS TO CHILD NUTRITION PROGRAMS

Sec. 101. Exclusion of military housing allowances.
Sec. 102. Homeless children and runaway youth eligibility.
Sec. 103. Eligibility for severe need assistance.
Sec. 104. Reauthorization of summer food programs.
Sec. 105. Child and adult care food program.
Sec. 106. Review of best practices in the breakfast program.
Sec. 107. Area eligibility demonstration.
Sec. 108. Seamless Summer administration.
Sec. 109. Year round services for eligible entities.

TITLE II—IMPROVING PROGRAM QUALITY AND INTEGRITY

Sec. 201. Eligibility and certification for free and reduced price lunches.
Sec. 202. Duration of eligibility for free and reduced price lunches.
Sec. 203. Certification by local educational agencies.
Sec. 204. Compliance and accountability.
Sec. 205. Technology Improvement.
Sec. 206. Minimum State administrative expense grants.
Sec. 207. District-wide eligibility for special assistance.
Sec. 208. Administrative error reduction.

TITLE III—PROMOTING NUTRITION QUALITY AND PREVENTING CHILDHOOD OBESITY

Sec. 301. Local school wellness policy.
Sec. 302. Supporting nutrition education, improving meal quality, and access to local foods.
Sec. 303. Fruits and vegetable commodities.
Sec. 304. Fluid milk.
Sec. 305. Waiver of requirements for weighted averages for nutrient analysis.
Sec. 306. Whole grains.
Sec. 307. Fruit and vegetable pilot programs.

TITLE IV—IMPROVING THE WOMEN, INFANTS, AND CHILDREN PROGRAM

Sec. 401. Definition of nutrition education.
Sec. 402. Definition of supplemental foods.
Sec. 403. Improving certification.
Sec. 404. Reviews of available supplemental foods.
Sec. 405. Notification of violations and infant formula benefits.
Sec. 406. Healthy People 2010 initiative.
Sec. 407. Competitive bidding.
Sec. 408. Fruit and vegetable projects.
Sec. 409. Price levels of retail stores.
Sec. 410. Management information systems.
Sec. 411. Infant formula fraud prevention.
Sec. 412. State alliances.
Sec. 413. Limits on expenditures.
Sec. 414. Migrant and community health centers initiative.
Sec. 415. Demonstration projects.
Sec. 416. Authorization of appropriations.

TITLE V—REAUTHORIZATION, MISCELLANEOUS PROVISIONS, AND EFFECTIVE DATE

Sec. 501. Training, technical, and other assistance.
Sec. 502. Notice of irradiated food.
Sec. 503. Sense of Congress.
Sec. 504. Reauthorization of programs.
Sec. 505. Effective dates.

TITLE I—ENSURING ACCESS TO CHILD NUTRITION PROGRAMS

SEC. 101. EXCLUSION OF MILITARY HOUSING ALLOWANCES.

Section 9(b)(7) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(b)) is amended by striking ''For each of fiscal years 2002'' and all that follows through ''the amount'' and inserting ''The amount''.

SEC. 102. HOMELESS CHILDREN, RUNAWAY YOUTH, AND MIGRATORY CHILD ELIGIBILITY.

(a) IN GENERAL.—Section 9(b)(6)(A) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(b)(6)(A)) is amended—

(1) in clause (ii), by striking ''or'';

(2) in clause (iii), by striking the period and inserting a semicolon; and

(3) by inserting after clause (iii) the following:

''(iv) a homeless child or youth (as defined in section 725(2) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a));

''(v) a youth served by programs under the Runaway and Homeless Youth Act (42 U.S.C. 5701 et seq.); or

''(vi) a migratory child, as such term is defined in section 1309(2) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6399(2)).''.

(b) DOCUMENTATION.—Section 9(d)(2) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(d)(2)) is amended—

(1) in subparagraph (B), by striking ''or'';

(2) in subparagraph (C), by striking the period at the end and inserting a semicolon; and

(3) by inserting after subparagraph (C) the following:

''(D) documentation has been provided to the appropriate local educational agency showing that the child meets the criteria specified in clauses (iv) or (v) of subsection (b)(6)(A); or

''(E) documentation has been provided to the appropriate local educational agency showing the child's status as a migratory child, as such term is defined in section 1309(2) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6399(2)).''.

SEC. 103. ELIGIBILITY FOR SEVERE NEED ASSISTANCE.

Section 4(d) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(d)) is amended—

(1) by striking the heading and all that follows through paragraph (1), and inserting:

''(d) SEVERE NEED ASSISTANCE.—

''(1) IN GENERAL.—Each State educational agency shall provide additional assistance to schools in severe need, which shall include only those schools (having a breakfast program or desiring to initiate a breakfast program) in which, during the most recent second preceding school year for which lunches were served, 40 percent or more of the lunches served to students at the school were served free or at a reduced price (or those new schools drawing the majority of their attendance from schools receiving severe need assistance).''; and

(2) in paragraph (2)—

(A) by striking ''100 percent'' and all that follows through ''food, or''; and

(B) by striking '', whichever is less''.

SEC. 104. REAUTHORIZATION OF SUMMER FOOD PROGRAMS.

(a) SUMMER FOOD PILOT PROJECTS.—Section 18(f) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769(f)) is amended—

(1) by redesignating paragraphs (2) through (6) as paragraphs (3) through (7), respectively;

(2) by inserting after paragraph (1) the following:

''(2) ADDITIONAL STATES ELIGIBLE.—In addition to the States meeting the criteria set forth in paragraph (1), the term 'eligible State' means a State in which (based on data available in June 2003)—

''(A) the percentage obtained by dividing—

''(i) the sum of—

''(I) the average daily number of children attending the summer food service program in the State in July 2002; and

''(II) the average daily number of children receiving free or reduced price meals under the school lunch program in the State in July 2002; by

''(ii) the average daily number of children receiving free or reduced price meals under the school lunch program in the State during the 2001–2002 school year; is less than 57 percent of

''(B) the percentage obtained by dividing—

''(i) the sum of—

''(I) the average daily number of children attending the summer food service program in all States in July 2002; and

''(II) the average daily number of children receiving free or reduced price meals under the school lunch program in all States in July 2002; by

''(ii) the average daily number of children receiving free or reduced price meals under the school lunch program in all States during the 2001–2002 school year.'';

(3) in paragraph (3) (as so redesignated), by striking ''March 31, 2004'' and inserting ''September 30, 2008'';

(4) in paragraph (4) (as so redesignated), by striking ''(other than a service institution described in section 13(a)(7))'' both places it appears; and

(5) in paragraph (7)(B)(i) (as redesignated by this section), by striking ''paragraph (5)'' and inserting ''paragraph (6)''.

(b) SUMMER FOOD SERVICE PROGRAM FOR CHILDREN.—Section 13(q) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1761(q)) is amended by striking ''March 31, 2004'' and inserting ''September 30, 2008''.

SEC. 105. CHILD AND ADULT CARE FOOD PROGRAM.

(a) ELIGIBILITY OF PRIVATE CHILD CARE CENTERS.—Section 17 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1766) is amended—

(1) in subsection (a)(2)(B)(i), by striking ''during the period'' and all that follows through ''March 31, 2004''; and

(2) by striking subsection (p).

(b) DURATION OF DETERMINATION AS TIER 1 FAMILY OR GROUP DAY CARE HOME.—Section 17(f)(3)(E)(iii) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1766(f)(3)(E)(iii)) is amended by striking ''3 years'' and inserting ''5 years''.

(c) DURATION OF AGREEMENTS.—Section 17(j) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1766(j)) is amended to read as follows:

''(j) AGREEMENTS.—

''(1) IN GENERAL.—The Secretary may issue regulations directing States to develop and provide for the use of a standard form of agreement between each family or group day care sponsoring organization and the family or group day care homes participating in the program under such organization, for the purpose of specifying the rights and responsibilities of each party.

''(2) DURATION.—An agreement under paragraph (1) shall remain in effect until terminated by either party to the agreement.''.

(d) MANAGEMENT IMPROVEMENT INITIATIVE.—Section 17(q)(3) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1766(q)(3)) is amended by striking ''1999 through 2003'' and inserting ''2005 and 2006''.

(e) AUDITS.—Section 17(i) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1766(i)) is amended to read as follows:

''(i) AUDITS.—

''(1) FUNDS FOR AUDITS.—The Secretary shall make available for each fiscal year to a State administering the child and adult care food program, for the purpose of conducting audits of participating institutions, an amount up to 1.5 percent (except in the case of fiscal years 2005 through 2007, 1 percent) of the funds used by the State in the program under this section during the second preceding fiscal year.

''(2) AUDIT PROCEDURES.—

''(A) IN GENERAL.—Subject to subparagraph (B), in conducting management evaluations, reviews, or audits of the program under this subsection, the Secretary or a State agency may disregard any overpayment to an institution if the total overpayment for any fiscal year does not exceed an amount, consistent with the disregards allowed in other programs under this Act, which recognizes the cost of collecting small claims.

''(B) CRIMINAL OR FRAUD VIOLATIONS.—In carrying out this subsection, the Secretary and a State agency shall not disregard any overpayment for which there is evidence of a violation of a criminal law or civil fraud law.''.

(f) EMERGENCY SHELTERS.—Section 17(t)(5)(A)(i) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1766(t)(5)(A)(i) is amended—

(1) in subclause (I)—

(A) by striking ''12'' and inserting ''18''; and

(B) by inserting ''or'' after the semicolon; and

(2) by striking subclause (II) and redesignating subclause (III) as subclause (II).

(g) PAPERWORK REDUCTION.—The Secretary of Agriculture, in conjunction with States and participating institutions, shall examine the feasibility of reducing paper work resulting from regulations and record-keeping requirements for State agencies, family child care homes, child care centers, and sponsoring organizations participating in the child and adult care food program established under section 17 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1766).

SEC. 106. REVIEW OF BEST PRACTICES IN THE BREAKFAST PROGRAM.

(a) REVIEW.—Subject to the availability of funds, the Secretary of Agriculture shall enter into an agreement with a research organization to collect and disseminate a review of best practices to assist schools in addressing existing impediments at the State and local level that hinder the growth of the school breakfast program under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773). The review shall describe model breakfast programs and offer recommendations for schools to overcome obstacles, such as:

(1) the length of the school day;

(2) bus schedules; and

(3) potential increases in costs at the State and local level.

(b) DISSEMINATION.—Not later than 12 months after the date of enactment of this Act, the Secretary shall make the review required under subsection (a) available to local educational agencies via the Internet, including recommendations to improve participation in the school breakfast program. Not later than 12 months after the date of enactment of this Act, the review shall also be transmitted to the Committee on Education of the House of Representatives and the Committee on Agriculture of the Senate.

SEC. 107. AREA ELIGIBILITY DEMONSTRATION.

Section 13 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1761) is amended by adding at the end the following:

''(r) DEMONSTRATION.—For fiscal years 2004 through 2008, in rural areas of the State of Pennsylvania, the threshold for determining 'areas in which poor economic conditions exist' under subsection (a)(1)(C) for the program authorized by this section shall be 40 percent of children enrolled are eligible for free or reduced price school meals and the State agency shall report to the Secretary on the effect of the demonstration on program participation in rural areas.''.

SEC. 108. SEAMLESS SUMMER ADMINISTRATION.

(a) SEAMLESS SUMMER WAIVER.—Section 13(a) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1761(a)) is amended by inserting after paragraph (7) the following:

''(8) Service institutions that are public or private nonprofit school food authorities may administer summer or school vacation food service under the provisions of the school lunch program established under this Act and the school breakfast program established under the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), except as determined by the Secretary.''.

(b) PAYMENTS.—Section 13(b)(1) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1761(b)(1)) is amended by inserting after subparagraph (C) the following:

''(D) Service institutions described in paragraph (a)(8) of this section shall be reimbursed for meals and meal supplements in accordance with the applicable provisions under this Act (other than subparagraphs (A), (B), and (C) of this paragraph) and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), as determined by the Secretary.''.

SEC. 109. YEAR ROUND SERVICES FOR ELIGIBLE ENTITIES.

Section 18 of the Richard B. Russell National School Lunch Act is amended by adding at the end the following:

''(h) YEAR ROUND SERVICES FOR ELIGIBLE ENTITIES.—

''(1) IN GENERAL.—A service institution (as defined in section 13(a)(6) or 13(a)(7) of this Act) located in California may be reimbursed for up to 3 meals and 2 supplements for any day for which services are being offered at such institution. Such service institution shall be reimbursed for costs consistent with section 13(b)(1) of this Act.

''(2) EXEMPTIONS.—A service institution that receives assistance under this subsection shall comply with all provisions of section 13 of this Act other than subsections 13(b)(2) and 13(c)(1).

''(3) FUNDING.—The Secretary shall provide to the State of California an amount not to exceed $1,000,000 for fiscal years 2004 through 2008, for the additional reimbursement costs for meals and supplements authorized by this subsection.''.

TITLE II—IMPROVING PROGRAM QUALITY AND INTEGRITY

SEC. 201. ELIGIBILITY AND CERTIFICATION FOR FREE AND REDUCED PRICE LUNCHES.

(a) IN GENERAL.—Section 9(b) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758) is amended by striking ''(b)(1)(A) Not later'' and all that follows through paragraph (2) and inserting the following:

''(b) ELIGIBILITY FOR FREE AND REDUCED PRICE LUNCHES.—

''(1) INCOME GUIDELINES.—

''(A) IN GENERAL.—Not later than June 1 of each fiscal year, the Secretary shall prescribe income guidelines for determining eligibility for free and reduced price lunches during the 12-month period beginning July 1 of such fiscal year and ending June 30 of the following fiscal year. The income guidelines for determining eligibility for free lunches shall be 130 percent of the applicable family size income levels contained in the nonfarm income poverty guidelines issued by the Secretary of Health and Human Services, as adjusted annually in accordance with subparagraph (B). The income guidelines for determining eligibility for reduced price lunches for any school year shall be 185 percent of the applicable family size income levels contained in the nonfarm income poverty guidelines issued by the Secretary of Health and Human Services, as adjusted annually in accordance with subparagraph (B). Such guidelines shall be revised at annual intervals, or at any shorter interval deemed feasible and desirable.

''(B) FORMULA FOR REVISION.—The revision required by subparagraph (A) of this paragraph shall be made by multiplying—

''(i) the official poverty line (as defined by the Secretary of Health and Human Services); by

''(ii) the percentage change in the Consumer Price Index during the annual or other interval immediately preceding the time at which the adjustment is made.

Revisions under this subparagraph shall be made not more than 30 days after the date on which the Consumer Price Index data required to compute the adjustment becomes available.

''(2) CERTIFICATION OF ELIGIBILITY.—

''(A) ANNOUNCEMENT BY STATE EDUCATIONAL AGENCY.—Following the determination by the Secretary under paragraph (1) of this subsection of the income eligibility guidelines for each school year, each State educational agency shall announce the income eligibility guidelines, by family size, to be used by schools in the State in making determinations of eligibility for free and reduced price lunches. Local educational agencies shall, each year, publicly announce the income eligibility guidelines for free and reduced price lunches on or before the opening of school.

''(B) APPLICATIONS.—

''(i) IN GENERAL.—Applications for free and reduced price lunches, in such form as the Secretary may prescribe or approve, and any descriptive material, in an understandable and uniform format, and to the extent practicable, in a language that parents can understand, shall be distributed at least annually to the parents or guardians of children in attendance at the school.

''(ii) INCOME LEVELS.—Applications and descriptive material shall contain only the family size income eligibility guidelines for reduced price meal eligibility, with the explanation that households with incomes less than or equal to these values would be eligible for free or reduced price lunches. Such applications and descriptive material may not contain the income eligibility guidelines for free lunches.

''(iii) NOTIFICATION.—Descriptive materials shall contain a notification that participants in the Special Supplemental Nutrition Program for Women, Infants, and Children authorized under Section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), the food stamp program established under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), the Food Distribution Program on Indian Reservations (FDPIR) authorized under section 4(b) of the Food Stamp Act of 1977 (7 U.S.C. 2013(b)), or a State program funded under part A of title IV of the Social Security Act (if the Secretary determines the State program complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on June 1, 1995) may be eligible for free or reduced price lunches. Such descriptive materials shall also contain a notice to parents that documentation may be requested for verification.

''(iv) ELECTRONIC AVAILABILITY.—In addition to the distribution of such applications and descriptive material in paper form as provided for in this paragraph, such applications and material may be made available electronically via the Internet.

''(C) ELIGIBILITY.—

''(i) HOUSEHOLD APPLICATIONS.—

''(I) IN GENERAL.—If an eligibility determination for a child is not made under clause (ii) or (iii), an eligibility determination shall be made on the basis of a complete household application executed by an adult member of the household, or in accordance with other guidance issued by the Secretary.

''(II) ADDITIONAL BASES.—Eligibility may be determined by the local educational agency on the basis of a complete application executed by an adult member of the household, or in accordance with other guidance issued by the Secretary, including an electronic signature when the application is submitted electronically, and if the application filing system meets confidentiality standards established by the Secretary.

''(III) CHILDREN IN HOUSEHOLD.—

''(aa) IN GENERAL.—The application shall identify the names of each child in the household for whom meal benefits are requested, as well as the total number of members of the household.

''(bb) SEPARATE APPLICATIONS.—A State educational agency or local educational agency may not request a separate application for each child in the household, if the children in the household attend schools in the same local educational agency.

''(IV) VERIFICATION.—The Secretary, State, or local educational agency may verify any data contained in such application. In accordance with guidance issued by the Secretary, each local educational agency shall verify a sample of approved free and reduced price applications and shall make appropriate changes in the eligibility determination with respect to such applications on the basis of such verification. The sample selected for verification shall be as follows:

''(aa) For local educational agencies unable to obtain verification information for no more than 25 percent of all applications selected for verification in the prior year, or local educational agencies receiving more than 20,000 applications and that in the prior year had a verification non-response rate that was 10 percent below the verification non-response rate of the second prior year, the sample selected shall be either—

''(AA) the lesser of 3,000 or 3 percent of approved applications selected at random by the local educational agencies from all approved applications; or

''(BB) the lesser of 1,000 or 1 percent of all approved applications selected from applications that indicate monthly income that is within $100, or annual income that is within $1,200, of the income eligibility limits for free or reduced price meals, plus the lesser of 500 or ½ of 1 percent of approved applications that provided a case number in lieu of income information showing participation in the food stamp program, the Temporary Assistance for Needy Families program, or the Food Distribution Program on Indian Reservations (FDPIR) selected from those approved applications that provided a case number in lieu of income information verifying such participation. If, for any local educational agency, the total number of applications that indicate monthly income that is within $100, or annual income that is within $1,200, of the income eligibility limits for free or reduced price meals is less than 1,500 or 1 and ½ percent of all approved applications, the local educational agency shall select additional applications at random from all approved applications in order to obtain a total sample for verification of 1,500 or 1 and ½ percent of all approved applications.

''(bb) For all other local educational agencies, the sample selected shall be the lesser of 3,000 or 3 percent of all approved applications selected from applications that indicate monthly income that is within $100, or annual income that is within $1,200, of the income eligibility limits for free or reduced price meals. If, for any local educational agency, the total number of such applications is less than 3,000 or 3 percent of all approved applications, the local educational agency shall select additional applications at random from all approved applications in order to obtain a total sample for verification of 3,000 or 3 percent of all approved applications.

''(V) SUBSTITUTIONS.—

''(aa) IN GENERAL.—In accordance with the regulations prescribed by the Secretary, the local educational agency may, upon individual review, decline to verify any application selected under subclause (IV) and replace it with another application to be verified. Such agency may decline to verify no more than 2 percent of the applications selected for verification under this subclause.

''(bb) SUBSTITUTE CRITERIA IN CASES OF EMERGENCIES.—The Secretary may substitute alternative criteria for the sample size and sample selection criteria in subclause (IV) to address a natural disaster, civil disorder, strike, or other local condition.

''(VI) DIRECT VERIFICATION.—

''(aa) IN GENERAL.—In accordance with regulations promulgated by the Secretary, in verifying the sample selected in accordance with subclause (IV), the local educational agency may first obtain from certain public agencies administering the programs identified in item (bb) of this subclause, and similar income-tested programs, information to verify eligibility for free or reduced price meals.

''(bb) PUBLIC AGENCY RECORDS.—Public agency records that may be used to verify eligibility for free meals shall include income information relied upon within 12 months prior to verification under subclause (IV) in the administration of the following programs: the food stamp program established under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.); the State program funded under part A of title IV of the Social Security Act; the Food Distribution Program on Indian Reservations (FDPIR) authorized under section 4(b) of the Food Stamp Act of 1977 (7 U.S.C. 2013(b)); and the State Medicaid program under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) in a State in which the income eligibility limit described in section 1902(*l*)(2)(C) of the Social Security Act is no higher than 133 percent of the income official poverty line as specified in section 1902(*l*)(2)(A) of such Act, in the case of eligibility for free meals, and 185 percent of the income official poverty line as specified in such section in the case of reduced price meals.

''(VII) PLAIN, UNDERSTANDABLE LANGUAGE.—Any and all communications to parents regarding verification under subclause (IV) shall be in an understandable and uniform format, and, to the extent practicable, in a language that parents can understand.

''(ii) DIRECT CERTIFICATION FOR CHILDREN IN FOOD STAMP HOUSEHOLDS.—

''(I) IN GENERAL.—Each State agency shall, to the extent practicable, enter into an agreement with the State agency conducting eligibility determinations for the food stamp program established under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.).

''(II) PROCEDURES.—Subject to clause (iv), the agreement shall establish procedures under which a child who is a member of a household receiving assistance under the program referred to in subclause (I) shall be certified as eligible for free meals under this Act, without further application.

''(III) DIRECT CERTIFICATION.—Subject to clause (iv), under the agreement, the local educational agency conducting eligibility determinations for a school meal program conducted under this Act shall certify a child who is a member of a household receiving assistance under the program referred to in subclause (I) as eligible for free meals under this Act without further application.

''(IV) NOTICE.—The appropriate local educational agency shall provide annually to the parents or guardians of all students who are members of a household receiving assistance under the program referred to in subclause (I), notification, in an understandable and uniform format, and, to the extent practicable, in a language that parents can understand, that any school-aged child in that household is eligible for free lunches or breakfasts.

''(iii) DIRECT CERTIFICATION OF CHILDREN IN OTHER HOUSEHOLDS.—Subject to clause (iv), any local educational agency may certify any child as eligible for free lunches or breakfasts, without further application, by directly communicating with the appropriate State or local agency to obtain documentation of such child's status as a migratory child, as such term is defined in section 1309(2) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6399(2)), or a member of a family that is receiving assistance under a State program funded under part A of title IV of the Social Security Act if the Secretary determines the State program complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on June 1, 1995.

''(iv) DISCLOSURE OF INFORMATION.—The use or disclosure of any information obtained from an application for free or reduced price meals, or from a State or local agency referred to in clauses (ii) and (iii), shall be limited to—

''(I) a person directly connected with the administration or enforcement of this Act or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), or a regulation issued pursuant to either Act;

''(II) a person directly connected with the administration or enforcement of—

''(aa) a Federal education program;

''(bb) a State health or education program administered by the State or local educational agency (other than a program carried out under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.); or

''(cc) a Federal, State, or local means-tested nutrition program with eligibility standards comparable to the program under this section;

''(III)(aa) the Comptroller General of the United States for audit and examination authorized by any other provision of law; and

''(bb) notwithstanding any other provision of law, a Federal, State, or local law enforcement official for the purpose of investigating an alleged violation of any program requirements under paragraph (1) or this paragraph; and

''(IV) a person directly connected with the administration of the State Medicaid program under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) or the State children's health insurance program under title XXI of that Act (42 U.S.C. 1397aa et seq.) solely for the purpose of identifying children eligible for benefits under, and enrolling children in, such programs, except that this subclause shall apply only to the extent that

the State and the local educational agency so elect.

''(v) LIMITATION.—Information provided under clause (iv)(II) shall be limited to the income eligibility status of the child for whom application for free or reduced price meal benefits was made or for whom eligibility information was provided under clause (ii) or (iii), unless the consent of the parent or guardian of the child for whom application for benefits was made is obtained.

''(vi) PENALTY FOR UNAUTHORIZED DISCLOSURE.—A person described in clause (iv) who publishes, divulges, discloses, or makes known in any manner, or to any extent not authorized by Federal law (including a regulation), any information obtained under this subsection shall be fined not more than $1,000 or imprisoned not more than 1 year, or both.

''(vii) REQUIREMENTS FOR WAIVER OF CONFIDENTIALITY.—A State that elects to exercise the option described in clause (iv)(IV) shall ensure that any local educational agency acting in accordance with that option—

''(I) has a written agreement with the State or local agency or agencies administering health insurance programs for children under titles XIX and XXI of the Social Security Act (42 U.S.C. 1396 et seq. and 1397aa et seq.) that requires the health agencies to use the information obtained under clause (iv) to seek to enroll children in those health insurance programs; and

''(II)(aa) notifies each household, the information of which shall be disclosed under clause (iv), that the information disclosed will be used only to enroll children in health programs referred to in clause (iv)(IV); and

''(bb) provides each parent or guardian of a child in the household with an opportunity to elect not to have the information disclosed.

''(viii) USE OF DISCLOSED INFORMATION.—A person to which information is disclosed under clause (iv)(IV) shall use or disclose the information only as necessary for the purpose of enrolling children in health programs referred to in clause (iv)(IV).

''(D) FREE AND REDUCED PRICE POLICY STATEMENT.—After the initial submission, a local educational agency shall not be required to submit a free and reduced price policy statement to a State educational agency under this Act unless there is a substantive change in the free and reduced price policy of the local educational agency. A routine change in the policy of a local educational agency, such as an annual adjustment of the income eligibility guidelines for free and reduced price meals, shall not be sufficient cause for requiring the local educational agency to submit a policy statement.''.

(b) CONFORMING AMENDMENT.—Section 9(b)(6)(B) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(b)(6)(B) is amended by inserting '', or documentation showing the child's status as a migratory child, as such term is defined in section 1309(2) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6399(2))'' after ''subparagraph (A)(iii)''.

SEC. 202. DURATION OF ELIGIBILITY FOR FREE AND REDUCED PRICE LUNCHES.

Section 9(b)(3) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(b)(3)) is amended to read as follows:

''(3) ELIGIBILITY FOR FREE AND REDUCED PRICE LUNCHES.—

''(A) FREE LUNCHES.—Any child who is a member of a household whose income, at the time the application is submitted, is at an annual rate which does not exceed the applicable family size income level of the income eligibility guidelines for free lunches, as determined under paragraph (1), shall be served a free lunch.

''(B) REDUCED PRICE LUNCHES.—

''(i) IN GENERAL.—Any child who is a member of a household whose income, at the time the application is submitted, is at an annual rate greater than the applicable family size income level of the income eligibility guidelines for free lunches, as determined under paragraph (1), but less than or equal to the applicable family size income level of the income eligibility guidelines for reduced price lunches, as determined under paragraph (1), shall be served a reduced price lunch.

''(ii) MAXIMUM PRICE.—The price charged for a reduced price lunch shall not exceed 40 cents.

''(C) DURATION.—Except as otherwise specified in section 11(a) or section 9(b)(2)(C)(i)(IV), eligibility for free or reduced price meals for any school year shall remain in effect—

''(i) beginning on the date of eligibility approval for the current school year; and

''(ii) ending on the date of the beginning of school in the subsequent school year or as otherwise specified by the Secretary.''.

SEC. 203. CERTIFICATION BY LOCAL EDUCATIONAL AGENCIES.

(a) CERTIFICATION BY LOCAL EDUCATIONAL AGENCY.—Section 9 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758) is further amended—

(1) in subsection (b)(5), by striking ''Local school authorities'' and inserting ''Local educational agencies''; and

(2) in subsection (d)(2)—

(A) by striking ''local school food authority'' each place it appears and inserting ''local educational agency''; and

(B) in subparagraph (A), by striking ''such authority'' and inserting ''the local educational agency''.

(b) DEFINITION OF LOCAL EDUCATIONAL AGENCY.—Section 12(d) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1760(d)) is amended—

(1) by redesignating paragraphs (3) through (8) as paragraphs (4) through (9), respectively; and

(2) by inserting after paragraph (2) the following:

''(3) LOCAL EDUCATIONAL AGENCY.—

''(A) IN GENERAL.—The term 'local educational agency' has the meaning given the term in section 9101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801).

''(B) INCLUSION.—The term 'local educational agency' includes, in the case of a private nonprofit school food authority, an appropriate entity determined by the Secretary.''.

(c) SCHOOL BREAKFAST PROGRAM.—Section 4(b)(1)(E)) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(b)(1)(E)) is amended by striking ''school food authority'' each place it appears and inserting ''local educational agency''.

SEC. 204. COMPLIANCE AND ACCOUNTABILITY.

Section 22 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769c) is amended by inserting ''and local educational agencies'' after ''food service authorities'' each place it appears.

SEC. 205. TECHNOLOGY IMPROVEMENT.

(a) PRIORITY FOR REALLOCATED FUNDS.—Section 7(a)(5)(B)(ii) of the Child Nutrition Act of 1966 (42 U.S.C. 1776(a)(5)(B)(ii)) is amended by inserting the following new sentence at the end: ''The Secretary shall give special consideration to States that will use the funds for improvements in technology and information management systems described in subsection (e)(2).''.

(b) CONFORMING AMENDMENT.—Section 7(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1776(b)) is amended by striking ''and for staff development'' and inserting ''for staff development; and technology and information management systems''.

SEC. 206. MINIMUM STATE ADMINISTRATIVE EXPENSE GRANTS.

Section 7(a) of the Child Nutrition Act (42 U.S.C. 1776(a)(1)) is further amended—

(1) by striking the heading and all that follows through paragraph (1), and inserting the following:

''SEC. 7. STATE ADMINISTRATIVE EXPENSES.

''(a) AMOUNT AND ALLOCATION OF FUNDS.—

''(1) AMOUNT AVAILABLE.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), each fiscal year the Secretary shall make available to the States for their Administrative costs an amount equal to not less than 1½ percent of the Federal funds expended under sections 4, 11, 17, and 17A of the Richard B. Russell National School Lunch Act (42 U.S.C. 1753, 1759*a*) 1766, and 1766*a*)) and sections 3 and 4 of this Act during the second preceding fiscal year.

''(B) MINIMUM AMOUNT.—In the case of each of fiscal years 2005 through 2007, the Secretary shall make available to each State for their administrative costs not less than the initial allocation made to the State under this subsection for fiscal year 2004.

''(C) ALLOCATION.—The Secretary shall allocate the funds so provided in accordance with paragraphs (2), (3), and (4) of this subsection.

''(D) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated such sums as may be necessary to carry out the purposes of this section.''; and

(2) in paragraph (2), by striking ''$100,000'' and inserting ''$200,000''.

SEC. 207. DISTRICT-WIDE ELIGIBILITY FOR SPECIAL ASSISTANCE.

Section 11(a)(1) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1759a(a)(1)) is amended—

(1) in subparagraph (C)—

(A) in clause (i)—

(i) by inserting ''or school district'' after ''in the case of any school'';

(ii) by inserting ''or school district'' after ''in the school'' both times it appears;

(iii) by inserting ''or school district'' after ''in the case of a school''; and

(iv) by inserting ''or school district'' after ''with respect to the school'';

(B) in clause (ii)—

(i) by inserting ''or school district'' after ''served by a school''; and

(ii) by inserting ''or school district'' after ''served by the school''; and

(C) in clause (iii) by inserting ''or school district'' after ''a school'';

(2) in subparagraph (D)—

(A) in clause (i)—

(i) by inserting ''or school district'' after ''any school''; and

(ii) by inserting ''or school district'' after ''the school'';

(B) in clause (ii)—

(i) by inserting ''or school district'' after ''A school''; and

(ii) by inserting ''or school district'' after ''the school'';

(C) in clause (iii)—

(i) by inserting ''or school district'' after ''a school''; and

(ii) by inserting ''or school district'' after ''the school''; and

(D) in clause (iv) by inserting ''or school district'' after ''levels, a school''; and

(3) in subparagraph (E)—

(A) in clause (i)—

(i) by inserting ''or school district'' after ''In the case of any school'';

(ii) by inserting ''or school district'' after ''in the school'' both times it appears;

(iii) by inserting ''or school district'' after ''in the case of a school'';

(iv) by inserting ''or school district'' after ''with respect to the school'';

(v) by inserting ''or school district'' after ''received by the school''; and

(vi) by inserting ''or school district'' after ''for which the school''; and

(B) in clause (ii)—

(i) by inserting ''or school district'' after ''A school'';

(ii) by inserting ''or school district'' after ''for which the school'' both times it appears; and

(iii) by inserting ''or school district'' after ''population of the school'' both times it appears.

SEC. 208. ADMINISTRATIVE ERROR REDUCTION.

(a) FEDERAL SUPPORT FOR TRAINING AND TECHNICAL ASSISTANCE.—Section 21 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769b-1) is amended—

(1) by redesignating subsection (e) as subsection (g); and

(2) by inserting after subsection (d) the following:

''(e) ADMINISTRATIVE TRAINING AND TECHNICAL ASSISTANCE MATERIALS.—In collaboration with State educational agencies, school food authorities, and local educational agencies of varying sizes, the Secretary shall develop and distribute training and technical assistance materials relating to the administration of school meal programs that are—

''(1) prepared by the Secretary (based on research or other sources), a State educational agency, a school food authority, or a local educational agency; and

''(2) representative of the best management and administrative practices of State agencies, school food authorities, and local educational agencies as determined by the Secretary.

''(f) FEDERAL ADMINISTRATIVE SUPPORT.—

''(1) FUNDING.—

''(A) IN GENERAL.—Out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary of Agriculture to carry out this subsection—

''(i) on October 1, 2004 and October 1, 2005, $3,000,000; and

''(ii) on October 1, 2006, and October 1, 2007, $2,000,000.

''(B) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this subsection the funds transferred under subparagraph (A), without further appropriation.

''(C) AVAILABILITY OF FUNDS.—Funds transferred under subparagraph (A) shall remain available until expended.

''(2) USE OF FUNDS.—The Secretary may use funds provided under this subsection—

''(A) to provide training and technical assistance related to administrative practices designed to improve program integrity and administrative accuracy in school meals programs (including administrative requirements established by the Child Nutrition Improvement and Integrity Act and amendments made by that Act) to State educational agencies and, to the extent determined by the Secretary, to school food authorities and local educational agencies;

''(B) to assist State educational agencies in reviewing the administrative practices of school food authorities, to the extent determined by the Secretary; and

''(C) to carry out the activities described in subsection (e).''.

(b) SELECTED ADMINISTRATIVE REVIEWS.—Section 22(b) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769c(b)) is amended by adding at the end the following:

''(3) ADDITIONAL REVIEW REQUIREMENT FOR SELECTED LOCAL EDUCATIONAL AGENCIES.—

''(A) DEFINITION OF SELECTED LOCAL EDUCATIONAL AGENCY.—In this paragraph, the term 'selected local educational agency' means a local educational agency that has a demonstrated a high level of, or a high risk for, administrative error, as determined by the Secretary.

''(B) ADDITIONAL ADMINISTRATIVE REVIEW.—In addition to any review required by subsection (a) or paragraph (1), each State educational agency shall conduct an administrative review of each selected local educational agency during the review cycle established under subsection (a).

''(C) SCOPE OF REVIEW.—In carrying out a review under subparagraph (B), a State educational agency shall only review the administrative processes of a selected local educational agency, including application, certification, verification, meal counting, and meal claiming procedures.

''(D) RESULTS OF REVIEW.—If the State educational agency determines (on the basis of a review conducted under subparagraph (B)) that a selected local educational agency fails to meet performance criteria established by the Secretary, the State educational agency shall—

''(i) require the selected local educational agency to develop and carry out an approved plan of corrective action;

''(ii) except to the extent technical assistance is provided directly by the Secretary, provide technical assistance to assist the selected local educational agency in carrying out the corrective action plan; and

''(iii) conduct a follow-up review of the selected local educational agency under standards established by the Secretary.

''(4) RECOVERING FUNDS AFTER ADMINISTRATIVE REVIEWS.—

''(A) IN GENERAL.—Subject to subparagraphs (B) and (C), if the local educational agency fails to meet administrative performance criteria established by the Secretary in both an initial review and a follow-up review under paragraph (1) or (3) or subsection (a), the Secretary may require the State educational agency to recover funds from the local educational agency that would otherwise be paid to the school food authority or local educational agency for school meals programs under procedures prescribed by the Secretary.

''(B) AMOUNT.—The amount of funds recovered under subparagraph (A) shall equal the value of any overpayments made to the school food authority or local educational agency as a result of an erroneous claim during the time period described in subparagraph (C).

''(C) TIME PERIOD.—The period for determining the value of any such overpayments under subparagraph (B) shall be the period—

''(i) beginning on the date the erroneous claim was made; and

''(ii) ending on the earlier of the date the erroneous claim is corrected or—

''(I) in the case of the first review conducted by the State educational agency of the local educational agency under this section after July 1, 2005, the date that is 60 days after the beginning of the period under clause (i); or

''(II) in the case of any subsequent review conducted by the State educational agency of the local educational agency under this section, the date that is 90 days after the beginning of the period under clause (i).

''(5) USE OF RECOVERED FUNDS.—

''(A) IN GENERAL.—Subject to subparagraph (B), funds recovered under paragraph (4) shall—

''(i) be returned to the Secretary under procedures established by the Secretary, and may be used—

''(I) to provide training and technical assistance related to administrative practices designed to improve program integrity and administrative accuracy in school meals programs (including administrative requirements established by the Child Nutrition Improvement and Integrity Act and amendments made by that Act) to State educational agencies and, to the extent determined by the Secretary, to school food authorities and local educational agencies;

''(II) to assist State educational agencies in reviewing the administrative practices of school food authorities, to the extent determined by the Secretary; and

''(III) to carry out section 21(e); or

''(ii) be credited to the child nutrition programs appropriation account.

''(B) STATE SHARE.—Subject to subparagraph (C), a State educational agency may retain not more than 25 percent of an amount recovered under paragraph (4), to carry out school meals program integrity initiatives to assist school food authorities and local educational agencies that have repeatedly failed (as determined by the Secretary) to meet administrative performance criteria.

''(C) REQUIREMENT.—To be eligible to retain funds under subparagraph (B), a State educational agency shall—

''(i) submit to the Secretary a plan describing how the State educational agency will use the funds to improve school meals program integrity, including measures to give priority to school food authorities and local educational agencies from which funds were retained under paragraph (4); and

''(ii) obtain the approval of the Secretary for the plan.''.

(c) TRAINING AND TECHNICAL ASSISTANCE.—Section 7 of the Child Nutrition Act of 1966 (42 U.S.C. 1776) is amended—

(1) in subsection (e)—

(A) by striking ''(e) Each'' and inserting the following:

''(e) PLANS FOR USE OF ADMINISTRATIVE EXPENSE FUNDS.—

''(1) IN GENERAL.—Each''; and

(B) by striking ''After submitting'' and all that follows through ''change in the plan.'', and inserting the following:

''(2) UPDATES AND INFORMATION MANAGEMENT SYSTEMS.—After submitting the initial plan, a State shall be required to submit to the Secretary for approval only a substantive change in the plan. Each State plan shall at a minimum include a description of how technology and information management systems will be used to improve program integrity by—

''(A) monitoring the nutrient content of meals served;

''(B) training schools and school food authorities how to utilize technology and information management systems for activities such as menu planning, collecting point of sale data, processing applications for free and reduced price meals and verifying eligibility for free and reduced price meals using existing databases to access program participation or income data collected by State or local educational agencies; and

''(C) using electronic data to establish benchmarks to compare and monitor program integrity, program participation, and financial data across schools and school food authorities.

''(3) TRAINING AND TECHNICAL ASSISTANCE.—Each State shall submit to the Secretary for approval a plan describing the manner in which the State intends to implement subsection (g) and section 22(b)(3) of the Richard B. Russell National School Lunch Act (as added by section 208 of the Child Nutrition Improvement and Integrity Act).'';

(2) by redesignating subsection (g) as subsection (i); and

(3) by inserting after subsection (f) the following:

''(g) STATE TRAINING.—

''(1) IN GENERAL.—At least annually, each State shall provide training in administrative practices (including training in application, certification, verification, meal counting, and meal claiming procedures) to school food authority administrative personnel and other appropriate personnel, with emphasis on the requirements established by the Child Nutrition Improvement and Integrity Act and the amendments made by that Act.

''(2) FEDERAL ROLE.—The Secretary shall—

''(A) provide training and technical assistance (including training materials and information developed under subsections (e) and (f) of section 21 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769b-1)) to a State to assist the State in carrying out paragraph (1); or

''(B) at the option of the Secretary, directly provide training and technical assistance described in paragraph (1).

''(3) THIRD-PARTY CONTRACTING.—In carrying out this subsection, the Secretary or a State may contract with a third party under procedures established by the Secretary.

''(4) REQUIRED PARTICIPATION.—Under procedures established by the Secretary that consider the various needs and circumstances of school food authorities, each school food authority or local educational agency shall ensure that an individual conducting or overseeing administrative procedures described in paragraph (1) receives training at least annually, unless determined otherwise by the Secretary.

''(h) FUNDING FOR TRAINING AND ADMINISTRATIVE REVIEWS.—

''(1) FUNDING.—

''(A) IN GENERAL.—On October 1, 2004, and on each October 1 thereafter, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary of Agriculture to carry out this subsection $4,000,000, to remain available until expended.

''(B) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this subsection the funds transferred under subparagraph (A), without further appropriation.

''(2) USE OF FUNDS.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the Secretary shall use funds provided under this subsection to assist States in carrying out subsection (g) and administrative reviews of selected school food authorities and local educational agencies under section 22(b)(3) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769c(b)(3)).

''(B) EXCEPTION.—The Secretary may retain a portion of the amount provided to cover costs of activities carried out by the Secretary in lieu of the State.

''(3) ALLOCATION.—The Secretary shall allocate funds provided in this subsection to States based on the number of local educational agencies that have demonstrated a high level of or a high risk for administrative error, as determined by the Secretary, taking into account the requirements established by the Child Nutrition Improvement and Integrity Act and the amendments made by that Act.

''(4) REALLOCATION.—The Secretary may reallocate, to carry out this section, any amounts made available to carry out this subsection that are not obligated or expended, as determined by the Secretary.''.

TITLE III—PROMOTING NUTRITION QUALITY AND PREVENTING CHILDHOOD OBESITY

SEC. 301. LOCAL SCHOOL WELLNESS POLICY.

Not later than the first day of the school year beginning after June 30, 2006, local educational agencies participating in the programs authorized by the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.) and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) shall establish a local school wellness policy for such local agency that at a minimum—

(1) includes goals for nutrition education, physical activity and other school-based activities designed to promote student wellness that the local educational agency determines are appropriate;

(2) includes nutrition guidelines selected by the local educational agencies for all foods available on school campus during the school day with the objective of promoting student health and reducing childhood obesity;

(3) provides an assurance that guidelines for reimbursable school meals shall not be less restrictive than regulations and guidance issued by the Secretary pursuant to section 10(a) and (b) of the Child Nutrition Act (42 U.S.C. 1779(a) and (b)) and section 9(f)(1) and section 17(a) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(f)(1) and 1766(a)), as those regulations and guidance apply to schools;

(4) establishes a plan for ensuring implementation of the local wellness policy, including designation of a person or persons within the local educational agency, or at each school as appropriate, charged with operational responsibility for ensuring that such school meets the local wellness policy; and

(5) involves parents, students, representatives of the school food authority, the school board, school administrators, and public in the development of the school wellness policy.

SEC. 302. SUPPORTING NUTRITION EDUCATION, IMPROVING MEAL QUALITY, AND ACCESS TO LOCAL FOODS.

Section 19 of the Child Nutrition Act of 1966 (42 U.S.C. 1788) is amended—

(1) by amending subsection (b) to read as follows:

''(b) PURPOSE.—It is the purpose of this section to support effective nutrition education through assistance to State agencies, schools, and nonprofit entities for Team Nutrition and other nutrition education projects that improve student understanding of healthful eating patterns, including an awareness and understanding of the Dietary Guidelines for Americans, the quality of school meals and access to local foods in schools and institutions operating programs under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.) and section 4 of this Act.'';

(2) by striking subsections (c) through (h) and inserting after subsection (b) the following:

''(c) TEAM NUTRITION NETWORK.—

''(1) PURPOSE.—The purpose of the Team Nutrition Network is to—

''(A) promote the nutritional health of the Nation's school children through nutrition education, physical activity and other activities that support healthy lifestyles for children based on the Dietary Guidelines for Americans, issued jointly by the Secretary of Agriculture and the Secretary of Health and Human Services, and the physical fitness guidelines issued by the Secretary of Health and Human Services;

''(B) provide assistance to States for the development of State-wide, comprehensive, and integrated nutrition education and physical fitness programs; and

''(C) provide training and technical assistance to States, school and community nutrition programs, and child nutrition food service professionals.

''(2) STATE COORDINATOR.—The State Team Nutrition Network Coordinator shall—

''(A) administer and coordinate a comprehensive integrated statewide nutrition education program; and

''(B) coordinate efforts with the Food and Nutrition Service and State agencies responsible for children's health programs.

''(3) TEAM NUTRITION NETWORK.—Subject to the availability or appropriations to carry out this subsection, the Secretary, in consultation with the Secretary of Education, shall, on a competitive basis, provide assistance to States for the purpose of creating model nutrition education and physical activity programs, consistent with current dietary and fitness guidelines, for students in elementary schools and secondary schools.

''(4) REQUIREMENTS FOR STATE PARTICIPATION.—To be eligible to receive assistance under this subsection, a State Coordinator shall submit an application to the Secretary at such time, an in such manner, and containing such information as the Secretary may require, including—

''(A) a description of how the proposed nutrition and physical activity program will promote healthy eating and physical activity and fitness and address the health and social consequences of children who are at risk of becoming overweight or obese;

''(B) information describing how nutrition activities are to be coordinated at the State level with other health activities conducted by education, health and agriculture agencies;

''(C) information describing how initiatives to promote physical activity are to be coordinated at the State level with other initiatives to promote physical activity conducted by education, health, and parks and recreation agencies;

''(D) a description of the consultative process that the State Coordinator employed in the development of the model nutrition and physical activity programs, including consultations with individuals and organizations with expertise in promoting public health, nutrition, or physical activity, and organizations representing the agriculture, food and beverage, fitness, and sports and recreation industries;

''(E) a description of how the State Coordinator will evaluate the effectiveness of its program; and

''(F) a description of how any and all communications to parents and guardians of all students who are members of a household receiving or applying for assistance under the program shall be in an understandable and uniform format, and, to the extent practicable, in a language that parents can understand.

''(5) DURATION.—Subject to the availability of funds made available to carry out this subsection, a State Coordinator shall conduct the project for a period of 3 successive school years.

''(6) AUTHORIZED ACTIVITIES.—An eligible applicant that receives assistance under this subsection may use funds to carry out one or more of the following activities—

''(A) collecting, analyzing, and disseminating data regarding the extent to which children and youth in the State are overweight or physically inactive and the programs and services available to meet those needs;

''(B) developing and implementing model elementary and secondary education curricula to create a comprehensive, coordinated nutrition and physical fitness awareness and obesity prevention program;

''(C) developing and implementing pilot programs in schools to increase physical activity and to enhance the nutritional status of students, including through the increased consumption of fruits and vegetables, whole grains, and lowfat dairy products;

''(D) developing and implementing State guidelines in health, which include nutrition education, and physical education and emphasize regular physical activity during school hours;

''(E) collaborating with community based organizations, volunteer organizations, State medical associations, and public health groups to develop and implement nutrition and physical education programs targeting lower income children, ethnic minorities, and youth at a greater risk for obesity;

''(F) collaborating with public or private organizations that have as a mission the raising of public awareness of the importance of a balanced diet and an active lifestyle; and

''(G) providing training and technical assistance to teachers and school food service professionals consistent with the purpose of this section.

''(7) LIMITATION.—Materials prepared under this subsection regarding agricultural commodities, food, or beverages must be factual and without bias.

''(8) REPORT.—Within 18 months of completion of the projects and the evaluations, the Secretary shall submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Agriculture, Nutrition and Forestry of the Senate a report describing the results of the evaluation of the demonstration programs and shall make such reports available to the public, including through the Internet.

''(9) INDEPENDENT EVALUATION.—

''(A) IN GENERAL.—The Secretary shall enter into an agreement with an independent, non-partisan science-based research organization to conduct a comprehensive independent evaluation of the effectiveness of the Team Nutrition initiative and the Team Nutrition Network authorized by this subsection and to identify best practices in—

''(i) improving student understanding of healthful eating patterns;

''(ii) engaging students in regular physical activity and improving physical fitness;

''(iii) reducing diabetes and obesity rates in school children;

''(iv) improving student nutrition behaviors on the school campus including healthier meal choices evidenced by greater inclusion of fruits, vegetables, whole grains, and lean dairy and protein in meal and snack selections;

''(v) providing training and technical assistance for food service professionals resulting in the availability of healthy meals that appeal to ethnic and cultural taste preferences;

''(vi) linking meals programs to nutrition education activities; and

''(vii) successfully involving school administrators, the private sector, public health agencies, non-profit organizations, and other community partners.

''(B) REPORT.—Not later than October 1, 2007, the Secretary shall transmit the findings of the independent evaluation to the Committee on Education and the Workforce of the House of Representatives, the Committee on Health, Education, Labor, and Pensions and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

''(d) LOCAL NUTRITION AND PHYSICAL ACTIVITY PROJECT.—

''(1) IN GENERAL.—Subject to the availability of appropriations to carry out this subsection, the Secretary, in consultation with the Secretary of Education, shall provide assistance to not more than 100 local educational agencies, at least one per State, for the establishment of pilot projects for purposes of promoting healthy eating habits and increasing physical activity, consistent with the Dietary Guidelines for Americans issued jointly by the Secretary of Agriculture and the Secretary of Health and Human Services, among elementary and secondary education students.

''(2) REQUIREMENT FOR PARTICIPATION IN PILOT PROJECT.—To be eligible to receive assistance under this subsection, a local educational agency shall, in consultation with individuals who possess education or experience appropriate for representing the general field of public health, including nutrition and fitness professionals, submit to the Secretary an application that shall include—

''(A) a description of the local educational agency's need for nutrition and physical activity programs;

''(B) a description of how the proposed project will improve health and nutrition through education and increased access to physical activity;

''(C) a description of how funds under this subsection will be coordinated with other programs under this Act, the Richard B. Russell National School Lunch Act, or other Acts, as appropriate, to improve student health and nutrition;

''(D) a statement of the local educational agency's measurable goals for nutrition and physical education programs and promotion;

''(E) a description of how the proposed project will be aligned with the local wellness policy required under the Act;

''(F) a description of the procedures the agency will use for assessing and publicly reporting progress toward meeting those goals; and

''(G) a description of how communications to parents and guardians of participating students regarding the activities under this subsection shall be in an understandable and uniform format, and, to the extent practicable, in a language that parents can understand.

''(3) DURATION.—Subject to the availability of funds made available to carry out this subsection, a local educational agency receiving assistance under this subsection shall conduct the project during a period of 3 successive school years.

''(4) AUTHORIZED ACTIVITIES.—An eligible applicant that receives assistance under this subsection—

''(A) shall use funds provided to—

''(i) promote healthy eating through the development and implementation of nutrition education programs and curricula based on the Dietary Guidelines for Americans; and

''(ii) increase opportunities for physical activity through after school programs, athletics, intramural activities, and recess; and

''(B) may use funds provided to—

''(i) educate parents and students about the relationship of a poor diet and inactivity to obesity and other health problems;

''(ii) develop and implement physical education programs that promote fitness and lifelong activity;

''(iii) provide training and technical assistance to food service professionals to develop nutritious, more appealing menus and recipes;

''(iv) incorporate nutrition education into physical education, health education, and after school programs, including athletics;

''(v) involve parents, nutrition professionals, food service staff, educators, community leaders, and other interested parties in assessing the food options in the school environment and developing and implementing an action plan to promote a balanced and healthy diet;

''(vi) provide nutrient content or nutrition information on meals served through the school lunch or school breakfast programs and items sold a la carte during meal times;

''(vii) encourage the increased consumption of a variety of healthy foods through new initiatives such as salad bars and fruit bars; and

''(viii) provide nutrition education, including sports nutrition education, for teachers, coaches, food service staff, athletic trainers, and school nurses.

''(5) LIMITATION.—Materials prepared under this subsection regarding agricultural commodities, food, or beverages must be factual and without bias.

''(6) REPORT.—Within 18 months of completion of the projects and evaluations, the Secretary shall transmit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions and the Committee on Agriculture, Nutrition and Forestry of the Senate a report describing the results of the evaluation of the pilot projects and shall make such reports available to the public, including through the Internet.

''(e) NUTRITION EDUCATION SUPPORT.—

''(1) IN GENERAL.—In carrying out the purpose of this section to support nutrition education, the Secretary may provide for technical assistance and grants to improve the quality of school meals and access to local foods in schools and institutions.

''(2) SCHOOL MEALS INITIATIVE.—The Secretary may provide assistance to enable State educational agencies to—

''(A) implement the recommendations of the Secretary's School Meals Initiative for Healthy Children;

''(B) increase the consumption of fruits, vegetables, low-fat dairy products, and whole grains;

''(C) reduce saturated fat and sodium in school meals;

''(D) improve school nutritional environments; and

''(E) conduct other activities that aid schools in carrying out the Secretary's School Meals Initiative for Healthy Children.

''(3) ACCESS TO LOCAL FOODS.—The Secretary may provide assistance, through competitive matching grants and technical assistance, to schools and nonprofit entities for projects that—

''(A) improve access to local foods in schools and institutions participating in programs under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.) and Section 4 of this Act through farm-to-cafeteria activities that may include the acquisition of food and appropriate equipment and the provision of training and education;

''(B) are, at a minimum, designed to procure local foods from small- and medium-sized farms for school meals;

''(C) support nutrition education activities or curriculum planning that incorporates the participation of schoolchildren in farm and agriculture education activities;

''(D) develop a sustained commitment to farm-to-cafeteria projects in the community by linking schools, agricultural producers, parents, and other community stakeholders;

''(E) require $100,000 or less in Federal contributions;

''(F) require a Federal share of costs not to exceed 75 percent;

''(G) provide matching support in the form of cash or in kind contributions (including facilities, equipment, or services provided by State and local governments and private sources); and

''(H) cooperate in an evaluation to be carried out by the Secretary.''; and

(3) by redesignating subsection (i) as subsection (f), and amending paragraph (1) of such subsection to read as follows:

''(1) IN GENERAL.—There is authorized to be appropriated such sums as may be necessary

for carrying out this section for fiscal years 2004 through 2008.''.

SEC. 303. FRUITS AND VEGETABLE COMMODITIES.

Section 6(c)(1)(D) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1755(c)(1)(D)) is amended by inserting '', and fruits and vegetables'' before the period.

SEC. 304. FLUID MILK.

Section 9(a)(2) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(a)(2)) is amended to read as follows:

''(2) FLUID MILK.—

''(A) IN GENERAL.—Lunches served by schools participating in the school lunch program under this Act—

''(i) shall offer students fluid milk in a variety of fat contents;

''(ii) may offer students flavored and unflavored fluid milk and lactose-free fluid milk; and

''(iii) shall provide a substitute for fluid milk for students whose disability restricts their diet, upon receipt of a written statement from a licensed physician that identifies the disability that restricts the student's diet and that specifies the substitute for fluid milk.

''(B) SUBSTITUTES.—

''(i) STANDARDS FOR SUBSTITUTION.—Schools may substitute for the fluid milk provided under subparagraph (A), a nondairy beverage that is nutritionally equivalent to fluid milk and meets nutritional standards as established by the Secretary (which shall, among other requirements to be determined by the Secretary, include fortification of calcium, protein, vitamin A, and vitamin D to levels found in cow's milk) for students who cannot consume fluid milk because of a medical or other special dietary need other than a disability described in subparagraph (A)(iii).

''(ii) NOTICE.—Such substitutions may be made if the school notifies the State agency that it is implementing a variation allowed under this subparagraph, and if such substitution is requested by written statement of a medical authority or by a student's parent or legal guardian that identifies the medical or other special dietary need that restricts the student's diet, provided that the school shall not be required to provide beverages other than those it has identified as acceptable substitutes.

''(iii) EXCESS EXPENSES BORNE BY THE SCHOOL DISTRICT.—Expenses incurred in providing substitutions pursuant to this subparagraph that are in excess of those covered by reimbursements under this Act shall be paid by the school district.

''(C) RESTRICTIONS ON SALE OF MILK PROHIBITED.—A school or institution that participates in the school lunch program under this Act shall not directly or indirectly restrict the sale or marketing of fluid milk products by the school (or by a person approved by the school) at any time or any place—

''(i) on the school premises; or

''(ii) at any school-sponsored event.''.

SEC. 305. WAIVER OF REQUIREMENTS FOR WEIGHTED AVERAGES FOR NUTRIENT ANALYSIS.

Section 9(f)(5) of the Richard B. Russell National School Lunch Act (42 U.S.C 1758(f)(5)) is amended to read as follows:

''(5) WAIVER OF REQUIREMENTS FOR WEIGHTED AVERAGES FOR NUTRIENT ANALYSIS.—State educational agencies may grant waivers to school food authorities to the requirement for weighted averages for nutrient analysis of menu items and foods offered or served as part of a meal offered or served under the school lunch program under this Act or the school breakfast program under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773) if—

''(A) the school food authority has an equivalent system for conducting a nutrient analysis, subject to State agency approval; and

''(B) the equivalent system adequately documents the extent to which the school food authority is meeting the Dietary Guidelines for Americans and other nutrition standards. In addition, the Secretary may waive, on a case by case basis, the requirement for a State agency to use weighted averages when conducting a nutrient analysis as part of a review (of compliance with the Dietary Guidelines and other nutrition standards) of a school food authority not using nutrient standard menu planning, when, in the Secretary's determination, an alternative analysis would yield results that would adequately measure a school food authority's compliance with current nutrition standards for school meals.''.

SEC. 306. WHOLE GRAINS.

Not later than 18 months after the date of enactment of this Act, the Secretary shall promulgate rules, based on Federal nutrition guidelines, to increase the presence of whole grains in foods offered in school nutrition programs under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.) and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.).

SEC. 307. FRUIT AND VEGETABLE PILOT PROGRAM.

Section 18(g) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769) is amended—

(1) in paragraph (1), by striking ''In the school year beginning'' and inserting ''Beginning'';

(2) by striking paragraph (3) and redesignating paragraphs (2) and (4) as paragraphs (5) and (6), respectively, and inserting after paragraph (1) the following:

''(2) ADDITIONAL STATES.—In addition to the States participating under subsection (1), the Secretary shall make available free fresh and dried fruits and fresh vegetables to students in 25 elementary or secondary schools in each State or Indian reservation selected for participation.

''(3) SELECTION OF SCHOOLS.—In selecting additional schools to participate in the pilot program under paragraph (2) of this subsection, the Secretary shall—

''(A) to the maximum extent practicable, ensure that the majority of schools selected are those in which not less than 50 percent of students are eligible for free or reduced price meals under this Act;

''(B) solicit applications from interested schools that include—

''(i) information pertaining to the percentage of students enrolled in the school submitting the application who are eligible for free or reduced price school lunches under this Act;

''(ii) a certification of support for participation in the pilot program signed by the school food manager, the school principal, and the district superintendent (or their equivalent positions, as determined by the school); and

''(iii) a plan for implementation of the pilot program that includes a partnership with an entity or entities of the fruit and vegetable industry, which shall contribute not less than 15 percent, in cash or in kind, for the acquisition, handling, promotion, and distribution of fresh and dried fruits and fresh vegetables provided under this program; and

''(iv) such other information as may be requested by the Secretary; and

''(C) for each application received, determine whether the application is from a school in which not less than 50 percent of students are eligible for free or reduced price meals under this Act.

''(4) SPECIAL RULE.—Schools participating in the program described in paragraph (1) shall receive a priority in the receipt of assistance under this subsection and shall not be subject to the requirements of paragraph (3).''; and

(3) by amending paragraph (6) (as redesignated by this section) to read as follows:

''(6) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $11,000,000 for fiscal year 2004 and such sums as may be necessary for fiscal years 2005 through 2008, to carry out this subsection.''.

TITLE IV—IMPROVING THE WOMEN, INFANTS, AND CHILDREN PROGRAM

SEC. 401. DEFINITION OF NUTRITION EDUCATION.

Section 17(b)(7) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)(7)) is amended—

(1) by inserting ''and physical activity'' after ''dietary habits''; and

(2) by striking ''nutrition and health'' and inserting ''nutrition, health, and child development''.

SEC. 402. DEFINITION OF SUPPLEMENTAL FOODS.

Section 17(b)(14) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)(14)) is amended by inserting after ''children'' the following: ''and foods that promote the health of the population served by the program authorized by this section, as indicated by relevant nutrition science, public health concerns, and cultural eating patterns''.

SEC. 403. IMPROVING CERTIFICATION.

(a) CERTIFICATION OF WOMEN WHO ARE BREASTFEEDING.—Section 17(d)(3)(A) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(d)(3)(A)) is amended by adding at the end the following: ''A State may certify breast-feeding women for up to 1 year, or until women stop breast-feeding, whichever is earlier.''

(b) PHYSICAL PRESENCE REQUIREMENT.—Section 17(d)(3)(C)(ii) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(d)(3)(C)(ii)) is amended—

(1) in subclause (I)(bb), by striking ''from a provider other than the local agency; or'' and inserting a semicolon;

(2) in subclause (II)(cc), by striking the period at the end and inserting ''; and''; and

(3) by inserting after subclause (II) the following:

''(III) an infant under 8 weeks of age—

''(aa) who cannot be present at certification for a reason determined appropriate by the local agency; and

''(bb) for whom all necessary certification information is provided.''.

(c) PROCESSING APPLICATIONS UNDER SPECIAL CIRCUMSTANCES.—Section 17(f)(1)(C) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(f)(1)(C)) is amended by—

(1) redesignating clauses (ix) and (x) as clauses (x) and (xi), respectively; and

(2) inserting after clause (viii) the following:

''(ix) procedures whereby a State agency may accept and process vendor applications outside of the established time-frames, such as in situations in which a previously authorized vendor changes ownership under circumstances that do not permit timely notification to the State agency of such change in ownership;''.

(d) RESCHEDULING POLICIES.—Section 17(f)(19) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(f)(19)) is amended—

(1) in subparagraph (A), by striking ''; and'' and inserting a semicolon;

(2) in subparagraph (B), by striking the period and inserting ''; and''; and

(3) by adding at the end the following:

''(C) require local agencies that schedule certification appointments to permit an applicant or participant to reschedule an appointment to apply or be recertified for the program.''.

SEC. 404. REVIEWS OF AVAILABLE SUPPLEMENTAL FOODS.

(a) SCIENTIFIC REVIEW.—Section 17(f)(11) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(f)(11)) is amended to read as follows:

''(11)(A) The Secretary shall prescribe by regulations the supplemental foods to be made available in the program under this section. To the degree possible the Secretary shall assure that the fat, sugar, and salt content of the prescribed foods is appropriate.

''(B) Beginning in 2013 and every 10 years thereafter, or more frequently if determined by the Secretary to be necessary to reflect current scientific knowledge, the Secretary shall conduct a scientific review of the supplemental foods available in the program and recommend, as necessary, changes to reflect nutrition science, current public health concerns, and cultural eating patterns.''.

(b) RULEMAKING.—The Secretary shall promulgate a final rule updating the prescribed supplemental foods available through the program authorized under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786) within 18 months of receiving the review of the food package for such program undertaken by the National Academy of Sciences, Institute of Medicine in September 2003.

SEC. 405. NOTIFICATION OF VIOLATIONS AND INFANT FORMULA BENEFITS.

Section 17(f) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(f)) is amended by adding at the end the following:

''(25) NOTIFICATION OF VIOLATIONS.—If a State agency finds that a vendor has committed a violation that requires a pattern of occurrences in order to impose a sanction, the State agency shall notify the vendor of the initial violation in writing prior to documentation of another violation, unless the State agency determines that notifying the vendor would compromise an investigation.

''(26) INFANT FORMULA BENEFITS.—

''(A) IN GENERAL.—The State agency may round up to the next whole can of formula to ensure that all participants receive the full-authorized nutritional benefit specified by regulation.

''(B) LIMITATION.—For formula covered by infant formula contracts, subparagraph (A) shall take effect as contracts are awarded under bid solicitations made on or after October 1, 2004.''.

SEC. 406. HEALTHY PEOPLE 2010 INITIATIVE.

Section 17(h)(4) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)(4)) is amended—

(1) in subparagraph (D), by striking ''; and'' and inserting a semicolon;

(2) in subparagraph (E), by striking the period at the end and inserting ''; and''; and

(3) by inserting after subparagraph (E) the following:

''(F) partner with communities, State and local agencies, employers, health care professionals, and the private sector to build a supportive breastfeeding environment for women participating in the program under this section to support the breastfeeding goals of the Healthy People 2010 initiative.''.

SEC. 407. COMPETITIVE BIDDING.

Section 17(h)(8)(A) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)(8)(A)) is amended by adding at the end the following:

''(iv) REBATE INVOICES.—Each State agency shall have a system to ensure that infant formula rebate invoices, under competitive bidding, provide a reasonable estimate or an actual count of the number of units sold to participants in the program under this section.

''(v) CENT-FOR-CENT ADJUSTMENTS.—A bid solicitation for infant formula under the program made on or after October 1, 2004 shall require the manufacturer to adjust for price changes subsequent to the opening of the bidding process in a manner that requires—

''(I) a cent-for-cent increase in the rebate amounts if there is an increase in the lowest national wholesale price for a full truckload of the particular infant formula; or

''(II) a cent-for-cent decrease in the rebate amounts if there is a decrease in the lowest national wholesale price for a full truckload of the particular infant formula.''.

SEC. 408. FRUIT AND VEGETABLE PROJECTS.

Section 17(h)(10)(B)(ii) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)(10)(B)(ii)) is amended by inserting after ''under this section'' the following: '', which may include demonstration projects in up to 10 local sites, determined to be geographically and culturally representative of local States and Indian agencies, to evaluate the inclusion of fresh, frozen, or canned fruits and vegetables (to be made available through private funds) as an addition to the supplemental food provided under this section''.

SEC. 409. PRICE LEVELS OF RETAIL STORES.

Section 17(h)(11) of the Child Nutrition Act of 1966 is amended by adding at the end the following:

''(C) ADDITIONAL REQUIREMENTS.—

''(i) The State agency shall evaluate a vendor applicant based on its shelf prices or on the prices it bids for supplemental foods, which may not exceed its shelf prices.

''(ii) The State agency shall establish price limitations on the amount that it will pay vendors for supplemental foods. The State agency shall ensure that price limitations do not result in inadequate participant access by geographic area.

''(iii) In establishing competitive price and price limitation requirements, the State agency may exclude pharmacy vendors that supply only exempt infant formula or medical foods that are eligible under the program.

''(iv) The State agency shall establish competitive price requirements and price limitations for vendor peer groups, as necessary to ensure that prices paid to vendors are competitive. Vendor peer group competitive price requirements and price limitations may reflect reasonable estimates of varying costs of acquisition of supplemental foods.

''(D) INCENTIVE ITEMS.—The State agency shall not authorize a retail food store that provides incentive items or other free merchandise to program participants if funds available under this program were used to purchase such items or merchandise.

''(E) RULES OF CONSTRUCTION.—Nothing in this section may be construed to authorize violation of the Sherman Antitrust Act (15 U.S.C. 1 et seq.) or the Robinson-Patman Act (15 U.S.C. 13 et seq.).''.

SEC. 410. MANAGEMENT INFORMATION SYSTEMS.

Section 17(h)(12) of the Child Nutrition Act of 1996 (42 U.S.C. 1786(h)(12)) is amended—

(1) by amending subparagraph (B) to read as follows:

''(B) ELECTRONIC BENEFIT TRANSFER SYSTEMS.—

''(i) IN GENERAL.—All States that receive Federal funds for design or implementation of electronic benefit transfer (EBT) systems for the program under this section shall use technical specifications or standards, as applicable, as determined by the Secretary, except as provided in clause (ii).

''(ii) EXISTING SYSTEMS.—EBT systems for the program under this section that are in development or are issuing benefits as of the date of enactment shall be required to submit within 6 months after the date of enactment of this subparagraph a plan for compliance.

''(iii) WAIVER.—The Secretary may waive compliance with this subparagraph for State EBT systems for the program under this section that are issuing benefits as of the date of enactment of this subparagraph until such time that compliance is feasible.''; and

(2) by amended subparagraph (C) to read as follows:

''(C) UNIVERSAL PRODUCT CODES DATABASE.—The Secretary shall implement a national Universal Product Code Database for use by all State agencies in carrying out the program and shall make available from appropriated funds such sums as may be required for hosting, hardware, and software configuration, and support.''.

SEC. 411. INFANT FORMULA FRAUD PREVENTION.

Section 17(h) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)) is further amended by adding at the end the following:

''(13) APPROVED PROVIDERS OF INFANT FORMULA.—

''(A) IN GENERAL.—The State agency shall maintain a list of infant formula manufacturers, wholesalers, distributors, and retailers approved to provide infant formula to vendors.

''(B) LIST.—The list required under subparagraph (A) shall include food manufacturers, wholesalers, distributors, and retailers licensed in the State in accordance with State law and regulations to distribute infant formula and food manufacturers registered with the U.S. Food and Drug Administration that provide infant formula.

''(C) PURCHASE REQUIREMENT.—Vendors authorized to participate in the program under this section shall purchase infant formula from the list required under subparagraph (A).''.

SEC. 412. STATE ALLIANCES.

Section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786) is further amended—

(1) in subsection (b) by adding at the end the following:

''(22) 'State alliance' means 2 or more State agencies that join together for the purpose of procuring infant formula by soliciting competitive bids.''; and

(2) in subsection (h)(8)(A) by adding at the end the following:

''(vi) SIZE OF STATE ALLIANCES.—No State alliance may form among States whose infant participation exceeds 200,000 based on program participation as of October 2003, except that—

''(I) an alliance among States with a combined 200,000 infant participants as of October 2003 may continue, and may expand to include more than 200,000 infants, but may not expand to include any additional State agencies that were not included in the alliance as of October 1, 2003, other than as provided in subclause (II); and

''(II) any State agency serving fewer than 5,000 infant participants as of October 2003, or any Indian Tribal Organization, may request to join any State alliance.''.

SEC. 413. LIMITS ON EXPENDITURES.

Section 17(i)(3)(A)(ii)(I) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(i)(3)(A)(ii)(I)) is amended by striking ''1 percent'' and inserting ''3 percent''.

SEC. 414. MIGRANT AND COMMUNITY HEALTH CENTERS INITIATIVE.

Section 17(j) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(j)) is amended by striking paragraph (4) and redesignating paragraph (5) as paragraph (4).

SEC. 415. DEMONSTRATION PROJECTS.

(a) CHILD NUTRITION ACT OF 1966.—Section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786) is amended by striking subsection (r).

(b) NATIONAL SCHOOL LUNCH ACT.—Section 12 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1760) is amended by striking subsection (p).

SEC. 416. AUTHORIZATION OF APPROPRIATIONS.

(a) REAUTHORIZATION OF PROGRAM.—Section 17(g) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(g)) is amended by striking

''(g)(1) There are authorized'' and all that follows through ''through 2003.'' in paragraph (1) and inserting the following:

''(g) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—There is authorized to be appropriated to carry out this section such sums as are necessary for each of fiscal years 2004 through 2008.''.

(b) NUTRITION SERVICES AND ADMINISTRATION FUNDS.—Section 17(h) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)) is amended—

(1) in paragraph (2)(A), by striking ''1995 through 2003'' and inserting ''2004 through 2008''; and

(2) in paragraph (10)(A), by striking ''1995 through 2003'' and inserting ''2004 through 2008''.

(c) FARMERS' MARKET NUTRITION PROGRAM.—Section 17(m)(9)(A)(i) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(m)(9)) is amended to read as follows:

''(i) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection such sums as are necessary for each of fiscal years 2004 through 2008.''.

TITLE V—REAUTHORIZATION, MISCELLANEOUS PROVISIONS, AND EFFECTIVE DATE

SEC. 501. TRAINING, TECHNICAL, AND OTHER ASSISTANCE.

Section 21(a) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769b–1(a)) is amended—

(1) by amending paragraph (1) to read as follows:

''(1) subject to the availability of and from amounts appropriated pursuant to subsection (g)(1), shall provide—

''(A) training and technical assistance to improve the skills of individuals employed in food service programs carried out under this Act, section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773), and, as appropriate, other federally assisted feeding programs;

''(B) training and technical assistance to States, State agencies, schools, and school food authorities in the procurement of goods and services for programs under this Act and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), including training and technical assistance to ensure compliance with section 12(n) of this Act (42 U.S.C. 1760(n));

''(C) assistance, on a competitive basis, to State agencies for the purpose of aiding schools and school food authorities with at least 50 percent of enrolled children certified to receive free or reduced price meals, and, if there are any remaining funds, other schools and school food authorities in meeting the cost of acquiring or upgrading technology and information management systems for use in food service programs carried out under this Act and section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773) if the school or school food authority submits to the State agency an infrastructure development plan that addresses the cost savings and improvements in program integrity and operations that would result from the use of new or upgraded technology in—

''(i) methods to ensure that there shall not be any overt identification of any such child by special tokens or tickets, announced or published list of names, or by any other means;

''(ii) processing and verifying applications for free and reduced price school meals;

''(iii) integrating menu planning, production, and serving data to monitor compliance with section 9(f)(1); and

''(iv) establishing compatibility with statewide reporting systems;

''(D) assistance, on a competitive basis, to State agencies with low proportions of schools or students that participate in the school breakfast program under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773) and that demonstrate the greatest need, for the purpose of aiding schools in meeting costs associated with initiating or expanding a school breakfast program under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773), including outreach and informational activities; and''; and

(2) in paragraph (2), by striking ''subsection (e)(2)'' and inserting ''subsection (g)(2).''

SEC. 502. NOTICE OF IRRADIATED FOOD.

Section 14 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1762*a*) is amended by adding at the end the following:

''(h) NOTICE OF IRRADIATED FOOD.—The Secretary shall develop policy and establish procedures for the purchase and distribution of irradiated food products in Federal school meals programs. The policies and procedures shall ensure at a minimum that—

''(1) irradiated food products are made available only at the request of States and school food authorities;

''(2) reimbursements to schools for irradiated food products are equal to reimbursements to schools for non-irradiated products;

''(3) States and school food service authorities are provided factual information on the science and evidence regarding irradiation technology, including notice that irradiation is not a substitute for safe food handling techniques and any such other information necessary to promote food safety in school meal programs;

''(4) States and school food service authorities are provided model procedures for providing factual information on the science and evidence regarding irradiation technology and any such other information necessary to promote food safety in school meals to school food service authorities, parents, and students regarding irradiation technology;

''(5) irradiated food products distributed to the Federal school meals program are labeled with a symbol or other printed notice indicating that the product was treated with irradiation and is prominently displayed in a clear and understandable format on the container;

''(6) irradiated products are not commingled with non-irradiated products in containers; and

''(7) encourages schools that offer irradiated foods to offer alternatives to irradiated food products as part of the meal plan used by schools.''.

SEC. 503. SENSE OF CONGRESS.

Section 12 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1760) is further amended by adding at the end the following:

''(p) SENSE OF CONGRESS.—It is the sense of Congress that Federal resources provided under this Act and the Child Nutrition Act of 1966 dedicated to child nutrition should support the most effective programs within the Federal agency that is most capable of assisting children in nutritional need. Congress encourages the elimination of initiatives that are duplicative of other Federal efforts, particularly those that are duplicative of programs conducted under this Act and the Child Nutrition Act of 1966.''.

SEC. 504. REAUTHORIZATION OF PROGRAMS.

(a) STATE ADMINISTRATIVE EXPENSES.—Section 7(i) of the Child Nutrition Act of 1966 (42 U.S.C. 1776(g)) (as amended by this Act) is amended by striking ''2003'' and inserting ''2008''.

(b) COMMODITY DISTRIBUTION PROGRAM.—

(1) Section 14(a) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1762a(a)) is amended by striking ''March 31, 2004'' and inserting ''September 30, 2008''.

(2) Section 15(e) of the Commodity Distribution Reform Act and WIC Amendments of 1987 (7 U.S.C. 612c note; Public Law 100–237) is amended by striking ''April 1, 2004'' and inserting ''October 1, 2008''.

(c) PURCHASES OF LOCALLY PRODUCED FOODS.—Section 9(j)(2)(A) of the Richard B. Russell National School Lunch Act (42 U.S.C. 758(j)(2)(A)) is amended by striking ''2007'' and inserting ''2008''.

(d) TRAINING, TECHNICAL ASSISTANCE, AND FOOD SERVICE MANAGEMENT INSTITUTE.—Section 21(g)(1) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769b-1(e)(1)) (as amended by this Act) is further amended by striking ''for each of fiscal years 1992 through 2003'' and inserting ''for fiscal year 2004, and such sums as may be necessary for fiscal years 2005 through 2008''.

(e) COMPLIANCE AND ACCOUNTABILITY.—Section 22(d) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769c(d)) is amended by striking ''2003'' and inserting ''2008''.

SEC. 505. EFFECTIVE DATES.

The amendments made by sections 101, 104, 105(a), 202, 410, 416, and 504 shall take effect on the date of enactment of this Act. The amendments made by sections 201 and 208(c) shall take effect on July 1, 2005. All other amendments made by this Act shall take effect October 1, 2004.

The SPEAKER pro tempore (Mr. FOSSELLA). Pursuant to the rule, the gentleman from Ohio (Mr. BOEHNER) and the gentlewoman from California (Ms. WOOLSEY) each will control 20 minutes.

The Chair recognizes the gentleman from Ohio (Mr. BOEHNER).

GENERAL LEAVE

Mr. BOEHNER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 3873.

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

There was no objection.

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

Mr. Speaker, I rise in support of this measure, which represents months of hard work and commitment to bipartisan cooperation. In that spirit, we have before us a bill that will extend the life of the Federal child nutrition programs while strengthening program integrity, ensuring effective use of Federal resources, and providing continued nutrition services for millions of American children.

First and foremost, I would like to thank the author of this bill and those who have worked closely with him to reach our shared goal of strengthening Federal child nutrition programs. The chairman and ranking member of the Subcommittee on Education Reform, the gentleman from Delaware (Mr. CASTLE) and the gentlewoman from California (Ms. WOOLSEY), deserve a great deal of credit for their hard work and cooperation that have brought this bill before us today. I would also like to thank the gentleman from California (Mr. GEORGE MILLER), the ranking member of the committee, for his continued commitment to a bipartisan, cooperative process.

The Federal child nutrition programs ensure millions of needy children have access to healthy and nutritious meals. The investment in these programs is considerable, and so is our obligation to ensure our Federal resources are being used effectively and efficiently. Children and families depend on the Federal child nutrition programs, and they depend on us to ensure that these programs are being administered with integrity.

The Child Nutrition Improvement and Integrity Act reauthorizes the National School Lunch and Breakfast programs, Child and Adult Care Food program, After-School Snack program, the Summer Food Service program, the Special Supplemental Nutrition Program for Women, Infants and Children. Taken together, the reforms in this bill will help ensure we are making the most of Federal child nutrition resources, while being mindful of program quality and integrity.

The bill before us strikes, I think, an important balance between our desire to promote healthy nutritional choices and physical activity among children, and the need to preserve local control for schools, communities, and States. The gentleman from Delaware (Mr. CASTLE), the author of this bill, has been a leader in our efforts to reduce the epidemic of child obesity by promoting a comprehensive approach that includes nutrition education and physical activity. In particular, the establishment of local wellness policies, written at the local level to reflect local needs, marks significant progress that will promote nutrition education and increase physical activity in schools while maintaining local control.

To improve program integrity within the Federal child nutrition programs and ensure access for eligible children, the legislation makes a number of positive reforms. The bill allows children whose parents are in the Armed Forces and living in privatized military housing to continue to receive free or reduced-price meals in school if they meet the eligibility requirements. It also helps the parents by allowing them to submit a single application for multiple children and ensures enrollment of eligible children through the use of direct certification of school lunch eligibility for those children in families receiving food stamps.

Importantly, the Child Nutrition Improvement and Integrity Act also takes steps to reduce paperwork by allowing school lunch certifications to be valid for one full year, preventing situations in which schools are forced to repeatedly certify children within a single school year. The bill also includes a provision originally proposed by the gentleman from Florida (Mr. KELLER) to help reduce the stigma amongst children receiving free and reduced-price lunches by helping schools make technological improvements such as automated meal card systems that keep students' financial status confidential. That, in fact, will also increase the efficiency of program operations.

These are just a few of the numerous reforms that will ensure eligible children and families access to services and Federal resources that are being effectively leveraged to serve children in need.

I would also like to recognize the gentleman from Michigan (Mr. UPTON) and the gentleman from Wisconsin (Mr. KIND) for their commitment to encouraging partnerships that allow fresh and local produce to go from farms to schools. In recognizing the success and popularity of the fruit and vegetable pilot program, which provides free fresh and dried fruits and fresh vegetables to children in 25 schools in each of four States and on one Indian reservation, I am pleased that the bill before us authorizes the continuation and expansion of this valuable program.

The act before us will prevent important nutritional programs from expiring, while ensuring that they continue to operate effectively and efficiently. I am pleased to support this measure and encourage my colleagues to join me in voting ''yes'' and ensuring the availability of nutritional services for millions of vulnerable children and their families.

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

Ms. WOOLSEY. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. GEORGE MILLER), the ranking member of the Committee on Education and the Workforce.

Mr. GEORGE MILLER of California. Mr. Speaker, I thank the gentlewoman for yielding me such time as I may consume, as long as I do not go on and on.

Mr. Speaker, I want to thank the majority for working with us and for bringing this bill to the floor today. I want to thank the chairman, the gentleman from Ohio (Mr. BOEHNER), and the gentleman from Delaware (Mr. CASTLE), the chairman of the subcommittee, for their efforts, as well as the ranking member of the subcommittee, the gentlewoman from California (Ms. WOOLSEY), for her participation and effort in arriving at this compromise, which I think is a very good bill on child nutrition. I also want to thank the American School Food Service Association for all of their years of effort to improve the quality of this program, to expand its coverage of this program, and for continuously looking after the nutritional state of our schoolchildren, especially since we now so clearly understand the link between nutrition and school performance among children.

Over 27 million schoolchildren take advantage of the school meals program every day. More than 2 million children receive meals during the summer, and the Child and Adult Care Food program provides over 1.5 million meals to children in child care programs. The Women, Infants and Children program provides information on healthy eating and nutritious foods for nearly 7.5 million poor women and their children. Clearly, families still struggle to provide their children with healthy meals, and the need for quality nutrition continues to exist in this country.

Mr. Speaker, H.R. 3873 acknowledges these needs, and it contains significant program improvements to allow more and more low-income children to access these programs in schools, after-school programs, child care centers, and through the Women, Infants and Children program. These policies reflect common sense in these programs. If a child is deemed to be eligible for both the Federal assistance programs, they should be eligible for free and reduced-price meals. The bill removes barriers for migrant children and homeless and runaway youth by making them automatically eligible for school meal programs. It continues a provision to allow children in low-income and military families to participate in these programs.

While many of us would have liked to go further to eliminate the reduced-price category of meals so that more children could eat for free, this bill makes headway in assuring that children who are eligible for these programs are, in fact, receiving the meals. These program improvements are laudable, and I support the bill for all of these reasons.

I am, however, disappointed that at a time when the trends in childhood obesity rates reveal a disturbing health crisis, we did not take the opportunity presented to us to improve the quality of foods available to children in the school meals program.

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Obesity rates have doubled for children and tripled for adolescents in just for over the last two decades. More children are experiencing adults' health problems such as high blood cholesterol, high blood pressure, Type II diabetes, all of which is contributed to the threefold increase in annual hospital costs for obesity-related diseases in children over the past 20 years. This Nation can no longer ignore the cost of this problem to our children and to the health care system in this country.

We can all agree that there are no simple solutions to the issue of childhood obesity. The local wellness policy that will now be required of schools is a good start, as is a new emphasis on physical activity. However, this is not an adequate response to the health problems facing millions of children and youth.

The Federal Government can and should address the nutritional quality of food available in schools. Without Federal guidelines on this issue, the overall quality of the school meal programs is significantly undermined and children will continue to be surrounded by unhealthy food choices in schools. I will continue to press for action on this area, and I hope that the chairman will

join me, as will the members of the committee.

This is a significant reauthorization. It is a substantial improvement in the existing programs and I urge all of my colleagues to support this legislation.

Mr. BOEHNER. Mr. Speaker, I yield 4 minutes to the gentleman from Delaware (Mr. CASTLE), the author of the bill and the chairman of the Subcommittee on Education Reform.

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

The bill before us today represents several months of hard work, cooperation and dedication to strengthening nutritional services for vulnerable children. I am pleased to have this bill before us and to have the support of so many members of committee, including the gentleman from California (Mr. GEORGE MILLER) and gentlewoman of California (Ms. WOOLSEY) and obviously the great help of the gentleman from Ohio (Mr. BOEHNER) and all the work that he did.

The fact that this is on a 40-minute calendar situation does not show the kind of work that went into getting it ready for the floor here today. I thank all those people.

The Child Nutrition Improvement and Integrity Act makes a number of positive reforms focusing on reaching three main goals: ensuring eligible children have access to services, promoting comprehensive solutions to the health and nutrition of children, and strengthening program integrity to ensure Federal resources are being effectively leveraged to serve children who qualify.

The bill reauthorizes the National School Lunch and Breakfast programs, Child and Adult Care Food program, After-School Snack program, Summer Food Service program, and the Special Supplemental Nutrition Program For Women, Infants and Children, which we know as WIC, and I think it goes a long way in strengthening these programs on behalf of disadvantaged children and their families.

While the bill includes a variety of important reforms, there are a few I would like to mention specifically. With little money to work with, we were able to increase access to child nutrition programs for eligible children. For example, the bill extends participation for eligible children whose parents are in the Armed Forces and living in privatized military housing so these children may continue receiving free or reduced-price meals. This provision alone would benefit 250 children in my home State of Delaware and up to 100,000 children nationwide.

The Federal Government invests roughly $16 billion annually in child nutrition programs. Ensuring the effective use of these resources by enhancing program integrity has been a top priority for me during the reauthorization process to ensure that children who deserve these services are receiving them and those who do not are not. To this end, we have taken steps to reduce administrative error, improve accuracy, and enhance accountability for program administration.

Finally, I would like to highlight an issue of particular concern to me, childhood obesity. During visits to schools over the past several years, I have noticed a growing number of obese children. We all recognize the fact that obesity has reached epidemic proportions in our Nation. Defeating this crisis will require the work of many, including schools, parents, government, the health community, and industry.

The bill before us today also includes important steps to promote comprehensive solutions to child health and nutrition, including provisions to promote nutritional education and physical activity at the State and local level.

H.R. 3873 also asks that local educational agencies have a local wellness policy. The policy will include goals for nutrition education and physical activity and include nutrition guidelines for foods sold in schools. Developed in consultation with parents, students, school food service professionals, school boards and administrators, and the public, the wellness policies will serve as a catalyst for encouraging a larger dialogue on how to combat obesity.

The Child Nutrition Improvement and Integrity Act is the result of cooperative efforts to strengthen nutritional services provided to needy children and families through the various child nutrition programs. I would like to thank my colleagues for their cooperation in bringing this bill forward, and I urge its passage.

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

Mr. Speaker, I rise in support of H.R. 3873, the Child Nutrition Improvement and Integrity Act, which reauthorizes the Federal Child Nutrition programs. This is a bipartisan bill. It was unanimously reported out of the Committee on Education and the Workforce, and I thank the chairman of the full committee and the gentleman from Delaware (Mr. CASTLE), chairman of the Subcommittee on Education Reform, for working in good faith with the ranking member, the gentleman from California (Mr. GEORGE MILLER) and myself in getting to this point.

But I want to say that we would not be here without the great staffs on both sides of the aisle. I thank the staffs so much.

While there is more that I would have liked to do in this reauthorization such as a full expansion of the free breakfast program for all kids, no matter their economic status, and tighter restrictions on the junk food that is sold in schools, the Child Nutrition and Improvement and Integrity Act does improve the Federal Child Nutrition programs in many important ways.

H.R. 3873 improves accuracy in school meals programs without dropping eligible children; makes it easier for eligible students to get free and reduced-price meals by making the application process easier; makes homeless and migrant youth and children, whose families receive food stamps, automatically eligible for free meals; allows youth up to age 18 to participate in meal programs if they are living in domestic violence or homeless shelters; increases start-up and expansion grants for school breakfast programs; and includes a study for the best ways to overcome common barriers to offering breakfast at schools; helps students make better food choices, and fight obesity with Team Nutrition which provides nutrition education to students and training and support to improve the nutrition of foods sold in school; requires school districts to develop a local ''wellness policy'' which addresses both what students eat at school and the role that physical activity plays in good health.

This bill creates greater opportunities for schools to include fresh and dried fruits and fresh vegetables in school meals, gets our very youngest children off to a healthy start with the new WIC Fruit and Vegetable pilot program that will study the benefits of including fruits and vegetables in the WIC food package.

In conclusion, Mr. Speaker, the Child Nutrition Improvement and Integrity Act improves the nutritional well-being of low-income children by improving the Federal child nutrition programs. H.R. 3873 proves that child nutrition truly is bipartisan and it is a priority of this Congress. I urge my colleagues to support it.

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

Mr. CASTLE. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. CARTER).

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

Mr. CARTER. Mr. Speaker, I rise in support of H.R. 3873, the Child Nutrition Improvement and Integrity Act, which includes language which I offered to stop infant formula theft.

Stolen infant formula is a major problem throughout the country, including Texas. In 2003, an international crime ring stole and sold as much as $2.5 million worth of baby formula a month in Texas. Testimony before the Congress revealed that some of the proceeds may go to terrorism. Undercover work also shows that this extends across the United States.

After being stolen, the formula is stored and sometimes repackaged with phony expiration dates and then it is sold to small convenience stores in the United States. The stolen formula is often resold to customers using vouchers from federally funded Women, Infants and Children programs. Undercover agents say WIC is unwittingly the number one fence for this operation in the country.

Section 409 of this legislation requires the State agencies to license and

maintain a list of infant formula manufacturers, wholesalers, distributors and retailers approved to provide infant formula to the vendors. This section closes the loopholes that would allow crime rings to steal infant formula and resell this formula to the retailer, who often is unaware that the formula is stolen.

I want to thank the gentleman from Ohio (Mr. BOEHNER), along with his staff, including Kate Howston and Stephanie Milburn for the important work they have done on this legislation.

Ms. WOOLSEY. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. LEE), who has very effectively added the irradiation part of this bill.

Ms. LEE. Mr. Speaker, let me thank the chairman of the committee and subcommittee and the gentlewoman from California (Ms. WOOLSEY) and the gentleman from California (Mr. GEORGE MILLER) for their incredibly hard work on this very important program.

Let me talk about the provision of the bill dealing with irradiated food in the National School Lunch program. Today, over 27 million low-income children throughout the Nation have come to rely on the National School Lunch program and also the breakfast program for a healthy and nutritious meal. In many cases, these programs provide the only source of information and nutrition that these children receive all day. So really it is very important that we provide healthy, nutritious meals to these students and information to their parents so that they know what they are eating.

Basically when it comes to irradiated food, food of course that is really bombarded with gamma rays or electrons, there is no requirement in law that schools must notify parents or students about what they are eating or even that irradiated food is being served in schools. So that is why I introduced the Right To Know School Nutrition Act, which was intended to do just that.

I want to thank the gentlewoman from California (Ms. WOOLSEY) and the gentleman from California (Mr. GEORGE MILLER) for making sure that the provisions of that bill are included in this bill.

Mr. CASTLE. Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. KELLER).

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

Mr. Speaker, I rise today to support H.R. 3873, the Child Nutrition Improvement and Integrity Act. I support this legislation not only because it strengthens the current school lunch program, but more specifically, it included language in the bill that I introduced called the Pride in the Lunch Line Act, H.R. 3869. The Pride in the Lunch Line Act amends the National School Lunch Act to allow schools access to existing Federal funds to purchase technology. This technology would allow low-income children to go through the lunch line without being identified as recipients of the free or reduced-price lunch program.

I support this legislation because it addresses an issue many low-income children face every day as they go through the lunch line, and that is embarrassment, embarrassed that their parents cannot afford to pay for daily meals so they are singled out in the lunch line in front of their peers as participants in the free or reduced lunch program.

I have modeled my legislation after a program in one of my local school districts, Lake County, Florida, that uses technology to enable every child to go through the school lunch line without being identified as a free or reduced lunch recipient. Regardless of family income, every child has the exact same debit card which either their parents deposit money into or is funded by the program.

This legislation will expand existing Federal funds to allow more schools across the Nation to implement similar technology programs. It will reduce the stigma for students and reduce the paperwork for schools. For these reasons, I encourage my colleagues to vote ''yes'' on the Child Nutrition Improvement and Integrity Act.

Ms. WOOLSEY. Mr. Speaker, how much time remains on both sides?

The SPEAKER pro tempore (Mr. FOSSELLA). The gentlewoman from California (Ms. WOOLSEY) has 12 minutes remaining. The gentleman from Delaware (Mr. CASTLE) has 8 minutes remaining.

Ms. WOOLSEY. Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. RYAN), a member of the committee.

Mr. RYAN of Ohio. Mr. Speaker, I thank the gentlewoman for yielding me time.

Obesity will soon take over smoking as the number one cause of death in America; and in 2020, one of every five health care dollars will be spent fighting obesity. This is a good bill, but we can do much more.

We teach our kids in our schools to eat healthy, but then we have vending machines full of junk food all over the schools. And I think one of the issues we need to address is to give the Secretary of the Agriculture the ability to regulate food in the food service areas and outside.

If we tell our kids that they have to eat at a certain standard, a certain level in the food service area, we should also be able to regulate that outside. We feed our kids, basically, garbage.

□ 1315

We wonder why they misbehave in class and we wonder why they cannot sit still, and then we put them on Ritalin to get them back under control.

This is a fiscally responsible way to go about it. It will save us money in the long run. It will save our health care system money, and quite frankly, our kids deserve better. We cannot be sending them mixed signals saying, Eat well, but only during lunchtime, and after lunchtime they can drink as much Coke and eat as much junk food as they possibly want.

Mr. CASTLE. Mr. Speaker, I yield 2 minutes to the gentleman from Nebraska (Mr. OSBORNE).

Mr. OSBORNE. Mr. Speaker, I would like to thank the gentleman from Ohio (Chairman BOEHNER), the gentleman from Delaware (Chairman CASTLE), the gentleman from California (Mr. GEORGE MILLER), the gentlewoman from California (Ms. WOOLSEY) and, of course, their staffs.

I think this is a good bill. I am certainly in full support of it. It is a bipartisan bill and makes several needed changes to child nutrition. I would like to mention two of those that have particularly caught my attention.

Number one, it creates a grant program to educate students about wellness through a teen nutrition program. I guess it has been my experience that so few young people really understand what a balanced diet looks like, and so I think the educational component is very important.

Number two, it requires nutrition and physical education programs to be based on dietary and physical fitness guidelines issued by the Secretary of Health and Human Services. So we need some science-based standards because there are so many fad diets, fad exercises out there. Unless we have some uniform system, some uniform science-based standard, we are not going to do very well, and that bill does address that issue.

As has been mentioned over and over again, childhood obesity has doubled over the last 2 decades. This is due to two factors, one, poor nutrition, and number two, lack of exercise. The average child spends 6 hours a day watching television, playing with the computer or doing video games. So we see arteriosclerosis, we see diabetes occurring at earlier and earlier ages.

Obesity currently costs the United States $117 billion annually, and this figure is only going to continue to escalate, as has been pointed out previously, unless we curb childhood obesity. The best way to combat child obesity, the epidemic, is through education at an early age and promotion of physical activity. This bill takes steps to do that.

I certainly support it. I urge support of H.R. 3873.

Ms. WOOLSEY. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. KUCINICH).

Mr. KUCINICH. Mr. Speaker, while I support the passage of H.R. 3873 today, I cannot support the budget that constrained, limited and ultimately stunted its final form.

In the Committee on Education and the Workforce, we were told that funding was not available to eliminate the

reduced-price category to allow more low-income children to receive school meals, often their only meals, for free. We were also told that the budget resolution did not allow for any expansion of school breakfasts and other programs.

H.R. 3873 now comes before this House on a suspension calendar, perhaps to ensure that Members cannot offer amendments that might add additional costs to this bill. I had planned to offer an amendment that would have allowed schools to offer free breakfasts to students on the mornings they are scheduled to take a No Child Left Behind assessment.

The NEA, the Ohio PTA, the National Farm Organization, the National Family Farm Coalition, the Community Food Security Coalition and others supported this amendment. Millions of parents, teachers, students and school administrators would have also supported it, along with other positive changes, but all further improvements and expansions are blocked in this bill.

In contrast, later today we will debate a budget bill that allocates $10.2 billion, a 13 percent increase from last year, on a missile defense system that does not work, while this morning we restrict to $16 billion a nutrition bill we all know does work but could work even better.

There is money to improve and expand education and nutrition, but situations like this force us to recognize lost opportunities that come about from tax cuts for the wealthiest and from unacccountable defense spending

I urge my colleagues to vote for H.R. 3873, but I also urge them to remember those left behind and left hungry by the administration's misguided agenda.

Mr. BOEHNER. Mr. Speaker, I am pleased to yield 2 minutes to the gentlewoman from Texas (Ms. GRANGER).

Ms. GRANGER. Mr. Speaker, today we are talking about a bill that requires schools to develop nutritional guidelines for all foods sold in schools. I support this bill, and I believe it is very important for schools to have specific nutritional guidelines in place so healthy food is served in our school cafeterias, but I also want to make sure that everyone realizes that nutritional guidelines are only one piece of the childhood obesity puzzle.

What we could overlook in this debate is that government-imposed guidelines can only do so much to prevent childhood obesity. If we really want to make a difference, we must focus on educating youth and their parents about the need to eat right and be physically active. Parents and their children must be acutely aware of the dangers of being overweight or obese.

We now know that being overweight can lead to diabetes, heart disease, stroke, hypertension, uterine cancer, breast cancer, kidney cancer, gall bladder cancer, pregnancy complications, psychological disorders, and that is not the entire list.

I say to parents and the Members today, do they know that people who are obese have a three times greater chance of dying in surgery due to complications? Did my colleagues know that obesity is costing this Nation almost as much as cigarette smoking? Did my colleagues know that over 40 million workdays are being lost each year to obesity?

Do I have all the answers to the problem? No, but I do know that educating our youth and their parents is the necessary first step. Education is knowledge and knowledge is empowerment.

This pamphlet, Healthy Habits for Healthy Kids, developed by experts from the American Dietetic Association is being passed out to 500,000 elementary age children in Texas, free of charge, in the coming weeks. It gives easy-to-understand hints and suggestions that help youth and their parents make better choices in their diets, like one appropriate serving of meat is about the size of a deck of cards and one appropriate serving of pasta or rice looks like a tennis ball. It also lays out a physical activity game plan that an entire plan can adhere to.

Efforts like these are going to make a dint in childhood obesity, one child and one parent at a time. As Members of Congress, we owe it to our constituents to educate them about the dangers of obesity.

School nutritional guidelines are only one piece of this puzzle. Americans have to make the right choices.

Ms. WOOLSEY. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. ANDREWS), a very important member of the committee.

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

Mr. ANDREWS. Mr. Speaker, I thank my good friend for yielding me the time.

I want to thank the gentleman from Ohio (Mr. BOEHNER), the gentleman from Delaware (Mr. CASTLE), the gentleman from California (Mr. GEORGE MILLER) and the gentlewoman from California (Ms. WOOLSEY) for their terrific leadership on this very important bill that helps a lot of children. I am honored to have had the chance to work with the committee on this bill and on four areas in particular that I think are a great step forward.

The first is children who are in WIC-eligible families that are eligible for the Women, Infants and Children Program. Some of these children were not enrolled in the school lunch program, even though they were legally entitled to, because the right forms were not filed. This bill gives States the option of automatically enrolling children who are in the WIC program in the school lunch program, which is an excellent idea.

The second thing we had the chance to work on was to make sure that children who attend for-profit schools and preschool centers will have a fair opportunity on a continuing basis to receive the benefits of this program. We think that every child, irrespective of the educational setting, ought to have that opportunity.

The third group of children that this helps are children in summer schools. We are learning through our research in education that many children benefit from year-round schooling, summer school in particular. This bill extends more school nutrition to more summer school students, and I was proud to help make that a reality.

Finally, there are a lot of children who for health or cultural or religious reasons prefer soy milk. The chairman deserves great credit for brokering a very good compromise on this issue, a very contentious issue, where under this bill if a parent sends a note to school with the child, expressing the desire that the child wishes to have soy milk, then the child gets it. That is a significant improvement over present law which requires a doctor's note, and I thank the chairman and the ranking member and the leaders of the subcommittee for making that very fine compromise a reality.

A lot of children will be helped by this bill. I am proud to support it. I congratulate its authors.

Ms. WOOLSEY. Mr. Speaker, I yield 2 minutes to the gentleman from Mississippi (Mr. THOMPSON).

Mr. THOMPSON of Mississippi. Mr. Speaker, I rise in support of H.R. 3873, the Child Nutrition Improvement and Integrity Act.

I would like to compliment the chairman and ranking member of the committee. They have brought a good bill to this House, and I urge my colleagues to vote for it.

Among its many important provisions, this legislation will promote the consumption of milk in our Nation's schools. I, along with a few other colleagues, introduced H.R. 3250, a bipartisan bill to promote school milk. The Child Nutrition Improvement and Integrity Act before us includes several provisions of H.R. 3250, and I appreciate the committee's efforts.

Under the child nutrition bill before us, milk will continue to be offered with every school meal. Schools will be able to offer a variety of fat levels. Schools will also be encouraged to offer a variety of flavors, as well as lactose-free milk for children who may be lactose intolerant, and regardless of any so-called exclusive sales contracts, schools will be able to sell milk anytime, anywhere on school property or at school events.

This bill is a fair, reasonable compromise on substitutes for milk. Schools will be able to offer substitute beverages at their option where a child has a medical or a special dietary need. Parents will be able to certify their special dietary need. They will not have to obtain a physician's statement.

Mr. Speaker, child nutrition programs are vital to all Americans. Our schools, our WIC clinics need the support of everyone in Congress. This bill renews and strengthens nutrition assistance and education and should pass unanimously. Please vote for this bill.

Ms. WOOLSEY. Mr. Speaker, I yield myself as much time as I may consume.

Again, I thank the staff for a bipartisan bill that was unanimously reported out of the Committee on Education and the Workforce.

I also thank ASFSA, FRAC, NEA, AFT, the Hispanic Education Coalition, the Food Policy Working Group, the National Association of State WIC Directors, who all played a major role. And to name the staff, Kate Houston, Stephanie Milburn, Krisann Pearce, Julian Baer and Sara Rittling on our side of the aisle; Lynda Theil, Denise Forte and Joe Novotny, on the other side of the aisle. They worked really hard to represent us well, and I thank them so very much.

There is something missing in this bill. We all know that if a child enters the classroom having had a nourishing breakfast, that child learns better, has better attendance and better discipline and tests better. But we have not ensured in this bill that every child will enter the classroom having had a nutritious breakfast. We have expanded the breakfast program by making it easier for those who are eligible or who want to participate in the program, making it easier for them to do that.

But, Mr. Speaker, some day this country's going to have to step up to the plate, understand children are 25 percent of our population. They are 100 percent of the future of this country, and unless they learn to the best of their ability, we are not going to have the country we want in the future.

So, in the future, and my colleagues can count on me, I am going to continue to talk about a universal school breakfast program for every single child in this Nation.

Mr. Speaker, I yield back my time.

Mr. BOEHNER. Mr. Speaker, I yield myself the balance of our time.

As we have seen during the debate today, this has been a very cooperative process, very bipartisan process, both sides of the aisle coming together to do what we can do to improve the nutrition services and nutrition programs that the Federal Government operates for millions of American children.

There is a lot more that a lot of people would want to do in the bill that we have before us, many things, unfortunately, that we cannot afford under the current budget to do, but I think it has been demonstrated that there is broad bipartisan support for this bill, and I would encourage Members to not let the perfect become the enemy of the good.

We have a good, sound bill before us that will, in fact, ensure that millions of needy children are served either through the school lunch program, the WIC program or the breakfast program. For many of these children, it may be the only meal that they get all day.

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Mr. Speaker, I would ask Members to support the bill. I also thank all of the staff, including Kate Houston on my staff, Stephanie Milburn, Krisann Pearce, Cindy Herrle, Julian Baer, Tyson Redpath who works in my personal office, and Sarah Rittling who works with the gentleman from Delaware (Mr. CASTLE), and all of our staff, Denise and others on the Democrat side for all of their hard work because they went through months and months of discussions and negotiations.

I also thank all of the groups, the outside groups from the food service administrators to all of those involved in helping us forge this bipartisan agreement. This was not a very easy bill, but it did become easy because there was good cooperation between both sides of the aisle, good understanding of the issues of what we could and could not do. And in the end, bipartisanship does work when Members put their minds together and try to come up with a product that is in the best interest of American children. I would encourage Members to vote for the bill.

Mr. RENZI. Mr. Speaker, I would like to thank Chairman JOHN BOEHNER of the Education and Workforce Committee for his leadership in the effort to reauthorize and improve Federal nutrition programs. Since our Nation's youth are facing increased problems of obesity, high cholesterol, diabetes, and malnutrition, these programs are vital. H.R. 3783, the Child Nutrition Improvement and Integrity Act, includes provisions to promote healthy choices among children, strengthen nutrition service programs, and ensure eligible children have access to services.

Of particular interest to my State of Arizona are the important provisions that will increase the availability of fruits and vegetables in Federal child nutrition programs. Most notably, section 307 expands the Fruit and Vegetable Pilot Program to additional States and Native American reservations. I strongly favor efforts to expand this program. In just a short span of time, the results of the original pilot program appear overwhelmingly positive, as reports from the original participating schools indicate increased consumption and demand for healthy fruits and vegetables.

I urge Secretary of Agriculture Ann M. Veneman to strongly consider expanding the Fruit and Vegetable Pilot Program to Arizona and its Native American reservations.

Arizona, and Indian reservations within the State, are perfect candidates for the program's expansion for a number of reasons. Arizona has great diversity in its student profile, both in race and national origin, that span from the rural areas to its inner city sections, to its Native American reservations. Having the State of Arizona as a participant would enable the United States Department of Agriculture to better determine how such a program would perform on a national basis.

Also, the need for fresh fruits and vegetables, and better overall nutrition, is especially acute in rural areas of Arizona, including Native American reservations. In general, these areas suffer from an aging transportation system, making it difficult and costly for distributors to deliver fruits and vegetables. If these items are available, they are often too expensive for many low income residents.

I have seen how a lack of proper nutrition impacts children in these areas, most notably on tribal lands. It is not uncommon for children in these areas to suffer from dysentery and other illnesses either complicated or caused by poor diets.

In addition, including Arizona and Native American reservations as participants would be money well spent. I have met with child nutrition advocates from Arizona and they are dedicated to providing school age children nutritious meals and are enthusiastic about the possibility of participating in this most important program. I will work to foster cooperation among school administrators, food service directors, and private sector participants to ensure that this program would be administered efficiently.

Arizona and its tribal lands are also prime candidates because the State boasts a thriving produce industry that specializes in a wide range of specialty crops. Because of strong agricultural industry within the state, Arizona schools will be able to secure private/public partnerships with the produce industry. This is a key factor in that section 307 of H.R. 3873 requires participating schools to secure at least 15 percent of operation funding from private industry, either through in-kind donations or monies. Arizona growers and farmers are willing participants and economically viable partners who are eager to form a partnership with Arizona's schools to provide the benefits of healthy fruits and vegetables to school age children.

Again, I thank you, as well as the bill's sponsor, Representative CASTLE, for your efforts in writing this legislation and promoting expansion of the Fresh Fruit and Vegetable Pilot Program. I hope that Arizona and its Native American reservations will be selected by the USDA as a participant under this most important program.

Mr. KIND. Mr. Speaker, I rise today in strong support of H.R. 3873, the Child Nutritional Improvement and Integrity Act. As a member of the Education and the Workforce Committee, I am pleased with the process in which this bill moved through the Committee; it is a critical bill that will greatly benefit our nation's children as well as family farmers.

Specifically, I am pleased that several provisions were included in the base bill, which I coauthored in previous legislation, H.R. 3250, the Child Nutrition Improvement Act of 2003, with Representatives BENNIE THOMPSON, GIL GUTKNECHT, and TOM PETRI, that will combat the increasing problem of child obesity through increased child milk consumption by preventing commercial beverage companies from pressuring schools to remove milk vending machines.

With 90 percent of teenage girls and 70 percent of teenage boys currently not getting enough calcium, it is imperative to provide increased availability of milk products in schools. This provision is necessary in light of recent stories about school districts being pressured to remove milk vending machines at a time when kids need milk more than ever. This amendment will ensure milk vending has a chance and that machines are not ripped out of schools; yet at the same time it does not force soda companies to sell milk. Wise choices can only be made when choice is provided and real milk vending is a logical part of a healthy school environment.

Another provision included in the base bill, from H.R. 3250, will improve child nutrition by making it easier for schools to offer milk in a

variety of flavors and fat contents to better meet students' varying tastes and needs, thereby increasing milk consumption by children. It is important to maintain milk's unique role in the reimbursable school milk programs. Since 1946, schools have offered milk with each school meal. The natural calcium found in milk plays a vital role in minimizing the risk of students developing calcium deficiency—which is already a serious problem, especially for our teenage girls, as I mentioned earlier.

During Committee consideration, I also offered an amendment that would have augmented the reimbursement rate for school meals in schools implementing a plan to increase milk consumption. Under this amendment schools would have been allowed to use various measures to enhance milk products sold in schools. The National Dairy Council and the American School Food Service Association conducted a school milk pilot test to specifically measure the impact of an enhanced milk product on milk consumption and student attitudes towards milk in schools.

The milk enhancements included: Plastic packaging and various sizes; a third flavor; improved storage and refrigeration; and better milk product merchandising.

The results of this pilot were significant in that they showed milk sales increased 18 percent in all participating schools and milk consumption increased 28 percent in elementary schools. I withdrew this amendment, however, with the Chairman's agreement to continue working on it between now and conference. I hope we will be able to work out a compromise and include it in reauthorization.

Numerous studies have proven how important milk is in young people's diets. A study published in 2002 in the Journal of the American Dietetic Association showed that teens who drink flavored milk drink fewer soft drinks and juice drinks, and have an overall better nutritional profile. Another study released recently found that children with the lowest intakes of dairy products gained much more body fat over an 8-year period and that a diet low in calcium may increase the levels of certain circulating hormones that in turn promote the storage of energy in fat cells.

Additionally, H.R. 3873 includes legislation that I sponsored with Representative UPTON, H.R. 2626, the Farm-to-Cafeteria Projects Act of 2003. This provision focuses on connecting local agriculture to schools in every State, through a competitive, one-time matching grant directly to local communities. This allows each locality to design a farm-to-cafeteria project tailored to specific farm and school community needs. Experience has shown that kids' food choices can be improved by connecting farms to the lunchroom. This program directly benefits the food and health needs of our Nation's children. At the same time, the program will help family farms, and provide markets and community support for agriculture.

A final amendment I offered in Committee authorized a 3-year pilot project in elementary schools that links the school breakfast program with morning educational activities, similar to those authorized in the 21st Century Community Learning Centers. The goal is to increase participation by removing the stigma that accompanies the current school breakfast program. If the school breakfast program is perceived as an enrichment program that will benefit all students, it is suggested that more students will participate.

Mr. Speaker, again, I am pleased to support this bill on the floor today and I look forward to continuing to working on it as we move towards conference. Our goal in the 21st century should be to ensure that every child receives proper nutrition needed to succeed in school. It is a simple fact: good nutrition is an educational tool that improves children's performances in school.

Mr. CARDOZA. Mr. Speaker, I rise today as Congress considers the H.R. 3873 Child Nutrition Improvement and Integrity Act to continue to advocate for achieving greater nutritional benefits for the children and needy of the United States.

However, first I must commend the Committee on Education and the Workforce for making important structural improvements in federal child nutrition programs in the bill we are considering on the floor today. H.R. 3873 will eliminate barriers to participation for low-income children and families in Federal feeding programs and will ensure greater access to critical nutrition programs. This bill also provides for an important pilot program to be implemented within the Women, Infant, and Children's (WIC) program to allow participants greater access to nutritionally valuable fruits and vegetables.

Unfortunately, I believe that the Committee has missed an important opportunity to address a national health epidemic facing our nation's children: the dramatic rise in childhood obesity. Obesity has recently become the leading cause of death among Americans. Furthermore, commitment to a healthy lifestyle begins at a young age and particularly among disadvantaged Americans. School feeding and other nutrition programs, often provide the only opportunities for the consumption of healthy foods. Quite simply, our Federal feeding programs have failed to keep pace with modern nutritional standards and have not provided full access to healthy choices critical to combating chronic diseases and obesity.

The are many bills currently pending before Congress, including one authored by myself and my colleague Representative ADAM PUTNAM from Florida, which mandates the use of scientifically proven nutritional guidelines such as the 5-A-Day program in school breakfast and lunch programs. As only 15 percent of elementary school students are currently consuming the required 5 servings a day of fruits and vegetables, stronger language in H.R. 3873 could have ensured that the foods available to children are nutritious, healthy and provide children with choices necessary to achieve a healthy lifestyle.

Additionally I believe that all WIC participants, not just those participating in the pilot program outlined in H.R. 3873, should have complete access to fruits and vegetables. It is unfortunate that since its inception almost 30 years ago, the WIC program has changed little in its dietary science. Consuming nutritionally rich foods has been proven time and again to combat disease and obesity we should be encouraging not discouraging WIC mothers to purchase these items for their families.

Again, I commend the legislation under consideration today for reducing barriers to accessing Federal nutrition programs, but I also strongly urge my Colleagues and the U.S. Department of Agriculture to remain vigilant in the challenge we face in providing America's children and needy individuals healthy nutritional choices.

Mr. GRIJALVA. Mr. Speaker, I would like to thank Mr. BOEHNER, Mr. CASTLE, Mr. MILLER, and Ms. WOOLSEY for working on this reauthorization in a bipartisan fashion. I am very pleased to see a number of provisions in this bill that will help the Hispanic community, and specifically the migrant and seasonal farm working community to access the services they are entitled to.

The average farm worker earns just $7,500 a year—leaving most of their families well below poverty level. The hardships that the children in these families face are only amplified by their migratory lifestyle. Their parents, who are poor, uneducated, and often with limited literacy in their native language, face many barriers in helping their children apply for services every time they move. These are the families that put food on our tables and these barriers are leaving their own children hungry. It is our responsibility to help them overcome these barriers because all children suffering from poverty deserve a nutritious lunch through this program.

This bill includes a number of provisions that will help these eligible children gain access to free or reduced price lunches. It requires that materials sent to the parents be in an understandable and uniform format, and to the extent practicable, in a language that the parents can understand. By dismantling literacy and language barriers many more eligible families will be able to access information and be empowered to better make sound choices regarding healthful diet and lifestyle.

Significant improvements have been made to the certification and verification process. Children will now be certified for one full year—helping migrant children in maintaining access through the school year, wherever they are. It will extend automatic eligibility to children who qualify for migrant educational services under the Elementary and Secondary Education Act. It allows for the direct certification of such children if they are identified by the district's migrant education coordinator. Schools will have the option to verify income data through Medicaid and the Food Distribution Program on Indian Reservations, FDPIR, in addition to TNF and Food Stamps. Schools will have the option of substituting applications under criteria established by the Secretary when they have independent knowledge that the household selected for verification is eligible, and they know that certain barriers will prevent them from responding.

In addition to improvements to the certification and verification process, the bill encourages schools to consider the needs of ethnic minorities, who are at higher risk for obesity and diabetes, in the development of their nutrition education programs.

These program improvements are significant, and as indicated in the bill title, they will certainly improve the program as well as increase the program's integrity. I recently decided to become a cosponsor of this bill, and I urge my colleagues to support its passage.

Again, I would like to thank the leaders of the Committee on Education and the Workforce for considering these provisions a priority and for moving forward in a cooperative and bipartisan fashion during this reauthorization. Additionally, I would like to thank Mr. EHLERS for his commitment to migrant children during this reauthorization. I would also like to thank the staff on both sides of the aisle for their

persistence and dedication to working cooperatively during this reauthorization. I urge my colleagues to support this reauthorization bill.

Mr. HOLT. Mr. Speaker, I rise in support of this Child Nutrition Act and I ask permission to revise and extend my remarks. This bill is a step in the right direction of important reforms in federal child nutrition programs. I would like to thank Chairman BOEHNER, MR. CASTLE and Ranking Member Mr. MILLER and Ms. WOOLSEY for their hard work on the bill. I would also like to take this opportunity to thank the Chairman for taking my amendment eliminating the cost-accounting requirement for severe need breakfast programs in the manager amendment in the committee markup.

This paperwork problem was brought to my attention by the director of the New Jersey Child Nutrition Programs, Kathy Kuser. Many States, including New Jersey as well as Wisconsin and Illinois, are making significant efforts to improve their school breakfast participation rate, and reducing the paperwork requirements would help these efforts.

Under current law, schools in which at least 40 percent of the lunches served during the second preceding school year were free or reduced price qualify for severe need breakfast assistance. They have to calculate their costs per breakfast by prorating their labor costs, and figuring out their food, supplies and other costs associated with the school breakfast program. They have to save their receipts and calculations and submit them in order to get the severe need reimbursement. Removing the cost-accounting requirement would be a significant paperwork reduction for the schools without significantly increasing cost for the government.

I also want to commend the committee for including direct certification for children from food stamp households for free school meals. Many schools are not aware of this method to determine eligibility for free meals. Direct certification improves access to eligible children for free school lunch meals and improves program integrity according to a study done by Mathematica.

I am also pleased to see the bill authorizes grants for ''farm-to-cafeteria'' projects that include nutrition education activities that incorporate the participation of school children in farm and agricultural education projects and that procure local foods from small- and medium-sized farms for school meals.

Finally, the expansion of eligibility for Child and Adult Care Food Program (CACFP) for children in shelters from age 13 to 18 who live in domestic violence shelters and homeless shelters is a wonderful improvement to the previous child nutrition legislation. My constituents who participate in Mercer Street Friends, Anchor House, Triad House, Family Preservation Center (Homefront) and the Family Preservation House would benefit from this change to CACFP eligibility. These organizations depend on food donations to feed their clients who are nutritionally at risk and should be eligible for this important nutrition support program.

I do want to point out two provisions of the bill I wish had been improved. While there are federal dietary guidelines for meals served that are reimbursed through the Federal meals program, Federal nutrition standards for foods that are not offered through the Federal meals program are lacking. As a result, children are faced with numerous food choices during the school day with little nutritional value. Our colleague, Representative TIM RYAN (D–OH) offered an amendment in Committee that would have resulted in enormous improvements in the school nutrition environment for children for foods sold on campus.

We also should have eliminated the reduced price school meals category. Such action would make the school meal programs more accessible to low-income families; better prepare students to learn; and make the programs easier to administer.

Mr. Speaker, once again I want to thank my colleagues and their staffs for their hard work and I ask my colleague to support this bill that will eliminate barriers to participation for low-income children and families and ensure greater access to these critical nutrition programs.

Mr. EHLERS. Mr. Speaker, I rise today in support of H.R. 3873. I thank Chairman BOEHNER and Mr. CASTLE for their work on this legislation. I particularly thank them for their willingness to include direct certification of migrant children under the Richard B. Russell National School Lunch Act. I also commend Mr. HINOJOSA and Mr. GRIJALVA for their persistent efforts to assist migrant children.

Migrant families are among the poorest of the working poor, and are largely eligible for the child nutrition programs. Unfortunately, the mobility of migrant children often complicates their access to the child nutrition programs. Migrant families face significant barriers in accessing federal, state, and local resources due to issues associated with mobility, language and literacy. Currently, migrant children are forced to reapply each time they enroll in a new school district. In addition, literacy and language are a problem at the application phase of the child nutrition program.

I am pleased that this legislation provides direct certification for migrant children. This legislation works to protect eligible children's access to the child nutrition programs by extending automatic eligibility to children who qualify for migrant educational services under Title 1, part C of the No Child Left Behind Act. It allows for direct certification of migrant children if they are identified by the district's migrant education coordinator. Such a change makes it easier for migrant children to receive school meals as soon as they enter a new school.

In addition to migrant provisions, I support promoting nutritional education and physical activity. I am very pleased that this legislation promotes such education and physical activity at the state and local levels to prevent childhood obesity. I am hopeful that local school wellness policies will be established by schools participating in the school nutrition programs will promote health and prevent childhood obesity throughout schools in Michigan.

Finally, I support strengthening partnerships between local agriculture and schools. I cosponsored Representative UPTON and Representative KIND's Farm-To-Cafeteria Projects Act, and I am pleased to see these provisions included. This legislation will promote partnerships between local Michigan farms and the child nutrition programs to ensure that children receive fresh and local produce.

In closing, I urge my colleagues to vote in favor of the Child Nutrition Improvement and Integrity Act.

Mr. HINOJOSA. Mr. Speaker, I rise today in strong support of the Child Nutrition Improvement and Integrity Act. I would like to commend the committee and subcommittee chairs, Mr. BOEHNER and Mr. CASTLE and our ranking members, Mr. MILLER and Ms. WOOLSEY, for bringing this bipartisan bill forward. It is a bill that strengthens the child nutrition programs for our most vulnerable families.

Measures to allow for the direct certification of migrant students and the direct verification of eligibility will protect our most at risk students from being dropped from the program, not for lack of eligibility but for lack of understanding or fear. The provisions to ensure that school lunch information—throughout the entire process—is in a language and form that the parents can understand will go a long way to building understanding and trust. These are significant improvements to the program.

Additionally, the bill strengthens nutrition education. Childhood obesity and diabetes are reaching epidemic proportions in South Texas and across the nation. We must do more to help young people develop healthy lifestyles. This legislation is a step in the right direction.

In conclusion, I would like to concur with my colleagues that we should make a commitment to replace the reduced lunch program with free lunches for all low-income children.

America is the wealthiest nation in the world. We can afford to feed our children. This investment is the right thing to do.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I am pleased to be here today to talk about the Child Nutrition Improvement and Integrity Act, as passed by the Committee on Education and the Workforce. Periodically in Congress, we are able to see true bipartisan legislation that addressed the needs of our constituents. While it is disappointing that we were not able to amend the bill to more fully support the school breakfast program, I am pleased that its overall intent to help children and families is apparent and effective.

The Child Nutrition Improvement and Integrity Act streamlines the application and verification process. It allows schools to certify children for participation for one full school year. It also eliminates individual applications and allows a household to use one application, rather than one for each child. Children in families who are recipients of Food Stamps and migrant children will be directly certified for eligibility in the school meals programs.

This bill also addresses the growing issue of childhood obesity. Childhood obesity rates have tripled over the past twenty years resulting in children suffering from early onset of traditionally adult diseases such as hypertension, diabetes, and heart disease. Meal programs offered in schools, childcare settings, after-school and summer programs, and through WIC offer an ideal way to address these child health issues head-on.

This bill includes ''Nutrition Quality Promotion.'' It requires Local Education Authorities to establish a school nutrition policy by July 31, 2006 that provides nutrition guidelines for all foods sold on campus. It must include goals for nutrition education, physical activity and other school based efforts to promote student wellness.

This bill provides grants to states and schools to develop and implement a coordinated nutrition education and physical fitness program, as well as to improve nutritional quality and school nutritional environment.

As Chair of the Congressional Children's Caucus, I know how important it is to invest in

our children. I have met with Houston representatives from the American School Food Service Association, all of who stress the importance and value of well fed, healthy children and the positive effects it has in the classroom. Unfortunately, there are children in America who go hungry during the school day as well as children with illnesses caused by poor nutrition. Healthy children are an investment in the future of our country's economic well being. I am pleased to support this legislation, and encourage all my colleagues to do so.

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

The SPEAKER pro tempore (Mr. MILLER of Florida). The question is on the motion offered by the gentleman from Ohio (Mr. BOEHNER) that the House suspend the rules and pass the bill, H.R. 3873, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

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

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

CELEBRATING 50TH ANNIVERSARY OF INTERNATIONAL GEOPHYSICAL YEAR (IGY) AND SUPPORTING AN INTERNATIONAL GEOPHYSICAL YEAR–2 (IGY–2) IN 2007–08

Mr. BONNER. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 189) celebrating the 50th anniversary of the International Geophysical Year (IGY) and supporting an International Geophysical Year-2 (IGY–2) in 2007–08, as amended.

The Clerk read as follows:

H. CON. RES. 189

Whereas the year 2007 is the 50th anniversary of the IGY of 1957–58;

Whereas the IGY, conceived in and promoted by the United States, was the largest cooperative international scientific endeavor undertaken to that date, involving more than 60,000 scientists from 66 nations;

Whereas the IGY legacy includes the dedication of an entire continent to cooperative scientific study through the Antarctica Treaty and the inauguration of the global space age through the launching of Sputnik and Vanguard;

Whereas IGY cooperation continues as the model and inspiration for contemporary world science and also, in this strife-torn era, for the human species as a whole;

Whereas the IGY was conceived as a follow-on to the International Polar Year of 1932 that would reflect new and more globally comprehensive research and measurement techniques in geophysics; and whereas in like-minded spirit it would be appropriate for an IGY–2 to reflect global developments in biology, genetics, the neurosciences, and other areas of scientific research;

Whereas it also would be appropriate for an IGY–2 to recognize interdisciplinary research that incorporates the physical and social sciences and the humanities in enriching understanding of diverse life on Earth;

Whereas the 35th anniversary of the IGY was commemorated by the International Space Year, a globally implemented congressional initiative conceived by the late Senator Spark Matsunaga of Hawaii, that was highlighted by globally coordinated environmental monitoring and research whose ongoing legacy continues to benefit humanity; and

Whereas it is entirely fitting that Congress takes the lead again, in the same spirit, in promoting global cooperation through worldwide commemoration of the IGY with activities reflecting the unity and diversity of life on Earth: Now, therefore, be it

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

That it is the sense of Congress that the President should—

(1) endorse the concept of a worldwide IGY–2 for the 2007–2008 timeframe;

(2) direct the Director of the National Science Foundation and the Administrator of the National Aeronautics and Space Administration, in association with the National Academy of Sciences and other relevant governmental and nongovernmental organizations, to initiate interagency and international inquiries and discussions that explore the opportunities for a worldwide IGY–2 in the 2007–2008 timeframe, emphasizing activities dedicated to global environmental research, education, and protection; and

(3) submit to Congress at the earliest practical date, but no later than 6 months after the date of adoption of this resolution, a report detailing the steps taken in carrying out paragraphs (1) and (2), including descriptions of possible activities and organizational structures for an IGY–2 in 2007–2008.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Alabama (Mr. BONNER) and the gentleman from Colorado (Mr. UDALL) each will control 20 minutes.

The Chair recognizes the gentleman from Alabama (Mr. BONNER).

GENERAL LEAVE

Mr. BONNER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous material on H. Con. Res. 189, the resolution under consideration.

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

There was no objection.

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

Mr. Speaker, today we are considering H. Con. Res. 189 which recognizes the 50th anniversary of the International Geophysical Year (IGY). I thank the gentleman from Colorado (Mr. UDALL) as well as the gentleman from Michigan (Mr. EHLERS) for leading Congress in the celebration of this important anniversary and milestone.

The IGY, spanning 1957 through 1958, was an internationally coordinated effort to observe and collect data about Earth science. More than 60,000 scientists from 67 countries participated in IGY. Their efforts had a far-reaching effect on a variety of scientific disciplines. IGY scientists paid particular attention to Antarctica, representing the first and only time an entire continent was set aside for cooperative research. That designation continues to this day and was formalized with the Antarctic Treaty in 1959, which currently has 45 signatory countries.

Also, research to develop rockets and satellites for IGY, atmospheric studies laid the technical foundations for the U.S. space program. Modern-day weather and natural-disaster forecasting, including El Niño forecasting and volcanic eruption predictions, are a direct result of IGY research.

Yet many questions remain about the complex interactions of the ocean, land and atmosphere; and today there are more advanced tools scientists can use as they search for answers to these questions. H. Con. Res. 189 calls on the National Science Foundation and the National Aeronautics and Space Administration to pursue plans for a second International Geophysical Year in 2007 and 2008. This will provide an opportunity for today's Earth scientists to focus their efforts and to inspire the next generation of scientists.

This resolution does not authorize any new money. It simply expresses the sense of Congress about celebrating the anniversary of the first IGY and endorsing the idea of a second IGY. I urge my colleagues to support this timely and important resolution and thank my colleagues on the Committee on Science for bringing this matter before us today.

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

Mr. UDALL of Colorado. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as its author, I obviously support passage of this concurrent resolution. I am pleased to be here today with the gentleman from Alabama (Mr. BONNER) to discuss what the gentleman has just acknowledged is an important resolution. I also want to extend my thanks to the gentleman from New York (Chairman BOEHLERT) and the ranking member, the gentleman from Tennessee (Mr. GORDON), for making it possible for the House to consider H. Con. Res. 189 today. I am also grateful to the gentleman from Michigan (Mr. EHLERS), the chairman of the Subcommittee on Environment, Technology, and Standards, for his support of the resolution.

Last year, I introduced this resolution calling for a worldwide program of activities to commemorate the 50th anniversary for the most successful global scientific endeavor in human history, the International Geophysical Year of 1957 and 1958. It is hard to imagine not commemorating the historic global undertaking that was the historic International Geophysical Year, popularly remembered as the IGY.

The 60 nations and 60,000 scientists who participated in the IGY left an ongoing legacy that is beyond measure. Satellite communications, modern weather forecasting, modern natural-disaster prediction and management,

from volcanic eruptions to El Niño, they are legacies of IGY scientific activities that spanned the globe and breached the space frontier.

In a broader context, the IGY marked the coming of age of international science. Globally coordinated activities which save millions of lives today, such as the campaigns to contain and find cures for SARS and AIDS, owe their working model to the scientists from throughout the world who banded together to implement the IGY.

My resolution calls for an IGY–2 that would be even more extensive in its global reach and more comprehensive in its research and applications. After all, the frontiers of science are continually expanding. The biological sciences, genetics, computer sciences, and the neurosciences, among others, have made tremendous advances worldwide during the half century since the IGY.

IGY–2 would not only promote research, but it would also provide a stage for showcasing the new scientific developments and a forum for presentation and discussion of their continually unfolding significance. It is entirely fitting that the United States take the lead in launching an IGY–2 and that Congress, and particularly the House, provide the impetus.

In 1985, to mark the 35th anniversary of the IGY, Congress passed a resolution authored by Senator Spark Matsunaga calling for a year of globally coordinated space activity. At President Reagan's direction, the U.S. led a worldwide planning effort that culminated in the implementation of an International Space Year in 1992, which made major scientific contributions, notably in the field of global environmental monitoring.

So we have both scientific and congressional precedent for the U.S. to take the lead internationally in calling for an IGY–2. I join my colleagues along with the gentleman from Alabama (Mr. BONNER) to join me in promoting this initiative in support of modern science and international scientific cooperation. I urge adoption of this resolution.

Mr. HOLT. Mr. Speaker, I rise today in support of H. Con. Res. 189.

The first International Geophysical was held from July 1957 to December 1958. It was modeled after the successful International Polar Year of 1882 and its 50th anniversary in 1932. The International Geophysical Year allowed over 60,000 scientists from 67 countries around the world to take part in a series of coordinated observations of various geophysical phenomena.

I remember it well because I was reading about the IGY that sparked my interest in science and set me toward a career in physics that I pursued before coming to Congress.

The scientific activities spanned the globe from the North to the South Poles. In particular, the research in the Antarctic yielded new estimates of the Earth's total ice content—a number of extreme importance given today's melting of major glaciers due to global warming. In addition, instruments to record cosmic rays, spectroscopes to analyze the signals, and balloons were put to use to explore the upper reaches of the atmosphere. Finally, post-World War II developments in rocketry made possible the exploration of space employing what was then the exciting new technology of artificial scientific satellites with the launching of Sputnik and Vanguard.

Because 2007 will be the 50th anniversary of this most exciting worldwide scientific undertaking, I wholeheartedly support H. Con. Res 189 for celebrating 2007 as the International Geophysical Year—2 and recommend that Congress, as in 1957, promote world-wide cooperation in the commemoration of the International Geophysical Year—2 with scientific activities so that we humans can better understand our environment and our place in the universe.

Mr. EHLERS. Mr. Speaker, today I am pleased that we are considering this resolution celebrating the 50th anniversary of the International Geophysical Year (IGY), and I thank my colleague from Colorado, Mr. UDALL, for his work in recognizing this important anniversary. I distinctly remember the first IGY. I was a graduate student in physics at that time. There was much excitement around this coordinated research effort, which led to discoveries with far-reaching impacts on every field of earth sciences. For example, research on making rockets and satellites to better understand weather was a factor in building the technological foundation for the U.S. space program.

As often happens with scientific research, the more we learn, the more questions we develop. Much of the first IGY research focused on Antarctica, setting aside an entire continent for cooperative scientific research. In 1959, the Antarctic Treaty formalized this arrangement by designating Antarctica for scientific investigation "as applied during the International Geophysical Year." I am pleased that this resolution continues that spirit of scientific discovery by directing the National Science Foundation and the National Aeronautics and Space Administration to pursue plans for a second International Geophysical Year in 2007–08. A second IGY will inspire the next generation of earth scientists to work collaboratively and across international borders to study the most pressing Earth science questions.

I urge my colleagues to support this timely and important resolution.

Mr. GORDON. Mr. Speaker, I want to congratulate Mr. UDALL for once again showing leadership on an important environmental issue. Additionally, I want to thank Chairman BOEHLERT for moving this resolution to the floor so quickly.

The resolution properly commemorates the magnificent achievements of the International Geophysical Year. A new IGY will be good for the environment. It will also be very healthy for our standing as a nation to take the leadership role in developing a new IGY for the 21st century.

The IGY was conceived and promoted by the United States and has been one of the largest cooperative international scientific endeavors undertaken. IGY cooperation continues to be a model and inspiration for contemporary world science.

In a similar spirit, it is appropriate for an IGY–2 to reflect global developments in biology, genetics, the neurosciences, and other areas of scientific research and recognize the interdisciplinary research that incorporates the physical and social sciences and the humanities in enriching an understanding of diverse life on earth. Therefore, it is entirely fitting that Congress take the lead again, in the same spirit, in promoting global cooperation through the worldwide commemoration of the IGY.

Mr. UDALL of Colorado. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. BONNER. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Alabama (Mr. BONNER) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 189, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

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

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

□ 1345

GENERAL LEAVE

Mr. NUSSLE. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks on H. Con. Res. 393.

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

There was no objection.

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2005

The SPEAKER pro tempore. Pursuant to the order of the House of Tuesday, March 23, 2004, 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, House Concurrent Resolution 393.

The Chair designates the gentleman from Idaho (Mr. SIMPSON) as Chairman of the Committee of the Whole, and requests the gentleman from Florida (Mr. MILLER) to assume the chair temporarily.

□ 1348

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. 393) establishing the congressional budget for the United States Government for fiscal year 2005 and setting forth appropriate budgetary levels for fiscal years 2004 and 2006 through 2009, with Mr. MILLER of Florida (Chairman pro tempore) in the chair.

The Clerk read the title of the concurrent resolution.

The CHAIRMAN pro tempore. Pursuant to the order of the House of Tuesday, March 23, 2004, the concurrent resolution is considered as having been read the first time.

General debate shall not exceed 6 hours, with 5 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 2½ hours of debate on the congressional budget.

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

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

Mr. Chairman, I appreciate the chance to come before the body to debate yet again the budget for this next fiscal year. Before I start with that debate, let me compliment my ranking member and friend, the gentleman from South Carolina (Mr. SPRATT), on the way that we have moved this budget through committee and moved it to the floor. The gentleman from South Carolina will be offering a substitute budget tomorrow as part of this debate.

While people who are watching this are going to see us argue today, we are going to argue about priorities, we are going to argue about deficits, we are going to argue about taxes, we are going to argue about just about everything, it seems, but one thing we do not argue about is the importance of this process.

Those who are watching may wonder why it is we are going to be spending 6 hours of general debate over the budget. Let me tell you why. If you have ever built a house with your wife or your husband and you had to go visit the architect, you will discover very quickly why it is important you have a blueprint that you can agree on before the carpenters show up or the plumber or the heating and air conditioning people or the roofer or anybody else, because if the blueprint does not work, if it does not fit, if there is not agreement on that basic foundation, the rest of the process is not going to work very well. The carpenters show up to do their work, they do not have a blueprint, and what you have on your hands is a mess.

The reason that we have gone through this process since 1974, every year, is because we believe in the fundamental decision that is made as part of this budget for spending, for taxes, making so many decisions that flow from this process.

We are going to have some good-natured debate today. Democrats will be arguing with Republicans and Republicans will be arguing back. But when it comes right down to it, we believe in our country, but we believe that we need a blueprint, we believe in this process and as I said to start with, I thank the gentleman from South Carolina for his partnership in working through the process even though we have not come to a bipartisan agreement.

I would also like to thank our staff. When you are going from the beginning of the Federal budget and $2.4 trillion line items here and there, you have got to count on some good people. I want to thank them for the work they do in getting us to this point because, just like any good architect, they need the engineers behind them to make sure that the structure is sound. I want to thank our staff on both sides for the work that they do.

Even before the end of last year, we kind of had an idea of what the must-do list would be in writing this year's budget. It was already becoming very clear that this budget has got to get spending under control, and it had to begin the work of reducing our deficit. I heard that message from every Member, from our President and from just about every constituent that I visited with back home in Iowa.

It really did not matter where you went. People said, out in Washington, you're spending way too much money. Even worse than that, you're wasting a lot of money. It did not matter, almost regardless of the topic, regardless of the department, regardless of the program, people said you have to control spending.

Even the administration was clearly hearing the exact same thing. As far back as last July, the President of the United States was proposing that cutting the deficit in half within the next 5 years would be one of the most important cornerstones of the budget that he presented to Congress this year.

We all know and we take pause at a time like this to remember the extraordinary circumstances of the past few years. Our country has hardly ever seen the kind of difficulty that we have had to face during these past few years. We had a growth deficit in the economy that produced a slowdown, a recession, of 2000 and 2001. The economy was not growing. We had a growth deficit.

We learned painfully, as well, that we had extensive deficits in our defense and our homeland security. We knew that we were not protected as well as we could be or should be as a Nation, and we made immediate plans to improve that.

We also had a Medicare deficit. A 40-year program that our Nation's seniors had depended on had really failed to keep up with the times, and as a result, we had a deficit in the way that that program was providing help to seniors across the country, particularly with regard to prescription drugs.

All of these were large and important problems and challenges, and I doubt that anyone on either side would have recommended that we ignore them. In fact, no one did. We all decided the economy was important. We all decided Medicare was important. We all decided that security and homeland security and national defense were important. But in addressing them, we took large initiatives and the result was a budget deficit. We made deliberate decisions that drove us to borrow money in order to meet these short-term challenges.

Correcting that budget deficit and getting us back on a path to balance is our next major challenge, and it is one that this budget tackles. We had a growth deficit, a security deficit and a health care deficit that we have dealt with. Now we have to deal with the Federal budget deficit.

At the same time, however, this was not a green-eye-shade exercise. It is not just a matter of getting a bunch of numbers to add up. The budget also has to support an agenda that reflects our principles of governing, which is to advance our Nation's strength, growth and opportunity. I will briefly review each of these principles and then turn it over to colleagues from my committee who will discuss these even further.

First is strength. Our country has to be strong. America is free and will remain free as long as we are strong. We have got to be strong enough to defend that freedom. We have got to be strong enough to defend it here at home and we have got to be able to take that fight to the people who want to ruin that freedom wherever they may be. That is what we are doing around the world right now. America is free and will remain free as long as we are strong enough to defend freedom at home and around the world.

Second is growth. To remain the world's most prosperous superpower nation, America's economy must continue to grow and create jobs. If the budget that is being debated around the kitchen tables of America today, right now as we speak, families are trying to balance their checkbook, they are trying to figure out how to make ends meet, send their kids to college, pay their bills on time, pay a Visa bill that seems to get bigger and larger all the time. If their budgets do not add up, it really does not matter what the rest of the country looks like. We are the sum of our parts and our parts have got to be strong. That is why growth in the economy is so vital.

Finally, opportunity. Strength, growth and opportunity, the third one. America's continued greatness comes from what I believe are the unlimited opportunities that our American freedom provides all of us. We must continue to encourage opportunities for a better life for every citizen in our country. Those are the guiding principles of this budget. The fundamentals for furthering those principles with this year's budget include the following. Let me just outline a few of them.

First is on taxes, and let me be very clear because this is one delineation between the parties and between all of the budgets that you are going to see today. This budget does not raise taxes, period. Our country does not need a tax increase today or tomorrow to meet the needs of our budget.

Our tax relief policies are working, finally. We are starting to see some of these have their effect on the economy. The last 6 months of our economy were the fastest growing 6 months in 20 years. It has been 20 years since we have seen that kind of growth.

Have the jobs been there? Not yet. They are coming, though, because that is the last indicator in economic development. It is what they call a lagging indicator. Economists call it lagging because it is one of the last things you see develop within the economic development, are the jobs being created.

And at exactly the time when small businesses in Manchester, Iowa, or across Iowa or wherever you might be, at the very time when they are starting to think, you know, the economy's starting to turn around, it might be time to add on another product line or maybe to hire another waiter or waitress or two or maybe to figure out another sales clerk that could maybe fill in during some of the times so that somebody can be off a little bit more of the time. At the very moment when they are ready to think about adding jobs, we cannot have a snapback, automatic, come-from-behind, hit-them-in-the-back-of-the-head tax increase that says, oh, by the way, we need that money, you shouldn't be able to spend it back home. That to me does not make any sense.

The tax relief packages are working and we will not allow a snapback of the tax, the 10 percent tax rate, the marriage penalty relief. We do not want to penalize married people in this country.

□ 1400

And we also believe that the tax credit should remain at its current level. So that is taxes.

The next is spending. We cannot begin to address reducing the current budget deficit without getting ahold of our current rate of spending growth. I am going to show the Members a chart because I think this illustrates the spending issue probably better than any others. I want to show the Members what we have been spending the last number of years. Did most of this go to necessary demands? Absolutely. I am not suggesting that the amount of money we have been spending in Washington has gone for naught. Of course it has been for many necessary demands. Can we suspend that rate of growth? I do not think we can suspend it, but we should not sustain that rate of growth over a long period of time.

Let me just show the Members this chart because I think this is important. This is our recent spending history. In the last 3 years, total spending growth has averaged 6 percent. The growth in the economy has not been that strong. I mean, we have not seen that kind of inflation. Why is it that we ask families to only grow possibly at the rate of inflation if they are lucky to even get that kind of a pay increase, but we ask them for more money so that we can increase government spending? Some of this growth has been necessary, as I said. Homeland security, war on terrorism, education, veterans spending. A lot of good spending has been in here, but we need to start going through this with a fine tooth comb so that we can start holding the line on spending, not wasting it and respecting the taxpayers who, I believe, use it much more wisely oftentimes than we do.

I have said many times before that everything in this budget should be on the table for consideration when it comes to controlling spending, and we have looked for ways to control spending throughout the entire budget. And we thought it was fair to start right here at home, right here in this House, by freezing our own congressional budgets. Before we look outside this Chamber and say to anyone else they have got to tighten their belt, it is time we do it right here first. And that is not only an issue of credibility, but it does save us some money. It does give us, I think, the standing to go to Departments and say they can live with just a little bit less, they can live with the amount that they had last year.

We have also called for holding the line on all nondefense discretionary spending and called for a reduction of ½ of 1 percent from the President's requested increase of 9.7 percent of homeland security. What we are basically saying is that the President deserves to be able to continue to manage homeland security in a positive way to keep us safe at home, but remember too that when we formed the new Homeland Security Department, it was advertised both by Congress as well as the Department of Homeland Security that eventually they could help us save money by coordinating those services, and we have pumped a lot of money into homeland security. But I cannot name one constituent who has come up to me and told me that they have had an experience in the airport where they thought all that money was being spent wisely.

In fact, I get more letters and more conversations of people saying, You know what? I could tell you how the government could save some money. There is a lot of waste in the way that we manage this whole transportation security. Those are the things they see. There are many things that we do not see that we should constantly be looking at, and I know people will come down here saying we must not care about homeland security if we even want to look for any waste or any savings, and that is not fair. That is not fair because we should respect every dollar that is used in every Department for the intended purpose, but we should not waste one penny, and where we can even find a penny or a dollar or a hundred or even into the billions in some instances, we should work to do that.

We also called for a program of savings and elimination based on rooting out waste, fraud, and abuse in what we call our mandatory programs or entitlements. The reason we do that is because we have a lot of spending here in Congress and throughout the Federal Government that is automatic, that happens regardless of what we decide here today, unless we start to work to improve those programs and start rooting out waste within many of those programs. And there are so many examples. I mean, we work hard, and so does the bureaucracy of our government work hard to make sure that when we provide a benefit to somebody who needs help from the government, and so many of us believe that that is what government is for, to help people who cannot help themselves in many instances, every penny of that should make sure it gets to the people whom we intend to help, no one else. No one else should be taking advantage of those programs.

States should not be allowed to just maneuver those moneys around like a

shell game in order to make their budgets look good and then blame the Federal Government for not sending back the money. We have got to make sure that every penny is getting to the people it is intended to get to. Over all the confusion over what Chairman Allen Greenspan said last month to my committee concerning Social Security, there was a much bigger point that got lost, and that was the problem that he talked about in mandatory spending. Most entitlement spending is on auto pilot, and in other words, it just keeps growing year after year in most cases without ever undergoing oversight.

And what we do in this budget is we ask people, we ask our committees of jurisdiction, to begin going into the garden and pulling out the weeds, the places where we can find savings and make sure it is plowed back in to helping people who cannot help themselves. Truly, just about the only time we look at these programs is like last year with Medicare when we wanted to expand it, and we did find savings within that program. We need to do this every year.

This is a problem, and it is getting worse every year. In 1974, the year the Budget Act was adopted, mandatory spending accounted for only 41 percent of the total budget. This year, 30 years later, already over half of our spending is automatic that we cannot affect unless we change the law.

So let me be clear. I am not saying that mandatory programs in and of themselves are bad. No one is saying that. Many of them provide critical services, but I am saying that we had better get ahold of the growing wave of entitlement spending that we have created over the years before it crashes down around all of us, all of us here in Congress as well as all the families across our Nation that we ask to pay for these programs. To continue with our games of political rhetoric with regard to these programs, I believe, is foolish.

This is where I have got to give the little asterisks in attention for those who might be watching. This is where many people will run to the Chamber and say, oh, they are going to hurt the poor; oh, they are going to throw seniors out into the street; oh, they are going to kick a dog, or something like that.

I mean, my goodness, that is not what we are talking about. We had a hearing here where, believe it or not, the Department of Agriculture was proud of the fact that they had a 9 percent error rate in the food stamp program. There is not a business in our country that could survive with an error rate of 9 percent. In fact, CEOs and small businessmen and -women across our country would scour their books for days to find 1 percent if they thought that was in their budgets. We allow 9 percent to go on and say, well, gosh, that is an improvement because the year before it was 18 percent. That is ridiculous. So we are not saying that we should go in and be indiscriminate.

We want food stamps to go to people who are hungry. We do not want it to go in waste, fraud, and abuse to fund an underground economy where food stamps have been used as a currency. And that is wrong. We have got to get our arms around it. We are not suggesting it has to be done immediately today, but let us start the work. Let us not waste one penny that should go to people who are hungry around our country.

We proved last year that there are huge amounts of indefensible waste, fraud, and abuse within our mandatory programs. So in this budget we have begun the process of actually reducing or eliminating some of those most outrageous examples of waste.

Let me turn to spending control. We are calling for a few other spending controls or restraints, whatever the Members would like to call them, for Members of Congress. They are including, for instance, holding the line on our budget. We are calling for no increase in the legislative branch appropriations for Congress. We do not want any new entitlement spending until we go through the process of looking at our current entitlements and no nonwar emergency supplementals without spending offsets. From 1995 until about, I believe it was, 1998, we started a practice here that we should get back to and that is saying if we have an emergency come into our country, let us look to offset the costs of those emergencies by reducing or eliminating other lower priority items that can be put on the back burner for a period of time while we deal with that emergency. Obviously, that cannot happen in a war. That is obvious. I mean, when we are in a war, we are going to do what it takes. The President said that from right here at this podium, and just about every Member agrees with that as well; but we are talking about that with regard to nonwar.

We are also asking that we stop the practice of waiving the Budget Act or waiving the rules for the budget. A lot of people will come down here beating their chest about the budget or how we ought to change the budget process, and then they will vote for or encourage the adoption of waivers for the budget throughout the rest of the year. That has to stop if we want to continue to enforce the budget.

We should also freeze spending on programs that are unauthorized; and for the people who might be listening to this who are not familiar with this process, what Congress does is through some of our committees we determine that a program is needed and then we turn it over to the other side of the building where the appropriators sit, and we ask them to find the money to fund it. But oftentimes the appropriators are asked to fund programs that have never gone through the regular process. And so what we are saying here is if they have not gone through the regular order, if they not had their program authorized, they should be eligible to have their funding frozen for a period of time until we can make sure that their program is eligible, working correctly, not wasting any money, and continues to be a priority. There are too many things that have continued to receive funding throughout the years that have not been authorized.

One of my favorite examples is that we actually only recently ended the practice of funding the National Helium Reserve. That was an unauthorized program from the time of the dirigibles during World War I when we actually came up with this program. It made sense then. I mean, they have got to make sure the blimps are flying. That was national security back in World War I. But because that program had never been authorized and the appropriators continued to fund it, it was only recently that we were able to dig through the books and find out it was still being funded, and we were able to eliminate that funding.

Finally, with regard to war costs, the budget takes into account the funding for the ongoing war in Iraq. We know without question that there will be costs for the war while this budget that we are voting on today is in effect. Do we know the exact dollar amount? No. But we know it is not zero. And that was well said by colleagues on both sides of the aisle. We support our troops. We want to make sure they know that money is going to be on the way. We want our partners to know that we are making this a priority, and we also want to know that it is included in the bottom line as part of getting to a balanced budget, respecting the need to identify all of our costs. So we had a choice. We could either sit here and wait for an emergency supplemental for the war, or we could do what I believe is the responsible thing, factor in those costs as we know them without question because we know that they are coming. So we have included $50 billion for funding the war in Iraq. It is a tough choice, certainly one that we would rather not face, I suppose; but one that we felt was the right thing to do and a budgeting priority.

Finally, with regard to fiscal responsibility, we get results with this budget, and it is results that matter. Now, this is clearly not the budget that I would write ideally if it were left to my own choices. But we have to come up with a compromise. And what we have tried to do is we have tried to meld all of the different needs of all of the different Members of Congress as part of this. Taking the initiative to root out waste, fraud, and abuse, doing a little more with a little less, actually restraining spending is a whole lot tougher than just signing off on some huge spending increase. We all know that families, businesses, States, local governments have had to actually go into their budget and cut it. We are not even doing that. We are not saying we have to cut the budget. There may be some who claim that that is what it

does, but we are not cutting the budget. We are just holding the line. There are some people who have actually had to make tougher choices than that. Do we have a list of wants that may go unfulfilled for a while? Sure. We are just asking them to go on the back burner.

□ 1415

We have to follow suit if we are going to get back on the right track.

So we are just asking to hold the line. If we can do that, if we adhere to those principles, this is what we expect to gain:

First, not to increase the deficit in the current year, which I believe is a reasonable goal;

Second, to cut the deficit in half as early as 4 years by both the factor of our economy as well as actual dollars;

Third, we get the ball rolling toward an effort of reigniting our oversight responsibilities to root out massive amounts of wasteful spending here in Washington;

Finally, we win the war, we balance the budget, and we can double the economy if we follow this kind of blueprint. I think that is a huge payoff for just a little bit of fiscal responsibility and restraint in this year. I think it is the least we can do.

This is a good budget. It is a good blueprint. It has come together over a lot of difficult conversations, because if you went to visit your architect to build a home, that would be a difficult conversation, too. They always are when you are making choices. But these choices are necessary at this crucial time in our history to get us on the right track.

I would urge Members to come speak about the budget, learn more about the budget, and vote for the budget when we have the chance.

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

Mr. DELAY. Mr. Chairman, I thank the chairman of the Committee on the Budget for yielding me time.

Mr. Chairman, I just want to associate myself with the eloquent speech that the chairman of the Committee on the Budget has just delivered to this House. I also want to congratulate him on bringing to this floor one of the best budgets that I have seen in the 20 years that I have been in Congress.

This is a very well thought out budget, understanding exactly what it should do and exactly what the American people need it to do; and I congratulate the chairman and everyone on his committee that supported this budget and worked hard for this budget for bringing it to the floor. Now is the time to do something just as this, and I really appreciate the chairman for doing all this hard work.

Mr. Chairman, this budget's priorities are quite simple. First and foremost, it increases funding for our national security and homeland security agencies, so that the United States can reaffirm our commitment to winning the war on terror and protecting our citizens from attack.

Second, it freezes nonsecurity discretionary spending at current levels, so that while we meet our current needs, our economy will have room to grow, create jobs and cut the deficit.

Third, it provides for necessary measures to protect the national economy from snap-back tax hikes on parents, married couples and working families.

Strength, growth and opportunity, three simple principles vital to America and embodied in this budget, are the reasons everyone on both sides of the aisle should support this budget. However, I understand that unanimous support is probably not realistic, especially in an election year. But no less realistic, Mr. Chairman, are the Democrats' tax-hiking budget alternatives.

Let us just get this straight: The Democrat budgets do not ''freeze,'' ''roll back,'' ''defer,'' or ''stop to review'' anything. They raise taxes on at least 6 million Americans; on 1.8 million married couples, on 740,000 small businesses, on 535,000 schedule C sole proprietorships, and on 52,000 family farmers.

How exactly will this massive, reckless, job-killing tax hike on families and small businesses, $28 billion worth supported by Democrats during the Committee on the Budget markup, possibly create the kind of growth that our economy needs to meet the demands of the war on terror and the looming entitlement crises, balance the budget and keep America competitive in the global economy?

Along the same lines, how exactly will $28 billion in new spending, voted on again by Committee on the Budget Democrats during markup, possibly address the Democrats' supposed concerns about the deficit? They will not. Of course they will not, Mr. Chairman.

Which brings us to the fundamental choice that we have today. On one side of this debate will be a transparent and honest budget supported by clear and simple arguments. On the other side will be confusing rhetoric, dismissive of small businesses and the jobs that they create, hysterical in its advocacy of massive new taxes as an economic stimulus and new spending as a means of cutting the deficit, and belligerent towards anyone who seeks to trim waste, fraud and abuse.

I know what side I am on, Mr. Chairman, and given the current stakes in our Nation and around the world, I urge everyone listening to this debate and contemplating their vote to stand with me on the side of strength, growth and opportunity, and support this budget.

Mr. SPRATT. Mr. Chairman, I yield myself 14 minutes.

Mr. Chairman, let me address the last remark made by my good friend, the Majority Leader, the gentleman from Texas (Mr. DELAY), by saying that the budget resolution we will bring to the floor as a substitute for the House Republican resolution will generate a lower deficit, that is right, a lower deficit every year from 2005 through 2014. As a result, the resolution that we offer will accumulate $1.24 trillion less debt over a 10-year period of time, 2005 through 2014, than the President's budget.

Finally, and most importantly, our budget will go to balance, our budget will be in balance, in 8 years, in the year 2012. Lower deficits, less debt, a balanced budget by the year 2012. That is what we set out to do.

Because, you see, Mr. Chairman, we can remember where we were just 3 short years ago. We can remember that 3 short years ago we were in surplus in fiscal year 2001 by $127 billion. We were in surplus the year before, the last full fiscal year of the Clinton administration, by $236 billion, an unprecedented fiscal performance.

President Clinton inherited a deficit of over $290 billion, and every year over 8 years the bottom line of the budget got better, better and better, due to two different budget plans we adopted and imposed during the 1990s; and by the year 2000, we had an unprecedented surplus of $236 billion. We want to go back to where we were when we were running the budget in the black.

Three years have seen the budget decline from a surplus of $236 billion in 2000 to a deficit this year in 2004 equal to $521 billion. That is not my number, that is not my creation. Bush's Office of Management and Budget says that the deficit this year will be $521 billion. That means that last year, this year and next year, we will accumulate $1.2 trillion in national debt.

Just 3 years ago, with Washington surpluses, we had an uncommon task before us. We were so accustomed to dealing with deficits, we had to ask ourselves afresh, what do we do now that we have surpluses?

We had several choices: We could do what we said we could do seven, eight, nine times on the House floor, set up what is called a ''lockbox,'' a corny name for a substantive idea, namely that we would quit borrowing from the Social Security trust fund and henceforth only use the trust fund to buy up outstanding Treasury debt.

If we did that, we could pay off most of the Treasury debt held by the public over a period of 8 years, add $3.5 trillion to net national saving, drive down the cost of capital, make Treasury more solvent because it would have less debt to third parties to pay forever, and take the first stride toward making Social Security solvent, which is the most critical problem we face fiscally and domestically, because the baby boomers are on the doorstep of retirement in 2008, and when they retire, they will have a dramatic impact on our economy and on our budget.

Or we could take some of the surplus and fund priorities like education and defense, infrastructure and health care, that we had slighted during the 1990s as we bore down on spending in an effort to balance the budget.

Thirdly, we could take the surpluses that were projected, not proven, it was not money in the bank, we could take these projected surpluses and pass trillions of dollars in tax cuts.

As we pondered that decision, Mr. Chairman, President Bush took office, and he came to office with this big advantage that no President in modern history has enjoyed, a budget in surplus, big-time surplus. And his Office of Management and Budget looked out over 10 years and they said, We foresee $5.6 trillion in surpluses between 2002 and 2010.

The President paid little heed to these other options. He forsook the whole idea of the lockbox and saving Social Security. Oh, he paid lip service to it, but his primary, driving, compelling motive was to have the biggest tax cuts possible, and in effect, the Bush administration, as they passed those tax cuts, told us we could have it all, with surpluses this size, we could have it all. We could have tax reduction and debt reduction too. We could have more tax cuts and bigger defense as well.

Let me make the record clear. We were for tax cuts on this side, but we wanted more moderate tax cuts. We wanted to be cautious about over-relying on this forecasted surplus, we wanted to be careful not to make the tax cuts so big that they left no room for other priorities, and in particular, we wanted to stay out of Social Security, because we had sworn never again to dig into the Social Security trust fund now that we were out of deficit.

Those concerns were dismissed in the passage of a huge tax cut, and here you see the consequences. The $5.6 trillion surplus today, in accordance with the President's 2005 budget, is now a deficit of $2.928 trillion. That is a swing in the wrong direction of $8.5 trillion over the last 3 years, a phenomenally incredible fiscal performance over the last 3 years.

We warned that the forecast upon which the President's tax cuts were predicated could be off, could be wide of the mark, and sure enough, it was. The economists now tell us it was 55 percent overstated, misestimated.

As a consequence, there never really was a surplus sufficient to fund or offset the tax cuts that the President was proposing. Therefore, as a result of the tax cuts, the additional spending that we have had during this period of time, mainly for defense, homeland security and response to terrorism, that additional spending has driven the budget deeper into deficit than would have otherwise been the case.

The next chart will show you where we are right now and where we think we are headed if you take the President's budget 2005, if today or tomorrow the House votes for the President's budget.

This is where the Clinton administration started out with a deficit of $290 billion, this is where they took the budget, to a surplus of $237 billion, and this is what has happened under the auspices of the Bush administration on their watch. We have descended from $236 billion surplus to a $521 billion deficit.

Now, that deficit is bad enough. The administration would have you believe that they are going to cut that deficit in half over the next several years, over the next 5 years. We do not believe that forecast. When we make what we regard as realistic adjustments to their spending curve, this is what happens on this chart here over the next 10 years.

We get a bounce from the economy. The economy does help the deficit, no question about it. So we get a bounce in the early years. We go from a deficit of about $478 billion, and it bottoms out $200 billion to $300 billion for the rest of the time. As a consequence, we do not ever see this budget going into balance.

Now, we had to do this by what economists call extrapolation. Neither the Republicans in the House nor the Republicans in the Senate nor the Republicans in the White House have given us a 10-year extension of the budget so we can see the real implications over time of what they are proposing in the way of additional tax cuts and additional spending.

But we know, because the Congressional Budget Office takes what the President proposes, applies his policy to their baseline, we know where they are likely to end up. And what you see here is in time, over time, the deficit bottoms out close to $300 billion and goes nowhere.

□ 1430

To the contrary, look what happens on this blue line. All of a sudden, this blue line, which is the CBO baseline that does not factor in the President's policies, it assumes that the tax cuts, when they reach their expiration date, the sunset date that was written into them when they passed, this line assumes that beginning in the year 2008, the current services bottom line suddenly shoots upwards so that it goes from a deficit in 1 year of $153 billion to a surplus 2 years later of $98 billion.

Now, what happens, one might ask, to propel the budget out of deficit into surplus over that period of time. The tax cuts expire. And this chart says volumes about what the source of the deficit problem is. The expiration of the tax cuts passed in 2001 and in 2003, that alone is sufficient to move the budget out of a $153 billion deficit per CBO's projection to a surplus of $98 billion in 2 years.

So looking at this kind of study, we have tried to put together a balanced budget, balanced in the sense that the bottom line is black, that revenues are sufficient to cover expenditures; balanced in the sense that we are covering priorities that are essential and vital to the American people, including national defense.

Let me begin with that, just to tell my colleagues what we are presenting in our budget today. We have the same number for national defense as the gentleman from Iowa (Mr. NUSSLE) has in his resolution; but in fact we have more, because we are adding $6 billion more than he provides for homeland defense, which many of us regard as the next and most dangerous battlefield for most Americans. We have middle-income tax cuts. Our resolution assumes that, for example, the marital tax penalty provisions will be extended and renewed. It assumes that the 10 percent bracket will be renewed and extended. It assumes that the welfare-to-work credits will be extended. In addition, we have extended the alternative minimum tax for a year. We have extended the research and experimentation tax for a year. We are not against all tax cuts. We want to see and we state explicitly in this budget resolution that our policy is to balance tax fairness and tax moderation for middle-income Americans with a balanced budget.

Now, having met the opposition in defense, what do we do in other areas that are priorities to the American people? In education, because we think it is a critical priority, we provide over 5 years $9.8 billion more than the House Republican resolution. We provide over 10 years for education $50 billion more than President Bush's budget calls for. We increase Pell grants. We provide more for the environment. By that I mean the Clean Water Act, the Safe Drinking Water Act, and the Land and Conservation Fund is fully funded. We provide veterans health care at the level that the chairman of the Committee on Veterans' Affairs said he would require, that the veterans health care system would require if we are going to meet our obligations and our promises.

We provide in the defense budget that the survivor benefit provisions be carried out. We provide needed budget authority so that family housing for military families can proceed apace. For science; for health; for the NSF, the National Science Foundation; and the NIH, the National Institutes of Health, we provide a budget that will at least protect them against inflation. We have gotten their funding level up; we do not want to see it whittled away due to inflation.

If my colleagues go down the list like this, they will see in good, solid categories where the need is clear and compelling, we have provided more than they. We have dealt with America's needs and will outline this more explicitly with different groups of Members as the day goes on. But we have done it within the framework where we bring the budget to balance by the year 2012, accumulate less debt, and move out of the mire that we are now in towards the days that we enjoyed just 3 years ago when this budget was in surplus.

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

Mr. NUSSLE. Mr. Chairman, I yield 3 minutes to the gentleman from Connecticut (Mr. SHAYS), the very distinguished vice-chair of the Committee on the Budget.

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

We heard from the Democratic presentation more spending and more taxes. Once again, our budget is based on three key principles, strength, growth and opportunity, which we will discuss in greater detail during the course of this 6-hour debate; Before handing this off, I would like to make a few observations.

From 1997 until 2001, the books of the Federal budget showed that we were running a surplus. For the 40 years prior to that, the country was running deficits. I was proud to play a role in crafting the budgets in the 1990s that not only got us to balance, but got us there ahead of time. We did it by cutting taxes, controlling the growth of spending, and growing the economy. But beneath the positive balance sheet of the government, there were many other deficits that we would soon have to address.

Many have suggested the projected surplus was squandered as if it simply disappeared into thin air, but we intentionally acted to shore up the areas in which we had serious deficits. As a result, we have a budget deficit today. To suggest that we should not have recognized and dealt with the economic downturn and recession, the needs of protecting the homeland, or providing the resources to our military is extraordinarily shortsighted. Now that we have begun to address these areas, however, it is appropriate that we focus attention on the need to control the deficits, and this budget does just that.

There are only three ways to balance: one, raise taxes; two, grow the economy; or, three, control spending. While some have argued for raising taxes, we think that is completely the wrong approach and not the approach that was successful when we balanced the budget in the 1990s.

We think the right thing to do is the same thing we did last time we set out to balance the budget: control spending and keep growing the economy. For all of the talk we have heard about the deficits, we can just about guarantee that during this debate, most of the rhetoric on the other side will be either direct or thinly veiled calls for higher spending across the board and higher taxes. That is exactly what they did in the Committee last week. In one year alone, they would raise taxes $28 billion and raise spending $28 billion or more.

Mr. EDWARDS. Mr. Chairman, I yield 3 minutes to the gentleman from Missouri (Mr. SKELTON), the ranking member of the Committee on Armed Services.

Mr. SKELTON. Mr. Chairman, I rise today to voice my strong support for the budget resolution offered by my colleague and friend, the gentleman from South Carolina (Mr. SPRATT).

Let me take this opportunity to commend him as well as the other members of his group that put together this resolution. It is far better on defense. Let me repeat that: this is far better, the Spratt resolution is far better on defense than that offered by the majority. The Spratt alternative matches the President's overall request dollar for dollar. The majority resolution, however, falls $189 million short. Now, that may not be much in the grand scheme of the budget; but when our troops are on the frontline in Iraq, Afghanistan, Haiti and around the world, I do not think we should cut defense one single dime.

The majority resolution also does not do as good a job for the troops or for the families. The Spratt alternative lifts the privatized housing cap by $1.1 billion for 5 years, allowing this critical program to move forward. This is very important for those soldiers, sailors, airmen, and Marines, and their families. The majority resolution assumes no raise in this cap, so almost 50,000 military families that are supposed to get new privatized housing in the year 2005 and the following year will have to keep on waiting for adequate housing. That is shameful.

Now, I know there is talk about changing this, but I have seen no paper or amendment offered, to my knowledge, whatsoever in the budget that is offered by the majority; that stays in the shameful fashion that it is.

The Spratt alternative also continues TRICARE for Reservists, helping to ensure that all Reservists have health insurance. At a time when we are leaning on our Reservists more than ever, we must fund this program. The majority resolution, like the President's budget, lets the program lapse, leaving the families of Reservists without health insurance to just fend for themselves.

The Spratt alternative also remembers the widows of those who served our Nation. It eliminates the Social Security offset to the Survivors Benefit Program, consistent with a bill known as H.R. 3763, a bill that enjoys broad bipartisan support. The majority alternative sets up a hollow reserve fund, so eliminating the Social Security offset to the survivors benefit program will require cuts to other military retiree entitlements. That is an insult, Mr. Chairman, to our military retirees and to their survivors.

So, Mr. Chairman, the Spratt alternative is much better on defense than the majority resolution.

Mr. NUSSLE. Mr. Chairman, as I said before, strength, growth, and opportunity are the hallmarks of our budget. To speak about the strength portion of our budget, I yield 5 minutes to the gentleman from Texas (Mr. THORNBERRY), a member of the committee.

Mr. THORNBERRY. Mr. Chairman, I thank my chairman of the Committee on the Budget for yielding me this time.

Mr. Chairman, the first priority of the Federal Government is to defend the country, and there is no greater priority in this budget than protecting America. I think all of us realize that the world in which we live and the world in which our children will live is, in many ways, a more dangerous place than the world of our parents and our grandparents. It is certainly more difficult to predict. It certainly changes more rapidly. And the number and diversity of threats to our citizens has never been higher. Yet the fundamental fact remains that our freedom and our individual safety depends upon our strength.

This budget allocates the resources needed to fight the global war on terrorism; secondly, to prepare for future security challenges; and, third, to protect our homeland. In national defense, this budget provides $419.6 billion. As the chairman noted, over the past few years, we have had to address both a defense deficit and a homeland security deficit. After the Cold War, defense spending declined, eventually reaching the lowest percentage of GDP since World War II. Infrastructure was deteriorating. We were not taking good care of our people. We had what some people described as a hollow force, as we had to cannibalize airplanes and other systems just to keep others operating.

But we have provided significant increases in defense over the last few years. Personnel funding is up 59 percent, operations and maintenance is up 55 percent, procurement is up 43 percent, and R&D is up 76 percent. This budget provides an additional 7 percent increase for fiscal year 2005 to meet the security challenges of our time and to be better prepared for the security challenges that the future may hold. And may I clarify, Mr. Chairman, that this budget funds dollar for dollar exactly what the President requested for the Department of Defense. Any change in the defense function is for the Nuclear Regulatory Commission and some others that are under that old 5–0 function, but it fully funds the Department of Defense.

The other thing, I think, that needs to be clarified in response partly to the distinguished gentleman from Missouri is that a budget cannot do all of the things that he advertises that it can do. That is up to the committee he and I serve on, the Committee on Armed Services, as well as up to the Committee on Appropriations to determine how much we are going to fund individual personnel programs or how much we are going to fund housing and other vital needs for our military.

□ 1445

What the budget can do is set an overall target for Federal spending. And this budget does a good job of fully meeting what the President has told us and what most of our Members believe our security needs are.

But the chairman's mark also stands for the proposition that no part of the

Federal budget, even those agencies assigned to the first priority, is beyond scrutiny, to ensure that each dollar that the Federal Government takes out of some taxpayer's pocket is used as efficiently and productively as possible.

The military has made some tough decisions recently. It canceled a major weapons system, it is restructuring the Army, and it has more tough decisions ahead even with this increase. But we want to be clear in this budget that we will do whatever it takes to defend America. Our Nation will not just sit back and let the terrorists hit us again.

We have taken the fight to them in Afghanistan and Iraq, and in this budget we allocated $50 billion for those ongoing operations in Afghanistan and Iraq. We assume that they are going to continue, and we put money in there to make sure that they will be provided for.

We are also committed to defending America here at home. Earlier this month we marked the 1 year anniversary of the Department of Homeland Security, the result of the biggest reorganization of the Federal Government in more than 50 years.

Now, we have heard arguments and I am sure we will hear other arguments about whether the glass is half full or half empty with regard to homeland security. And both can be true at the same time. There are those who think we are spending too much, others who think we are not spending enough; and I suspect both are right, and we will find out exactly where the next time that there is an attack. But, again, if you look at where we have been over the last 3 years, you see tremendous increases for homeland security, appropriately so.

This budget allocates $34 billion for homeland security, which is up from last year's $29.5 billion. The President has suggested significantly more funding for biological surveillance programs, as well as continuing to push ahead on things like port security, infrastructure protection, emergency preparedness and response.

Mr. Chairman, I am convinced that we could spend the whole Federal budget on things that have the label of homeland security and still we would not be perfectly safe. So the challenge before us in the Committee on the Budget, as well as the other committees, is to move ahead in a commonsense way that makes the country safer. That is what this budget tries to do, and I think it does a good job.

Mr. EDWARDS. Mr. Chairman, I yield 4 minutes to the gentleman from Wisconsin (Mr. OBEY), the ranking member of the Committee on Appropriations in the House.

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

Mr. Chairman if this resolution is fiscally responsible, then the town drunk ought to be named the permanent president of the temperance union.

The fact is, this resolution is the greatest demonstration of fiscal and social irresponsibility in the 35 years I have served in this institution.

In the last 3 years, this Congress has followed this President off the fiscal cliff. Three years ago we had a surplus of $200 billion; today we have a deficit of over $500 billion. One-quarter of American workers live on less than $8.70 an hour, poverty level for a family of four.

The number of Americans without health insurance has grown from 40 to 44 million.

In one generation we have gone from the industrialized country with the smallest gap between rich and poor in the world to the country with the largest. The most-well-off 1 percent of our families control 33 percent of the Nation's wealth. The bottom 50 percent control less than 3 percent of the Nation's wealth.

In the teeth of all of that, this President's and this Congress' idea of how to deal with these problems is to pass this silly budget resolution which guarantees, when it is fully effective, that a person making a million dollars a year will have an annual tax cut of $155,000.

I absolutely, totally disagree with that trickle-down approach to economics, and I will vote against this resolution. Instead, I have asked the Committee on Rules to allow me to offer an amendment, a 1-year amendment, which would cap the super-size tax cuts for people making over 200,000 bucks a year so that they will receive a tax cut no larger than the folks who are below them on the economic totem pole.

That will save $19 billion. We would use 6 billion of that for deficit reduction. We would use the remaining $13 billion for high-priority investments such as homeland security, additional veterans' health care, strengthening education, helping kids who are being dumped off Medicaid rolls by States, helping the long-term unemployed, and strengthening our clean water activities.

Last year, I offered a number of similar amendments such as this in the appropriations process, and our friends on the Republican side of the aisle said, ''Oh, OBEY, you should not be doing that on the appropriations bills. You should be doing it on the budget resolution''. So here I am at the suggestion of the Republican majority, and I would hope that the Committee on Rules would make that amendment in order so that this House can face the true tradeoffs that we have to face if we are to be mature legislators dealing in a very difficult time.

The purpose of the budget process is to force this House to confront specific tradeoffs such as that. Instead, this process is being manipulated to shield Members of Congress from having to vote on those specific tradeoffs. It is a gutless way to govern, and it hurts the country.

I think we ought to end the binge. You ought to sober up. You ought to join AA, Alcoholics Anonymous, and you ought to vote ''no'' on this ridiculous and pitifully nonserious budget resolution.

Mr. NUSSLE. Mr. Chairman, I yield 6 minutes to the gentleman from Ohio (Mr. PORTMAN), to talk about the second important pillar of our budget. Strength. The second is growth.

Mr. PORTMAN. Mr. Chairman, I appreciate my colleague yielding me time.

I would like to talk about that second pillar of our budget which is growth of the economy. Let me briefly address the comments from my friend from Wisconsin who just spoke in terms of the spending.

The gentleman from South Carolina (Mr. SPRATT) has told us, as the ranking member of the Committee on Budget, there is more spending in their budget. So if anybody is out of control on spending, the gentleman just outlined he has more spending for education, more spending for the environment, more spending for defense, more spending for veterans, more spending for science, more spending for health care, more spending, more spending, more spending.

How is it paid for? Tax increases.

We have got a deficit problem, but we will not get our hands around it unless we get spending under control as well as grow the economy. That is what I wanted to talk about today.

Back in 1997, I stood down here on this floor, as did many of my colleagues, and talked about our great balanced budget agreement of 1997, which was a wonderful, bipartisan exercise in trying to get some spending discipline. We said we would balance the budget in 5 or 6 years. We were very proud of that.

Within 2 years, the budget was balanced. Within 3, we were in surplus. Why? Yes, because we restrained spending, which was very important; but much more importantly, the economy grew and the economy grew rapidly because we had pro-growth policies in place including tax relief, which some people forget about at that time. And we learned as a Congress, I hope, a very important lesson which is, the way to get back to balance is to grow the economy and restrain spending. It is really pretty simple.

Now, the next couple of years forward when we got into a deficit, how did we get into a deficit? Well, same thing. We did not restrain spending. We allowed spending to grow too fast and the economy took a nose dive. George Bush, when he was sworn in as President of the United States, inherited a failing economy. Within 60 days after he was sworn in, something like that, the economy actually went into a recession, negative economic growth. That is one of the main reasons we are here.

Then we were hit with 9/11, costing the Federal Government billions and billions of dollars and, of course, a bigger hit on our economy. The corporate scandals then hit us, the biggest we have had in our Nation's history. All of

this hurts our economy which decreased the revenues to the Federal Government and we are trying to get back on our feet.

And what I love about this budget, and I commend the gentleman from Iowa (Mr. NUSSLE) for it, is it does those two very simple things. It restrains spending and it grows the economy.

The remarkable changes we have seen in the last year we need to continue. Since last March, a year ago from this time, when we were in the early stages recovering from that 2001 recession, the terrorist attacks and their aftermath, we have had incredible growth in this economy. In fact, the past two quarters, which is the last two quarters of 2003, we had the fastest growth in our economy in 20 years.

We had 8.2 percent growth in the third quarter, and in the fourth quarter, 4.1 percent. Chart 8 shows the GDP growth we have had. This is over the last couple of quarters. That big line there is the third quarter; 4.1 percent, the fourth quarter.

The blue chip forecasts are for continued growth. In fact, the new forecasts are even more optimistic than that. They show a 4.7 percent growth last year; if we continue these policies that are in place, including the tax relief we just passed in 2001, 2002, 2003.

The Democrat budget again increases spending. It also increases taxes, throws balance off, but the fact is, they are going to hurt the economic growth and that is the key, growing the economy, restraining spending.

We have got some more good news. Over the past year, housing starts are running at their highest levels in 20 years. Mortgage interest rates continue to run at their lowest levels in over 3 decades. The prime rate is at its lowest level in 45 years. Inflation is at its lowest rate in four decades. Exports of goods and services rose in the fourth quarter rose at 20 percent, the fastest pace they have been at in 7 years. And we have seen significant increases in the stock market since a year ago as well.

Chart 10: Very importantly, labor markets are beginning to improve. For the past 20 straight weeks unemployment insurance claims have remained below the benchmark that is established by economists as a sign of an improving labor market. Jobs are beginning to come back. This is key. We do not want to change course now that we are finally making progress.

As chart 11 shows, the unemployment rate is now down to 5.6 percent from 6.3 percent last June. That is lower unemployment than the average in the 1960s, 1970s, 1980s, 1990s. Maybe not the 1960s, 1970s, 1980s, 1990s; it is lower than the average unemployment in those decades.

We are making progress. We are going in the right direction. We are getting this under control both on the economy side and with regard to jobs. And jobs are incredibly important. This budget will help us to be sure that every person that wants a job can get a job by continuing to grow that economy.

Over 300,000 new jobs in the past 6 months, we are on the right track. We have a clearly improved economic picture. There is more to do, of course, there is. But the absolute wrong thing to do is to get off that track and to get back on the track where the economy is going down, where we are losing jobs.

The speed and strength of the economic recovery has been, in large measure, due to the tax relief we put in place in 2001, 2002 and 2003. What this budget does is, it continues that tax relief.

Again, my friends on the other side of the aisle choose to increase the taxes, $146 billion over the next 5 years. That is what is in the budget. That is what the gentleman from South Carolina (Mr. SPRATT) talked about, more spending, more taxes.

So one of the guiding principles of this budget is that the economy must grow and we must continue to create jobs if we are to remain the world's strongest economy and get the budget under control.

The second way we do it is, we make sure that we keep spending under control.

Mr. Chairman, I would just like to say that in order to get this economy to continue to grow as it has, we need to continue the policies that are in place. We do not want to snap back. We do not want to have taxes increase that we have just decreased, which is what would happen under the Democratic alternative. Second, we need to control spending.

Let me list a couple of things we do on the spending side. We hold the line on our own spending, no increase in the legislative branch at all; no new appropriation earmarks without justification; no new mandatory or entitlement programs without new discipline on them; no nonwar emergency supplementals without spending offsets on those supplementals; no budget waivers, and freezing funding for unauthorized programs. That is in this budget; it is extremely important.

The directives are in addition, of course, to holding the line on spending. All the nonsecurity spending is held at a freeze. And, yes, we provide for priorities, but at the same time we recognize we have got to get this spending under control.

None of this is going to be easy. A lot of us here, certainly many in the Senate, have gotten pretty comfortable signing off on spending increases, on free-flowing spending. We cannot keep that up. We need to get this economy to continue to grow. That is what this budget does and we need to keep spending under control. Success at keeping taxes and spending down will mean a stronger economy, will mean more hope and more opportunity for all the people we represent.

Mr. EDWARDS. Mr. Chairman, I yield myself 15 seconds to respond to the previous speaker.

I certainly hope we will get off the economic track we have been on that has led to the largest deficits in American history and the worst job loss record since the Herbert Hoover administration.

Mr. Chairman, I yield 2 minutes to the gentleman from Maryland (Mr. CARDIN).

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

Mr. CARDIN. Mr. Chairman, I thank the gentleman from Texas (Mr. EDWARDS) for yielding me time.

Let me correct my good friend, the gentleman from Ohio (Mr. PORTMAN) in that in 1997 we exercised discipline on the tax side also and instituted the pay-as-you-go rules, so that we could not just do unlimited tax cuts, which is in the Republican budget.

Mr. Chairman, let me suggest there are many reasons to oppose the Republican budget and support the substitute that will be offered by the gentleman from South Carolina (Mr. SPRATT). The main reason is one of fiscal responsibility. It is important that we bring this deficit down. It is important that we do not add to the national debts.

The Spratt alternative budget does a much better job and brings us into balance, whereas the Republican budget just adds trillions of dollars to the national debt. But let me give you one more reason, if I might, and there are many reasons.

□ 1500

I am the ranking Democrat on the Subcommittee on Human Resources. I just attended a conference on the well-being of children; and for the sake of our children, I hope that my colleagues will vote for the Spratt substitute, which is a balanced approach.

There are 760,000 people in this country that have exhausted their State unemployment compensation benefits since December when we allowed that program to expire. My friend from Ohio is incorrect in that we do have record numbers of unemployed. Many have just given up. They cannot find employment. There are three people seeking a job for every job that is available.

The Spratt Democratic substitute budget provides compensation for these people who have exhausted their State unemployment benefits. The Republican budget provides zero, not a penny.

In the area of child care, the welfare work requirements estimated will cost our States an additional $7 billion over the next 5 years. The Republican budget provides hardly any increase in child care to make it easier for American families to afford child care. The Spratt budget provides $11 billion so that a State like Maryland, the only way a person can get on child care today is to go on welfare. What message does that send?

Let us provide help for American families who need safe, affordable child care. This is in the Spratt budget, but the bottom line is we do a better job because we have a more balanced budget on the national debt.

I urge my colleagues to reject this budget and support the Spratt substitute.

Mr. NUSSLE. Mr. Chairman, I yield myself 2 minutes to engage my colleague from California, the chairman of the Committee on Armed Services, in a colloquy.

The gentleman from California is certainly one of Congress' most steadfast supporters of American's servicemen and -women. I understand he has a concern related to military housing and the privatization program.

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

Mr. NUSSLE. I yield to the gentleman from California to engage in that colloquy.

Mr. HUNTER. Mr. Chairman, I thank the gentleman for yielding, and I am concerned that the budget resolution before the House does not address the statutory ceiling on the military housing privatization program. That is a program that was spoken to by my good colleague, the gentleman from Missouri (Mr. SKELTON). Would the gentleman from Iowa clarify the Committee on the Budget's intentions regarding this important program?

Mr. NUSSLE. Mr. Chairman, reclaiming my time, I would just say I appreciate my colleague's concerns. I strongly support the objectives of the DOD's military housing privatization initiatives. As we all know, the program, in existence since 1995, has leveraged the entrepreneurship of the private sector to build housing for our men and women in uniform much more efficiently than the government could do it itself.

As Members will recall, last year the Committee on the Budget, as well as the Committee on Armed Services, achieved consensus on this matter and raised the statutory cap on housing projects in the House legislation. As it happened, the potential cap increase did not occur. The other body opted not to move this program. I repeat, both the House Committee on the Budget and the House Committee on Armed Services were already engaged in housing privatization. It was the other body that chose not to engage.

We are all confronted again this year with the potential cap increase; and regrettably, DOD did not make a formal request on privatization when it submitted its budget in February. The Office of Management and Budget only cleared the privatization request for submission to Congress less than 2 weeks ago. DOD now believes that the cap limit will be reached by November of 2004.

As we move forward, the Committee on Armed Services will be examining the request, and drafting its own legislative provisions I am sure; and when the chairman of the Committee on Armed Services moves his bill, I commit to work through the Committee on the Budget aggressively with OMB and CBO to come to a consensus to appropriately score this privatization initiative. The committee will also engage the Committee on the Budget, as well in the other body as we move into conference, so that the program can move forward; and, again, I want to stress my support for the program and my commitment to seeing this important quality-of-life initiative for our men and women in uniform move forward.

Mr. HUNTER. Mr. Chairman, I thank the gentleman.

Mr. NUSSLE. Mr. Chairman, I yield 3 minutes to the very distinguished gentleman from California (Mr. HUNTER), from the Committee on Armed Services, in order to talk briefly about our budget.

Mr. HUNTER. Mr. Chairman, I thank the gentleman for yielding me the time; and as we speak, we are undertaking the largest redeployment of troops since World War II right now.

We have the 101st Airborne now moving out of theater in Iraq, and they are being replaced by the 1st Striker Division up in the north part of Iraq. We have the 1st Armored Division being replaced by the 1st Cav in the Suni Triangle in the Baghdad area. We have the 4th Infantry Division moving out in the northern part of that triangle and being replaced by the Big Red One, 1st Infantry Division, and we have the 1st Marine Division replacing the All American Division, the 82nd Airborne to the west of Baghdad.

A massive redeployment is just now coming into place or is set for the new soldiers coming in and replacing those who are rotating out, and with that rotation comes the need to continue to supply armor and ammunition and all the technical support and the technological support that is necessary to not only defeat the enemy but also to provide for our men and women in uniform.

We have a similar situation in the Afghanistan theater, and this budget meets the Commander in Chief's request to give him the tools to get the job done, to supply our military forces. It does what it has to do, and I would simply thank the chairman of the Committee on the Budget for putting together a budget that does just that.

Let me just say about the budget on the other side of the aisle, and if I am wrong, I want to be corrected on this, but my understanding is that dollars are moved from what one would call the discretionary side of the defense budget, this means the operational military, money that is spent on weapons systems, on personnel, on readiness, and some of the money is moved over to the mandatory side to go into programs, good programs but nonetheless programs that are not available to the operational military. If it does that, then it provides less to the operational military that is now engaged in a shooting war than the budget that has been put together by the chairman of the Committee on the Budget.

So I wanted to thank my colleagues and all the Members who worked together to put together this budget that gives the fighting forces of the United States the tools to get the job done, and I thank the gentleman for yielding me the time.

Mr. EDWARDS. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois (Mr. EVANS) for the purpose of discussing the underfunding of veterans benefits in this budget, a Vietnam veteran and also the ranking Democrat on the House Committee on Veterans' Affairs.

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

Mr. Chairman, we are very disappointed, those of us who are veterans, and all of our veterans throughout the country, by this budget submitted by the administration and are equally disappointed and angered by the Republican budget resolution that was reported to this body.

On February 26, the Committee on Veterans' Affairs reported its views and estimates to the Committee on the Budget, which they largely ignored. We called for an increase of $2.5 billion over the administration's inadequate proposal. This was not an unreasonable request. We only asked for a current services-level budget for the VA and sought to correct some of the most glaring deficiencies in the administration's budget.

Instead, the Republican majority has presented us with a budget resolution that underfunds VA by at least the tune of $1.3 billion next year and endangers the delivery of services to our veterans and fails to even keep pace with inflation over 5 years.

A coalition of four of the Nation's largest veterans service organizations has written to each one of us in the past 24 hours calling on us to ''reject this half-hearted attempt to fund veterans health care.'' In their words, ''Passage of the budget resolution, as presented, would be a disservice to those men and women who served this country and who are currently serving in Iraq, Afghanistan and around the world in our fight against terrorism.''

In contrast, the Democratic budget provides the levels needed to maintain services and improve health care access, and it rejects the fees and copayment increases sought by the administration.

This is a matter of priorities, Mr. Chairman. We believe that veterans deserve adequately funded benefits and services. A vote against the Republican budget resolution and for the Democratic proposal says we support veterans. It is just that simple.

Mr. NUSSLE. Mr. Chairman, I yield 12 minutes to the gentleman from Mississippi (Mr. WICKER), a member of the committee, to speak to our third most important pillar, growth, strength, and, now, opportunity.

Mr. WICKER. Mr. Chairman, I thank the gentleman from Iowa (Chairman NUSSLE) for yielding me the time.

As the gentleman from Iowa (Mr. NUSSLE) noted in his statement, America's continued greatness comes from the unlimited opportunities that our freedom provides us. America is still the land of opportunity, and we must continue to remain the land of opportunity.

We have placed opportunity as the third tenet of this budget because without the first two, strength, ensuring that America is free and remains free; and without growth to remain the world's most prosperous nation with an ever-expanding economy and job market, America's opportunities would quickly diminish.

The opportunity for all citizens of this country to work their way up, to have a better life, to take advantage of all the chances and choices this Nation provides is why we are here. It is why our ancestors came here. It is also why so many from around the world continue to flock to this Nation, often risking their own lives to get here.

This budget continues our commitment to strengthen the very foundations that have provided us with this wealth of opportunity. We have also enhanced and strengthened our commitment to a host of domestic programs, including those that educate us, help our people when they are sick, help those who are unable to care for themselves or their children, and provide for those who fought for us.

First, let's take a look at Medicare. This budget fully funds for the next 5 years, by congressionally certified numbers, historic Medicare reform. Last year, this Congress and President Bush accomplished a feat that policymakers have been struggling with for years. We have enacted legislation to strengthen Medicare and include a prescription drug benefit. It was a truly historic first step in strengthening a program which has lagged behind private health insurance since its enactment in 1965.

As a result of this action, just a few months from now, all beneficiaries will have access to a Medicare discount card that will result in 10 to 15 percent savings for the average beneficiary and up to 25 percent savings on some prescription drug costs. Low-income seniors will receive a $600 subsidy in conjunction with their prescription drug discount card.

As part of the improvements in benefits and in the way the Medicare program does business, this Congress and President Bush have also acted to expand opportunities for people to save for their own health care through health savings accounts. These accounts will allow for two very important changes: first, they will restore to consumers the ability to plan for and make their own choices about their own medical coverage; and, second, they will help to address the long-term demographic and financial problems facing the Medicare program.

With regard to Medicaid, this budget continues our commitment to preserve and strengthen both Medicaid and the State Children's Health Insurance Program, or S-CHIP, which assists individuals and families who cannot afford health care coverage.

Since 1995, Medicaid spending has grown 95.2 percent, including an 8.2 percent growth last year. Last year, we added additional funds to allow for Medicaid S-CHIP reform, to extend the availability of expiring fiscal year 2000 S-CHIP funds, and to give States the option of extending Medicaid coverage to children with special needs.

Over the next 5 years, CBO estimates that Federal outlays for Medicaid will exceed $1 trillion. With this budget, we have continued our commitment to provide for this critical program, which provides to those most in need of necessary medical care.

On the subject of welfare reform, we have further continued our commitment to assisting lower-income Americans, by funding such programs as the TANF block grants, (Temporary Assistance to Needy Families), also child care funding, food stamps and child nutrition programs as well as Head Start.

The successful TANF program is reauthorized at the President's level, $16.9 billion annually for the next 5 years. Since the program was enacted in 1996, welfare rolls have declined by 56 percent, and the vast majority of those who have left welfare since 1996 have done so for work. In fact, since that time more than 3 million single mothers who have gotten off welfare have been lifted out of poverty, mostly because of increased earnings. This is the kind of opportunity that we are providing. Since 1996, funding for child care assistance and assistance to mothers leaving welfare for child care expenses has been increased by nearly 50 percent.

This budget also continues to fund HUD's three major rental assistance programs and accommodates the Low Income Home Energy Assistance Program or LIHEAP, providing $1.9 billion to assist low-income families in meeting heating and cooling expenses.

□ 1515

Mr. Chairman, I would like to direct the attention of Members to this chart with regard to education. It indicates that since Republicans took control of Congress in fiscal year 1996, the budget for the Department of Education has more than doubled. In fact, education has received an annual average increase of 12 percent sustained over 8 years. No other cabinet-level agency has grown as fast as education over this period.

Mr. Chairman, to take a look at the three large programs that now absorb about two-thirds of the agency's funds: title I funds to low-income schools have nearly doubled, Pell grant funding has more than doubled since 1996, and special education funding has more than quadrupled since 1996. In addition to increased funding, Congress also passed education reform, the No Child Left Behind Act of 2001. This act demands results from schools in exchange for Federal dollars and works to forge a real link between education spending and classroom achievement, while focusing resources more sharply on underperforming schools.

Many on both sides of the aisle believe that accountability standards in this No Child Left Behind law represent the greatest accomplishment in a generation in terms of K–12 education, and an even more important stride than the funding increases that I have talked about. This budget also continues our commitment to provide for and strengthen those principles.

Concerning veterans, this budget increases veteran funding by $1.2 billion over the President's budget—funds that can be used for veterans medical care and medical and prosthetic research. I am pleased to say that over the past several years, we have shown a level of gratitude befitting the service of our Nation's 25 million veterans through hefty increases in funding and substantial increases in benefits and services. Since Republicans took control of Congress in 1995, great strides have been made in improving benefits for our Nation's veterans.

Now, Mr. Chairman, sometimes we come down to the floor and we get a little carried away with our rhetoric. I have heard some of my good friends from the other side of the aisle talk today about the accomplishments that we have made with regard to veteran funding and calling them shameful, saying that they constitute glaring deficiencies and that they endanger services to veterans. Nothing could be further from the truth.

Let's look at some of the most important improvements to our veterans programs. These are the facts: the Republican Congress expanded eligibility for veterans medical care in 1996 and in 1999. As a result, as Members can see by this chart, the number of veterans using VA medical care has increased from 2.5 million in 1995 to 4.7 million veterans today, a tremendous accomplishment for which this entire Congress can take pride.

My next chart, this chart indicates that since 1995, total spending on veterans has increased from $38 billion to $60 billion. That is a 58 percent increase compared with a 36 percent increase during the previous 10 years of Democrat control of this Congress. Is this a shameful record, I ask my colleagues? And payments per veteran have risen by 79 percent.

With regard to my final chart, this indicates that since 1995, monthly education payments under the Montgomery GI bill, named after former congressman G.B. ''Sonny'' Montgomery, these benefits have increased from $405 to $985, an increase of 143 percent. Is this a shameful accomplishment? Under the 40 years of Democrat control of Congress prior to the Republicans taking over, there was no

progress whatsoever on the concurrent receipt issue. But as a result of action taken by this Congress last year, military retirees injured in combat, while training for combat, or who are more than 50 percent service disabled are able for the first time in over a century to receive retirement benefits concurrently with veterans disability compensation.

I submit this is a proud accomplishment and far from the accusations we have received from some of our friends on the other side.

With this budget, we have continued our commitment to ensuring that those who have served our Nation with pride, valor, and dignity receive the best of America's appreciation.

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

Ms. HOOLEY of Oregon. Mr. Chairman, our veterans have made great personal sacrifices, and we have a responsibility to serve them just as they served our country. At a time when men and women are once again at war, what better way to honor their service than by treating their predecessors with respect and dignity. But the needs of our veterans are not being met. Funding for medical care per veteran has actually declined in constant dollars over the past decade while the number of veterans seeking health care has increased.

We must ensure that our promises to provide health care for our veterans is kept. I want to read an excerpt from a letter from Alan Bowers, national commander for the Disabled American Veterans. He says, ''Shortchanging veterans is all the more objectionable because it in no way is necessitated by our fiscal situation, but rather is part of a larger objective to make deep cuts in spending on veterans and other domestic programs at the same time far more costly cuts are made in taxes. The House budget resolution is all the more objectionable because it is part of a greater plan to impose cuts in discretionary spending and impose a freeze on any improvements or adjustments in benefit programs such as veterans disability compensation in fiscal year 2006 through 2009. To the veterans of this Nation, it is incomprehensible that our government cannot afford to fund their medical care and benefit program at a time it can afford generous tax cuts costing hundreds of billions more.''

I know in Oregon our VA has over a thousand veterans waiting. Seven hundred to 800 new veterans enroll each month requesting medical care. I have heard people are waiting over a year to see a primary care physician. No person, especially a veteran who has served this country, deserves to be treated this way.

If Members can look at this chart, this is both by the chairman and the ranking member from the Committee on Veterans Affairs, of which I am a member. They said, we have concluded that an additional $2.5 billion in budget authority would be needed to ensure a current services budget. So this is a bipartisan issue.

The Democratic budget provides $1.3 billion more than the Republican budget for veterans and $6.6 billion more over 5 years. The House Republicans may tout the fact that their budget contains more veterans appropriations than the President's budget, but the Republican budget still provides $1.3 billion less than the Committee on Veterans' Affairs has recommended.

The Democratic budget will improve access and reduce waiting time for all veterans. This is real simple. We have more veterans coming into the system every day. Health care costs are going up. They are skyrocketing past inflation. This budget does not meet veterans' needs. Not one soldier who puts his life on the line should have to worry about getting health care when he returns from battle. I urge my colleagues to vote against the Republican budget and join me in supporting our veterans.

Mr. SPRATT. Mr. Chairman, I yield 5 minutes to the gentleman from Texas (Mr. EDWARDS).

Mr. EDWARDS. Mr. Chairman, ''Passage of the budget resolution as presented would be a disservice to those men and women who have served this country and who are currently serving in Iraq, Afghanistan, and around the world in the fight against terrorism.''

Those are not my words; those are not the words of some Democrat. They are the words written in a letter yesterday to all House Members signed by the legislative directors of the Disabled American Veterans, the Veterans of Foreign Wars, AMVETS, and the Paralyzed Veterans of America.

Why is it these nonpartisan, respected national veterans organizations are strongly opposing this budget resolution? The answer is simple: they believe, as I do, that it is wrong and unfair to reduce veterans health care services during a time of war.

Now, my Republican colleagues will tell Members that this bill increases veterans health care spending. It is what they do not tell Members that will harm veterans all across America. The truth is this budget for veterans health care does not even keep track with inflation. The truth is this budget will reduce veterans health care services by $1.3 billion this year and by as much as $21 billion over 5 years even though our Nation is at war.

Do not trust my word for it. Let us look at a letter written by the Republican chairman of the Committee on Veterans' Affairs, an expert on veterans health care and also cosigned by the gentleman from Illinois (Mr. EVANS), the ranking member, dated February 26, 2004. They say, as the gentlewoman from Oregon (Ms. HOOLEY) pointed out, that they concluded that an additional $2.54 billion in budget authority, the VA's discretionary programs, would be needed to ensure a current services budget.

Well, it looks like the Republican budget comes up about $1.3 billion short, and that means cuts in real health care services to real veterans.

Mr. Chairman, the bottom line is that House Republicans continue to pass resolutions on this floor honoring our troops in Iraq while at the same time cutting our future veterans, those Iraqi troops today, cutting their health care veterans benefits. Let me be specific. Last year on March 28 at 2:54 a.m. in this House, Republicans voted to cut veterans benefits by $28 billion over 10 years. At 3:02 a.m. on that same day last year, the same Republicans voted, along with all Democrats, to salute the service of our troops in Iraq.

Can Members imagine that, voting to salute our troops in Iraq 8 minutes after just voting to cut their future veterans benefits, including education, health care, compensation and disability benefits by $28 billion?

After Americans expressed their outrage last year at that say-one-thing-do-another technique regarding veterans, I thought we would never see that again visited in this House or on this floor, but I was mistaken. Last Wednesday, the House Budget Committee Republicans voted for an effective $1.3 billion cut in veterans health care services on the same day that we here on the floor of this House passed a bipartisan resolution saying, We want to express our gratitude for the valiant service of our troops in Iraq.

Mr. Chairman, cutting veterans health care services by billions of dollars is an odd way to express gratitude to our troops or to our veterans.

I used to think March Madness was a reference to collegiate basketball playoffs; but it appears March Madness has another meaning, because for 2 years in a row in the month of March, Republicans have voted to cut veterans health care services at the same time they voted for resolutions honoring our veterans and our troops.

□ 1530

Mr. Chairman, I believe veterans understand what is going on. They find it insulting that Congress would cut veterans' health care services during a time of war. It is insulting to America's veterans to have Members on the other side of the aisle voting to cut veterans' health care services 2 years in a row in the budget resolution while passing at the same time resolutions thanking our veterans and our troops for their great service to our country.

Mr. Chairman, it is time we honored our veterans and our troops with our deeds, not just our words. We should honor them with our budget votes, not just with our rhetoric and floor speeches. Maybe that is why DAV National Commander Alan Bowers said very recently, ''To the veterans of this Nation it is incomprehensible that our government cannot afford to fund their medical care and benefit programs at a time it can afford generous tax cuts costing hundreds of billions of dollars more.''

The Democratic alternative increases veterans' health care spending by $1.3 billion, so we do not cut veterans' health care during a time of war in Iraq and Afghanistan and the war on terrorism. We increase veterans' health care spending in the Republican alternative by $6.6 billion over the next 5 years. I say once again, we should honor our troops in Iraq today and tomorrow's veterans, which they are, with our budget votes here on the floor of the House, not just with our rhetoric in speeches in Washington and in speeches back home.

Mr. NUSSLE. Mr. Chairman, I yield myself 15 seconds to respond briefly and say that, using the exact same standard that the gentleman just used, he voted at 7:03 p.m. last Thursday against a $1.2 billion increase in veterans' spending. A $1.2 billion increase in veterans' spending the gentleman voted against in committee last week.

Mr. Chairman, I yield 1½ minutes to the gentleman from Kansas (Mr. RYUN), a member of the committee.

Mr. RYUN of Kansas. Mr. Chairman, I want to thank the gentleman from Iowa for his hard work in putting together this very, very good budget.

This budget includes initiatives to allow the Department of Defense to continue to recruit, train and retain the highest quality personnel in the world by including additional funding for military personnel pay and benefits. This additional amount helps protect the most important defense investment in the budget, our people who choose to stand in harm's way so that we might experience the freedoms that we so much expect.

Since 2001, funding for military personnel has been increased by 59 percent. This is in striking contrast to the 1990s, which could be considered a decade of neglect. In the mid-1990s, an estimated 12,000 service personnel were receiving food stamps. But since 2001, basic pay alone has been increased by more than 21 percent. When benefits for food and housing are added, service members' take-home pay has been increased by almost 29 percent.

In the mid-1990s, military personnel were expected to absorb, or pay out of pocket, 15 percent of their housing expenses. In this budget, out-of-pocket costs for service personnel are scheduled to drop to zero in fiscal year 2005.

Additionally, the budget provides for full funding of health benefits for active duty troops, retirees and dependents. The Republican budget also sets aside $50 billion to pay for the cost of Iraq and Afghanistan operations in 2005. It is from these funds that we can accommodate additional wartime-related benefits like Tricare for uninsured reservists, the increase in imminent-danger pay that we legislated last year, and family separation allowances.

In conclusion, this budget puts us on track to continue the work of the previous 3 years to reverse the neglect of the 1990s and support those who are supporting us with their daily sacrifices.

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

Mr. EDWARDS. Mr. Chairman, in response to the gentleman from Iowa, let me say that I proudly voted against this budget resolution in the Committee on the Budget last week because it woefully underfunds veterans' health care. I am certainly in good company with the Disabled American Veterans, the Paralyzed Veterans of America, the Veterans of Foreign Wars and AMVETS. I will proudly stand up with these veterans in opposing in committee and on the floor an inadequate bill that will cut health care services for veterans.

Mr. SPRATT. Mr. Chairman, I yield myself 15 seconds. I would add to what the gentleman just said that we all voted by voice vote to increase veterans' health care by $1.2 billion in committee. It passed on a voice vote.

Mr. Chairman, I yield 1½ minutes to the gentlewoman from California (Ms. WATERS).

Ms. WATERS. Mr. Chairman, I prepared a statement to come to the floor, but I am not going to use a statement. I am going to simply read from a letter that has been sent to the Members of Congress from the Disabled American Veterans:

''For veterans' discretionary programs, primarily veterans' medical care, H. Con. Res. 393 would provide $1.1 billion below the minimum amount of funding determined necessary by the House Veterans' Affairs Committee, and $2.7 billion below the amount of funding recommended by ''The Independent Budget'' prepared by the Disabled American Veterans, AMVETS, the Paralyzed Veterans of America and the Veterans of Foreign Wars.

''The inadequate appropriations provided in H. Con. Res. 393 will support medical treatment for 170,000 fewer veterans than the Department of Veterans Affairs could treat with the funding recommended by the House Veterans' Affairs Committee and will support 13,000 fewer full-time employees for veterans' medical care. With the level of appropriations in the House budget resolution, VA will be required to delay medical care for some veterans, and deny it altogether for other sick and disabled veterans, just to enable it to meet inflationary costs, including increases in employee wages.''

I could go on and on and on with this.

I have served on the Committee on Veterans' Affairs. When I was first elected to Congress, I served on that committee for about 4 years. I have never seen the level of lobbying, the letter-writing from veterans that I am seeing today. And this letter comes from one of the most vulnerable veterans' populations. It is shameful.

We cannot support this. Listen to what the veterans are saying.

Mr. SPRATT. Mr. Chairman, I yield 5 minutes to the gentleman from Maryland (Mr. HOYER).

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

Mr. HOYER. Mr. Chairman, yesterday on this House floor, the Republican majority leader, the gentleman from Texas, remarked that this budget debate frames the Democratic and Republican Parties' competing visions of America. On that, we are in complete agreement. The Federal budget is indeed a statement of our national priorities. It is a statement of our values. And today, through its budget resolution, the Republican Party tells all of America that it lacks the will and it lacks the courage to address the fiscal crisis that its failed economic policies have created over the last 3 years.

Last week, the chairman of the Committee on the Budget, the gentleman from Iowa, said this: ''We don't believe you should have to pay for tax cuts.'' Well, my Republican friends, you do not. But our children and grandchildren will pay for them.

With a projected record budget deficit of more than $500 billion this year alone, this budget resolution would dig an even deeper deficit hole. It would increase the deficit by nearly $250 billion over the next 5 years, and over the next 10 years increase the deficit already projected by the Congressional Budget Office to be $2 trillion, an additional $1.6 trillion of deficit, that young people will have to pay off.

Democrats believe that it is irresponsible, indeed immoral, to adopt such a policy and to plunge our Nation even deeper into debt and to force future generations to pay our bills. Republicans apparently are not bothered by that.

This budget resolution would spend the entire $1 trillion Social Security surplus, all of it, every nickel of Social Security surplus over the next 5 years and in subsequent years. Democrats believe that it is irresponsible, indeed, as I have said, immoral, to rob Social Security and Medicare to pay for tax cuts. Republicans apparently do not.

And this budget resolution would freeze funding for domestic appropriations outside of homeland security to make room for tax cuts. Even a respected Member of your own party, Mr. Chairman, the chairman of the Committee on Appropriations, the gentleman from Florida, has recognized the folly of trying to balance the budget on the backs of children, veterans, the elderly and the uninsured.

In February, Chairman YOUNG, one of the most respected Members of the Republican Party, a leader in this House, said: ''No one should expect significant deficit reduction as a result of austere nondefense discretionary spending limits. The numbers simply do not add up.''

Why do the numbers not add up? Because nondefense discretionary spending represents only 17 percent of the entire Federal budget.

And then we are told, my friends, that we will eliminate waste, fraud and

abuse. I am for that, and I am shocked that the Republican administration has been in office for 3½ years, controlled this House and the Senate, and we still have significant waste, fraud and abuse in Washington. What is wrong with this administration? Do they not care about waste, fraud and abuse? Why have they not gotten rid of it?

The truth is, we could wipe out all nondefense discretionary spending and we would still be running a deficit of more than $100 billion. In other words, we would shut down all of government. Maybe some would like to do that. But the people who ride on roads, the people who want the FBI on the job, the people who want the CIA on the job, the people who want NIH researchers trying to find out how to cure cancer would want them on the job.

Mr. Chairman, Democrats fought for pay-as-you-go budget rules that require both spending increases and revenue decreases to be offset. That is what Alan Greenspan said was responsible. That is what the other body voted for. A bipartisan majority of the other Chamber voted for that. And all of us know that our bipartisan agreement on such rules in 1990 led to steadily decreasing deficits, four consecutive surpluses and the strongest economy in our lifetimes.

But House Republicans have refused. Instead, they want to pretend that they are committed to fiscal discipline. They say they want to apply PAYGO rules to spending increases, but not tax cuts. In fact, they will not bring it to the floor. The majority leader says it has got to ''ripen.'' I am not sure what ripening means, but that is what, apparently, it has got to do.

But, of course, it is doubtful whether their budget enforcement bill will ever see the light of day.

For years, Mr. Chairman, House Republicans preened as ''deficit hawks.'' Some even recognized that tax cuts are not, in fact, sacrosanct or freebies. That is what the gentleman from Texas (Mr. DELAY) said.

We ought to reject this Republican budget resolution and adopt the responsible, effective Spratt alternative. The Blue Dog alternative does the same.

Mr. NUSSLE. Mr. Chairman, I yield myself 20 seconds to respond briefly and say that the gentleman from Maryland may want to read his substitute. It is interesting what you find out when you read the substitute. He said that it would be immoral to use one penny of the Social Security trust fund over the next 5 years. Well, guess what? Your substitute spends it all.

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

Mr. BONNER. Mr. Chairman, our Nation recently marked the 1-year anniversary of the day when the United States, Great Britain and a coalition of our allied troops from around the world began the campaign known today as Operation Iraqi Freedom. Within just 4 short weeks of that day, the Iraqi military was defeated, the brutal regime of Saddam Hussein was brought to an end, and a people was, for the first time in a generation, able to live free from oppression and cruelty. As significant as this victory was for the people of Iraq, it was also the latest in a growing series of successes in the larger global war against terrorism. This war began on our own shores on that tragic Tuesday morning in September of 2001 and it gave us and indeed the entire world a sudden reminder that the enemies of freedom and peace are still active in the world today.

□ 1545

Since that time, terrorist activities in Spain, the Philippines, Israel, and many other nations around the world have once again reminded us that these same enemies must be dealt with and dealt with quickly. The conflict in Iraq, indeed the global war against terrorism, is still not finished. In order to finish the job, we and our coalition partners must provide the funding that meets the needs of training, equipping, and protecting our men and women in uniform.

In his opening remarks during the recent markup of the fiscal year 2005 budget resolution, the gentleman from Iowa (Mr. NUSSLE), our distinguished chairman, stated that in our budget we were going to do the responsible thing and plan for the costs associated with the ongoing conflict in Iraq and the global war against terrorism. As he said, we do not know the dollar amount necessary for these operations, but we know it will not be zero.

The funding included in the budget resolution for ongoing military operations was indeed a difficult choice, but I submit it was the responsible choice; and I commend the chairman for his principled leadership in this regard.

Mr. SPRATT. Mr. Chairman, I yield 1½ minutes to the gentleman from Texas (Mr. REYES).

Mr. REYES. Mr. Chairman, I thank the gentleman from South Carolina for yielding me this time.

I rise this afternoon on behalf of military families. I am particularly concerned today that the current statutory cap on the housing privatization will hurt our military families because this cap will be reached by November of this year, and it stands to affect nearly 50,000 military families from all services, families like the one that is pictured here, families that are currently living in substandard housing in all of these military facilities.

Mr. Chairman, this past Monday my wife and I were visiting my son, daughter-in-law, and granddaughter in Fredericksburg, Virginia; and coming back on the train, we saw two young mothers with two toddlers and a baby struggling to get on that train. We helped them and we found out subsequently that their husbands are serving this country proudly in Iraq. In talking to them, they mentioned to us that one of the biggest challenges that they face is substandard housing, substandard housing for our military families while our brave men and women in uniform are fighting and dying in Iraq, Afghanistan and other parts of the world. Unconscionable. We need to lift this cap and allow these 50,000 families to have decent housing.

In fact, just to end with this, Mr. Chairman, in my district there is a segment of military housing that is known as Bedrock. When I asked why is it called Bedrock, they said because the housing is akin to that that was found in the ''Flintstones.'' That is shameful. We need to change it. We need to think about our families.

Mr. NUSSLE. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Florida (Mr. WELDON).

Mr. WELDON of Florida. Mr. Chairman, I thank the gentleman for yielding me this time.

I rise to speak about the NASA component in the budget. The NASA money is not specifically spelled out; but within the overall context of science and technology, there is level funding in this budget.

I would just like my colleagues to get a good understanding of a couple of simple facts as it relates to NASA, particularly as we move through the appropriations process. Aerospace products lead on our positive balance of payments. The investment that we have made for decades in aerospace technology is resulting in a tremendous amount of jobs and a positive balance of payments.

In 2004 dollars, here is where NASA's budget was in 1991, and this is what happened during the previous administration. We actually saw a 30 percent decline in NASA's budget. What this current administration is proposing, and some people have been ridiculing the President's initiative, is to just try to get some slight growth out of NASA, recognizing the tremendous importance of this as well not only for our balance of payments but our national security. And I just want my colleagues to know in this House that if we reduce NASA below the President's budget request, it is going to come out of the shuttle returning to flight and getting the Space Station program back on track. This is not money to go to Mars. There was never money in this project to go to Mars. This is to get the shuttle flying again, and this is to get the program through its construction phase to completion.

I am a conservative. I feel very strongly that we should have a balanced budget. It was one of the things I fought when I came here, and I am going to work to try to get our country back on track for a balanced budget. But NASA already paid. When we were dramatically increasing education spending and many other Departments, the NASA budget was going down and down.

I think this President correctly recognizes the tremendous value of the investment in aerospace research, and we need to continue the President's initiative on space.

Mr. SPRATT. Mr. Chairman, I yield myself 45 seconds.

To complete what the gentleman from Texas (Mr. REYES) was saying, it is significant and Members should understand that we have made special provision in our budget resolution to see to it that the contracting officers of the full military services have the budget authority backup needed to continue the privatization plan for expanding and improving military housing. Without the action we take, without the additional budget authority we provide these contracting officers, military housing will come to a trickle, if not a screeching halt. We provide that in our budget resolution.

In addition, I would say to the gentleman in the well just now talking about NASA that we provide $4.875 billion over 5 years more than the House budget resolution for the projects that he was just praising.

Mr. Chairman, I yield 16 minutes to the gentleman from Virginia (Mr. MORAN), and I ask unanimous consent that he be allowed to control that time.

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

There was no objection.

Mr. MORAN of Virginia. Mr. Chairman, I yield myself such time as I may consume, and I thank my colleague, friend, and leader on the Committee on the Budget for yielding me the time.

We are going to focus on homeland security; but before we do that, I have to expose an issue of hypocrisy that, as much as anything, is a compelling reason to vote for the Democratic budget rather than the Republican budget.

Let me explain what I mean. Most military retirees die before their spouses; and to deal with this situation, they pay extra money in for what is called spousal benefits. With the Federal civilian retiree system, retirees' spouses get 55 percent of their pay. For military retirees as long as they live, they are going to get their full annuity. But there is an anomaly, an injustice in the current system for military retirees' spouses, and that is as soon as they turn 62 years of age, their benefit drops from 55 percent to 35 percent of their breadwinner's benefits. And thus for all that money that a spouse paid into the system survivors get very little out of it because Social Security offsets it. This Democratic budget fixes that injustice.

Let me tell the Members why it is such a hypocrisy in this Republican budget. 272 Members of this House have signed this bill, cosponsored this bill, including 12 Republicans on the Committee on the Budget; and when they were given an opportunity to rectify this injustice, they voted ''no.'' They get the credit for cosponsoring the bill, and yet they vote not to provide any money. That is as compelling a reason as any to vote for this responsible budget, rather than the Republican alternative that is before us today.

Mr. Chairman, now let me move on to homeland security. We have heard a whole lot of rhetoric about homeland security. We are listening to it on television in both cloak rooms; the American public is thinking about what did we do before 9–11 that could have been done better. What preparations might we have made that we did not? And there is a whole lot of blaming, a whole lot of finger pointing as to who was responsible. People are pointing to people in the Clinton administration and the Bush administration. But one of the things that most of them agree upon is that there probably is going to be another terrorist attack leveled at Americans within our borders, and so there is probably going to be another commission looking back on what did the Congress and the executive branch do to protect American citizens.

We are not going to be able to ensure everyone's safety, but there are certain things we need to do. Port security is one of them. What do we do with our port security? We cut the money. And, in fact, this budget, the Republican budget, cuts it even below the President's budget, cuts out 63 percent of port security grants. We are going to hear from the gentleman from Virginia (Mr. SCOTT) in a few minutes on port security because he represents the largest port on the east coast. But we know we are vulnerable.

When we were attacked in New York City, at the Pentagon, who responded? They were not homeland security Federal employees. They were what we call first responders. They were the local police, firefighters, emergency medical personnel, all of the people that our communities count upon every day; but in a terrorist attack, they are the first line of response. So what does this budget do? It cuts $2.3 billion from those first responders. And then we have the gall to say that this budget responds to our homeland security needs. It does not. The Democratic alternative does. It restores that essential funding.

We are going to hear from the gentleman from Texas (Mr. TURNER), who is the ranking Democrat on the Select Committee on Homeland Security. We are going to hear from the gentleman from Virginia (Mr. SCOTT) on port security. We are going to hear from the gentleman from North Carolina (Mr. PRICE), and the gentleman from New Jersey (Mr. PASCRELL) on first responders. We are going to tell the Members what this country needs to do to protect its citizens. We are going to start with the gentleman from Virginia (Mr. SCOTT), who represents the largest port on the east coast.

Mr. Chairman, I yield 2 minutes to the gentleman from Virginia (Mr. SCOTT).

Mr. SCOTT of Virginia. Mr. Chairman, I thank the gentleman for yielding me this time and for his leadership on domestic security.

We have to put this in perspective. We have heard a lot about strength, growth, and opportunity. This is a budget deficit that we are in right now. This is the Clinton administration, the Bush administration. When we run up those deficits, we have the opportunity to pay interest on the national debt. By 2010 we will be paying almost $350 billion a year in additional interest on the national debt over what we were going to pay, and we will have that opportunity to pay it year after year.

We have suffered this kind of growth. This is the number of jobs created every 4 years since this administration, a loss of jobs, the worst in 50 years. This chart includes the Korean War, the Vietnam War, the Persian Gulf War. That is the kind of growth that we have had. When we have that kind of squeeze on the government, there are things we cannot do and one is port security. I represent the port of Hampton Roads in Virginia; 2,700 container ships come in every year. We passed a bill last year that required the Coast Guard to look at what we needed to protect our ports. We have vulnerabilities. These ships can contain anything. They can be used as weapons. And we need more personnel; we need more equipment to protect our ports. They estimated $1.1 billion was needed by now to protect our ports. We have appropriated about half of that. This budget, as the gentleman from Virginia has indicated, does not have money, in fact, has less money for homeland security. So we are not going to be able to meet those needs for equipment and personnel to secure our ports. Alternative budgets do that. The gentleman from South Carolina's (Mr. SPRATT) budget, the Democratic alternative, the Congressional Black Caucus budget have funds for port security to make sure that we can meet these needs. The Republican budget does not, and therefore we ought to reject the Republican budget.

□ 1600

Mr. MORAN of Virginia. Mr. Chairman, I yield 2½ 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 thank the gentleman for yielding me time.

Mr. Chairman, this budget represents the worst of both worlds. It sends our national debt spiraling out of control, yet, in the process, it provides very little stimulus for an economy that is still struggling to create jobs, and it cuts services for those most in need of government support and for those charged with keeping our Nation safe.

That is what I want to concentrate in the few minutes I have here, the Republican budget's significant underfunding for our Nation's first responders.

The administration's homeland security budget cuts the State Homeland Security Grant program by almost 60 percent. It does increase the Urban Area Security Initiative, but overall there is a $150 million reduction in funding. Moreover, there is a shift in funding toward some higher-risk urban areas at the expense of smaller cities and more rural areas.

Then, if you go over to the Department of Justice budget, you see the problem is compounded. The COPS program that has furnished support for personnel and equipment for our local police departments is cut 87 percent. The Byrne Grant program and the Local Law Enforcement Block Grant program are both zeroed out in the President's budget and are replaced with a Justice Assistance program, but at a net cut of 40 percent.

So when you combine all of this, the homeland security cuts and the Justice Department cuts, the administration is proposing a 33 percent decrease in homeland security-related funding for local police overall, and if you are looking at small- and medium-sized cities, the cuts are more like 50 percent.

But the attack on first responders does not stop there. The President's budget reduces funding for FIRE Act grants by one-third, $250 million. It provides no funding at all for the SAFER program that was enacted by Congress last year to help our chronically understaffed fire departments.

A recent FEMA study showed that over two-thirds of fire departments in this country operate at staffing levels that do not meet the minimums required by OSHA and the National Fire Protection Association. Our fire departments are understaffed, and underequipped, and this budget actually compounds that problem too.

There is a dangerous trend at the Homeland Security Department to move funds that had been used for an all-hazards approach toward a terrorism-only approach. Of course, we need to do new things to prepare for terrorist threats, but we also need to make certain that we are not doing worse than we did before in terms of the support we offer to our police, fire and other first responder agencies.

The 9/11 attacks reminded us that our first responders are hometown heroes. The President and the Republican leaders are giving them lip service, but they are asking that our first responders actually do more and more with less than they had before 9/11.

That is hypocritical, and it is dangerous: one of many good reasons to reject this Republican budget.

Mr. MORAN of Virginia. Mr. Chairman, I yield 2¼ minutes to the gentleman from Texas (Mr. TURNER), the distinguished ranking member of the Committee on Homeland Security.

Mr. TURNER of Texas. Mr. Chairman, I thank the gentleman from Virginia for yielding me time and thank him for his leadership on this portion of the effort on the budget resolution.

I am glad to be here today with my colleague on the Committee on Homeland Security, the gentleman from New Jersey (Mr. PASCRELL), who has worked tirelessly on behalf of first responders.

We heard this morning the Director and Deputy Director of the Central Intelligence Agency testify before the 9/11 Commission that we are at war every day against al Qaeda. All of us know that terrorists have attacked our homeland and that they are going to seek to do it again, and it may be soon. We should need no reminders after witnessing the deadly attacks in Spain. That is why we must do all we can as fast as we can to protect our Nation against those who seek to do us harm.

It is shocking to me that in time of war against al Qaeda, that the Republican budget resolution proposes cutting funding for homeland security by a total of $857 million over 5 years. Instead of correcting the shortfalls in the President's budget request, the Republicans in the House have further cut their President's own budget request on homeland security.

We cannot reduce funding for homeland security in time of war. We must ensure that the needed resources are available to close the security gaps that we have.

The President's budget and the Republican budget fail to provide any improved security for rail and public transit systems. It fails to provide the Coast Guard the things that the Coast Guard itself says it needs. We fail to provide in a rapid fashion the radiation portal monitors that should be installed at all of our ports of entry. The Republican budget does not provide any new funding for security of the cargo that travels on the same passenger planes that we fly on every week. And it cuts resources for our Nation's first responders in their effort to protect us against terrorists.

Mr. Chairman, there are ways to improve this Republican budget. I suggested one just a few moments ago to the Committee on Rules, to suspend the deposits to the Strategic Petroleum Reserve, as was done by the Senate in a bipartisan manner, generating $1.7 billion for deficit reduction and homeland security.

Mr. Chairman, a budget resolution is an expression of national priorities, and I have no need of reminding anyone in this House that we are at war and that we must provide for the homeland security needs of this country.

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

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

Mr. Chairman, I want to congratulate not only the gentleman from Texas (Mr. TURNER) from my own side, but the gentleman from California (Mr. COX). They have done a great job in homeland security.

We can be fiscally responsible and still protect the country. That is possible if we are smart, if we put our house in order, if we understand what our priorities are.

I want everybody in these Chambers to go home this weekend, regardless of where they sit, and go to your fire chief and go to your police chief, and you explain how you cut their budget and you expect them to protect the people in their cities and their towns and in the rural areas.

How dare you pat them on the back and then pull the rug right out from under them?

The most successful program, 285 cosponsors, was the FIRE Act. They cut it one-third. They say that this is fiscally responsible. The most successful part of the public safety equation, the COPS program, that put more cops on the streets in the cities, in the small and large towns of this great Nation, brought the crime rate down.

How dare they cut that program? They zeroed it out.

The most important problem with fire departments is interoperability, one department cannot communicate with another department. They have got zero in the budget. Yet they stand and tell the American people and tell their firefighters and they tell their police officers and they tell the people in their towns that they are protecting them.

It does not jive. It does not jive. And those are the numbers, Mr. Chairman. You know it, I know it, everybody knows it.

So I want you to go home this weekend and I want you to go to your local police department and I want you to go to your local fire department, I want you to go to your EMTs; and you explain what you are trying to do in this budget.

Mr. MORAN of Virginia. Mr. Chairman, I yield 1 minute to the gentleman from Florida (Mr. MEEK).

(Mr. MEEK of Florida asked and was given permission to revise and extend his remarks.)

Mr. MEEK of Florida. Mr. Chairman, I must say that we cannot speak enough about what this budget does to first responders, and I will tell you it is definitely a travesty when we have a budget in this time of the homeland being at threat as it relates to the Secretary of Defense stating yesterday before the 9/11 Commission, cutting by 32 percent, $959 million, away from the COPS program. I must say that it is something we should really look closely at.

Those are the frontline responders, and for us to cut those dollars is a travesty in the light of making sure that people that make over $1 million annually are able to get their tax cut so it can be permanent.

I will tell you it is a sad day if this Congress allows this budget, handed

from the President, to come to fruition and become a part of the template we use to be able to fund the necessary means toward protecting the homeland. Every police officer, every sheriff, should call the Members of Congress to let them know these dollars are important to protecting the homeland and local communities and making sure we are prepared to prevent terrorist attacks from happening in the future.

Mr. MORAN of Virginia. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, our point is that this is a deficient budget. We know this country is a target of terrorists. We do not know when we are going to be attacked, but most of the experts say we will be. They are telling us, protect your ports.

So what have we done? We cut 63 percent of the budget for port security. Port security are the things that provide fencing, surveillance technologies, efforts to prevent access to docks and other port facilities. That is where we need to be putting our money. And to save $79 million, take it out of port security for tax cuts, is that an American priority? I do not think so.

To cut firefighters assistance by one-third? You are going to tell the firefighters around this country, who know they are going to be the first responders if there is an attack, we are going to pull the rug out from under you, cut your funding by one-third? Unbelievable.

And then to eliminate the COPS program, take 100,000 police officers from our local public safety agencies? All over the country jurisdictions are going to suffer by eliminating the COPS program. And then we are going to virtually eliminate the Byrne Grants for local law enforcement?

What kind of a budget is this? We are supposed to be listening to our constituents, putting in the money that addresses their priorities. These are their priorities. And you refuse to fund them so that you can pay for your tax cuts for the wealthiest, least needy Americans.

Mr. NUSSLE. Mr. Chairman, I yield myself such time as I may consume, and just wonder, why all the yelling?

I would like to understand. We are cutting homeland security? The other side has had more than enough time to yell. I would like to have a little time just to set the record straight.

My goodness, all the yelling about cutting homeland security. Let me just tell you, folks, think about this. If you are listening to this debate, I want you to understand what a cut in Washington is. Here is a cut.

Here we go. Since September 11 of 2001, homeland security spending has more than doubled. Let us start with that. During the same period, nearly 61,000 staff people have been added to the Federal Government to protect the country. See, I can yell too. Sixty-one thousand people have been added, doubling the budget. But we are cutting?

Let us go on. The budget increases the 2005 discretionary spending 14 percent above the 2004 levels. A 14 percent increase, but we are cutting?

Let us go on. Significant one-time costs involving starting the Department of Health and Human Services were met during fiscal year 2003 and we funded those start-up costs. But we are cutting?

A $474 million increase, or an increase of 76 percent, for intelligence and warning; a $17 billion increase for transportation security; a 13 percent increase for domestic counterterrorism; a $14 billion increase for protection of critical infrastructure; a $3.4 billion increase for defense against catastrophic threats; and a 24 percent increase for emergency preparedness and response.

On top of all that, the President has asked us for a 9.6 percent increase, and we are funding it. And you say to us we are cutting it?

Now, just let me tell you something. I am a fireman. You can yell and scream about your firemen. I am a fireman. I was a volunteer fireman in my hometown. I know about local response, I know about EMS, I know about first responders, because I did it. I did not just come to the floor and yell about it.

And I have got to tell you something, they are prepared. They are going to be even more prepared. We are sending them the money. In fact, we are sending it so fast and it is stuck in the pipeline so well that they are not even getting the funds because the States cannot spend it fast enough. That is what we are saying.

So you can come and yell, we can yell, increases, decreases, cutting, gouging, all sorts of things. You want a political insurance policy, that is what you are buying, a political insurance policy for homeland security. We are governing. We are making sure it is getting to the people who need it, and we are going to pass a budget that accomplishes that.

Mr. Chairman, I yield 3 minutes calmly to the gentlewoman from Florida (Ms. GINNY BROWN-WAITE) to talk about education, and get away from all of this bombastic discussion about cutting homeland security when we are increasing.

Ms. GINNY BROWN-WAITE of Florida. Mr. Chairman, I thank the gentleman for yielding me time. Having worked with the gentleman from Iowa (Chairman NUSSLE), I can tell you he is a very calm person, but a very effective person, and somebody who fights very hard for homeland security and also for education.

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I would like to speak about the opportunity that we have in this budget for the No Child Left Behind program. Before I got to Congress, this House voted on a bipartisan basis for the No Child Left Behind law because it creates testing and accountability measures intended to improve academic achievement of all of the Nation's children. The law mandates testing similar to what we did in Florida for all of the students in grades 3 through 8 in reading and math.

This first chart shows how, since No Child Left Behind began, how much more funding we have added; and this year we are adding over $1 billion to the No Child Left Behind Act. That bar is not on there; but in the 2005 budget, we will be adding additional funding for the No Child Left Behind Act by restructuring some funds within the existing Education Department.

I am an educator and I teach college. Let me tell my colleagues, I have had to apologize to so many students who came to me who could not write a complete sentence, who had very little ability to read a paragraph and understand exactly what that paragraph said. They got a piece of paper okay; they got a diploma. But that diploma was virtually useless.

Many States have remedial reading programs that students who enter into community college need in order just to keep up with community college level work, which means that we have been giving students a diploma, they have this piece of paper, and they really believe they graduated and that they have a high school diploma. Well, guess what, folks? It was a bogus diploma until we actually had accountability, until we said, you are going to be tested in these grades; and that is one of the reasons why the chairman and the members of the committee fought to add an additional $1 billion to No Child Left Behind.

Mr. Chairman, there are those who argue that even with this additional $1 billion in funding that that is insufficient; yet the Secretary of Education recently cited the results of a study that found that schools are, in fact, currently receiving sufficient Federal funds under the No Child Left Behind Act to successfully implement the law, including its testing and accountability requirements. Are some people afraid that we actually are having testing and accountability?

This law is a very good law; it needs to be funded. The Secretary of Education is saying that this is adequate as well as many of the States, State education departments that I have been in touch with.

Mr. SPRATT. Mr. Chairman, I yield 30 seconds to the gentleman from Virginia (Mr. MORAN) to respond.

Mr. MORAN of Virginia. Mr. Chairman, I respond because the chairman of the committee suggested that this is about a political insurance policy. Political insurance policy? We are trying to find the money for an insurance policy to protect the lives of American citizens.

Let me remind the gentleman that in his budget, as to interoperable communication grants for local law enforcement, $85 million last year, zero this year. Metropolitan medical response

teams, $50 million last year, zero this year. Urban search and rescue grants, $60 million last year, zero this year. The COPS program was cut by $600 million.

Go down the list. We are talking about taking money away from insuring the lives of our citizens. Put this money back where it belongs.

Mr. SPRATT. Mr. Chairman, I yield 1 minute to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Chairman, I thank the distinguished ranking member for yielding me this time. He is extremely kind.

I came to the floor on several very brief points. One, I would like to associate myself with the outstanding work of the Democratic Caucus and the substitute budget that is going to be offered by the gentleman from South Carolina (Mr. SPRATT) and our caucus. Let me also associate myself with the Congressional Black Caucus budget resolution, because it embraces, if you will, the understanding that we are all our brothers' and sisters' keeper.

Let me just say to my colleagues, Mr. Chairman, that in listening to the 9–11 testimony, one of the key elements that Mr. Tenet said, and I disagree with him more than I agree, is that our law enforcement have to be a part of the war on terrorism. I am disappointed that the budget offered by the President and the Republicans has faltered in protecting the home front. It has faltered in giving opportunity educationally to those who are most in need by depleting the Pell grants.

I am disappointed in its work on health care and the providing of opportunities for a guaranteed Medicare prescription drug benefit. I am disappointed in its lack of support for veterans in the United States, and I am disappointed in its overemphasis on defense by not allowing us to be able to support the needs of this Nation. I ask my colleagues to vote for the Democratic substitute.

I rise today being very disturbed with the direction that the Republican Party and this administration is taking our great Nation. The prime reason for my concern is the national budget which will come before this body tomorrow. The Nussle budget clearly does not improve upon the severely flawed Bush administration budget. The needs of average Americans are still ignored. The interests of a wealthy few outweigh the needs of an entire Nation in this budget. I say this not out of partisanship, but from a statement of the facts. I want to highlight a few areas in this budget that are particularly egregious.

This President and the majority party in this body have spent so much time talking about their record on education and as hard as I try I can not see what they have to be proud of. It is one thing to address areas of critical need with rhetoric, but to advocate a policy and then not fund it sufficiently is plain irresponsible. At the top of the list of my concerns is the No Child Left Behind Act (NCLB) and the fact that it has become an unfunded mandate. The House Republican resolution provides at least $8.8 billion less than the $34.3 billion authorized for education programs under the "No Child Left Behind" Act for 2005. This low funding leaves millions of elementary and secondary school students without the services Congress and the President promised just two years ago. For example, the Republican budget denies Title I services to 2.4 million students who qualify under the Act.

But the irresponsibility does not end with No Child Left Behind. For the third straight year the Republican Party has frozen the funding level for Pell Grants. Both the Republicans and the President freeze the maximum Pell Grant award at the 2003 level of $4,050, with an average grant of $2,399. Such small Pell Grants make college unaffordable for millions of students: the College Board reports that tuition and fees at 4-year public colleges today average $4,694. In any market this gap would be hard to swallow, but with the current state of joblessness that the Republican Party's agenda has created it is near impossible for so many American families to send their children to college. I fear that this agenda if allowed to continue will cause a perpetual state where our American families aren't able to succeed.

Our brave American veterans are another group who were outraged by the President's budget and will unfortunately be disappointed with the Republican House Budget. I hear so much in this body from the majority party about the greatness of our Armed Forces, and they're right, but again it's just empty rhetoric on their part. Those brave men and women fighting on the front lines in our War Against Terror will come back home and find that the Republican Party looks at them differently once they become veterans. Almost all veterans need some form of health care, some will need drastic care for the rest of their lives because of the sacrifice they made in war, but the Republican Party continues to turn a blind eye to their needs. On a bipartisan basis, the Committee on Veterans Affairs recommended that $2.5 billion more than the President's budget was needed to maintain vital health care programs for veterans. Nevertheless, the House Republican budget provides $1.3 billion less than what the Committee recommended for 2005.

The entire Department of Veteran's Affairs is going to suffer because of the Republican agenda. Over the next five years the money allocated to the Department of Veteran's Affairs will not even be able to maintain these programs at their current levels. In 2007, the budget is $227 million less than what the Department of Veterans' Affairs needs to keep pace within inflation. Over five years, the Republican budget cuts $1.6 billion from the total needed to maintain services at the 2004 level. I've heard from veterans groups throughout my district in Houston and I'm sure each Member of this body has heard from groups in their own district because veterans are one group that come from all parts of this nation. These brave veterans have told me their stories of how they are suffering now with the current state of Veterans Affairs, I am going to have trouble telling them that not only will things continue to stay bad but if this budget passes this body things will only continue to get worse. That is not what our returning soldiers from Iraq and Afghanistan should have to look forward to, a future where their needs are not only not provided for, but are in fact ignored.

Education and Veterans Affairs make up only two areas where Republican budget fails Americans. The truth is there are many other programs and services vital to our nation that are at risk because of the Republican agenda. At this point, an average American may be asking why the Republican Party finds it necessary to cut so many fundamental programs. The answer is simple, yet disturbing; the majority party is cutting important programs in order to finance all their irresponsible tax cuts. They will continue to make the argument that tax cuts provide stimulus for our economy, but millions of unemployed Americans will tell you otherwise. In fact the Congressional Budget Office itself said "tax legislation will probably have a net negative effect on saving, investment, and capital accumulation over the next 10 years."

While the Republican Party continues its offensive for irresponsible tax policies they allow our national deficit to grow increasingly larger. The deficits are so large and their policies are so irresponsible that they won't even make deficit projections past 2009. It's clear that the Republican Party is hiding from the American people. This President and this majority in Congress have yet to advocate a fiscal policy that helps average Americans. Special interests have become king in this budget at the price of sound fiscal policies.

The truth about the budget is that a sound fiscal policy that funds needed programs is possible. The Democratic Alternative Budget and the CBC Alternative Budget are both examples of how we can get out of the quagmire that the Republican agenda has put this nation in.

The Democratic budget achieves balance within eight years through realistic policy choices that protect funding for key services. The Democratic budget also has a better bottom line than the Republican budget every year, meaning a smaller national debt and fewer resources wasted paying interest on the national debt. Chronic deficits crowd out private borrowing, run up interest rates, and slow down economic growth. In addition, the Democratic budget provides $1.3 billion more than the Republican budget for veterans programs for 2005 and $6.6 billion more over five years. The Democratic budget provides $2.1 billion more for appropriated education and training programs than the Republican budget for 2005 and $9.8 billion more over the next five years. The Democratic budget also provides $3.7 billion in mandatory funding to make up the current shortfall in funding for Pell grants and additional funding to make college loans cheaper for students. These programs are all funded while maintaining a sound fiscal policy. The Democratic budget achieves balance within eight years through realistic policy choices that protect funding for key services. The Democratic budget also has a better bottom line than the Republican budget every year, meaning a smaller national debt and fewer resources wasted paying interest on the national debt. Republicans will surely try to counter this by touting the benefits of tax cuts. However, most Americans are waking up to the fact that mass tax cuts targeted toward the wealthiest Americans will only bog down our national economy. The Democratic budget accommodates the extension of marriage-penalty relief,

the child tax credit, and the ten percent individual income tax bracket. These tax cuts provide relief to middle-class families whose incomes have stagnated under the current administration's economic policies. This is what a sound fiscal policy really stands for.

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

I feel it is a sad day when the issue of our national security is compromised by a lack of proper funding. I was deeply concerned when I saw the amount of funding allocated to Homeland Security under the President's budget, but I am appalled at the further cuts taken from Homeland Security in this Republican budget resolution. This Republican budget cuts a further $857 million from non-defense Homeland Security budget that the President proposed. That statement in itself is the height of fiscal irresponsibility. Somehow the programs the Republican leadership sought to cut were the same ones that all Americans are looking towards protecting their security. As a Member of the Homeland Security Committee I know the shortfalls in our national security system and I am prudent enough to know that under funding these programs will not resolve our vulnerabilities.

First Responder programs are under funded by $900 million and represent a critical element in our national security apparatus. First Responders make up the local presence that are our first line of defense against possible terrorist attacks. In a way every American is a First Responder because we all must stay vigilant to truly avert future attacks. However, there are groups of people who go beyond vigilance and act as a professional presence to keep America safe. Among the First Responder programs that I believe are so critical is the Community Orientated Policing Services (COPS) Program. The COPS Program has helped nearly 12,950 jurisdictions through 277 different grant programs since 1994. In September 2002, COPS had provided funding for 116,573 community policing professionals across the country. Another critical First Responder program is Citizen Corp. which provides citizens with volunteer opportunities to help their communities prepare for and respond to emergencies. First Responders are not just used to prevent terrorist attacks; they fulfill the security needs of so many Americans dealing with local emergencies. For example, Citizen Corps, is now playing a critical role here in the District of Columbia helping communities deal with the lead contamination that currently affects their water supply. Clearly, First Responder programs like the COPS Program and Citizen Corp. are vital, unfortunately they require funds that are not being provided for in the Republican Budget Resolution.

Port Security Grants are under funded by $566 million and may be our greatest vulnerability in our efforts to prevent future terrorist attacks. As the Representative of a Congressional district in Houston, Texas I know personally the importance of proper Port Security. The Port of Houston is one of the largest in America; the workers on those docks have an incredibly difficult job managing thousands of ships a year, which is aside from any additional security concerns. I fear that if we do not provide the proper funding for Port Security we leave ourselves open to another catastrophic event. The numbers attributed to the traffic on our seas is staggering. There are 361 public ports in the United States that handle over 95 percent of U.S. overseas trade. Approximately 7,500 foreign ships, manned by 200,000 foreign sailors, enter U.S. ports every year to offload approximately six million truck-size cargo containers onto U.S. docks. This means that our ports are extremely valuable to our national economy, but with so much ship traffic coming through they are also extremely vulnerable. As a Member of the Homeland Security Committee I have been briefed on how few of those six million truck-size cargo containers are actually inspected. In an age where we are told that nuclear components can be launched from a suitcase, I am loathe to think about the damage that could be caused by a cargo container that has been compromised by a terrorist.

It must be clear to every Member of this body the importance of Homeland Security, but we can not pay mere lip service to the needs necessary to maintain our national security, the risks are too high and the lives of Americans are too important. It is imperative that we fully fund Homeland Security in all its facets. We can not just allocate all our money towards fighting terrorists broad, we must use the necessary funds to truly make our homeland secure.

Mr. NUSSLE. Mr. Chairman, I yield 4 minutes to the gentleman from Virginia (Mr. SCHROCK), a member of the committee.

Mr. SCHROCK. Mr. Chairman, let me set the record straight. I heard the gentleman from Virginia a few minutes ago who said he represented the port of Hampton Roads. Until that time, I thought I did, and my constituents think I do, and the fact is, I do. So let me set the record straight on port security. I served in the Navy for 24 years; I think I know a little bit about this.

As part of our commitment to homeland defense and security, this Republican budget reflects our serious commitment to port security. It provides $1.9 billion for the Department of Homeland Security-wide port security efforts, an increase of 13 percent, or $224 million over 2004, and 628 percent or $1.6 billion over 2001; and they call that a cut.

These funds include $102 million for the Coast Guard to implement the Maritime Transportation Security Act of 2002, which sets security standards for certain vessels, port facilities, and critical offshore platforms.

This budget also funds $6.6 billion to maintain and enhance border security activities, a 7 percent or $447 million increase over 2004, and a 70 percent or $2.7 billion increase over 2001, and they call that a cut. This budget funds a number of programs specifically tailored to improve port security.

We provide $102 million for implementation of the Maritime Transportation Security Act of 2002. This initiative will enable the Coast Guard to develop, review, and approve vessel and facility security plans, ensure foreign vessels are meeting security standards, enhance its intelligence capability, and provide underwater detection capability to maritime safety and security teams.

This budget provides for the upgrading of Coast Guard ships and technology, including support for the Coast Guard's integrated deepwater system acquisition program, which is systematically replacing the Coast Guard's aging fleet of vessels, aircraft, and command and control systems, and they call that a cut. We fund Deepwater at $678 million, an increase of $10 million over 2004 levels, and they call that a cut.

This budget also provides funds to improve information and intelligence. We fund the Coast Guard's maritime domain awareness programs, which will help us better understand what transits through or near our Nation's waters, and they call that a cut.

Regulations require certain commercial vessels to install automatic identification systems by the end of 2004. These devices will broadcast certain vessel information that helps identify and locate vessels in the maritime domain.

The Coast Guard established COASTWATCH, a process through which the intelligence community analyzes all-source information and intelligence on ships, crew, and cargo to identify threats. We also fund the container security initiative that allows the Department of Homeland Security to prescreen cargo before it reaches U.S. shores, and they call that a cut.

This budget allows an increase of $25 million over 2004 funding levels. These funds will support CSI expansion into additional high-volume ports. This they call a cut.

Finally, the Republican budget provides $50 million for the next generation of radiation screening devices used to screen passengers and cargo coming into the U.S.

Mr. Chairman, we need to continue to secure our ports. We can only do this by approving this budget.

Mr. SPRATT. Mr. Chairman, I yield myself 30 seconds to respond to the gentleman. In each of those items where the gentleman said, ''and they call that a cut,'' we do not call that a cut. We acknowledge that there is a substantial sum of money being put forth. But, in fact, this budget resolution reduces the President's request in nondefense homeland security items by $857 million. It is a matter of plain fact in the formulation of this budget resolution, and that is a cut. We provide $6 billion more than the budget resolution presented by the majority.

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

Mrs. DAVIS of California. Mr. Chairman, I participated in a number of homeland security simulations with the National Defense University, and I learned that one of the most significant issues in homeland security is the

importance of the local response. This local response falls squarely on the shoulders of our first responders, which is why I am concerned that this budget fails to provide them with the support that they need.

By cutting homeland security funding below the President's request, this budget provides no remedy to address the President's cuts in first responder spending.

People often forget how much we rely on our local first responders to protect our homeland security. Although we have adopted new systems, new technologies, and meaningful homeland security, it requires dedicated people to work the front lines. I believe that we can play a much stronger role in supporting our first responders. In fact, we have played that role in the past by providing them with the funding and the resources they need. Is now really the time, Mr. Chairman, to cut back?

Mr. SPRATT. Mr. Chairman, I yield for a unanimous consent request to the gentleman from Texas (Mr. GREEN).

(Mr. GREEN of Texas asked and was given permission to revise and extend his remarks.)

Mr. GREEN of Texas. Mr. Chairman, I place into the RECORD a statement concerning the majority's defense budget and also an article from The Washington Post that discusses the lack of armor for our troops in Iraq.

Mr. Chairman, I rise today with concerns about the Department of Defense budget proposal.

Last fall before my colleagues and I voted on the Iraq Supplemental, we were told that there was money included in the bill to provide all our troops with necessary life-saving equipment.

Several months after passing the supplemental, however, reports started coming back from Iraq that there were still troops serving in Iraq that did not have Kevlar vests, and there were still humvees that did not have armor to protect the troops riding in them from bullets or shrapnel.

Last week, one year after the war started, Houston's CBS affiliate KHOU reported that there are still a number humvees without bulletproof armor.

Then on Sunday, The Washington Post printed this article about Virginia Guard Units serving in Iraq that were wearing make-shift body armor their friends and family had sent them from home up until January of this year, 10 months after the start of the war.

I would like to submit this article for the RECORD.

Even more startling is the fact that these same troops are still driving around in humvees that have armor only because they were fortunate enough to have extra supplies at a machine shop on their base.

The safety of our troops should not depend on whether or not they have extra supplies on their base.

The Pentagon recently asked Congress to shift $190 million in FY04 money to pay for kits to armor humvees being used in Iraq, however this will not equip all the vehicles in Iraq and there is no money for this in the FY05 budget request.

I am troubled when I look over the Defense budget.

According to the 2005 Defense budget request there is money to double our investment in a missile defense system, but no money to armor the vehicles our troops drive in Iraq.

The defense budget states that a key part of the military's ability to meet its strategic goals is providing the best possible equipment to accompany any mission.

If this is the case, why did it take so long to provide body armor for our troops, and why are there still unarmored humvees driving around Iraq?

This administration says that there is no immediate need for a supplemental to fund operations in Iraq, but the budget leaves shortfalls in protecting our troops serving there.

Our troops are in a dangerous place, doing a dangerous job, and I hope the administration will correct these problems.

[From the Washington Post, Mar. 21, 2004]

2 MILLION MILES, MAKESHIFT ARMOR AND NO FATALITIES; A VIRGINIA GUARD UNIT SURVIVES IRAQ'S DANGERS

(By Karl Vick)

Of the many perilous things an American can do in Iraq, the most perilous of all is driving a U.S. military vehicle in a line of other U.S. military vehicles, up and down a highway, day after day.

The men and women of the 1032nd Transportation Company, a unit of the Virginia National Guard, have been doing just that for almost a year, logging more miles than any other unit in Iraq—about 2.3 million so far, almost all of them on the potholed asphalt of the region north and west of Baghdad known as the Sunni Triangle.

That the 1032nd came through the past 12 months without a fatality is regarded as exceptional good fortune by its members, a motley, good-natured group that includes truckers, students and at least one police officer, one iron worker, one cell biologist and one bartender.

''We get outside the gate, we keep it to the floor,'' said Spec. Jeff Combs of Jonesville, in far southwest Virginia, near the Kentucky and Tennessee lines. ''So far we've been really, really fortunate.''

The absence of fatalities is all the more remarkable, the truckers say, because for the first three-quarters of their tour, the drivers, gunners and mechanics routinely traversed the deadliest sections of Iraq without bulletproof vests.

When a gunman in a speeding black BMW fired an AK–47 assault rifle into the chest of Spec. Nathan Williams, the slug was stopped by a steel plate Williams had purchased with his own money and then fitted into a Kevlar vest designed to stop only shrapnel. Otherwise, the high-velocity slug would have entered his heart.

''They were $3 apiece,'' said Capt. Joe Breeding, hefting one of the crudely cut, quarter-inch-thick steel plates a colleague had sent from a workshop in Virginia.

The shortage of body armor for U.S. troops recently emerged as an issue in the presidential campaign. Sen. John F. Kerry of Massachusetts, the presumptive Democratic nominee, has cited the shortage as evidence that President Bush cares too little about the welfare of the troops. Bush TV ads, in turn, have accused Kerry of casting a vote that would have deprived combat troops of body armor.

But it has been a matter of lively discussion for almost a year in Iraq, especially among the Guard and Reserve units that were called up to play support roles but found themselves in the thick of a guerrilla war.

''It was disappointing to me to see units that just got here had vest, and we had been here six months doing without proper protection,'' said Spec. Rodney Pilson from Stewart. ''Something like that makes you feel kind of segregated.''

Breeding, the unit's commanding officer, said the 1032nd arrived in Kuwait last year largely ignorant of the state of the art in personal protection. The Kevlar vests they carried from Virginia were designed to stop shrapnel or a low-velocity slug from a handgun. But they lacked the specially designed boron carbide ceramic plates that can absorb a bullet from an assault rifle.

Too few had been ordered before the war, senior commanders told congress last fall, and first priority was given to dismounted infantry, the foot soldiers most vulnerable in a battlefield setting.

But within weeks, war turned to occupation, and the most basic assumptions were flipped upside down. ''When we got here, it wasn't as bad. The war was still going on,'' said Spec. Cliff Vance, the bartender, from Wise.

An enemy that seldom chose to stand and fight preyed mostly on military vehicles, employing booby traps and ambushes using small arms. Transportation outfits such as the 1032nd, which made two runs a day through Baghdad to and from Nasiriyah, found themselves on the new front line with equipment designed for the rear.

''We realize they had a limited number'' of ceramic-equipped vests, Breeding said. ''One thing I didn't think they realized is how the transporters are on the front line, too.''

Some things the truckers could change themselves. Makeshift armor was cut from steel plates at the machine shops in the sprawling base set up on a former Iraqi airfield outside Balad, about 40 miles north of Baghdad. Driver-side doors got steel plating, later replaced by sheets of an alloy called Armox. Kevlar-coated ballistic blankets were laid on cab floors. Cargo Humvees became battle wagons, their back ends enclosed in steel that protected the soldier manning the .50-caliber machine gun mounted in the rear.

''You came here and basically you took care of yourself,'' said Spec. David Howard.

The improvised armor made the company, which is due to leave Iraq this month, the envy of incoming units.

Sgt. 1st Class Kelvin Davenport, who will return to work as a sniper on the police SWAT team in Bristol, said the newcomers ask, ''When are you leaving? Can we get your vehicles?''

There was a limit, however, to how much the truckers could do to armor their own bodies. The Kevlar vests had no ceramic plates, and there was no space between layers of Kevlar to slip in an improvised plate.

Vests with slots to accommodate plates arrived in June, but the boron carbide ceramic plates did not begin making their way to the unit until November. The entire company was finally outfitted in January.

''We got that stuff after we got off the road,'' said Sam Stone, a mechanic and part-time driver, shaking her head.

The unit was in fact still driving in January, but by then much of the military transport was being handled by a civilian firm, Kellogg Brown & Root Inc., a subsidiary of Halliburton. The 1032nd provided the armed escort, sending its makeshift battle wagons ahead to scout for roadside bombs—Davenport spotted more than 30 himself—and bringing up the rear, still the most dangerous position.

''KBR was better equipped than we were,'' said Stone, a student from Chatham. ''We used to joke about that. All their drivers had actual bulletproof vests.''

Many of the unit's 105 drivers recount close calls. More than a dozen of their trucks were

damaged by roadside explosives. But only five people were wounded, and all five returned to duty.

Two of the wounded were hit not by roadside bombs but by mortar attacks around the 1032nd's original quarters at the corner of Texas and David Letterman Drive on the Balad base. ''I think that was scarier than driving,'' said Pilson, idling with his fellow drivers in the shade of a eucalyptus the other day. ''You wake up in the night to a boom, your heart stops, man. You're supposed to feel safe here.''

The men beside him nodded and chuckled. National Guard units grapple with a reputation as the military's second-class citizens, frequently accorded less respect than reservists. But the sense of family so often found in shared adversity has a more familiar feeling in a unit where the youngest member is 19 and the oldest 59. The only death in the 1032nd this year was from cancer. It killed a man who had survived Vietnam.

''We've been lucky,'' said Spec. Michael Bauman, 40, a construction worker from Hillsville. ''I mean, you consider over 2 million miles in this area, we've been lucky.

''It's the heat that kills you.''

Mr. SPRATT. Mr. Chairman, for purposes of debate, I yield 15 minutes to the gentleman from Georgia (Mr. LEWIS).

The CHAIRMAN pro tempore (Mr. LINDER). Without objection, the gentleman from Georgia (Mr. LEWIS) will control 15 minutes.

There was no objection.

Mr. LEWIS of Georgia. Mr. Chairman, I thank the ranking member for yielding me this time, and I yield myself such time as I may consume.

Mr. Chairman, the Republican budget before us fails the American people. It ignores the very real problems of working families. It will force deeper and deeper cuts to nearly every domestic program that supports our citizens and our way of life.

This Republican budget fails to create jobs. It shortchanges education. It robs Social Security. It cheats seniors out of secure, affordable health benefits at a time in their lives when they need it most. It fails to provide adequate health benefits for the wounded and disabled veterans who have fought so hard to protect our freedom.

This budget is without compassion. In my estimation, this budget is cruel and inhumane. It fails to meet the basic human needs of our citizens. It would slash nearly every domestic program in order to cut the taxes of a few wealthy Americans.

Mr. Chairman, this budget would dig our economy into a deeper, ever-expanding hole that our children and our children's children will have to work long and hard to pay for. This is not fair, it is not right, and it is not just.

As a Nation and as a people, we could do much better. We should be using our wealth to benefit the whole Nation, all of our citizens, all of the people, not just a few.

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

Mr. SHAYS. Mr. Chairman, I yield 3½ minutes to the gentleman from Florida (Mr. MARIO DIAZ-BALART).

Mr. MARIO DIAZ-BALART of Florida. Mr. Chairman, I want to thank the gentleman from Georgia (Mr. LEWIS) for not yelling. The chairman of the Committee on the Budget asked a few minutes ago why our Democratic colleagues keep yelling, and I think they hope that all their yelling will drown out how wrong they are on the facts. But let us talk about what those facts actually are.

This Republican budget is a fiscally responsible budget. It has no tax increases over the next 5 years. It makes the current tax cuts permanent on the American working people, and it cuts the deficit in half over the next 4 years.

□ 1630

But what we hear from the Democrat side is double-talk, talking from both sides of their mouths. And sometimes you even hear talking from both sides of the mouth from the same individual on the same issue. Let me give you some examples of that.

The very talented Democratic whip, the gentleman from Maryland (Mr. HOYER) said, ''The Republicans are spending like there's no tomorrow.'' But then he also, same person, mind you, again, the distinguished, talented Democratic whip then says as a reaction to the gentleman from Iowa's (Mr. NUSSLE) alternative proposal to cut 1 percent in waste, fraud and abuse, he says, again, I repeat, cutting 1 percent of waste, fraud and abuse would be ''senseless and irresponsible.'' Same human being, same issue.

Let us look at what the Democrats have proposed, and I think it is important, the facts. Again, that is why I am not screaming, because we have the facts on our side of the issue.

Last year Democrats proposed alternatives to major pieces of legislation that would have added almost a trillion dollars to the deficit, and yet America just heard the other side, the Democrats complaining about too much spending in some areas. But they propose almost a trillion dollars to the deficit, increase to the deficit.

They then this year, now the facts are that in the Committee on the Budget they proposed increased spending. These are actual amendments, these are facts. Look it up; it is easy to find, increased spending of $28.6 billion in just fiscal year 2005.

And here is the kicker: They proposed raising taxes on the hard-working American people by $28.9 billion. That is more than half the entire budget of the State of Florida. That is this year in committee alone, and yet then they say that we are spending too much money or the deficit is too large. That is why they scream, because the facts are what they are trying to drown out.

Democrats' amendments would have increased spending by almost $36 billion and increased taxes by $53.6 billion over the next 5 years. These are the facts that when you cut through all the loud yelling and screaming of the Democrats, good rhetoric, the facts are, the bottom line is, that they are trying to increase taxes massively on the American people. They are drastically trying to increase the taxes on every single American person in this country, hard-working people.

The budget that we have in front of us has tax cuts, does not increase taxes, makes them permanent. Those are the facts.

Mr. LEWIS of Georgia. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts (Mr. NEAL), my colleague on the Committee on Ways and Means and the Committee on the Budget.

(Mr. NEAL of Massachusetts asked and was given permission to revise and extend his remarks.)

Mr. NEAL of Massachusetts. Mr. Chairman, let me give the gentleman a fact since he raised it today, and that is that the chairman's budget does nothing about the Alternative Minimum Tax. That is a fact that we ought to be concerned about here. You can yell about it, you can speak softly about it, but it is a fact.

The President's budget calls for a 1-year patch fix to the AMT. They at the White House prefer to study the issue once again. We ought to take a test around here on issues that we are asked to study and then find out if we will ever bring them up again.

The Bush tax cut of the past 3 years have exacerbated, emphasis on the word ''exacerbated,'' the Alternative Minimum Tax problem, where many middle-income taxpayers are going to see their tax cuts go back to the Treasury by round trip, courtesy of Alternative Minimum Tax. Alternative Minimum Tax no longer affects the highest-income taxpayers; it falls mainly on middle-income taxpayers. If the Bush tax cuts are made permanent, 97 percent of the taxpayers, and listen to this, with two or more children with income between $75- and $100,000 will be affected by Alternative Minimum Tax.

Let me give a quote from Forbes magazine that is an item that Democrats always like to bring up, ''Largely as a result of tax cuts in 2001 and 2003, the Alternative Minimum Tax is now poised to devour the middle class in America.'' Our inability to fund important programs in education, health care, homeland security, veterans and environment, which most citizens, by the way, support, is the result of reckless tax policy which favors the most wealthy Americans while burdening our children and grandchildren with debt. We borrowed the money to pay for tax cuts for high-income Americans.

If the President and Congress saw the need to create a Department of Homeland Security, why are we cutting first responder funding by $648 million? Cuts to port security? Did my Republican colleagues already forget the sacrifices and courage of firefighters, police and other first responders on 9/11?

The President and the Republican leadership in this institution helped to create our current fiscal difficulties,

and I might emphasize, nonexistent job growth. What are they going to do to fix it? It takes a bit more creativity than tax cuts for the rich to address this problem.

Let us put the best thoughts of Democrats and Republicans in this institution together and fix the Alternative Minimum Tax. It is threatening tens of thousands, if not millions, of Americans in coming years. And when people after April 15 find out about Alternative Minimum Tax and the inability, or I should say, the attitude of this institution in not dealing with it, there is going to be seething anger across the country.

Mr. SHAYS. Mr. Speaker, I yield myself 1 minute. Just to respond to my colleague and say when the Alternative Minimum Tax was passed by Democrats. Republicans warned that it would be not just a tax on the rich but it would be a tax on all income producers.

Mr. NEAL of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. SHAYS. I yield to the gentleman from Massachusetts.

Mr. NEAL of Massachusetts. That may well be. I do not dispute the inception. I do not dispute the philosophy of Alternative Minimum Tax as proposed. What I do dispute is, you have been in charge for 10 years, opportunity to do something about it rather than talk about it.

Mr. SHAYS. When we tried to eliminate it in the past, we were told we were eliminating it for the wealthy. And, in fact, we were saying, it is not a tax on the wealthy, it is a tax on the middle class.

This tax does need to be eliminated. It was passed, regrettably, by our Democratic colleagues, and it is a heck of a problem to get rid of now, but we need to.

Mr. LEWIS of Georgia. Mr. Chairman, I yield 3 minutes to the gentlewoman from Wisconsin (Ms. BALDWIN), a member of the Committee on the Budget.

Ms. BALDWIN. Mr. Chairman, budgets are about priorities and America's budget ought to reflect America's priorities.

Once again, Republicans have presented a budget that makes spending billions of dollars on tax cuts for the wealthy a higher priority than confronting the issues my constituents worry about, such as fixing our broken health care system and putting America back to work, educating our children, and keeping our promises to our seniors and veterans.

In short, people who make over a million dollars a year come first, while millions of hard-working Americans foot the bill. Those who need it the very least get the most, and those who need the help the most get the very least.

Perhaps some of you have heard of a popular TV reality show called ''The Simple Life.'' It introduces two young wealthy heiresses onto an Arkansas farm where they are exposed to hard work and a set of struggles they have not witnessed firsthand before.

Under this budget resolution, hotel heiress Paris Hilton would make out big. Given her family's $300 million fortune and her earnings from filming the show, she belongs to an elite group of Americans who make over $1 million per year. She would save over $150,000 in taxes per year under the policies that are embraced in this Republican budget resolution.

So what about the family she stayed with? Well, I confess I do not know the annual income of the farm family that hosted them, but I can tell you that the average farm family in my home State would save roughly $600 from the tax cut policies in this budget. But at what cost to maintain these tax cuts?

First, the Republican budget resolution pays for them by borrowing from future generations, so we can all pay a little bit of the interest on the debt incurred to pay for Paris Hilton's tax cut.

Second, the Republican budget resolution pays for these tax cuts by ignoring pressing American problems like our health care crisis and job losses.

Lastly, this resolution pays for these tax cuts by cutting or freezing vital investments in our future like education and keeping our promises to seniors and veterans.

Now, I have had a little fun with ''The Simple Life,'' but the bottom line is very serious. I can tell you that putting tax cuts for the wealthy before the needs of hard-working Americans will have serious impacts on their lives and our future.

Mr. LEWIS of Georgia. Mr. Chairman, I yield 3 minutes to the gentleman from Tennessee (Mr. COOPER), a member of the Committee on the Budget.

Mr. COOPER. Mr. Chairman, I thank the gentleman from Georgia (Mr. LEWIS) for yielding me time.

Do not take my word for it. Listen to some of the most distinguished advocacy groups in this country, one, the veterans groups, DAV, VFW, American Legion. They have said that ''The Republican budget is a disservice to those men and women who have served this country and who are currently serving in Iraq, Afghanistan, and around the world in our fight against terrorism.''

We are proud to have the help of these distinguished veterans groups in this battle. We are also proud to have the help of the AARP that says that the Republican budget is unfair, flawed and should be rejected by the House.

Now, some people watching this debate may think that, well, the Democrats have outspent the Republicans again. Some people may be cynical and say that they may or may not benefit from some of the spending programs involved. They might not be veterans or seniors or some of the other groups that we clearly have a better budget for. But everyone feels they pay taxes. And some people feel, well, there the Democrats go, they are taxing us again.

Look at the facts of this budget. Democrats and all Americans should be proud of our tax relief in this bill because we have exactly the same tax relief for the middle class and our budget as our friends on the other side of the aisle do. And we are proud of that. That is a good thing. So average Americans, 99.5 percent of the population, that is the same tax situation. They do not need to worry that the Democrats secretly have a plan to tax them.

Now, there is a small group, a very small group of people, who make annually over $500,000 a year in income. So if you report gross income on your tax return every year of over $500,000, we do not take away your tax relief. We take away about half of it. The folks I know, and I used to be in this category for a while, make over $500,000 a year, they are still patriotic Americans.

They know we are still at war. They are happy to make their contribution, and only accepting part of the tax relief they are being offered, I think is something most folks in that elite income category would be delighted to do. These are good people. It is the American dream for all of us to make that much money.

So for 99.5 percent of the American people it is the same tax relief as in the Republican bill. But in the that top, top category, folks who make over $500,000 a year, we would reduce their tax relief a little bit. Is that too much to ask?

So I would ask the Members who are tuning in to this debate, think who would you prefer helping, our veterans who made the ultimate sacrifice for this country, our senior citizens, or are you so anxious to give 100 percent tax relief to the folks who make over $500,000 a year in income?

How many Americans have ever reported $500,000 a year in income? I am not talking capital gains here. I am talking in income on their tax return.

That is an amazing situation, and we can fund this budget with that tax provision.

Mr. LEWIS of Georgia. Mr. Chairman, I yield 3 minutes to the gentleman from Alabama (Mr. DAVIS), a member of the Committee on the Budget.

Mr. DAVIS of Alabama. Mr. Chairman, sometimes I know a lot of the people listening to these debates hear us talking about a lot of sound and fury, and you would almost have the impression, when we hear the words ''tax cuts'' over and over again, you would almost have the impression that we are talking about real money for some people.

The reality is that for 53 percent of the families who are listening right now around this country, the tax cut they will receive is $100 or less a year, not $100 or less a paycheck but $100 or less a year.

The middle-income Americans in this country will receive a tax cut on average of $217 a year, which by my math is around $20-some a month.

□ 1645

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

There was no objection.

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

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

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

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

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

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

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

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

□ 1700

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

□ 1715

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The motion was agreed to.

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

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

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

House Concurrent Resolution 328, by the yeas and nays;

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

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

House Concurrent Resolution 189, by the yeas and nays.

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

□ 1730

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

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

The Clerk read the title of the concurrent resolution.

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

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

[Roll No. 80]

YEAS—424

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

Goode
Goodlatte
Gordon
Goss
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grijalva
Gutierrez
Gutknecht
Hall
Harman
Harris
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hill
Hinchey
Hinojosa
Hobson
Hoekstra
Holden
Holt
Honda
Hooley (OR)
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
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
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Maloney
Manzullo
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Mollohan
Moore
Moran (KS)
Moran (VA)
Murphy
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Nethercutt
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pearce
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Porter
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)
Ryun (KS)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schakowsky
Schiff
Schrock
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shuster
Simpson
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stark
Stearns
Stenholm
Strickland
Stupak
Sullivan
Sweeney
Tancredo
Tanner
Tauscher
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Toomey
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Vitter
Walden (OR)
Walsh
Wamp
Waters
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Wu
Wynn
Young (AK)

ANSWERED ''PRESENT''—1

Kucinich

NOT VOTING—8

Dingell
Dooley (CA)
Hoeffel
Simmons
Smith (MI)
Tauzin
Woolsey
Young (FL)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. SWEENEY) (during the vote). Members are advised 2 minutes remain in this vote.

□ 1753

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

The result of the vote was announced as above recorded.

The title of the concurrent resolution was amended so as to read: ''Recognizing and honoring the United States Armed Forces and supporting the goals and objectives of a National Military Appreciation Month.''.

A motion to reconsider was laid on the table.

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.

LLOYD L. BURKE POST OFFICE

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 3059.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Michigan (Mrs. MILLER) that the House suspend the rules and pass the bill, H.R. 3059, 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 425, nays 0, not voting 8, as follows:

[Roll No. 81]

YEAS—425

Abercrombie
Ackerman
Aderholt
Akin
Alexander
Allen
Andrews
Baca
Bachus
Baird
Baker
Baldwin
Ballance
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Becerra
Bell
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blackburn
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brady (TX)
Brown (OH)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Carter
Case
Castle
Chabot
Chandler
Chocola
Clay
Clyburn
Coble
Cole
Collins
Conyers
Cooper
Costello
Cox
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Doggett
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emanuel
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Feeney
Ferguson
Filner
Flake
Foley
Forbes
Ford
Fossella
Frank (MA)
Franks (AZ)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gephardt
Gerlach
Gibbons
Gillmor
Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Goss
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grijalva
Gutierrez
Gutknecht
Hall
Harman
Harris
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hill
Hinchey
Hinojosa
Hobson
Hoekstra
Holden
Holt
Honda
Hooley (OR)
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
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 (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
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Maloney
Manzullo
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Mollohan
Moore
Moran (KS)
Moran (VA)
Murphy
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Nethercutt
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pearce
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Porter
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)
Ryun (KS)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schakowsky
Schiff
Schrock
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shuster
Simpson
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stark
Stearns
Stenholm
Strickland
Stupak
Sullivan
Sweeney
Tancredo
Tanner
Tauscher

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

NOT VOTING—8

Dingell
Dooley (CA)
Gilchrest
Hoeffel
King (IA)
Simmons
Tauzin
Young (FL)

□ 1801

Mr. CULBERSON and Mr. BOOZMAN changed their vote from ''nay'' to ''yea.''

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:

Mr. KING of Iowa. Mr. Speaker, on rollcall No. 81 I was unavoidably detained. Had I been present, I would have voted "yea."

CHILD NUTRITION IMPROVEMENT AND INTEGRITY ACT

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 3873, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. BOEHNER) that the House suspend the rules and pass the bill, H.R. 3873, as amended, 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 419, nays 5, not voting 9, as follows:

[Roll No. 82]

YEAS—419

Abercrombie
Ackerman
Aderholt
Alexander
Allen
Andrews
Baca
Bachus
Baird
Baker
Baldwin
Ballance
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Becerra
Bell
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blackburn
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brady (TX)
Brown (OH)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Case
Castle
Chabot
Chandler
Chocola
Clay
Clyburn
Coble
Cole
Collins
Conyers
Cooper
Costello
Cox
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Doggett
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emanuel
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Feeney
Ferguson
Filner
Foley
Forbes
Ford
Fossella
Frank (MA)
Franks (AZ)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gephardt
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Goss
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grijalva
Gutierrez
Gutknecht
Hall
Harman
Harris
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Herger
Hill
Hinchey
Hinojosa
Hobson
Hoekstra
Holden
Holt
Honda
Hooley (OR)
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
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
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Maloney
Manzullo
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (FL)
Miller (NC)
Miller, Gary
Miller, George
Mollohan
Moore
Moran (KS)
Moran (VA)
Murphy
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Nethercutt
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Payne
Pearce
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Porter
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)
Ryun (KS)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schakowsky
Schiff
Schrock
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Shaw
Shays
Sherman
Sherwood
Shimkus
Shuster
Simmons
Simpson
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stark
Stearns
Stenholm
Strickland
Stupak
Sullivan
Sweeney
Tancredo
Tanner
Tauscher
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Toomey
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Vitter
Walden (OR)
Walsh
Wamp
Waters
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)

NAYS—5

Akin
Flake
Hensarling
Paul
Shadegg

NOT VOTING—9

Carson (OK)
Carter
Dingell
Dooley (CA)
Hefley
Hoeffel
Miller (MI)
Tauzin
Young (FL)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. SWEENEY) (during the vote). Members are advised there are 2 minutes remaining in this vote.

□ 1809

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

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CELEBRATING THE 50TH ANNIVERSARY OF THE INTERNATIONAL GEOPHYSICAL YEAR (IGY) AND SUPPORTING AN INTERNATIONAL GEOPHYSICAL YEAR–2 (IGY–2) IN 2007–08

The SPEAKER pro tempore. The pending business is the question of suspending the rules and agreeing to the concurrent resolution, H. Con. Res. 189, as amended.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Alabama (Mr. BONNER) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 189, as amended, 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 420, nays 3, not voting 10, as follows:

[Roll No. 83]

YEAS—420

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

Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Carter
Case
Castle
Chabot
Chandler
Chocola
Clay
Clyburn
Coble
Cole
Collins
Conyers
Cooper
Costello
Cox
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Doggett
Doolittle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emanuel
Emerson
Engel
English
Eshoo
Etheridge
Everett
Fattah
Feeney
Ferguson
Filner
Foley
Forbes
Ford
Fossella
Frank (MA)
Franks (AZ)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gephardt
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Goss
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grijalva
Gutierrez
Gutknecht
Hall
Harman
Harris
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hill
Hinchey
Hinojosa
Hobson
Hoekstra
Holden
Holt
Honda
Hooley (OR)
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
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
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Maloney
Manzullo
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Mollohan
Moore
Moran (KS)
Moran (VA)
Murphy
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Nethercutt
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Owens
Oxley
Pallone
Pascrell
Pastor
Payne
Pearce
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Pitts
Platts
Pombo
Pomeroy
Porter
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)
Ryun (KS)
Sabo
Sánchez, 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
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stark
Stearns
Stenholm
Strickland
Stupak
Sullivan
Sweeney
Tancredo
Tanner
Tauscher
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Toomey
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Vitter
Walden (OR)
Walsh
Wamp
Waters
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)

NAYS—3

Flake
Otter
Paul

NOT VOTING—10

Dingell
Dooley (CA)
Doyle
Evans
Farr
Hoeffel
Murtha
Pickering
Tauzin
Young (FL)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. SWEENEY) (during the vote). Members are advised there are 2 minutes remaining in this vote.

□ 1819

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

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

□ 1820

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. SWEENEY). Pursuant to clause 8 of rule XX, further proceedings on the following questions will resume tomorrow: H.R. 3786, H.R. 2993, H.R. 254, H.R. 3095.

APPOINTMENT AS MEMBER TO VETERANS' DISABILITY BENEFITS COMMISSION

The SPEAKER pro tempore. Pursuant to section 1501(b) of the National Defense Authorization Act for fiscal year 2004 (38 U.S.C. 1101 NOTE), and the order of the House of December 8, 2003, the Chair announces the Speaker's appointment of the following members on the part of the House to the Veterans' Disability Benefits Commission:

Mr. Nick B. Bacon, Rosebud, Arkansas.

Mr. Donald M. Cassiday, Aurora, Illinois.

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2005

The SPEAKER pro tempore. Pursuant to the order of the House of Tuesday, March 23, 2004 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution, H. Con. Res. 393.

□ 1820

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution (H. Con. Res. 393) establishing the congressional budget for the United States Government for fiscal year 2005 and setting forth appropriate budgetary levels for fiscal years 2004 and 2006 through 2009, with Mr. SIMPSON in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose earlier today, the following time remained for general debate confined to the congressional budget: The gentleman from Iowa (Mr. NUSSLE) had 53½ minutes remaining, the gentleman from South Carolina (Mr. SPRATT) had 57½ minutes remaining.

In addition, 1 hour remains 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 Chair recognizes the gentleman from Iowa (Mr. NUSSLE).

Mr. NUSSLE. Mr. Chairman, I yield 3 minutes to the very distinguished gentleman from Georgia (Mr. NORWOOD)

Mr. NORWOOD. Mr. Chairman, first, I thank the chairman for the time and commend him on the job that he has done on the budget process. It is very difficult to please 435 people and nobody is ever happy in the end. It was not exactly like they thought it would be. So I think the gentleman from Iowa (Mr. NUSSLE) has done yeoman's work on this.

Mr. Chairman, I rise on the floor today to strongly urge my colleagues to consider the path of fiscal responsibility and debt reduction at this critical juncture for our Nation. I rise to offer my support for the fiscal year 2005 budget resolution to get this Congress and our Nation on the right path.

Mr. Chairman, we are all too painfully aware of the tragic events of September 11, 2001, and our Nation's and the free world's war on terrorism that has ensued. It has been a war that the American people did not ask for. It has been a challenge to the people of this country, the greatest and most free nation on Earth. But the costs, Mr. Chairman, the costs have been great in virtually every single way.

On the fiscal side of the ledger, the cost that this Nation has incurred could never have been foreseen. This body has agreed and enacted, rightfully so in my opinion, to pay that price and fight this war.

But, Mr. Chairman, the time to address the growing debt is also at hand,

and this resolution, the fiscal year 2005 budget resolution, gets us on that path of fiscal responsibility and beginning to pay down our debt without compromising our effort in the war on terrorism or any other of our Nation's critical priorities, without raising the taxes of hardworking Americans.

The numbers tell the story. Under this budget, the deficit falls to $377 billion in the 2005 fiscal year and it is cut in half in 4 years.

Mr. Chairman, the hardworking folks I represent in northeast Georgia have to make a tough decision around their kitchen tables every day to live within their fiscal means. It is time this Congress followed the lead of Georgians and all Americans, hardworking taxpayers, in getting our financial house in order. But, Mr. Chairman, it is absolutely not time and it never will be time to saddle those same taxpayers in Georgia and all over this great Nation with higher Federal taxes in the name of government-knows-best budgeting.

Mr. Chairman, as the folks in Georgia also know, we can slap some lipstick on a hog and dress it up, but at the end of the day it is still a hog. And any budget proposal that sticks it to the working man through higher taxes, funds government pet projects, and pretends to be something that it is not, well, that certainly smells a little bit like a hog to me.

I urge my colleagues to do the right thing, get this Congress and America on the path of fiscal responsibility. Reject the notion that raising taxes is the answer to everything and vote in favor of this budget resolution.

Mr. SPRATT. Mr. Chairman, I yield for the purposes of a unanimous consent request to the gentlewoman from New York (Ms. SLAUGHTER).

Ms. SLAUGHTER. Mr. Chairman, I ask unanimous consent to revise and extend my remarks against the Republican budget because it cuts funding for Violence Against Women programs and in 10 years has cut Family Violence programs 10 percent.

Mr. NUSSLE. Mr. Chairman, reserving the right to object, I do not intend to object, but I hope that if speeches are going to be made during the time of a unanimous consent request, that that time be taken out of the opposition's time.

The CHAIRMAN. The Chair is prepared to address that issue.

Mr. NUSSLE. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. SPRATT. Mr. Chairman, I yield for the purpose of making a unanimous consent request to the gentlewoman from California (Ms. WOOLSEY).

(Ms. WOOLSEY asked and was given permission to revise and extend her remarks.)

Ms. WOOLSEY. Mr. Chairman, I rise against the Republican budget because it cuts women's education programs.

Mr. SPRATT. Mr. Chairman, I yield for the purpose of making a unanimous consent request to the gentlewoman from Illinois (Ms. SCHAKOWSKY).

(Ms. SCHAKOWSKY asked and was given permission to revise and extend her remarks.)

Ms. SCHAKOWSKY. Mr. Chairman, I rise against the Republican budget because it cuts funding for women's business centers, among many other essential and effective programs.

Mr. SPRATT. Mr. Chairman, I yield for the purpose of making a unanimous consent request to the gentlewoman from California (Ms. SOLIS).

(Ms. SOLIS asked and was given permission to revise and extend her remarks.)

Ms. SOLIS. Mr. Chairman, I rise against the Republican budget because it cuts funds for Violence Against Women by $22 million, which is a 5.7 percentage cut below the 2004 budget.

Mr. SPRATT. Mr. Chairman, I yield for the purpose of making a unanimous consent request to the gentlewoman from Missouri (Ms. MCCARTHY).

(Ms. MCCARTHY of Missouri asked and was given permission to revise and extend her remarks.)

Ms. MCCARTHY of Missouri. Mr. Chairman, I rise against the Republican budget because it cuts women's education acts and programs.

Mr. Chairman, I rise today in strong support of the Democratic budget substitute and in opposition to the Republican plan which fails to address the needs and fiscal challenges America faces today. Instead of creating jobs, it creates record deficits. It shortchanges education, healthcare, veterans and does little to aid the sagging economy. Further, it makes drastic cuts to programs that provide educational and business opportunities to women across the country.

This budget eliminates Women's Educational Equity Act Programs, which fund activities promoting educational equity for girls and women. Over 10 percent of young women drop out of high school, yet the President's budget eliminates funding for dropout prevention programs. As a former teacher, I understand the importance of education in providing young men and women with the background they need to lead successful lives. This budget cuts many vital programs such as Head Start and Even Start and freezes funding for Pell Grants.

More than 3.8 million women are looking for work, yet the Administration cuts $79 million in funding for the Small Business Administration, which helps women and minority owned small businesses grow. There are more than 7 million small businesses owned by women. The need for SBA assistance continues to be vital to my community.

This budget freezes funding for The Child Care and Development Block Grant program, which provides child care assistance for low income families and early education services to disadvantaged children and is essential to working women nationwide.

Further, violence against women prevention programs and SBA Women's Business Centers are underfunded, and no increase is requested by the Administration for the National Women's Business Council, which conducts invaluable research on issues of importance to women business owners and their organizations.

Mr. Chairman, this budget fails to meet the fiscal challenges America faces today and slashes programs that are the lifeline to working families, especially women heads of households. I urge my colleagues to support the Democratic substitute as a much more realistic budgetary solution that restores funding to vital programs and achieves balance in the budget and assistance to those who seek the American dream.

Mr. SPRATT. Mr. Chairman, I yield for the purpose of making a unanimous consent request to the gentlewoman from California (Ms. LINDA T. SÁNCHEZ).

(Ms. LINDA T. SÁNCHEZ of California asked and was given permission to revise and extend her remarks.)

Ms. LINDA T. SÁNCHEZ of California. Mr. Chairman, I rise in opposition to the Republican budget because it provides virtually no hope for the 20 million women without health insurance in this country.

Mr. SPRATT. Mr. Chairman, I yield for the purpose of making a unanimous consent request to the gentlewoman from Indiana (Ms. CARSON).

(Ms. CARSON of Indiana asked and was given permission to revise and extend her remarks.)

Ms. CARSON of Indiana. Mr. Chairman, I rise against the Republican budget because it shamelessly undercuts the funding for Violence Against Women programs.

Mr. Chairman, I rise against the Republican budget because it cuts funding for Violence Against Women Programs.

The budget presented before us today provides only $362 million for the Violence Against Women Act programs—a cut of $22 million below this year's level.

Historicaly, domestic violence has been a silent epidemic. According to the Commonwealth Fund, almost 4 million women are physically abused each year in the United States.

Further statistics reveal that, in our country, battering is the single major injury to women exceeding muggings, rapes, and auto accidents combined.

Domestic violence is the leading cause of injury to women in this country, where they are more likely to be assaulted, injured, raped or killed by a male partner than by any other type of assailant.

Each year, in my home-state of Indiana, thousands of women and children flee to emergency shelters to escape violence within their home. Approximately 90 percent of these abusers were a spouse, family member, boyfriend, or separated spouse.

Ensuring that victims of domestic violence receive the necessary services to protect themselves and their children is one of the most important things this legislative body can do.

However, violence against women is not only a national issue. Internationally, at least one in every three women has been beaten, coerced into sex or abused during her lifetime.

Domestic violence encompasses all socioeconomic, racial, ethnic and religious groups

worldwide. We can tackle the undignified treatment of women before it matures into violence, by conducting early prevention programs to teach young people the importance of supporting and respecting one another.

I will continue to support initiatives to obtain gender equality, women's rights and put an end to violence against women here, in our nation, and abroad. In order to do this we must make sure that VAWA is fully funded within the budget.

Mr. SPRATT. Mr. Chairman, I yield for the purpose of making a unanimous consent request to the gentlewoman from New York (Mrs. MALONEY).

(Mrs. MALONEY asked and was given permission to revise and extend her remarks.)

Mrs. MALONEY. Mr. Chairman, I rise against the Republican budget because it is fiscally irresponsible, bad for the economy, and it underfunds homeland security, education, veterans and women.

Mr. SPRATT. Mr. Chairman, I yield for the purpose of making a unanimous consent request to the gentlewoman from Texas (Ms. EDDIE BERNICE JOHNSON).

(Ms. EDDIE BERNICE JOHNSON of Texas asked and was given permission to revise and extend her remarks.)

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Chairman, I rise against the Republican budget because it cuts most programs for women, most especially for Violence Against Women programs.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks about the Republican budget because it cuts funding for the Violence Against Women Programs.

The funding for violence against women supports most of the programs created by the Violence Against Women Act of 1994. The programs impact the lives of women and children by bolstering prosecution of domestic violence, sexual assault, increasing services for victims by funding shelters and increasing resources for law enforcement personnel. The President's budget proposes to cut funding for these programs to $362 million, a reduction of $22 million.

Since the Violence Against Women Act was implemented, there has been a 25 percent decrease in violence against women. This 25 percent decrease demonstrates, the effectiveness of the policing and prosecutions that these programs fund.

Violence against women is a global epidemic. It is not a woman's issue and it is not a "private" issue. We need to restore the $22 million to the Violence Against Women Programs to show the women, children and families across the country that we are committed to creating a safer and more peaceful world for them.

Mr. SPRATT. Mr. Chairman, I yield for the purpose of making a unanimous consent request to the gentlewoman from California (Mrs. CAPPS).

(Mrs. CAPPS asked and was given permission to revise and extend her remarks.)

Mrs. CAPPS. Mr. Chairman, I rise against the President's budget and the Republican budget because of their lack of attention to the need of the uninsured with no health care.

Mr. SPRATT. Mr. Chairman, I yield for the purpose of making a unanimous consent request to the gentlewoman from the District of Columbia (Ms. NORTON).

(Ms. NORTON asked and was given permission to revise and extend her remarks.)

Ms. NORTON. Mr. Chairman, I rise against the Republican budget because the Republican budget virtually guarantees cuts in women's programs as the President's budget already does.

Mr. SPRATT. Mr. Chairman, I yield for the purpose of making a unanimous consent request to the gentlewoman from California (Mrs. DAVIS).

(Mrs. DAVIS of California asked and was given permission to revise and extend her remarks.)

Mrs. DAVIS of California. Mr. Chairman, I rise against the Republican budget because it jeopardizes Even Start for children and families.

Mr. SPRATT. Mr. Chairman, I yield for the purpose of making a unanimous consent request to the gentlewoman from Texas (Ms. JACKSON-LEE).

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

Ms. JACKSON-LEE of Texas. Mr. Chairman, I oppose the Republican and Presidential budget because it opposes the veterans' budget, civil rights budget, women's support, children's support and homeland security.

Mr. SPRATT. Mr. Chairman, I yield for the purpose of making a unanimous consent request to the gentlewoman from California (Ms. WATSON).

(Ms. WATSON asked and was given permission to revise and extend her remarks.)

Ms. WATSON. Mr. Chairman, I rise against the Republican budget because it would place my USC girls' number one volleyball team, who were here at the White House yesterday, at risk.

Mr. SPRATT. Mr. Chairman, I yield for the purpose of making a unanimous consent request to the gentlewoman from Florida (Ms. CORRINE BROWN).

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

Ms. CORRINE BROWN of Florida. Mr. Chairman, I rise against the Republican budget because it continues a practice of reverse Robin Hood, robbing from the poor and working people to give tax breaks to the rich.

Mr. SPRATT. Mr. Chairman, I yield for the purpose of making a unanimous consent request to the gentlewoman from Connecticut (Ms. DELAURO).

(Ms. DELAURO asked and was given permission to revise and extend her remarks.)

Ms. DELAURO. Mr. Chairman, I rise against the Republican budget because it does not accelerate the child tax credit for 250,000 men and women who are fighting and dying in Iraq and Afghanistan.

Mr. SPRATT. Mr. Chairman, I yield for the purpose of making a unanimous consent request to the gentlewoman from California (Ms. WATERS).

(Ms. WATERS asked and was given permission to revise and extend her remarks.)

Ms. WATERS. Mr. Chairman, I rise against the Republican budget because it reduces the number of Section 8 housing vouchers which provides subsidized housing for women, children and families.

Mr. SPRATT. Mr. Chairman, I yield for the purpose of making a unanimous consent request to the gentleman from New York (Mr. OWENS).

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

Mr. OWENS. Mr. Chairman, I rise against this budget because while this administration is proposing to spend billions of dollars to build schools in Iraq, there is zero in this budget for school construction for the public schools in America.

□ 1830

Mr. NUSSLE. Mr. Chairman, I yield myself half a minute just to say I certainly have enormous respect for people's opinions, but I have to say I do not see a volleyball team anywhere in the budget that was mentioned, that we cut a volleyball team; and I am looking through here, and I just do not see it.

I am amazed by the conversation we are hearing here today. My guess is that there is not a volleyball team funded in any of the other alternative budgets either, and if there is, I hope to God that it does not pass.

We need to make sure that we control spending, and I do not think volleyball spending should be part of the Federal budget.

Mr. Chairman, I yield 3 minutes to the gentleman from South Carolina (Mr. BROWN), a very distinguished member of the committee.

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

Mr. BROWN of South Carolina. Mr. Chairman, I appreciate all the effort that the chairman has done to bring this document to the House floor, and I rise in support of this resolution; and I have got a few charts that we wanted to show to support the reason we are supporting this budget resolution.

Since we met here to consider our budget last year at this time, our economy, then struggling to gain traction, has made a tremendous, remarkable comeback. The policies we have put in place to deal with the extraordinary circumstances of the past few years have worked and continue to work.

Today, our economy is showing robust growth. The strong growth is expected to continue. In the third quarter of 2003, we saw the GDP growth at 8.2 percent, the highest surge in 20 years; and that was followed in the fourth quarter with a growth rate of 4.1 percent, still strong by historical standards.

It is interesting to note that last year at this time, private forecasters

were expecting real GDP growth of 3.6 percent for 2004. Now they are expecting 4.7 percent for 2004.

Housing starts are running at their highest levels in 20 years. Mortgage rates continue to run at their lowest levels in over 3 decades, and the bank prime rate is at its lowest level in 45 years. Inflation has been running at its lowest level in nearly 4 decades. U.S. real exports of goods and services rose in the fourth quarter at a 20 percent rate, the fastest pace in 7 years.

We have seen a significant increase in the stock market. The Dow Jones Industrial Average is up 25 percent since March of last year.

Most important, labor markets are improving. The unemployment rate is down 5.6 percent from 6.3 percent just last June.

We must keep this momentum. We cannot afford to cut this recovery off at the knees just as we are getting back on track.

This budget will keep taxes from increasing. If we do not act, Americans will face a tax increase next year. This budget helps to make sure that a family of four earning $40,000 will not have to face a tax increase of nearly $1,000 next year. Make no mistake, a tax increase would hurt our economy and destroy jobs.

This budget places economic growth and job creation at the highest priority by supporting those policies that are fueling the economic recovery. We need to keep the economy and jobs growing, and this budget supports those goals.

Mr. SPRATT. Mr. Chairman, I yield 30 seconds to the gentlewoman from California (Ms. WATSON) so that she can respond.

Ms. WATSON. Mr. Chairman, what I did say is it would have placed my number one USC volleyball team at risk because this bill eliminates the Women's Educational Equity Act.

Mr. NUSSLE. Mr. Chairman, will the gentlewoman yield?

Ms. WATSON. I yield to the gentleman from Iowa.

Mr. NUSSLE. Mr. Chairman, I would even provide the gentlewoman with some time if she can find that in the budget. I have got the budget here. If she can find volleyball or the Women's Athletic Act or anything in this budget, I would be glad to yield 30 seconds to the gentlewoman if she can find that for me in my budget.

The CHAIRMAN. The gentlewoman's time has expired.

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

If the gentlewoman can either find it in my budget or someone else's budget, the word ''volleyball'' does not appear and that act does not appear in this budget or in the gentlewoman's alternative budget.

So I guess I would just suggest that this is where the rhetoric starts getting a little bit, we have got to be a little careful here when we start running to the floor, on the one hand, while concerning ourselves with deficit spending and, on the other hand, coming to the floor, which I would suggest is somewhat shrill, suggesting that we are cutting volleyball teams in a budget like this.

Mr. Chairman, I yield 4 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, Federal spending in recent years has been growing, particularly in the wake of our national emergency on September 11, at a record-breaking pace. The Congressional Budget Office projects that current policies could produce a cumulative deficit of nearly $2 trillion for the 10 years that lie immediately ahead of us.

Federal spending breaks down today to a burden of more than $20,000 per household, the highest since World War II, and yesterday's report by the Social Security and Medicare board of trustees was disconcerting, to say the least, about the long-term obligations that this government faces.

Many of my colleagues on both sides of the aisle know that I have taken some strong stands in recent days to confront my concern for runaway Federal spending, but it is with equal conviction that I rise today to endorse and support the concurrent resolution on the budget for fiscal year 2005.

The good news today in this budget is that Republicans in Congress are taking an important first step under the leadership of the gentleman from Iowa (Mr. NUSSLE) and under the leadership of our Speaker, our majority leader, and the balance of the majority of this Congress to right the fiscal ship that has been listing in the direction of government spending. We are truly taking an important first step in this budget to put our fiscal house in order; and I, as a conservative Member of this Congress, rise to extol its virtues.

This budget holds the line on spending. It makes permanent the tax cuts of 2001 and 2003, and it funds our vital defense during a time of war.

Mr. Chairman, during World War II, President Roosevelt signed a budget that actually reduced nondefense spending. President Truman did the same thing during the Korean War, and this budget resolution follows the same ethic by freezing nondefense, nonhomeland security spending at current levels for the first time in a generation.

Mr. Chairman, this budget is a tough solution to a tough problem. The easy solution, on the other hand, would be to listen to many who propose that simply some day in the not-too-distant future that we will raise taxes, but one of the undeniable truths of the modern era is that when we raise taxes on the American family, the Congress simply raises the amount of money it spends in Washington, D.C.

Mr. Chairman, budgets are all about priorities, and there are those in this body who claim that we are not spending enough in this budget; but in the very same breath, we will hear on this floor tonight and tomorrow a lament about deficits and about debt. Well, they cannot have it both ways.

This budget sends a clear message to the American people that we are truly committed to cutting the deficit and to winning the war on terrorism and to growing this economy through tax cuts.

Again, I commend the gentleman from Iowa (Mr. NUSSLE) for his yeoman's work on this budget, as evidence of the fiscal conservative principles for which this Republican majority is endorsed and celebrated by millions. As a conservative, I support these priorities. As a conservative, I support this budget and urge all of my colleagues, Republicans and Democrats alike, who lament the deficits and the fiscal, spendthrift ways of the past and urge their support in passage of this 2005 budget.

Mr. SPRATT. Mr. Chairman, I yield for one more unanimous consent request to the gentlewoman from Guam (Ms. BORDALLO).

(Ms. BORDALLO asked and was given permission to revise and extend her remarks.)

Ms. BORDALLO. Mr. Chairman, I ask unanimous consent to revise and extend my remarks about this budget because it needlessly underfunds the Violence Against Women's Act and cuts so many programs important to women.

Mr. SPRATT. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. STARK).

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

Mr. STARK. Mr. Chairman, I am speaking out of order here, and I thank the gentleman from South Carolina (Mr. SPRATT).

Mr. Chairman, I ask unanimous consent that the gentleman from South Carolina (Mr. SPRATT) be yielded 10 minutes of the Joint Economic Committee time for purposes of control.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. STARK. Mr. Chairman, as the senior Democrat on the Joint Economic Committee, I am honored to be here today to continue the tradition begun by Senator Humphrey and Congressman Hawkins.

I came here last year and accused President Bush of being a liar. A year later, I feel no reason to apologize or change my opinion. Events have proved that point.

It has been proven that there was no evidence of weapons of mass destruction. In the economic report that the President signed, he tried to spin a recovery on jobs but the fact is——

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. The Chair would advise the gentleman to refrain from personally offensive references against the President.

Mr. STARK. Mr. Chairman, I will take that under consideration.

This is the first President since Herbert Hoover to lose jobs during his Presidency. In the same report, the President tried to reinvent history of our current recession and blame it on the Clinton administration; but the National Bureau of Economic Research, the only body that can date a recession, continues to say it began March 2001, under the watch of George W. Bush.

More recently, there was subterfuge to hide an analysis done by the administration experts on the cost of their Medicare prescription drug bill, which narrowly passed the House, with assurance that it would cost no more than $400 billion. The chairman of the Committee on the Budget, the chairman of the Committee on Ways and Means and others assured us that, in fact, it would cost perhaps less than $400 billion, when the administration knew that the costs would be higher than their own analysis says, $535 billion.

They could not have passed the bill if their own Members had known about this price tag. So what did they do? The administration suppressed the information and told the actuary who had done the work if he released that data he would be fired so fast his head would spin.

This is not an administration that can be trusted. They lie, they bury facts, they threaten people to make sure that their side of the story is presented, and it is reason enough alone to vote ''no'' on this budget presented to us today.

The Republicans are playing games with numbers. The Americans deserve to have an honest budget, and I do not think that the Republican budget lives up to that standard. It has got an eternity time frame for Social Security and Medicare; but if they used the same time frame for their own budget, we would see deficits beyond our discovery of life on Mars. Regardless of how we measure it, this budget is one more step to privatize Social Security and Medicare.

For jobs and unemployment, we have got 12.6 million people under- or unemployed and there are no unemployment insurance benefits to fulfill those that expired at the end of last year.

In health care, 1.6 million more Americans, mostly children and pregnant women, will lose their access to health care because of the $13 billion cut from Medicaid and children's health program; 500,000 children will be dropped from their child care by 2009; and in education $9.4 billion less for the No Child Left Behind Act than was promised by the Republican administration.

The Republican budget shortcomings shortchange college students by freezing the Pell grant awards, and it reduces other student aid. Any way we look at it, this budget shortchanges American families. It causes more people to join the ranks of those without health insurance. It endangers the education of our children, and it fails to honestly address the costs of the President's war with Iraq.

Like my friend, Princeton economist Uwe Reinhardt, points out, and I agree, this is a faith-based budget. It is a memo to God. It is our Nation, the Republicans in it, telling God what our highest priorities are, and in this Republican budget, we are telling God that making the rich richer is much more important than educating our children, providing quality health care for all our citizens and helping those between jobs.

It is a sad commentary when we have to rely on distorted facts, made-up figures, I am not allowed to suggest prevarication; but when we do not have the numbers and make them up, the country should not have to rely on falsehoods.

□ 1845

Mr. Chairman, I urge a ''no'' vote on the Republican budget.

Mr. NUSSLE. Mr. Chairman, I yield 3 minutes to the gentleman from Oklahoma (Mr. SULLIVAN).

Mr. SULLIVAN. Mr. Chairman, I thank the gentleman from Iowa (Mr. NUSSLE) for the gentleman's hard work on this fiscally sound budget.

I would like to bring to Members' attention a very valuable programs which pays for itself, saves the government money and energy, and creates jobs in local communities. It is called the Energy Performance Savings Performance Contracting, or ESPC.

It has been documented over time that many government facilities have energy inefficient equipment and buildings that need to be modernized so that they operate at peak efficiency. However, Federal agencies do not have the funds, nor in some cases the expertise, to perform this kind of work. The ESPC program allows the government to modernize facilities without spending upfront funds. Additionally, the program saves the government and taxpayers money and creates precious jobs across the Nation.

Under ESPC, the private sector installs new energy efficient equipment in Federal facilities at no upfront cost to the government. Federal agencies then pay off this investment over time with the funds saved on utility costs. It is important to note that the private sector contractor guarantees these savings and, by law, the government does not pay more for projects than it pays for in utilities.

Energy analysts estimate that more than 50 federally approved projects worth close to $300 million are stalled at military bases and Federal agency offices nationwide. Additionally, this lapse has cost over 2,000 jobs nationwide.

The reauthorization of this valuable program has been stymied because the Office of Management and Budget and the Congressional Budget Office disagree on whether or not to score the program. The OMB and the CBO have not scored the ESPC as a cost to the government since its inception. However, this year while the OMB still does not score the program, the CBO scores it at a significant cost over the next 10 years.

There is no doubt that energy efficiency is essential to meeting our Nation's goals. As the single largest consumer of energy, the Federal Government can do a great deal to help the Nation meet this goal, especially through this program. Thus, it is my hope that the scoring discrepancies between the OMB and the CBO can be resolved when the budget resolution goes to conference.

Mr. SPRATT. Mr. Chairman, I yield 4 minutes to the gentleman from New Jersey (Mr. MENENDEZ).

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

Mr. MENENDEZ. Mr. Chairman, I want to start off by thanking the gentleman from South Carolina (Mr. SPRATT) for his incredible work on this budget and for helping the American people understand what is at stake here. And as far as I have heard, it has been scored so it seems to me we are talking about different things here.

Here are the top 10 reasons we Democrats oppose the Republican budget resolution. First, it makes the ballooning deficit even worse.

It fails to protect Social Security. It spends every penny of the Social Security surplus over the next 5 years, $1 trillion.

It offers more of the same failed economic policies that have already caused the loss of 3 million private sector jobs during this administration.

It underfunds education and, specifically, the No Child Left Behind Act by over $9 billion less than was promised.

It provides for $1.3 billion less than the Veterans' Affairs Committee on a bipartisan basis recommended for our country's veterans.

It cuts homeland security at a time of national insecurity below even the President's request by nearly $857 million.

It fails to protect the Nation's environment.

It cuts funding for the National Institutes of Health, Maternal and Child Health.

It creates long-term deficits that will undermine economic growth and fails to extend unemployment insurance to those who have lost their jobs.

And during the war on terror, it actually cuts benefits to widows of military retirees, limits improvements to military housing, and discontinues last year's TRICARE for Reservists.

And the President's tax cut proposal is a gift that keeps on taking, taking from our children, our families, and our seniors. His tax cut takes from the next generation and replaces with that taking a mountain of debt on the backs of our children. America simply cannot be red, white and broke and meet its challenges at home and abroad; but that is exactly where the Republican budget takes us.

Therefore, it is the duty of Democrats to bring these wrong priorities for America to the light of day, and to offer an alternative that reflects the priorities of America's working families by stimulating the economy, by creating jobs, by expanding educational opportunity, by improving health care, by strengthening homeland security, those first responders we see the President take the pictures with, but then he goes ahead and cuts their funding dramatically. It is outrageous. Tell him to go see the firefighters now that he cut a quarter of a billion dollars, and after he basically zeroed out the Safer Act to help communities hire more firefighters, or the interoperable communications equipment that is necessary. Tell the firefighters how you are their friend and how you are their heroes with this budget.

We do all of our things, however, in a positive way by creating opportunities, and, yes, helping the firefighters and all those who provide emergency management for homeland security while bringing our budget into balance in 8 years.

In fact, over the next 5 years the Democratic budget is going to provide over $9 billion more for education and training than the Republican budget, $11 billion more for health care programs than the Republican budget, $17 billion more for environmental protection than the Republican budget, nearly $6 billion more for first responders for port security, for aviation security, and for border security than the Republican budget.

And the Democratic budget also targets $2 billion in fiscal year 2005 to support our troops and includes the full $2.5 billion increase that the Committee on Veterans' Affairs says is critically needed for our Nation's veterans.

It is time for Republicans to stop lamenting the deficit they recklessly created and join us in balancing the budget just like American families have to do every day of their lives, and give us an opportunity for a future of hope, growth and opportunity, not a future of debt and despair.

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

Ms. DELAURO. Mr. Chairman, I rise in strong opposition to this budget that continues the same failed economic policies that have moved our record surpluses to record deficits in record time. Its single-minded focus is on tax policies that benefit the wealthy at the expense of everyone else.

Let me give one example of the misguided tax priorities that guide this budget. More than 25 million families received a $400-per-child increase in the child tax credit last year. However, during final negotiations of the tax legislation passed by this Congress, the families of approximately 12 million children were excluded from this increased credit. Among the families who did not receive the acceleration of the tax credit are 250,000 men and women who today continue to fight and die in Iraq and in Afghanistan. The 20 million children who did not receive the full increase, including 12 million who did not receive any increase at all, did not because their families, they were told, do not pay enough in income taxes to receive the credit. But yet these families pay taxes: payroll taxes, State and local taxes, sale taxes, all of which place a far heavier burden on those with the lowest income.

Unlike the Republican budget, the Democratic substitute would right this injustice. In addition to being the right thing to do for families, this cut would stimulate our economy. Only about a quarter of the $300 rebate from the last tax cut was put back into the economy. Giving tax cuts to families who would spend the money immediately would be the best stimulus we could give our economy right now.

Mr. Chairman, it does come down to priorities. By supporting the Republican budget, we continue down the same path of failed economic policy developed with misguided values and priorities; and by supporting the Spratt substitute and extending the child tax credit to these 6.5 million families, we draw upon our Nation's shared values. We act with a shared sense of purpose and responsibility that helps us to address the most important tasks before this country. That should be the goal in this budget. That is what this institution should aspire to do.

Mr. SPRATT. Mr. Chairman, I yield 2½ minutes to the gentleman from California (Mr. WAXMAN).

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

Mr. WAXMAN. Mr. Chairman, I want to concentrate on an area of this budget that could have devastating effects on Medicaid coverage and safety net institutions that serve the uninsured.

This budget requires cuts of $2.2 billion in the Medicaid and S-CHIP programs, stripping away critically needed Federal funds from already beleaguered and underfunded State Medicaid programs that serve the poorest among us.

We know States are in budgetary crisis. We know we would have millions more uninsured if we had not provided a temporary increase in the Federal matching rate for Medicaid. But instead of providing funds to extend this higher matching rate, there are no funds allocated for that; and it will expire. Instead, we are compounding the problem by requiring cuts in Federal funding for Medicaid and S-CHIP. Assuring that these cuts do not occur is not and should not be a partisan issue.

I want to read from a letter Governor Schwarzenegger sent earlier this week to the entire California delegation. He said, ''I am writing to urge your opposition to proposed reductions in Medicaid funding that could significantly jeopardize support for services to low-income, underserved Californians. Given California's budget challenges, the rising number of uninsured and the financially precarious position of many of the State's safety net providers, California can ill-afford reductions in Federal Medicaid spending.

''I am particularly concerned by any proposals that would reduce the critical funding California uses to support its hospital safety net. Clearly, reductions of this magnitude will place tremendous stress on the State's already financially fragile health care safety net, compelling hospitals to cut back on emergency and trauma care throughout California and, quite possibly, put entire hospitals at risk of closure.''

Mr. Chairman, surely anyone concerned about the 43 million Americans who are already uninsured in this country must see the folly of adopting cuts in this budget which would add to that number and simultaneously cripple the safety net institutions which are their only source of care. This is reason enough to vote against this budget.

Mr. Chairman, I include for the RECORD the full text of Governor Schwarzenegger's letter.

MARCH 22, 2004.

DEAR CALIFORNIA DELEGATION MEMBER: I am writing to urge your opposition to proposed reductions in Medicaid funding that could significantly jeopardize support for services to low-income, underserved Californians. Given California's budget challenges, the rising number of uninsured, and the financially precarious position of many of the state's safety net providers, California can ill afford reductions in federal Medicaid spending.

California opposes reductions in Medicaid funding and changes in current policy that would erode federal support of the state's fragile health care delivery system. I am particularly concerned by any proposals that would reduce the critical funding California uses to support its hospital safety net. Cuts in Medicaid funding for intergovernmental transfers, for example, could put $900 million in federal funds to California per year at risk; Los Angeles County alone would lose $500 million in funding for its hospitals. Clearly, reductions of this magnitude will place tremendous stress on the state's already financially fragile health care safety net, compelling hospitals to cut back on emergency and trauma care throughout California and, quite possibly, put entire hospitals at risk of closure.

I share Congress' commitment to further controlling Medicaid spending in California and eliminating waste, fraud and abuse in the program. Consistent with that commitment, I have proposed a comprehensive redesign of our state's Medicaid program to preserve health care coverage while managing costs in a more effective manner. Additionally we have a number of proposals to further the state's efforts to crack down on fraud and abuse in the program. These efforts will result in cost savings to both the State and federal governments.

Moreover, California already operates one of the most cost-effective Medicaid programs in the country. The state's low per capita spending coupled with its low federal Medicaid matching rate combine to make the federal per capita contribution the lowest in the nation. As a result, California cannot afford reductions in federal Medicaid funding.

Over 6.5 million Californians rely on the state's Medicaid program to access essential

health care services. As the budget process moves forward, I urge you to oppose proposed cuts to Medicaid spending that will undermine the system of health care low-income Californians rely upon for their medical needs. I ask that you not cut funds for reimbursing states for their Medicaid costs or funds used by California to ensure that critical hospitals in the State are able to provide emergency room and trauma care.

Sincerely,

ARNOLD SCHWARZENEGGER.

Mr. SPRATT. Mr. Chairman, I ask unanimous consent to yield 15 minutes to the gentleman from Wisconsin (Mr. KIND) for purposes of control.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. KIND. Mr. Chairman, I yield myself 2 minutes, and thank the gentleman from South Carolina (Mr. SPRATT) for yielding me this time.

Mr. Chairman, unfortunately what we have before us today by the majority party is a status quo budget. It is a budget that continues the failed economic policies which have not been working for American families. It has been failing our seniors, failing working families, and certainly is failing our veterans. We have heard debate about that today.

But most importantly, I believe, it is going to fail the future of our country, our children, by the underinvestment that is being made in crucial education programs, by not fully funding the No Child Left Behind law, by not reaching that guidepath to full funding of special education.

□ 1900

It undercuts vocational and technical education programs, the Perkins loans, it underinvests in community colleges. We will pay a heavy price in the future if this underinvestment continues.

As this chart demonstrates, Mr. Chairman, the history of the Republican Congress when it comes to living up to the promise of fully funding No Child Left Behind, over the last couple of fiscal years, they have fallen way short of the promise to fully fund. This has been the track record. Make no mistake, these are new Federal mandates, requirements on local school districts, requiring them to do certain things with our children; but they are not providing the resources and tools they need to succeed.

Just a couple of weeks ago, we had Chairman Greenspan testify before the Committee on Education and the Workforce. In his opinion, he felt one of the most important priorities of investment we need to make in the Federal budget is in education and job training programs so that our children, our workers, are as competitive as they can be in this new global marketplace. This Republican budget falls short of that investment.

The Democratic substitute that we will be offering tomorrow has substantial increases in investments in No Child Left Behind, special education, vocational education, Perkins loans and investment in our community colleges.

There is a clear difference in the vision of the future of this Nation, where our priorities as a party lie, where our values are shared throughout the Nation. Unfortunately, this majority budget falls short of that.

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

Mr. NUSSLE. Mr. Chairman, I yield myself 2 minutes.

I am trying understand here, when we talk about the other side where it is just talking about the fact that we are not living up to our commitments. Just so everybody knows, there are some other charts here that we want you to see.

Total education: Annual growth over the last 5 years in the education accounts averaged 11 percent per year in those 5 years. So when we hear this lament that we are not spending enough on education, here are the facts. Eleven percent. There is no other part of government that has been growing at that kind of rate. In fact, it is growing faster than national defense.

Let me show you another one. Special education, over the last 5 years, the average growth was 19 percent. While they are complaining about special education, we have not seen the final total, but I will bet they do not fully fund special education in their budget. I bet they do not reach that, do they? They just complain about it.

Yes, they say they give a little bit more, but we have been providing 19 percent per year. Spending has more than doubled over the last 5 years for special education.

Last but not least is No Child Left Behind. The No Child Left Behind program funding has grown 40 percent under this President. Annual growth over the last 4 years, my colleagues can see before them right here. In fact, it has happened so fast, there are States, Iowa is one of them, where Iowa actually had to turn back money that we are looking to investigate, we want to find out exactly why it is that money that went to Iowa and to other States under No Child Left Behind has now been sent back. That is unconscionable at a time when our classrooms and our teachers are talking to us, telling us that they need more money.

We are increasing. We are meeting the totals. If the States had grown at the level we have been growing at the Federal level, we would not be in the predicament we are in. We are meeting our obligations. The States are not. We are growing our budget. We will continue that commitment.

So as the lament continues, just remember, the increases are in here and the increases are coming.

Mr. KIND. Mr. Chairman, I am obviously referring to the broken promise the President made in fully funding No Child Left Behind when he signed it into law.

Mr. Chairman, I yield 2½ minutes to the gentleman from Illinois (Mr. EMANUEL).

Mr. EMANUEL. Mr. Chairman, in the 2000 campaign, President Bush declared that he opposed nation-building. Who knew it was America he was talking about? When we look at this higher education agenda, the President can run for reelection saying he kept his promise against nation-building.

Everybody understands the importance of higher education, opening doors of economic opportunity in a time of changing economic conditions. Pell Grants, the single largest educational opportunity we provide at the Federal level, is frozen. In fact, as tuition has been going up by 14 percent a year for the last 3 years, we have kept constant the Pell Grant and have not allowed it to increase with the cost of college education.

Today, at the University of Illinois, the average graduate from the University of Illinois graduates on graduation day, gets a diploma plus $18,000 in debt. They get their first Visa bill when they graduate from college. We have frozen higher education assistance to middle-class families.

During the campaign, President Bush promised to increase the Pell Grant to $5,100. Despite an average tuition increase of 14 percent, the Pell Grant today sits at $4,050. To me, that is a fascinating way to invest in America's future. We make available all these types of assistance to corporations. That child is as important to America's future as a corporation, yet we have frozen and closed the doors of economic opportunity.

And all while we were freezing our assistance to college education, in Iraq we have opened up 2,300 schools and distributed 1.5 million secondary and 800,000 primary school kits to the children of Iraq.

We need to have a budget that reflects our values here at home with the same type of commitment we have held for the people of Iraq and for their children. Here in America we are limiting the educational options available to students and limiting the ability of Americans to compete in the world marketplace.

I am glad to see the President kept his commitment, that is, to be opposed to nation-building. Unfortunately, he has chosen America as his model. This budget returns us and, in fact, you could label this budget as a back-to-the-future budget. What has it resulted in in the last 3 years? Two-and-a-half million Americans have lost their jobs, 43 million Americans are without health care, 2 million American children went from the middle class to poverty, and the most important fact is, we have had a wage recession in America, a 3 percent decline in wage income in America under this administration.

This budget consistently follows the path of the last 3 years, the last three budgets of the President, and takes us back to the future to an economic time

in which we have seen the job decline and the health care decline in this country. Unfortunately, in the area of higher education, they have frozen and kept the doors closed to middle-class families at a time when it is essential for them to go forward.

Mr. NUSSLE. Mr. Chairman, I yield myself 15 seconds again just to point out that the Democratic alternative, while they come to the floor and lament that we do not fully fund No Child Left Behind, guess what? The alternative budget presented by the Democrats does not fully fund No Child Left Behind. Is that not interesting? In fact, the chairman of the Committee on Education and the Workforce has called it somewhat hypocritical that you would complain on one side and not propose a budget that funds it on the other.

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

Mr. KIND. Mr. Chairman, in response to that, I yield 4 minutes to the gentleman from California (Mr. GEORGE MILLER), the ranking member on the Committee on Education and the Workforce.

Mr. GEORGE MILLER of California. I thank the gentleman for yielding me this time.

Mr. Chairman, Americans have always known that education is about more than education. They have always understood that education was about their dreams, about their families, that education was about their children and their communities, that it was about the health of our economy and the future of our country. That is why we are so terribly disappointed when we see the broken promises by the President of these United States in this budget and the Republican Budget Committee, when we see that special education is not fully funded.

And the gentleman is quite correct, it is not fully funded in our budget because you gave away all the money. You made a conscious decision 2 years ago in the Committee on the Budget not to fully fund education. It is a dead letter, except for the parents and the children who suffer from those disabilities and their families and looking for that educational opportunity. That was a campaign promise of this President, but it is broken in this budget, it was broken in last year's budget, and it was broken in the budget before.

We argued about it in the committee, we had votes on the Senate floor, we had votes on it here; and the Republicans killed it each and every time we brought it up. Of course, then there was a promise of this President that he was going to raise the Pell Grant. But again he gave away all of the money, so he had to break his promise. He kept his promise to the wealthy, but he could not keep his promise to kids who were struggling to pay for their education. So the Pell Grant is worth less now than it was in 1976, but the cost of a college education is not what it was in 1976.

And then, of course, there is the granddaddy of all broken promises, and that is, if we gave him real reforms in elementary and secondary education, real reforms, he promised us in the Oval Office of the White House that he would provide the real money to go along with that.

He got the most significant reforms in Federal education policy in 40 years. Those are his words. I agree with him. These are real. These are important. They are starting to make a difference. But we did not get the real resources to go with those real reforms. The President owes us about $9 billion in various parts of this program; $7.2 billion alone in Title I.

Yes, we can come up with a budget, but the fact of the matter is, the President had other priorities. He simply chose to give tax cuts, and then after he gave the tax cuts we had a war, we had 9/11, we had another war, we had a recession.

It did not bother the President. It did not faze him. He kept his promise to those wealthy people, those people making more than $4- or $500,000 a year, but he could not keep his promise to the school children. He just could not keep that promise. So he chose not to fully fund No Child Left Behind.

I do not know what a Presidential promise is worth anymore. Apparently not much to school children, not much to the disabled community, it is not much to young people trying to finance their education. They cannot take that Presidential promise to the bank. They cannot take that Presidential promise to get service for their disabled children. They cannot take that Presidential promise to get supplementary services for their children in school who are having trouble. As No Child Left Behind provides, they will not have that qualified teacher in their classroom as the bill mandates the States to do. No. And they will not have that restructuring of the local education system as the bill mandates because the President did not keep his promise.

The tragedy of this is Americans and their families understand the value and importance of education, but this Republican budget does not. It devalues education. Why does it do that? They are forced to do that, because they made a decision about the tax cuts and to loot the country. They looted the Treasury on behalf of the wealthy the first day that they came to office, and there is nothing left in that Treasury for the children of America, for their schools, for their higher education, for their disabilities.

What a sad, sad portrait of the country. This portrait was intentionally painted by this Republican administration, this President and their friends at the Republican Budget Committee. It is a tragedy for this Nation.

The Republican Budget Resolution provides for only a $2.8 billion increase over a frozen FY 2004 education funding level. This provides for meager increases in Title I, the Individuals with Disabilities Education Act (IDEA), and Pell grant funding—leaving these programs billions of dollars short of levels promised by the Bush Administration and House Republicans:

The Republican Resolution would leave the No Child Left Behind Act (NCLB) $9.4 billion short of promised levels. This leaves our schools with a nearly $27 billion deficit in NCLB funding compared to what was promised when the law was enacted.

The House Republican Budget resolution shortchanges education and job training programs at the time when American children, students and workers need the assistance the most.

This year's House Republican Budget Resolution comes after yet another paltry budget submission by President Bush. The Bush budget represents the smallest increase in education spending in 9 years, cutting $1.4 billion in critical education programs, including those that improve family literacy, and provide school counselors to elementary school children. The budget resolution also continues the Administration's unprecedented level of proposed cuts to job training and related programs—totaling $1.8 billion since he took office.

The House Republican Budget Resolution shortchanges Title I funding by $7.2 billion. This Budget will deny nearly 5 million disadvantaged children critical education services, such as extra help to become proficient in reading and math.

The Republican Budget Resolution freezes the maximum Pell grant for the third year in a row at $4,050 just as college tuition continues to rise faster than family income.

The maximum Pell grant is worth $500 less (in real terms) than the maximum grant in 1975–76. Not only do the Republicans fail to stop tuition hikes, but they actually make college even more expensive by freezing or cutting student aid and increasing taxes on students.

The Republican budget breaks President Bush's campaign promise to provide a $5,100 Pell grant.

The House Republican Budget Resolution also calls for a freeze on teacher quality, after school, and technology programs. This means fewer professional development opportunities for teachers, fewer safe learning environments before and after school and less technologically advanced classrooms.

The Republican Resolution would leave us over $11 billion short of fully funding special education. This budget calls for yet another $1 billion increase for special education. At this rate of increase America's children with disabilities will never benefit from full funding of IDEA.

The House Republican Budget Resolution would leave no room for any increase in Head Start funding. This means zero dollars to expand the program to serve more children and no added resources to improve program quality.

During the Bush Administration, 2.2 million jobs have been lost—the worst job creation record in 70 years. To keep pace with the number of jobs available for working adults when President Bush took office, we would need to create 7.1 million new jobs today. In addition, there are over 2.8 million workers who would be engaged in the labor force, but they have either dropped out entirely or failed

to enter the labor market because of the lack of jobs.

Over 760,000 people have exhausted their unemployment benefits between the end of December and the end of February, and two million are projected to lose their benefits by June without an extension of these benefits. To make matters worse, President Bush has proposed to cut nearly $1.8 billion in job training and vocational education funding since he took office, eliminating training opportunities for thousands of workers. Now House Republicans answer these dire economic conditions by proposing a Budget Resolution without any meaningful help for American workers:

The Republican Budget Resolution would freeze job training and vocational education funding. The Budget resolution utilizes its paltry increase for programs other than job training, leaving no room for an increase for these critical initiatives.

The Republican Budget Resolution contains no funding for an extension of unemployment benefits. The Bush Administration and Congressional Republicans have failed to extend unemployment benefits despite continued high unemployment and lack of job growth, and despite the fact that $20 billion will be sitting, untapped, in the Unemployment Insurance Trust funds at the end of March.

President Bush's budget severely cuts available child care assistance and the Republican budget resolution does nothing to rectify this situation. Despite the importance of quality child care on later academic achievement and despite research demonstrating how child care is the most important work support keeping low income workers employed, the Republican budgets significantly decrease the number of children served by the federal child care assistance program.

According to the President's own budget documents, his decision to freeze child care funding will lead to more than a 10 percent decrease in child care assistance for low income workers. Despite serving only 15 percent of eligible children to begin with, the Administration chose to cut the number of children served by child care assistance, from 2.5 million in 2003 to 2.2 million by 2009.

Mr. NUSSLE. Mr. Chairman, I yield myself 15 seconds just to say, yes, but you did not, either. You had the choice to put an alternative budget on the floor to fully fund the promises that you are complaining about here today and you chose not to. So be careful what you promise on the campaign trail.

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

The motion was agreed to.

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

REPORT ON RESOLUTION PROVIDING FOR FURTHER CONSIDERATION OF HOUSE CONCURRENT RESOLUTION 393, CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2005

Mr. HASTINGS of Washington, from the Committee on Rules, submitted a privileged report (Rept. No. 108–446) on the resolution (H. Res. 574) providing for further consideration of the concurrent resolution (H. Con. Res. 393) establishing the congressional budget for the United States Government for fiscal year 2005 and setting forth appropriate budgetary levels for fiscal years 2004 and 2006 through 2009, which was referred to the House Calendar and ordered to be printed.

APPOINTMENT OF MEMBER TO SELECT COMMITTEE ON HOMELAND SECURITY

The SPEAKER pro tempore. Pursuant to section 4 of House Resolution 5, 108th Congress, and the order of the House of December 8, 2003, the Chair announces the Speaker's appointment of the following Member of the House to the Select Committee on Homeland Security to fill the existing vacancy thereon:

Mr. CHANDLER, Kentucky.

□ 1915

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2005

The SPEAKER pro tempore (Mr. GILCHREST). Pursuant to the order of the House of Tuesday, March 23, 2004, and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution, H. Con. Res. 393.

□ 1915

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution (H. Con. Res. 393) establishing the congressional budget for the United States Government for fiscal year 2005 and setting forth appropriate budgetary levels for fiscal years 2004 and 2006 through 2009, with Mr. SIMPSON in the chair.

The Clerk read the title of the concurrent resolution.

The CHAIRMAN. When the Committee of the Whole rose earlier today, the following time remained for general debate confined to the congressional budget:

The gentleman from Iowa (Mr. NUSSLE) has 37½ minutes remaining, the gentleman from South Carolina (Mr. SPRATT) has 37 minutes remaining, and the gentleman from Wisconsin (Mr. KIND) has 5¾ minutes remaining.

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

Just a quick response to my good friend from Iowa. Just to be clear, the Democratic substitute is offering close to 10 billion more in additional funds over the next 5 years to fund No Child Left Behind and special education; over the next 10 years, $50 billion more than the President's baseline budget that he submitted in regards to education programs. Yet we still achieve balance, a balanced budget within 8 years, given the limitations that we face with these historically large budget deficits that we have the majority party to thank for.

Mr. Chairman, I yield 3½ minutes to the distinguished gentlewoman from Oregon (Ms. HOOLEY), from the Committee on the Budget.

Ms. HOOLEY of Oregon. Mr. Chairman, I thank the gentleman from Wisconsin for yielding me this time, and I applaud his leadership on this issue.

I do not know about anybody else, but I grew up in a family where if we gave our word, we kept our word. We did not break our promise. And this budget is full of broken promises.

I want to talk about just one of those today. There are many, including for veterans, No Child Left Behind, IDEA; but one of the things we do is we fill niches in education, and education is the one piece that gives everybody equal opportunity in this country. Education is incredibly important. Twenty-nine years ago, this Congress pledged it would fully fund IDEA, which is Individuals with Disabilities Education Act. We would fully fund it at 40 percent of the excess cost. And for 29 years Congress has failed to keep that promise, leaving States to shoulder the brunt of this unfunded mandate. Many of us have voted here. We said we will not have any unfunded mandates; yet this has been going on for 29 years.

This budget continues to fail our students, our schools. It costs on average twice as much to educate children with disabilities than a nondisabled child. With the Federal Government failing to live up to its end of the bargain, the State and local school districts are forced to divert already-meager resources from other students in order to ensure that special needs students also receive instruction.

This year, the appropriations for IDEA was $10.1 billion, or at 18.65 percent of excess cost, leaving States and local districts with an unfunded Federal mandate of $12 billion. That is 12 billion that our States and our school districts could be spending to alleviate the school crisis, reduce class size, modernize our schools. The failure to adequately fund IDEA is affecting every student in every classroom across America.

Last year I was very pleased. The Republicans and Democrats got together and said we are going to get to fully funding by the year 2010. I said hooray, at least we know where we are going. But this budget in front of us in the year 2005 increases special education by

half a percent. At this rate we will never reach our obligation of 40 percent funding. In fact, we will continue to fall further behind. In committee, I offered an amendment to increase funding for IDEA, and this amendment was voted down on a straight party-line vote. I thought we were willing to work together to all get there.

The Democratic substitute, which we will consider tomorrow, is better than the Republican budget on IDEA in every single year, putting us on a path to full funding by 2012, finally keeping our promise.

States across this Nation are dealing with an economic crisis facing large State budget deficits and making deep cuts to services. In my home State of Oregon, school districts are facing tough decisions, including shutting down early. In Oregon, fully funding IDEA would mean another $60 million. That is really important, another $60 million that our Federal Government is obligated to pay for. This would make a huge difference to our schools in Oregon.

I encourage my colleagues to vote for our students, our schools, and vote against the Republican resolution.

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

Mr. Chairman, what we have been doing here all day, and what we will resume doing tomorrow, is talking about the priorities of our Nation, the values that we hold dear; and that is the essence of budgeting, making tough decisions with the allocation of the limited resources that we do have available. And it is true that during times of budget deficits, those who typically suffer the most are those who are most in need and especially our children; and we are seeing that now with the Republican budget proposal before us where they are shortchanging crucial education programs, even though I would think that if we sit down and work through this in a bipartisan fashion, we could reach some common ground in regards to the priority of investing in the future, in education, in job-training programs.

It is the only chance we really have to hold out the opportunity and the hope to the next generation that there will be a place for them in the 21st-century economy. But when they pass Federal mandates requiring certain things of local schools, it is fundamental fairness to require that they be given the tools and the resources to do it, and they are not. We are shortchanging No Child Left Behind. We are shortchanging special education. And that financial burden falls back on local property tax rolls. It affects the local school boards and the ability for them to be able to allocate the resources that they need to make sure that the children are succeeding in their classrooms. And I think it is a disservice that we are doing to the wonderful school districts that we have throughout the Nation, but especially to our children.

If the majority wants to come and talk about fiscal responsibility, there would be wide bipartisan support on this side to embrace new budget tools that worked well in the 1990s, the pay-as-you-go rules that basically said that if we propose an increase in spending in one area or tax cuts, we have to find offsets to pay for it. They worked remarkably well in the 1990s: four consecutive years of deficit reduction, 4 years of budget surpluses. But they do not want to go there for obvious reasons, and unfortunately it is the next generation that will be paying a very high price due to the fiscal management of this Nation.

Mr. NUSSLE. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from New Jersey (Mr. GARRETT), a member of the committee.

Mr. GARRETT of New Jersey. Mr. Chairman, I rise to join in the discussion on a matter of grave concern I think to every American taxpayer, every American worker, every American that relies on a Federal program that is essential to them, to every American that relies on the Federal Government for our safety and security, and that is the issue of fiscal responsibility by our Federal Government, an issue that is really long overdue as we look back. And I stand here and I commend the efforts of the gentleman from Iowa (Chairman NUSSLE) for the work he has done on this committee to bring us a budget that is now responsible.

Right now we are spending $521 billion in deficit spending. That, very simply put, means we are spending every year $521 billion more than we are taking in on the other side. I may be relatively new to Washington, being a freshman as I am, but I can tell the Members back in my State of New Jersey, there is not one business that could operate that way. There is not a State government that could operate that way. As a matter of fact, most States have to have a balanced budget at the end of the year.

And yet when I come here to the House, it seems that Members on the other side of the aisle just barely take notice to the problem. And I say that because I serve on the committee, and it was just a week ago when we were in that committee discussing these very same issues and amendment after amendment after amendment was proposed by the other side of the aisle. A total of $28 billion was proposed in additional spending. I do not know whether those amendments, when they were doing that, whether they were simply playing politics at the time or whether they simply do not care about all this excessive deficit spending. Either way it is not a good example for this House to be setting for the American public. At the end of the day, what all that means is that we are adding to the fiscal drag on the American family budget. We are already looking at some $20,000 per household, $20,000 that the average household would say that they would love to be able to spend as they see fit, whether it is on their kids' education, on their kids' health care, or other such priorities as they deem fit instead of Congress deciding how they are going to be spending their money.

We are stuck under their proposal of spending additional funds even though in the past we have been spending more in Washington at a rate greater than inflation. Opponents on the other side of the aisle agree, I would assume, that deficits are caused by spending more than we are taking in. But they will argue that it is not because we are spending too much money; it is because we are taking in too little revenues. So their answer to the problem, as it has been all day and repeatedly during the committee as well, is that we do not cut spending, we increase taxes.

Mr. Chairman, I strongly disagree. I believe that the American public is already taxed far too much. We are just learning now that there is a correlation between cutting taxes and job growth and an expansion of the economy. Now would be the absolute wrong time to go in the opposite direction and raise taxes. When more people are working because we have cut taxes over this past year in the budget this committee put out last year, when more people are working, when there is more job creation, when consumer confidence is increased, when there is more consumer spending, there is more economic growth. That relates and that causes more revenue to come in. And that also causes people to be less dependent on the Federal Government, which means on the other side of the ledger, we can spend less, all those good things.

But however we look at the issue of making the economy grow, I think that one thing we can agree on is we are in the midst right now of a war on terrorism. We have potential daily threats on every side of us. We have deficit spending in the past years that we have to reconcile. Now is not the time, as the other side of the aisle suggests, that we should be raising taxes. Now is the time that we should move forward with a fiscally responsible budget, as has been proposed by our chairman, to put this House back in order.

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

I say to the gentleman a fiscally responsible budget is our budget because every year, if that is the measure, our budget accumulates, generates a smaller deficit. Over 10 years, our budget accumulates $1.2 trillion less debt than the Republicans' and ours goes to balance in 2012, a claim they cannot make.

Mr. Chairman, I yield 3 minutes to the gentlewoman from Georgia (Ms. MAJETTE).

Ms. MAJETTE. Mr. Chairman, I thank the gentleman for yielding me this time and for his strong leadership on this very complex issue.

Mr. Chairman, I grew up understanding that it is more blessed to give

than to receive and that to whom much is given of whom much is required.

But this 2005 Republican budget hurts unemployed people, hurts job creation, and it hurts small business owners. This is deeply troubling. In fact, I find it unacceptable.

The Democratic alternative, on the other hand, will restore cuts to the Small Business Administration and the Manufacturing Extension Partnership, and it will fund adult training and dislocated worker programs to retrain those who have lost their jobs. And, finally, it will extend Federal unemployment compensation through June. And that is a necessary change for the more than 750,000 workers who have exhausted their regular benefits.

The President's policies, despite his promises, simply have not created enough jobs for those workers. In fact, it has not even replenished the over 2½ million jobs that have been lost.

Small businesses are the backbone of our economy. They create three out of every four jobs. Many small businesses need loans to begin or to continue their operations. But this Republican budget eliminates funding for business loan programs. And that means no money to open a business, no money to expand a business, and no money to put more people back to work.

The Democratic alternative, on the other hand, is $150 million higher than the President's budget, and it includes restoring funding to the SBA's signature 7(a) loan program, with $100 million for SBA loans, $30 million for small business assistance, and for microloan direct loans.

□ 1930

Amazingly, the Bush budget did not give the 7(a) program one dime. Instead, the administration would hike fees to pay for the program. This flies in the face of the assertion of no tax increases. A fee hike is the same as a tax hike to a small business owner. So the tax cut is no more than a flim-flam, a sham.

This body still refuses to acknowledge the mistake that it made in squandering the surpluses that once existed for tax cuts for the wealthy, and the party that prides itself on fiscal responsibility has produced a budget that manages to increase our deficit, leave our children with a crippling debt and still does not fund a critical need, support for small businesses. This budget does not fund a critical need, support for small businesses.

So I urge my colleagues to vote against the budget and to support the Democratic alternative, which really does meet the needs of our small business community and unemployed workers across America.

Mr. NUSSLE. Mr. Chairman, I yield 8 minutes to the distinguished gentlewoman from Florida (Ms. GINNY BROWN-WAITE), a member of our committee.

Ms. GINNY BROWN-WAITE of Florida. Mr. Chairman, I thank the gentleman for yielding me time.

Mr. Chairman, when I could go home on the weekends and get away from Washington, D.C., where the lobbyists have all the Gucci loafers and the couple of thousand-dollar suits and get home with the real people, what the people back home are saying is, ''Ginny, work on cutting the deficit, protect our homeland, and be sure that our military, our brave young men and women who are fighting the war against terrorism, are adequately funded.'' And then they add a p.s, and the p.s. says, ''And don't forget to adequately fund veterans' health care.''

In Florida, we have a huge number of veterans. I have a great debate going whether I have the second or third largest number of veterans in my district. But I can just tell you that it is a huge number of veterans, approaching about 300,000. Taking care of the veterans and veterans' health care while meeting all of the other needs that the constituents tell me back home are important to them is something that we were able to accomplish in this budget.

I actually think that the gentleman from Iowa (Chairman NUSSLE) deserves like nine stars up there, or ten stars. He and the Committee on the Budget have done a great job. We have increased funding for the Department of Defense, we have increased funding for homeland security, and in the committee we actually increased veterans' health care funding. The chairman raised his mark by $1 billion, and I added in another $200 million, which meets the amount that the Secretary says that he needs.

When I was in the Florida senate, we cut department budgets left and right. We told them, go back and cut your request. We are adequately meeting the needs of veterans, according to Secretary Principi.

When we had a vote on the budget that increased veterans' health care funding by the amount that the Secretary said he needed, because I grilled him in a previous committee, when we had that vote, guess what? The other side voted against the budget.

I was not here when Congress increased eligibility for veterans' health care. As a result, as this chart shows, the number of veterans using VA medical care has increased from 2.5 million in 1995 to 4.7 million today, and is certainly growing.

The next chart shows that also since 1995, total spending on veterans' medical care has increased from $16.2 billion to $28.3 billion.

Mr. Chairman, let me remind you that this has been since the Republicans have been in control. You can see the large increases as shown in the yellow bars. This is a 75.2 percent increase, where the Republicans have made sure that veterans' health care and the mandatory programs are adequately funded.

This chart just shows the veterans' medical care increases. When the Secretary took over, he had long waiting lines in many of the community-based outpatient clinics. He worked to whittle them down. He worked to reduce the amount of time that it takes for a VA disability claim. He made that a priority. They put additional people on. There is still a waiting list, but we funded them to the point where they have reduced the waiting list by more than 50 percent, and we are continuing to work very, very hard to make sure that veterans funding is there for the VA.

Mr. NUSSLE. Mr. Chairman, will the gentlewoman yield?

Ms. GINNY BROWN-WAITE of Florida. I yield to the gentleman from Iowa.

Mr. NUSSLE. Mr. Chairman, has the gentlewoman heard, and I have been hearing some confusion over our numbers, the Senate numbers, the Principi numbers, the Secretary of Veterans Affairs, and I commend the gentlewoman for her work in offering that amendment to increase my committee mark so that we go to a level that the Secretary had requested. But has the gentlewoman heard the same confusion over the numbers that the Senate finally passed off the floor in their budget?

Ms. GINNY BROWN-WAITE of Florida. Mr. Chairman, reclaiming my time, absolutely. When you look at the Senate budget and you look at the potential that they have there for an offset, an unknown offset, I do not know what that is. I cannot go home and tell my veterans that in the Senate budget that offset would not increase fees, because I do not know, when that is a budgetary process that they have in the other body which makes it appear, I believe, as if they have more funding. We do not have that required offset in our budget in the House; and I commend the gentleman for the transparency of the budget.

In both the Senate and the House budget, we removed the President's proposal to establish a $250 user fee for Priority levels 7 and 8 veterans, or to increase prescription drug plans. That language is included in there, and that is a commitment we made.

I have, as we used to say in New York, now I am from Florida, ''agada'' over the unknown. I wanted to make sure that the figures that are being portrayed in the Senate as being higher is not a process where they could actually be perhaps in the future including some fees in there, which would be totally unacceptable to us.

Mr. NUSSLE. Mr. Chairman, if the gentlewoman would yield further, this would make their number, a net number, actually lower than what we are considering here today by about $550 million. They put in this plug that says unspecified fees or unspecified receipts or offsets, which, as the gentlewoman said, could be from fees, it could be from copayments, it could be from means testing.

So our net number in this budget, in the House of Representatives, is higher

than the Senate budget by about $550 million. I think we not only should be proud of that, but I think we should work with the Senate in order to make sure that as we work through this process, that we work together with the Secretary of Veterans Affairs to come to a common number.

I would hope they would consider the number, because it is so much higher in the House, to be this $1.2 billion over what the President requested, that we work to get to the higher number rather than the lower Senate number.

Ms. GINNY BROWN-WAITE of Florida. Mr. Chairman, reclaiming my time, obviously Secretary Principi has in a Committee on the Budget hearing that I questioned him extensively on, said this is what he needs to meet the needs of every veteran seeking services, and this should be the number that we honor. Ours is a clear $1.2 billion, without some offsets, which I am still trying to pursue, definitions of ''those offsets.''

Mr. NUSSLE. Mr. Chairman, if the gentlewoman will yield further, I commend the gentlewoman for her work on this issue and appreciate her work and service on our committee.

Mr. SPRATT. Mr. Chairman, I yield 15 minutes to the gentleman from Washington (Mr. BAIRD), and ask unanimous consent that he have the right to allocate the time allotted to him.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

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

Mr. Chairman, would the gentlewoman from Florida be so kind as to join us for just one moment for a colloquy?

Ms. GINNY BROWN-WAITE of Florida. Mr. Chairman, I cannot at this moment.

Mr. BAIRD. I appreciate that. What I just wanted to clarify was, we both participated in the same budget hearing, and my recollection in that budget hearing was that in the outyears, the veterans budget increases at a mere 0.5 percent per year. So while it is a fine thing to speak about what we are doing for our veterans, no one seriously believes that 0.5 percent per year in the outyears will keep up with inflation, let alone medical inflation, and, further, let alone the inflation in medical costs of the young men and women who are returning from Iraq.

Mr. Chairman, that illustrates I think one of the fundamental problems with the budget we are considering today. I believe it makes false promises.

Now we are going to shift the topic to the environment and we are going to discuss not only the environment, but the false promises that underlay the President's promises and the majority promises on the environment.

My colleagues from the other side often say people know how to spend their money better than the government. There is some truth to that. But I will tell you this, people want to protect their environment, people want to invest in their national parks, people want clean air and clean water and are they willing to invest in that.

Unfortunately, President Bush has a string of unending, almost, broken promises on the environment. Under the President's budget, discretionary spending on environmental programs is slated for a $1.9 billion reduction, 6 percent below fiscal year 2004, falling $30.3 billion to $28.4 billion.

But the cuts do not stop there. The environment takes another whack in the President's long-term budget plan, dropping another $500 million in fiscal year 2006, with significant cuts falling on the land and water conservation efforts. Funding for the EPA would shrink by more than $600 million.

The administration has broken their pledge to fully fund the Land and Water Conservation Fund. Large cuts have been made in water quality infrastructure funding for reducing sources of pollution. This includes a broad range of activities, including sewage plants, water purification facilities and targeted pollution prevention interventions.

And I would say, by the way, that many of our local and especially our rural communities depend on this funding to follow Federal mandates to clean up their water. And with that cut, we are going to shift that cost onto our local communities, onto our grandchildren and onto the environment.

In his budget projection, the President includes $2.4 billion in revenues not yet achieved that would only be realized if we drill in the pristine Arctic National Wildlife Refuge.

The Superfund program is funded under the President, but the funds no longer come from the polluters, they come from the general public in this case.

Finally, and I think most egregiously, this President promised the American public in his campaign that he would fund the backlog in our national parks. My friends, people love their national parks, and this President has broken yet another promise.

If you listened to reports that there were memos from the administration suggesting that Park Service employees deceive the public about whether or not they had real cuts and mislead them about the impacts of these budgetary cuts, it is very disheartening. Yet again we are seeing the administration telling well-meaning and honest people, do not tell the public the truth. We have seen it time and time again. Now we are seeing it on the environment.

I have a number of distinguished colleagues here who have been waiting to talk about this issue because they know well of its importance.

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

Mrs. CAPPS. Mr. Chairman, I thank my colleague for yielding me time.

Mr. Chairman, the Republican budget does ignore critical environmental and public health needs. For example, the budget for the Environmental Protection Agency would reduce actual spending by hundreds of millions of dollars from the fiscal year 2004 enacted level.

For one thing, this means less money will be available for ensuring safe drinking water. EPA has documented a huge unmet need for improvements to our Nation's water infrastructure. As our population grows, our existing water infrastructure will reach the end of its lifespan, and each year we fall further behind. The response to these documented huge unmet needs is to cut funding by $822 million.

The Republican budget also fails to reinstate the expired Superfund tax levied on corporations. As a result, the polluter-pays principle is abandoned and the corporate polluters will not be held accountable for their actions, leaving taxpayers to foot the entire bill for the cleanup of many hazardous waste sites. It sounds like a tax levy to me.

□ 1945

The Republican budget also leaves thousands of communities on the hook to clean up leaking underground storage tanks. Never mind that the leaking underground storage tank program, the LUST fund, is paid for at the pump by all of us. It has $2.4 billion in it, yet this budget asks for only $73 million to clean up leaking tanks, even though there are 136,000 confirmed releases where leaking tanks and MTBE are contaminating the ground water and drinking supplies. It is a pathetic response.

Finally, the budget calls for fewer brownfields grants than authorized by the new law signed 2 years ago. Contamination is hampering redevelopment efforts in thousands of our communities. And while States have begun addressing the brownfields problem, the Republican budget fails to provide Federal assistance to jump-start these efforts.

We can no longer shortchange the American people when it comes to protecting our health and environment. So the Democratic budget fully funds the Drinking Water State Revolving Fund, restores funding for cleanup of leaking tanks and brownfields, and we make polluters pay for cleaning up toxic sites, not the taxpayer.

Mr. Chairman, good environmental policy is also good for the economy. The Democratic budget recognizes that the public has a right to clean air, safe drinking water, and a well-preserved environment. So I urge a ''no'' vote on the Republican budget and a ''yes'' vote on the Democratic budget.

Mr. BAIRD. Mr. Chairman, I thank the gentlewoman from California for her insightful words.

Mr. Chairman, I yield 3½ minutes to the gentleman from Oregon (Mr.

BLUMENAUER), my dear friend who is a leader in the Nation on liveable communities and environmental issues.

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

Mr. BLUMENAUER. Mr. Chairman, I appreciate the gentleman's courtesy in permitting me to speak on this.

Mr. Chairman, the budget is an important statement of our values, and I am proud to support the Democratic budget crafted by the gentleman from South Carolina (Mr. SPRATT) because our values are a lower deficit, more direct services to Americans, more Americans put to work in jobs that will not be outsourced; and Democrats maintain the Federal commitment to clean air, clean water, and our Nation's natural places.

How are we able to do so much better a job than our Republican counterparts? Well, the Republicans have placed the highest priority in their budget on meeting the needs of a few Americans, less than 1 percent. They will receive more benefit under the Republican budget than all of the funding that will be spent on our veterans and, bringing it down to the conversation on the environment, their tax cuts for the people who have been already well taken care of, those tax cuts will be over the next 10 years and will be 1½ times all the spending on the environment combined.

Now, I was proud to support the compromise that came forward in 2001. I see our colleague, the gentleman from California (Mr. GEORGE MILLER), here with then-chairman, the gentleman from Alaska (Mr. YOUNG), to bring together dedicated funding for conservation funding. We passed overwhelmingly on this floor CARA, and there was a delicate compromise worked out with our friends on the Committee on Appropriations to do a better job of dealing with the land and water conservation fund. Every year since then, sadly, our Republican friends have turned their back on that commitment.

I am proud that the Democratic alternative budget would provide the entire $2.2 billion authorized for conservation, preservation, and recreation programs. It keeps faith with this body; and most important, it keeps faith with the Americans who expect us to do so.

The Republican budget cuts and undermines the Conservation Trust Fund's ability to promote smart growth in livable communities, something near and dear to my heart. These funds are for open space programs to assist people who are trying to cope with the forces of growth and change. These programs curb sprawl by protecting lands outside the borders of a city and making efficient and attractive use of open space within it. The Republican budget turns their back on it.

The Land and Water Conservation Fund is one of the most important programs within the Conservation Trust Fund. Historical funding of less than one-third of the LWCF's authorized level of $900 million has left us with a backlog of $10 billion of unmet needs. This program has been underfunded again by my Republican colleagues; but under the Democratic alternative, that is not the case. I could go into greater detail, and I invite people to look at my Web site or the CONGRESSIONAL RECORD, all inserted.

But the point is that we have worked very hard to keep the faith with the American voters to provide the funding for these critical areas that will enrich people in every congressional district in the country, vital funding for a better community, more jobs to help promote it, and a cleaner environment. I would strongly encourage a vote for the Spratt alternative to keep faith with each other and with the environment.

These cuts will undermine the CTF's ability to encourage and promote healthy lifestyles—which was ignored in the "No Child Left Behind Act." Five chronic diseases—heart disease, cancers, stroke, chronic obstructive pulmonary diseases, and diabetes—account for more than two-thirds of all deaths and three-fourths of the $1 trillion spent on health care annually. Research is clear that aggressive health promotion, especially with regard to daily physical activity, can substantially reduce these chronic diseases. The CTF provides Americans with outdoor places to hike, bike, swim, fish, and camp.

These cuts will also undermine the Conservation Trust Fund's ability to provide critical resources to America's kids through places for recreation and education. Again, the Republicans' budget zeroes out the Urban Park and Recreation Recovery Program (UPARR). Last year I worked with over 110 members of Congress, both Republicans and Democrats to encourage the Committee to include funding for this program that's important for so many districts around the country.

The Republican budget represents missed opportunities and misdirected priorities for the environment. That alone is reason enough to reject it.

The Spratt alternative keeps faith with each other and the people who rely on us. It will result in a cleaner environment, stronger communities, and will keep our families safe, healthy, and economically secure.

Mr. BAIRD. Mr. Chairman, I would like to ask my dear friend a question, if I may. Does the gentleman from Oregon consider the actions of this administration a breach of a promise when it comes to the Land and Water Conservation Fund?

Mr. BLUMENAUER. Mr. Chairman, if the gentleman will yield, there is no question about it. We came to the floor of this Chamber when we had the Presidential election in 2000, and we were very, very concerned, because we had seen in the State of Texas when it was then-Governor Bush sounding positive and not following up when it came time to put money on the table and meet those commitments.

Mr. BAIRD. Mr. Chairman, if I may ask another question related to that. Our friends all day have been saying the Democrats want to raise our taxes, presuming that everyone over there must be a millionaire, because the only tax increase we have talked about are on people who make $1 million a year or more. But this Land and Water Conservation Fund, is that an income tax? I do not believe it is. That is funding coming from oil and gas revenues from offshore drilling, is it not?

Mr. BLUMENAUER. Mr. Chairman, if the gentleman will again yield to me, the gentleman from Washington is 200 percent correct, if I may use Republican mathematics in this budget context. This is money that is owed to the American public. It is in a trust fund. It is available today. It will not affect any taxes, other than the royalties that have already been paid. This is not going to require a change in taxation, other than the fact that my friends on the other side of the aisle want to add over $1 trillion of additional tax benefits to Americans who need it the least.

Mr. BAIRD. Yet another broken promise; yet another trust fund raiding.

Mr. BLUMENAUER. Mr. Chairman, I could not have said it better myself.

Mr. BAIRD. Mr. Chairman, I yield myself such time as I may consume to just close with this. We have talked a lot about, I think, deception and broken promises. Let me read to my colleagues the comments of a memo from the Park Service administration to Park Service employees. They were talking, trying to prepare the employees in case someone asks, has our budget been cut, and here is what they said in their memo:

"If you think that some of your plans could cause public or political controversy, we need to know which ones are likely to end up in the media or result in a congressional inquiry."

They then suggested to the administrators of the parks, the local parks, that "you state what the park's plans are and not directly indicate that this is a cut in comparison to last year's operation. If you are personally pressed by the media in interview, use the terminology of 'service level adjustments due to fiscal constraints' as a means of describing what actions we are taking."

Mr. Chairman, the American people want us to support our parks. The American people want clean air. They want clean water. This budget fails to meet those goals. It fails to live up to the promises made by the administration and our colleagues on the other side. We need to reject this budget and put the priorities where the American people want them, and I guarantee that one of those priorities is environmental conservation and protection of our national parks.

Mr. Chairman, I yield back my time to the gentleman from South Carolina (Mr. SPRATT).

Mr. NUSSLE. Mr. Chairman, at this time I yield 4 minutes to the gentleman from South Carolina (Mr.

BROWN), a distinguished member of our committee).

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

Mr. BROWN of South Carolina. Mr. Chairman, I thank the gentleman for allowing me this second opportunity to address this body.

As chairman of the Subcommittee on Benefits of the Committee on Veterans' Affairs, serving under our esteemed chairman, the gentleman from New Jersey (Mr. SMITH), I want to assure my colleagues that veterans and their benefits has been our number one priority. I want to share some facts to support that.

In fact, just today, we had a press conference with the chamber, a roundtable, and a lot of the star corporate citizens around this Nation, encouraging them to hire veterans, and they all came up with outstanding results of what has been happening recently to hire the veterans who are coming back. But the goal that I want to speak on tonight is to help prepare those veterans when they do return under the Montgomery GI Bill.

Mr. Chairman, since Republicans took control of Congress in 1995, we have fought to increase funding for the educational benefits veterans have earned through their service to this Nation.

We have this chart before us. Since 1995, total spending on veterans has increased from $38 billion to $60 billion. That is a 58 percent increase, compared with a 36 percent increase during the previous 10 years. Payments for veterans has risen by some 79 percent.

Our next chart. One way that these increases have been utilized is as an investment to veterans educational benefits. Since 1995, educational benefit payment levels under the Montgomery GI Bill increased from $405 to $985, an increase of 143 percent. This compares with only a 35 percent increase under the previous administration. This year, a veteran who served on active duty for 3 years or more will receive $985 a month for 36 months.

These educational benefits can be used for, number one, courses at colleges and universities leading to associate, bachelor, or graduate degrees; number two, courses leading to certificates or diplomas from business, technical, or vocational schools; number three, apprenticeships; number four, correspondence courses; and, number five, flight training and other training.

This budget provides for the October 1, 2004, scheduled COLA increase in veterans education benefits.

With this budget, Mr. Chairman, we have continued our commitment to ensuring that those who have served their country with pride, valor, and dignity receive the best of America's appreciation; and we are grateful for the veterans.

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

Mrs. CAPPS. Mr. Chairman, I thank the ranking member for yielding me this time.

Mr. Chairman, the budget before us does not reflect the values of this country, particularly in the area of health care. More than 40 million Americans are uninsured, according to Kaiser. Children, including unborn children, and pregnant mothers are particularly hard hit by this crisis.

But instead of trying to do something to help hard-working people, instead of acting to shore up what little health care low-income, working Americans have, this budget wastes resources and cuts important funding.

We can all agree that when budget deficits are soaring, we cannot afford to throw money down the drain on inefficient proposals, but this President's proposal to offer $70 billion in tax credits to working poor people is a waste of taxpayer dollars. According to experts, it is going to help only 5 percent of the uninsured.

We could spend this money more efficiently to help far more of the uninsured. Instead of squandering the taxpayers' money on an inefficient tax credit, we should direct Federal resources to expanding already existing public programs that have proven effective.

The Republican budget, however, cuts $2.2 billion from just such a program: Medicaid. Medicaid currently provides health care to 52 million Americans, including 39 million low-income children and their parents. This is nearly one in four children in this country. It is a critical source of acute and long-term care for 13 million elderly and disabled. Without Medicaid, the ranks of the uninsured would be almost double what they are today.

Now, with the economy on life support and the ranks of the uninsured growing, sustaining Medicaid makes even more sense. Last year we provided, in a bipartisan fashion, an extra $10 billion to States facing fiscal crises to preserve Medicaid coverage. And today, States are still in financial crisis. The National Conference of State Legislatures projects that States are going to face a $35 billion shortfall as they face 2005. Many have already made severe cuts in Medicaid, and many others are preparing to do so.

But instead of acting to shore up Medicaid and protect health care for a quarter of our Nation's children, this budget cuts billions from those efforts. These cuts are opposed by the bipartisan National Governors Association, the American Hospital Association, American Medical Association, Nurses Association, Cancer Society and many other groups and organizations. In fact, AARP's letter to Congress says, ''AARP has serious concerns about proposals to reduce Federal Medicaid funding. Arbitrary reductions in Medicaid would be particularly harmful at this time, as those who rely on this program are already losing access to care just as States continue to wrestle with budget shortfalls and adjust to the loss of temporary assistance provided last year.''

Twenty-nine of our colleagues from the other side of the aisle wrote to the gentleman from Iowa (Chairman NUSSLE) on March 9 asking that these cuts be removed, but they were not. We cannot afford to cut Medicaid now. Such cuts would hurt low-income children, parents, pregnant women, the elderly, and disabled.

□ 2000

What do we stand for in this place? The budget of the Democratic Party is superior by comparison. Instead of cutting $2 billion for Medicaid, our budget would provide $8 billion over 10 years to expand Medicaid and to fund the bipartisan Family Opportunity Act, allowing families with disabled children to buy into Medicaid to get critical health coverage.

I urge our colleagues to show their support for health care for hard-working Americans. Vote against this resolution and support the Democratic alternative.

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

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

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

The history of the Bush administration when it is written will be a story of three grand obsessions: Iraq, missile defense, and tax cuts for the wealthy. Those who are obsessed with the cause often cannot absorb enough information or focus on new emerging challenges.

This Republican budget is the price inflicted on the American people by the Republican obsession with tax cuts for the wealthy. One enormous emerging challenge is the bleeding of the American manufacturing jobs overseas. This administration has no plan to save American jobs. We have lost 3 million private sector jobs in 3 years. Business investment is down. Long-term unemployment is up.

So how do the Republicans respond to this emerging crisis of job loss in this country? This budget will follow President Bush's proposed cuts in job training, the President's proposed cuts in vocational education, the President's proposed cuts in SBA programs, including a microloan program that has been very important and effective in my State.

We will force a 60 percent reduction in the Manufacturing Extension Partnership which is there to try to help manufacturers, start-up manufacturers, get a foothold in this economy. And this Republican budget at a time of economic crisis in this country will pull the rug out from under small businesses who are trying once again to start up and compete globally in manufacturing. All of this to protect tax cuts for people in this country who earn $1 million a year. It is unbelievable and outrageous that they would do this.

Back in my home State of Maine, my State legislature, my governor are struggling with the impact of Medicaid. Medicaid is very tough to maintain, and this Republican budget will lead to Medicaid reductions. This Republican budget will make the economic plight of our State much worse than it is today. And why are we going down this path? Because we cannot possibly even consider, according to the Republican majority, a refusal to continue these tax cuts for the wealthiest people in America.

This is the most distorted sense of priorities that I can imagine. And as I said before, this is the price inflicted on the American people by the failure of this Congress to be honest with the numbers that were proposed and put forward in its tax cut last year. This Republican budget will do no good for the American people.

By contrast, the Democratic budget will restore investments in manufacturing, health care, and the environment and be a better deal for the American people.

Mr. NUSSLE. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, first, let me speak to Medicaid since the subject has come up a couple of different times.

Since 1995, let us be very clear about this, since 1995 Medicaid spending has grown 95 percent, a 95 percent increase. The average increase was 7.7 percent per year. Federal Medicaid outlays increased from $108 billion in 1999, as an example, to $173 billion this year, an average of 10 percent a year just since 1999 alone.

Federal SCHIP, that is the program for kids that has been mentioned here, spending grew from $1.4 billion in 1999 to an estimated $4.8 billion this year, an average annual increase, listen to this now because we are hearing from the other side that Medicaid is being cut, and I want you to listen to this number for kids, an average annual increase of 27 percent, 27 percent.

It is mind-boggling to me how we can be talking about cuts at a time when we are increasing at 27 percent for SCHIP and 95 percent over the last 10 years for Medicaid.

Let me also bring up another subject that we just had a colloquy on on the floor with regard to veterans spending, and I want to be clear because I know that there are many colleagues out there that are listening to this debate, particularly with regards to veterans' health care.

In our committee, we increased veterans spending to meet the request that Secretary Principi put forth in our committee in a hearing that he said, when he made his request to the Office of Management and Budget, his request was $1.2 billion higher than the President finally acquiesced and gave his department. Included in that were fees and were copayments, things such as that.

We decided to do something in our committee in order to achieve not only a $1.2 billion increase, but to do so without any offsetting receipts. The Senate did something similar on their floor. They increased veterans spending as well, but when they did it, they offset some of that spending, so that while the gross number does look higher, they have offsetting receipts there that could be accomplished either through mandating copayments or mandating a means test of some sort.

So when you look at the House versus the Senate budget on veterans spending, the House is higher in the net effect of spending for veterans than the Senate. We will work out the differences in conference, and we will arrive at a number, I believe, that will be $1.2 billion over the President's budget, the budget that the Secretary of Veterans Affairs requested in the first place, and that is an agreement I believe we can achieve.

But just so we are clear for those Members that have been listening, that have been hearing from some veterans that the Senate number is higher, it is wrong. Be careful. They have hidden costs, hidden fees, the possibilities of means testing in their budget. We do not have that. Our number is higher and we ought to stick with that number.

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

Mr. SPRATT. Mr. Chairman, I yield 4 minutes to the gentleman from California (Mr. GEORGE MILLER).

Mr. GEORGE MILLER of California. Mr. Chairman, I thank the gentleman for yielding me time.

Mr. Chairman, I wanted to take a moment to talk about this budget. What we really have seen here now, as the Republicans have taken over the House, is a complete and total loss of any sense of fiscal discipline. What they have done, and certainly since they have been joined with the Bush administration, its takeover of the White House, is they have simply done nothing more than add trillions of dollars to the debt of this country and run annual deficits of about $500 billion a year over and over and over again.

Why is that so? Because they could not stand to have to engage in any kind of fiscal discipline. They want to blame it on President Clinton. They want to blame it on the economic cycles. They want to blame it on war. They want to blame it on terrorism. They want to blame it on the vernal equinox. But the fact of the matter is, the problem resides at home. It resides within the Republican philosophy of government. And that is simply to run deficits. It is what they did all during the 1980s when they were in control.

Back 22 years ago I came to this Congress and I asked that the Congress adopt pay-as-you-go rules. The Congress argued about it for a decade. The Republicans did not like it because they said they could not do tax cuts. And the Democrats did not like it because they could not spend on some of their programs. The conservatives were nervous and the liberals were nervous.

But a decade later, George Bush, Sr., signed pay-as-you-go into law, and that became the means by which we engaged in fiscal discipline. After a decade of arguing, we adopted it and what happened? The deficit shrank, the economy soared, the budget, dare we speak, was balanced for the first time in 40 years, because people had to make choices and choose priorities, something you do not have to do any longer in Congress.

You can just charge it to the deficit. You can just run crazy. You can just romp through the halls of government, run across the country and charge it all to the deficit.

You want to engage in a war? You do not have to ask anybody to sacrifice. You can have a tax cut. You can do whatever you want. But when you do that, you end up where we are today, with trillions of dollars in Republican-created debt. Trillions of dollars will be sent to the next generation. We all know the arguments.

But why did that happen?

I remember when I lost one of the votes on pay-as-you-go by one vote. Senator Gramm, at that time a Democrat, would not vote for it. He said it was too weak. Just before he left the Senate, he asked for its repeal because it was too strong. He could not live within the fiscal discipline any longer. I guess he could not stand the surpluses that we were running, the money we were sending back to Social Security, the paying down of the deficit, Alan Greenspan talking about that we would not have 30-year bonds anymore. The government had no debt to sell.

We could not stand those halcyon days of fiscal responsibility, of balanced budgets and a roaring economy. So the Republicans jumped in the car. They got their good friend George Bush with them and they drove right over the cliff. Not a bad idea if it is just Republicans in the car; it is kind of like that joke about lawyers.

But they took the Nation with them. They took the Nation with them into trillions of dollars of debt that was not here before.

I do not think we need any lectures from the Republicans about fiscal responsibility, because when you took over the government, we handed you a surplus. We handed you a healthy economy. Gentlemen, you have run it into the ground. A little pay-as-you-go, but you could not do it. You just could not bring yourselves to do it in this budget.

The Senate did it. I am sure you can negotiate it away from them so you can keep spending your money and you can keep having your tax cuts and you can have your war on credit and you can hide the costs of veterans.

I appreciate your tortured discussion of veterans. If it is so good, how come the Disabled American Veterans are asking people to vote against it? Maybe on the Beltway it sounds good. It is bigger. It is more. It is larger. But it just will not supply enough health care to the veterans who need it. That is what the disabled vets say.

Mr. NUSSLE. Mr. Chairman, I yield 4 minutes to the gentleman from New Mexico (Mr. PEARCE).

Mr. PEARCE. Mr. Chairman, I appreciate the gentleman yielding me time.

When I go to the district, I get the very reasoned question, why would we give tax cuts in a time of deficit? I think there are important reasons to understand.

First of all, the governor of New Mexico said it best, tax cuts create jobs. He said that to the Democrat legislature last year just before they passed the tax cuts in New Mexico that had been sought for over 8 years under the Republican governor. They passed those tax cuts. We passed the tax cuts here nationally and jobs began to create. In July, New Mexico was number two in the Nation in job growth because tax cuts do create jobs.

One of the ways they do it is small business. The tax cuts we gave, the small business expensing created tremendous jobs in our local district.

Good friends of mine at Watson Truck & Supply reported to me just before we gave the tax cuts that they were out of back orders. There were no more units to be built. They have a manufacturing facility that builds equipment for the oil fields. They were out of back orders, no more orders for their equipment.

The day after we passed the tax cuts, they got more orders than they had had in their entire history. They have 2 years of back orders now. People were hired, jobs were created, and for each new piece of equipment they put out, four to five new jobs were created additionally.

The accelerated depreciation as one of the most dramatic things that we did for small business in the tax cuts last year. Small businesses began to buy equipment.

My wife is the chairman of our board. She called me the day we passed the tax cuts, especially the one with accelerated depreciation and said, we should buy new equipment. So we ordered a large new pump that we had been waiting on to order. That is the way that tax cuts create jobs.

If we want to stop the outflow of jobs in America, we will continue to cut the taxes for American business, but also, Mr. Chairman, we will have a continued action on the part of the other house to pass the tort reform that we passed out of this House.

□ 2015

Frivolous lawsuits will drive all major corporations out of America if we do not do something about them.

We have heard a lot about what we should do as far as the deficits. My friend from New Jersey (Mr. GARRETT) said it best, we do not have a problem with the amount of money that Washington collects from its people. We tax enough. The problem that we have is that we spend too much.

Much has been made out of the deficits that we are facing right now, but very little response is made that actually tells the beginning of those deficits. If we think back to the end of 1999 and 2000, in the last years of President Clinton's term, we remember that the dot-com industry collapsed. We were seeing tremendous capital gains from that industry where stocks escalated to a tremendous height without any product, without any revenue, without any net profit. Those stocks were emotionally driven to a high rate. They were not driven by practicality.

It was a necessity that the dot-com boom would collapse to a certain extent, and when it did, it took all of the capital gains and thrust that surplus that extended as far as the eye could see into a nonsurplus. It was an imaginary ramp up in the economy that could not and would not be sustained.

That was the beginning of a recession that was followed on by 9/11, shocking the economy into a deeper recession and followed still by Global Crossing, Enron, WorldCom and others who drove investor confidence to new lows.

Our economy has had several deep shocks to it. We felt that the tax cuts would create a rate of growth that should create new tax revenues from a higher economy. Those expectations were met in the third quarter of last year with an 8.2 percent rate of growth and 4 percent in the fourth quarter. That is exactly what the tax cuts were intended to do, and I thank the gentleman for yielding me the time.

Mr. SPRATT. Mr. Chairman, how much time do I have remaining?

The CHAIRMAN. The gentleman from South Carolina (Mr. SPRATT) has 11½ minutes remaining. The gentleman from Iowa (Mr. NUSSLE) has 15½ minutes remaining.

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

Mr. Chairman, let me put a few things about this debate in perspective. There has been a lot of talk on the floor today about tax increases, tax cuts and spending increases. Let me try to put the tax cuts, in particular, in perspective.

In 2001, with what seemed to be a substantial surplus, there was a case to be made for tax reduction. I disagreed with the distribution that was proposed and particularly with the size, and I said right here in the well of the House, if my colleagues pass a tax cut of this size and if the surplus does not pan out and it could disappear in the blink of an economist's eye, I said, we are going to find the budget right back in the red again, borrowing and spending the Social Security trust fund. And, unfortunately, that is exactly what has happened.

So a person could have made a case in 2001, but today, that case no longer applies because there is no surplus today. It is gone. It vanished. We only have deficits as far out as the forecasters project their forecast.

CBO, in their analysis of the President's budget, projects the deficits over the next 10 years. If we adopt this resolution and effectively implement the President's budget request, and by their calculation, not mine, their reckoning, that will cause us to accumulate $5.132 trillion in additional debt over the next 10 years, $5.132 trillion of additional debt added to the existing debt of nearly $4 trillion, we will bequeath to our children, the next generation, a debt of nearly $10 trillion in addition to Social Security, which is underfunded, and Medicare, which is underfunded. That is some legacy to leave our children.

Debt service, as I pointed out earlier, under that same projection will increase from $153 billion this year to $374 billion 10 years from now in 2014.

So what happens? I get a tax cut, and I like a tax cut as much as anybody. On the other hand, my grandchildren, Lily and Jack, pick up the tab. They have to pay the debt tax. That is not my idea of the kind of legacy I want to leave my children and my grandchildren, but that is exactly what my colleagues are doing if they vote for this budget today which does not diminish the deficit over time and does not give us a way out of these unending deficits that lead to debt stacked on debt stacked on debt. That is what will happen.

Now, what my colleagues are doing, therefore, if they vote for this resolution and vote to implement the President's budget, they are effectively saying, let us add dollar for dollar every additional tax cut proposed here into the deficit because there is nothing to offset it. There is no surplus to absorb part of it. There are no spending cuts that will offset it. This will go straight to the bottom line and add to the deficit and the accumulation of debt that has already been reckoned, calculated by the CBO, as I said, it was $5.132 trillion over the next 10 years.

So my colleagues are making a deliberate policy choice that these additional tax cuts are making permanent, the 2001, 2002 and 2003 tax cuts, is more important than deficit reduction.

There is another aspect of this, also. In making this choice for additional tax cuts, my colleagues are effectively saying tax cuts trump Social Security, tax cuts are more important than putting money away to make Social Security, our most important safety net program, and Medicare solvent over the next 75 years. I have a chart right here which is very simple. Anybody can understand it. It is very graphic.

It shows the present value of the tax cuts enacted in 2001 and 2003 extended over 75 years, the amount of tax revenues forgone or forgiven are not claimed or captured if these tax cuts become a permanent part of the code for 75 years. That is the red bar, $14 trillion.

On this side, we see what it would cost, in blue, to make Social Security solvent in present-value terms over the next 75 years. It is $3.75 trillion and the amount to make Medicare solvent $8.2 trillion. Those two sums add up to less

than the present value of the tax cuts that will be made permanent if my colleagues vote for this resolution and implement the President's budget as he sent it up here.

So vote for this resolution and my colleagues are saying these tax cuts, which we enacted back in 2001 and 2002, when we thought we had a huge surplus and, therefore, we could afford them, these tax cuts are much more important than saving Social Security and Medicare. My colleagues are making a choice, a deliberate policy choice. There is an opportunity cost here. There is no way around here.

There has also been talk on the floor about big spending, about the rate at which spending has been increasing in the Federal budget over the last several years, and we have noted the irony of it. Because I am a Democrat, we do not control this place. We do not control the spending that is passed here. We do not control the White House or the Senate or the House. Nevertheless, our colleagues are saying spending, in this institution they control, is just growing at too rapid a rate. Well, let me show my colleagues where the spending increases have actually come.

If we look at the budget, where the spending increases have actually occurred, and look at the current services which just maintain things at an existing rate, and then look at the things that spike up way above the current services level in terms of spending increases, we will find that for the last 4 fiscal years, 90 and 95 percent of all the spending and increases over and above current services have occurred in order to pay for national defense, in order to pay for homeland defense in a category that did not even exist in the budget a few years ago, and in order to pay for the post-9/11 bailout of New York City and the airlines. That is where 90 to 95 percent of the spending has come, if my colleagues look at the budget carefully.

Now, why is that important? Because the President says we have got to rein in spending, but he is not reining in this spending. He does not propose to rein in spending in these categories, and indeed, it is going to be very difficult to do.

The gentleman from Iowa (Mr. NUSSLE) set out to decrease defense spending by just a bit, one-half of 1 percent off the 7 percent that the President was requesting as an increase. Thirty-four members of his party told him they would not vote for the resolution if he did it. Mr. NICKLES took a nick out of defense in the Senate. It was reversed by a vote of 96 to 4. So the likelihood that Democrats and Republicans are going to vote for big decreases here, given the world situation we find ourselves in, at least in the near term, is not very great at all.

Instead, what we have is concentration on this sector here, this blue sector called domestic nonhomeland discretionary. In other words, this is domestic discretionary spending, the money that we appropriate every year in 13 different appropriations bills, excluding homeland security because it is growing at a pretty fast clip for good reason.

There is that wedge, 15 percent of the budget, and that is basically where all the pressure is being borne. The President's budget would cut discretionary spending in this category by $303 billion below current services over the next 10 years, but there is only so much blood we can squeeze out of such a small turnip, and so when we do not get the budget to balance in 10 years, we are actually going off into the stratosphere because of the renewal and extension of the big tax cuts in 2001 and 2002 and 2003. They will be renewed and extended in 2011, and therefore, the budget deficit gets bigger and bigger. This will not do. This is not enough.

So what is happening here is, ironically, everyone is decrying this enormous increase in spending, and yet they are not doing anything or proposing anything to do about the categories of discretionary spending where the increases are really occurring, and where they are applying pressure is on a wedge of the budget that is not that large, not that fast growing and not sufficient, not sufficient by any means to wipe out the deficit.

Alan Greenspan was before our committee, and he was a big advocate of using spending cuts predominantly in order to subdue the deficit. So I asked him, Mr. Greenspan, Mr. Chairman, tell me, if we wiped out all of the domestic discretionary spending, we would still have a deficit of $100-odd billion. Obviously we cannot wipe out the FBI, we cannot wipe out the Federal court system, we cannot wipe out the Federal penitentiary system. These are essential functions of the government. Where are you going?

Then he said, you have got to go to Social Security, you have got to cut Social Security, effectively acknowledging that that is right, that wedge is too small, particularly if you insist upon not doing anything on the revenue side.

What we have brought to the floor is a budget that will have a lower deficit than the Republican main bill. Our alternative will have a lower deficit every year for 10 straight years, lower than the President's bill, lower than the Republican's main bill. In fact, over a period of 10 years, we will accumulate in debt additional to the national debt today $1.240 trillion less than the Republicans, and we will move our budget to balance in the year 2012.

Less deficits, balanced budget in 2012 and less debt accumulation, that is what the choice is tonight and tomorrow, a budget that is responsible, that makes some bold decisions, in a measured way moves us towards a balanced budget, protects priorities that are important to the American people, that moves us back into the black, as opposed to a budget that effectively makes a choice to trump the salvation and solvency of Social Security with the primacy of tax reduction.

That is the choice before us today. It is that simple. It is that basic. That is what is at stake, and basically the moral issue at stake, which in my opinion overarches everything, is more important than the fiscal implications, more important than the accounting aspects is, are we going to take this enormous debt, these huge deficits that are accumulating, about which we are doing next to nothing if we adopt the Republican bill, and shift them off on our children and our grandchildren? Not on my watch, not on my preference.

I would vote for this resolution. I think every responsible Member should.

□ 2030

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

First, I would like to thank the gentleman from South Carolina (Mr. SPRATT) for the tone of the debate. I think it has been a good debate, a healthy debate, and a discussion, as I said to begin with, about the blueprint for fiscal responsibility as we move into the future and exactly what the priorities would be. I suggested that it is probably very similar to the conversation that a couple might have with their architect as they go in and try and design a new home.

Certainly there are going to be things that they agree on, and there are going to be a few arguments as they come up with that final design. But the long and short of it is we need a blueprint in order to move forward, and I commend the gentleman from South Carolina (Mr. SPRATT) for putting together a budget. We disagree with the plan that he has put forth; we have our own plan that we hope passes. It is one that builds on the principles of strength, growth, opportunity, and fiscal responsibility; and we believe it is the right blueprint at this time to manage the needs as well as manage the economic concerns of our country at this important juncture.

We have heard a lot tonight about the fact that tax cuts caused every problem in the world, that somehow everything would be better without tax cuts, and we wring our hands all day long about the fact that we have such a big deficit, and what we forget is at this exact same moment there are people sitting around kitchen tables across America with their checkbooks and bills in front of them, probably as well as their tax return they just got back from their accountant or their tax preparer, or maybe they actually tried to scratch one out on their own, and it is becoming more and more complicated every year to do that; and it is becoming more and more difficult to pay bills and make ends meet, particularly with the kind of economic challenges that people face.

So at this particular point in time, we believe it is not in order to raise taxes on those people who are having that discussion around their table. What they would say to us if they had the opportunity is the exact same thing they would say to each other, and that is, Can we do with just a little bit less, honey? Can we figure a way to turn the lights off maybe a little more often? Can we buy maybe a cheaper pair of gym shoes than the expensive pair of sneakers Johnnie wants. We still love Johnnie, of course, but maybe we can make ends meet by asking him to do with maybe a little less than the big powerful set of gym shoes that they sell at some stores.

They look at all of their bills and say, Can we do a little bit less? It is not because they do not love each other or they do not care enough about their own situation; but they know, as we know, that at all times we should look for ways to save money and tighten our belt, particularly when times are tough.

But one thing they do not say is let us do with a little bit less when it comes to income. That is one thing we are mindful of in this budget. We want to respect the income of Americans, we want them to be able to spend it, we believe they spend it more wisely; and that is the reason we continue the tax relief within this budget which has been a hallmark of our economic development plans.

Let me be even more specific. When we talk about tax cuts, tax cuts did not cause the deficit. There has been a lot of discussion here tonight that somehow tax cuts are causing all of the problems in our country. Let me show Members the chart, because what we have done is we made that same chart which has been discussed here tonight, and we put it all in there.

The white area here are the tax cuts. The green area here is that new discretionary spending that was just referred to by the gentleman from South Carolina (Mr. SPRATT). The red area is what we call new mandatory. Most of that is the Medicare bill. But the blue area that Members see here is the economic gut-punch that we have gotten as a result of a number of things, the dot-com bubble bursting, corporate scandals, 9/11, and the ongoing challenges as a result of a number of issues within our economy, some natural, some not, within that business cycle.

If we look at this, the tax cuts do not dive us into a deficit; the spending, the economy is what has driven us into deficits. In case Members believe we are just putting the tax cuts on top because it does not work, let us put them on the bottom and see how that works. Let us put the economy on top. The economy alone drives us to a deficit. The economic changes that our economy has had since September 11, in particular, have driven us down into a small deficit; but the new spending for the war on terrorism, the war in Iraq, the war with Afghanistan, homeland security, protecting our country and a lot of other additional spending for education, for veterans, has driven us even further.

So before we blame the tax cuts, be careful how this is looked at. If you put the tax cuts on top, they do not get us to a deficit. If we put the tax cuts on the bottom, they do not even take us out of the deficit. In fact, the proposals that are put here today are just wishful thinking if you believe you can take away tax relief from Americans, tax relief away from small businesses and assume they are going to continue to be able to drive the economy and make sure we have the kind of economic changes that create jobs far into the future.

One other point with regard to this which is important, the tax relief package is working. It is working. All Members have to do is look at the real gross domestic product over the last number of years and you can see exactly what happened. Here is the recession. That was that recession that President Bush inherited. That is the reason why back in this particular time here we said let us reduce taxes slightly in order to get that economy back on its feet. Then 9/11 hit, and we decided to boost the economy even more; and we not only had a bipartisan tax relief package, we decided to make those tax cuts permanent. What has happened?

As Members can see, the last 2 years now we have seen staggering economic growing. The last 6 months alone have been the fastest growing period for our economy in 20 years. As every single economist will tell you on both sides of the political spectrum, the lagging indicator that always is the last to develop is jobs, and that is because people are tight with their money. They are not going to make an investment decision until they know the coast is clear. And the coast is clear. We are going to continue to make sure that these tax relief packages within this budget are not only extended but are made permanent. We do not want there to be an automatic tax increase, and that is the reason our budget adopts that.

Last but not least, let me talk about spending. We have heard today all sorts of things with regard to spending. We have heard that Republicans have been spending too much, and we have heard that Republicans are not spending enough. In fact, we have even heard that we are not spending enough on volleyball teams. That was even part of the debate here today.

Regardless of that debate, here are the facts. This is the total budget for the last 10 years. This is a chart that many of my Republican colleagues do not want me to show, and I can understand why because it shows that during our period of time we have increased spending; but, there are two parts to this ledger that I want Members to understand. First and foremost, I think it rebuts very clearly the arguments that have been made that somehow we are being Draconian in our cuts, that we are cutting too far, cutting too deep, that it is going to throw people out on the street and seniors are not going to get the resources they need, and veterans are not going to get the resources they need. That is simply not the case.

Our increase in spending growth has averaged 5 percent each year since our first budget. Now, some of those changes have not been all that positive. Unfortunately, within all this spending there is some waste. There is more waste than we care to admit, and that is the reason within our instructions this year the gentleman from South Carolina (Mr. SPRATT) was suggesting that we only are looking at a very small portion of the budget. We are looking at that portion of the budget, but we have expended the view of the budget. We believe there are weeds within the entire garden of the Federal budget, and we need to look in every corner of that garden to pull weeds.

That is the reason we are going to continue the effort to look for wasteful Washington spending, not only on the discretionary side of the ledger, but also on the mandatory spending.

We know that the Democrats have not been in control during that period of time, and it would be easy to blame the Republicans for some of the spending that the gentleman from South Carolina (Mr. SPRATT) talked about with regard to homeland security and the war in Iraq; and it is true that with regard to that area I was showing Members on the chart where increases in discretionary spending have been large, Democrats voted for it, too. Yes, we were in charge, but most of it was done in a bipartisan way, and I think Democrats are proud of that. I think Democrats are proud of the fact they voted to increase spending for homeland security, I think Democrats are proud of the fact they voted to increase spending for defense, I think they are proud they voted for increases for special education and for a number of those programs that you have come to the floor here today and suggested that you want even more increases. Most of those increases in discretionary spending, in particular, have been bipartisan.

Last, let me say with regard to other spending, yes, there were many amendments in our committee to increase spending far beyond what our budget calls for, but there have been examples of this throughout our history. For example, the Medicare account, there has been a lot of complaints within the media that for some reason we are not taking into consideration the full amount of the costs of Medicare.

First and foremost, the Democratic substitute last year would have spent about $1 trillion, more than double the amount we had for Medicare. Secondly, if you notice the alternative presented by the Democrats, they adopt the CBO baseline for Medicare spending, meaning they do not believe the actuaries from OMB or from HHS any more than

we do. Nobody is quite clear exactly where Medicare spending is going to go. It is our job here in Congress to control it. Right now the Congressional Budget Office is controlling with regard to that spending, and we both put it into our baseline as the Medicare line item. If they would adopt their rhetoric as part of their budget, they would not balance anytime in the near future.

Let me say in closing that when we come up with a budget like this, or a blueprint like this, there are going to be a lot of people who have to give. There are many people within our conference who wanted to increase spending in some areas; they wanted to go further with decreases in spending in others. What we have tried to come up with is a common-sense solution to a problem that is going to take a number of years to resolve. All of the budgets that Members will see on the floor today, none of those budgets balance it this year or even next year or even within the next 5 years. All of them recognize that we need a path to get back to responsible budgets and balanced budgets.

And so which path are Members going to choose? Are Members going to choose one that respects the family budget and does not increase taxes? Are Members going to choose one that holds the line where we can hold the line on spending? Are you going to choose one that allows us to begin to weed the garden of mandatory spending where we can find waste, fraud and abuse; and are you going to choose one that does what I believe is so important, and that is to make sure that our country is protected first and foremost so our freedom is protected?

I believe that budget provides that strength for our country, that growth for our economy, and that opportunity for our constituents' future; and it does it in a fiscally responsible way. I believe our budget is the kind of budget that can help get us back on the track that we need in order to get back towards fiscal responsibility, and I ask for Members' support and vote on the budget resolution for 2005.

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

The CHAIRMAN. The gentleman from New Jersey (Mr. SAXTON) will now control 30 minutes and the gentlewoman from New York (Mrs. MALONEY), the designee of the gentleman from California (Mr. STARK), will control 20 minutes on the subject of economic goals and policies.

The Chair recognizes the gentleman from New Jersey (Mr. SAXTON).

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

Mr. Chairman, much has been said here today with regard to the subject of our budget and fiscal policy and its effect on economic growth.

I would like to show as clearly as I can as the vice chairman of the Joint Economic Committee, which of course is made up of Members of the House and Members of the Senate, the actual effect of budgetary policy over the last few years, monetary policy as carried out by the Fed, and tax policy implemented at the request of the administration and carried out by this House and the Senate.

□ 2045

Actually we have found that there are some very positive effects that have accumulated over the past several years in terms of a variety of good economic trends.

For example, lower inflation that has resulted from various policies actually has improved economic growth through the appearance of lower interest rates directly as a result of lower inflation which can be primarily attributed to the policy of the Federal Reserve. It reduces unnecessary uncertainty and volatility in financial markets, it causes the price system to work better, it acts like a tax cut to have lower interest rates, especially for those portions of the Tax Code that are not indexed for inflation. The Fed's policy of inflation targeting has worked.

I can remember many years ago when the Fed's policies of today were not in place, when we felt good when inflation was at 6 percent or at 5 percent. Today, inflation is at historic lows, probably today under 2 percent. As a result of that, these lower interest rates have worked, as I said before, as tax cuts to help rally economic growth.

Lower marginal tax rates as well as lower interest rates remain in place today, and we are reaping the long-run effects of lower tax rates despite two increases, one in 1990 and one in 1993. Marginal tax rates remain lower today than they were in the 1950s or the 1960s or the 1970s. This is very important.

It is also important not to revise the tax rates that are already in place. We have seen the results of these as demonstrated on this chart, for example. Here, in 2001, when the tax rates were put into place, we see that real economic growth, of course, was bad during the three quarters of 2001, but then the economy started to grow. Real gross domestic product in the fourth quarter of 2001 began to grow, and we had seven straight quarters of economic growth, culminating, as the chairman of the Committee on the Budget said, in the last two quarters that we have just experienced where we saw 8.2 percent economic growth in one quarter and 4.1 percent in the next quarter.

There has been good reason for optimism and, of course, the stock market has rebounded during this period of time, but there have been other factors that have been holding the economy back.

National security and homeland security are two general areas that are essential for securing our peace and security and stable, sustained economic growth. This economic growth is not possible without both security from foreign adversaries and security from adversaries who threaten the homeland. And so spending on our national security and on homeland security is absolutely essential. Investment spending will not occur without stable property rights or security for investment and investors as well as lenders.

While national security and domestic security are essential, they also depend on what weapons the adversaries employ. In a sense, they depend on the adversary and not entirely on some absolute standard of security.

Investment, on the other hand, is essential to fostering economic growth. Increases in investment improve both supply and demand so it fosters growth without causing inflation. Investment is needed to improve productivity, raise real wages and increase living standards. Productivity-enhancing investment increases economic growth without inflation.

Let me just turn to the next chart we have here which shows fixed private nonresidential investment. Again, beginning in the third and fourth quarter of the year 2000, which coincidentally was before President Bush took office, we see that fixed private nonresidential investments fell sharply. And then as the recession ensued in 2001 and through the first two quarters of 2002, fixed private nonresidential investment was actually in the negative.

But then as the effect of the tax cuts kicked in and as the effects of low interest rates brought about by the control of inflation kicked in, we see that fixed private nonresidential investment begins to improve. This was a very positive thing for the economy.

The U.S. economy currently is expanding at a healthy clip. A wide spectrum of sectors of the economy are contributing to this advance. Consumption, housing, investment, and production among others have all made notable contributions. Fourth-quarter real GDP was up by a brisk 4.1 percent and, as I said before, the third quarter of last year was up 8.2 percent, which certainly again is demonstrated here on the chart that we have.

For the future, the consensus view of economists is that the economy will continue to expand at a robust pace over the next several quarters. Specifically, the consensus is for better than 4 percent growth in the near term. This current and prospective performance of the U.S. economy is superior to most other world economies, including both Europe and Japan.

Business investment, as well, has been a leading sector fueling these healthy economic gains. Real business investment has been up sharply in the last three quarters. A key reason for this strength was the progrowth tax policies adopted by this Congress and by the administration.

Further, gains in profits, the stock market as well as capital goods orders all point to additional advances in investment. Although the stock market has had its ups and downs, particularly as measured by the Dow Industrials,

the stock market has regained much of the ground it lost in recent years. The stock market gains not only encourage investment activity, but because of widespread ownership in stocks, mutual funds, IRAs and other savings vehicles, we have fostered household wealth gains as well. The latest figures indicate that about 50 percent of American households own stock shares in some form, and stock market capitalization was up significantly last year. The tax cuts and expectations of continued economic advance have propelled stock prices to continue to rise until just a couple of weeks ago.

Manufacturing activity, as well, as measured by the Institute for Supply Management, ISM, the ISM index, is also making significant gains. The index shows that manufacturing gains have been quite widespread. Manufacturing production as measured by the Federal Reserve's Industrial Product Index is up sharply as well. We have another chart here which shows that the ISM index fell during the recession, and it shows how we have grown today to the point where 61.4 percent of our businesses are actually expanding.

Employment is one area, however, that has lagged behind output growth. It is quite clear that manufacturing employment softness began in July of 2000. The impacts of investment and stock market weakness were concentrated in manufacturing. Nonetheless, recent payroll employment is up 364,000 jobs since August and payrolls have advanced the last 6 months in a row. During a comparable time period, household employment was up 604,000 jobs.

Let me turn to the unemployment rate which we hear so much about in regard to our economy. The unemployment rate has fallen from a high this year of 6.3 percent to 5.6 percent in recent months. The 5.6 percent rate is lower than the average rate in the 1970s, lower than the average rate in the 1980s, and lower than the average rate in the robust 1990s. It has not been characterized as such, however.

Further, the recent peak in the unemployment rate is considerably lower than the peaks of earlier business cycles. Let me show my colleagues what I mean. In the 1970s during a recession, the unemployment rate peaked at around 9 percent. In the 1980s during a deeper recession, the unemployment rate peaked at just under 11 percent. In the 1990s during a recession, the last quarter of 1990 and the first quarter of 1991, we had an 8-month recession, and the unemployment rate peaked at just under 8 percent. In this recession, the unemployment rate peaked at 6.3 percent and is now at 5.6 percent, as I said, lower than the average rates of unemployment in the 1970s, the 1980s or the 1990s.

Inflation has also remained low during this period. As can be seen on this chart, core CPI inflation has continued to trend down for the past several years. This is good news for all income earners and all consumers. This is the result of the Fed's persistent anti-inflation policy. Currently there are few, if any, signs of inflationary expectations re-emerging in any significant way. This line speaks for itself. Inflation is historically low today as a result of Fed policy.

Likewise, the Misery Index, we all remember the Misery Index that we got so accustomed to hearing about in the 1970s, the Misery Index measures the sum of the unemployment rate and the core CPI inflation rate. It is premised on the notion that both a higher rate of unemployment and a worsening of inflation create economic costs for a country. The index is used unofficially to assess a nation's economic health.

Currently the Misery Index is relatively low, lower than it has been for most of the past 35 years. Once again, the red line here speaks for itself, the Misery Index is very low today.

Long-term interest rates have continued to trend down as well and remain at near 40-year lows. What is particularly relevant is that long-term rates remain low or even declined in the face of increases in the budget deficit. These low long-term rates are more importantly determined by the rate of inflation than by budget deficits. Again, we have a chart here that has a line on it that shows the 10-year Treasury bond yield at consistent maturity, and once again we see that we have historically low interest rates.

In sum, the economy is currently advancing at a healthy pace. Most key sectors of the economy have contributed to this healthy growth. The consensus of economic forecasters project continued healthy economic growth for the foreseeable future. The policies that have supported this growth, namely, tax relief and accommodative monetary policy as carried out by the Fed, appear to have been quite appropriate. Accordingly, so long as inflation remains subdued, a continuation of these policies and making certain that tax cuts are permanent seems quite appropriate.

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

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

Mr. Chairman, the purpose of a budget resolution is to make the tough choices that will put the budget and the economy on the right track for the future. We do not need budget choices that create tough times for the economy, that are tough for working families, tough for people who cannot find jobs and tough for our children's future.

□ 2100

Once again, the President and his Republican colleagues in the House have presented a budget that is fiscally irresponsible and wrong for the economy. When President Bush took office, the Congressional Budget Office was projecting a $400 billion surplus for this fiscal year 2004. Now they are projecting a deficit of nearly $500 billion, a swing of $900 billion for just this one year. We can see from this chart how projected surpluses have turned into actual deficits so far in this administration.

And the future does not look any better. Three years ago, President Bush told us we were in danger of paying off the national debt too fast. Well, the President and the Republican Congress have certainly taken care of that problem. In 2001, the President said that even if we enacted his tax cuts, we could pay the debt down to $1.2 trillion by 2008. But now they say the debt will rise to $5.6 trillion, a swing of $4.4 trillion as depicted in this chart, 4.4 trillion more debt in 2008.

Mr. Chairman, what has changed in 3 years to cause such a hemorrhage in the budget and such an explosion in the national debt? The administration and its supporters have been quick to blame events beyond their control like 9–11 and the bursting of a high-tech bubble. They have even tried to overrule the experts at the National Bureau of Economic Research about when the recession began. But what they will not admit is that their relentless drive to cut taxes has also played an important role.

We made the same mistakes once before in the 1980s, but at least then we had time to correct our mistakes. We had time to restore the fiscal discipline needed to prepare for the tremendous budget pressures we would face with the retirement of the baby boom generation, but now it may be too late. The retirement of the baby boom generation is upon us, but demographically blind budget policies have left us unprepared for the consequences.

Mr. Chairman, the President keeps telling us that his policies are working to improve the economy; but in the area that matters most to American families, jobs, the facts tell us otherwise. As this chart shows, President Bush is on track to be the first President since Herbert Hoover to lose jobs over the course of his time in office, the only administration in 70 years with a decline in private sector jobs. Three million private sector jobs have been lost on President Bush's watch. When we include public sector jobs, it is a total of 2.2 million jobs lost since President Bush took office.

And what is it that we have to show for 3 years of Bush policies? Just 21,000 jobs were created last month, when we know that we need at least 125,000 jobs created a month just to keep up with the expanding workforce entering the job market. Overall there are 8.2 million unemployed Americans and about 4.6 million additional workers who want a job but are not counted among the unemployed. An additional 4.4 million people work part time because of the weak economy. What is more, this

chart shows that a large portion of people who have become unemployed remain unemployed for over 26 weeks, almost triple the number when this administration took office.

Each week, 80,000 people's unemployment benefits expire, leaving them with no income and no job prospects. Many of them drop out of the labor force and are not counted in the official unemployment rates.

Once again tonight the other side is making optimistic projections about the future. Tonight the majority says their budget will cut the deficit and create jobs. Unfortunately, we know the record of the last 3 years, and that is a record of rosy projections that never come true. As an example, a year ago the administration predicted that its policies would contribute to the creation of almost 2 million new jobs in the second half of 2003. As the chart shows, they fell short by 1.8 million jobs below their forecast. Meanwhile, as this additional chart shows, the typical worker's earnings are barely keeping up with inflation in sharp contrast to the strong growth from 1996 through 2000.

This administration has presided over the greatest average annual decline in household income since the government began keeping those statistics in the 1960s, doubling his father's bad record. The income of the typical household has fallen by about $1,400 during this Bush administration. Also, 3.8 million Americans lost health insurance under this administration, as this final chart illustrates.

Mr. Chairman, this budget is short on solutions, but long on preserving a failed policy that has led to a loss of 2.2 million jobs and a $500 billion deficit, the largest deficit in history. This is a policy we cannot afford. Vote ''no'' on the Republican budget.

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

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

Mr. Chairman, I am not surprised, but I am somewhat troubled that the previous speaker did not recognize that the economic downturn was well under way well before President Bush took office. The administration's critics blame President Bush for his policies for the loss of about 2 million jobs since January of 2001. However, all of this employment decline is accounted for by falling manufacturing employment, and manufacturing employment started declining well before President Bush or his policies were in place. Manufacturing employment has been falling since March of 1998. From this point through January of 2001, over half a million manufacturing jobs had already been lost. It is hard to blame that on President Bush. Thus the trend was well under way before the President ever took office. And it was the policies that were in place during the 1990s that caused that decline.

Manufacturing employment has been falling steadily, well before President Bush took office. The respected Institute for Supply Management employment index plunged in 2000. By January of 2001 most firms surveyed indicated that manufacturing jobs were falling or stagnating, according to these indices. That was the year President Bush took office. So according to your theories, President Bush's policies that had not even gone into effect yet caused all that unemployment. It is just not true. It cannot be true. President Bush was not here.

After the bursting of the stock market in the first quarter of 2000, there was a sharp fall-off in investment. Because much of this investment is comprised of machinery and equipment produced in the manufacturing sector, manufacturing employment began declining every month since July of 2000.

We know President Bush was not the President before July of 2000 when the policies of the previous administration caused these declines.

In the last month of the previous administration, manufacturing employment declined by 82,000 jobs. That was President Clinton, not President Bush. However, with a strong rebound in investment in the last half of 2003, manufacturing output is growing today at a healthy pace, and monthly manufacturing employment declines have been slowed dramatically because since President Bush took office, he has made it a priority to institute policies that provide for economic growth.

Since last August, payroll employment has gained 364,000 jobs, not declined. We all want to see more job growth, but strong productivity gains have made this harder. Strong productivity growth is good for the majority of the workers who have jobs because it enhances their job security and earnings potential. However, in the short run, it does slow job growth. We had a technological advance during the 1980s and 1990s that was good. It made our workers more productive. The use of computer technology, the use of communications technology, and many other increases in technology across the board made our workforce the most productive workforce in the history of our country. But it had a negative side as well because when the recession hit and the decline started, while President Clinton was President, when the decline started and people lost their jobs, the inclusion of more technology continued to go forward. And when the economy began to grow and people went back to seek their jobs, they had been replaced by technology, adding to the productive nature of our workforce.

The upward productivity trend started in the second half of the 1990s and has been under way for at least 8 years. By the second half of the 1990s, investments in new technology and equipment changed the economy and its relationship to employment. The cumulative effect of these investments was that the economy could grow quite quickly without greatly increased employment. Productivity growth, not outsourcing, is the primary cause of slow employment growth in the short run. With healthy economic growth now under way, most economists expect employment growth to continue in the future.

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

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

The gentleman referred to the Clinton administration. Under the Clinton-Gore administration, this country created 22 million new jobs. Under the Clinton administration, the deficit was eliminated; and he left office with a substantial surplus and a projected surplus that would continue to grow. And under the Bush policies, this country has lost 2.2 million jobs. We would have to create 200,000 new jobs each month for the next 10 months just to bring this country back to the place it was when President Bush walked into office.

And President Bush has given this country a $500 billion deficit, a burden for our children and our grandchildren.

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

□ 2115

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

Mr. Chairman, it is really wonderful. This is the time of year when we have the big tent put up out in front of the Capitol and we invite the county fair in from Iowa. We always have the county fair come.

I am sure as you look around this hall tonight, there are three of us left, so that means 421 people have gone home. They figure, ''It is all baloney, so I am not staying around to hear this.'' But I know that the people in the Speaker's district and my district are just sitting down to dinner out there on the West Coast, and I think maybe they might be interested in what some of our colleagues do not want to really deal with on this budget.

Now, if I was going to do this the right way, I would put on a top hat and I would tell you about the shell game that we find at the county fair. It is a wonderful game. You know, the guy has a box out there, and he puts one walnut on it, and then he puts another walnut on it, and then he puts a third walnut on it, and then he puts a pea under one of them and then moves them around.

The job of the American people is to figure out, well, where is the pea? I mean, that is what the game is out at the county fair.

That is the same job you have here. You hear numbers, you see charts. I brought a couple just for fun. But you see them moving these around and moving them around, and they say, well, we do not have enough money for Social Security; well, we are taking care of Social Security and Medicare.

You lift up the walnut. Oh, no pea there. Wonder where the money is? Oh, dear. Well, the money must be somewhere here.

Education. That is right. Oh, there is no money for education. They are going to have to call this ''Some Children Left Behind'' by the time we get to the election. The President has been telling us, ''We are not going to leave any child behind.'' But he does not put any money under the pea for education for kids. He underfunds what he says is the amount he has to put there.

How about veterans? Oh, the veterans. You know, they are over bravely serving us in Iraq: Dying; being wounded; coming back here with amputations; coming back, as recently we read in the newspaper, coming back and finding that the job they had when they were in the Reserves is not there.

So the veterans who are out defending us and doing all of this for us, they say, well, but Uncle Sam promised us. So we will look under here. Oh, they are cutting the veterans benefits too? They are going to ask us to pay more at the veterans hospital?

Oh, well, there must be something wrong. I mean, health care. Health care in this country is a problem. We have 44 million people without health care. Is there anything in this budget for health care? Nothing.

But the President said, ''We are going to guarantee universal health care for the people in Iraq.'' In Iraq. Not in Tennessee, not in North Dakota, not in New York State, not in Washington State, not in California. Iraq. That is what the President said.

Then, his secretary went on to say, ''Well, in this country everybody gets taken care of some way, do they not? So that is universal care.''

But you do not get preventive care. We will take care of you when the catastrophe strikes, but there is no money in here for prevention, there is no money making it so we take care of all the kids, that we take care of all of the problems up front, because, well, I do not know. I just cannot seem to find the money.

Now, let us see. Oh, yes, the tax cuts. Ha, that is where the money went. You do not have to be a rocket scientist or have a Ph.D. in economics or have gone to MIT.

A Senator from my State used to say that he wished that we had a one-armed economist. Every time he listened to an economist, he said, ''On the one hand this, and, on the other hand, that.'' You have heard a lot of that, ''On the one hand this, on the other hand that'' tonight.

But the fact is that if you have money in the tax accounts and you give it back to the people, now, that means you do not have money to put under the shells. That is why there is no money for Social Security, that is why there is no money for veterans.

Oh, we have wonderful things to spend it on. Homeland security. I look out here under every seat in the House of Representatives, and I meant to grab one, and I will grab it for you. Every Member of the House of Representatives is sitting on a gas mask.

Now, all that protection they are putting out there for us, all those policemen and all of what is going on in all the buildings and everything else, and they give us a gas mask. How many people in America have got a gas mask? How many of you think that the American Congress is going to be gassed in the House of Representatives? If you do, then you have got to ask yourself, what is the President doing about that?

I mean, Osama Bin Laden. You remember that guy? How much money did he waste on that whole business? Why is there no money out here for health, education, Medicare, a real pharmaceutical benefit? Well, because we have to spend $150 billion in Iraq, a war that we did not have to go to, that we went to under fraudulent circumstances. The President did not tell us the truth. He scared us into, ''Oh, we got to go get Osama Bin Laden.''

Well, they are over there looking for the weapons of mass destruction under the same shells. They say we are going to find it over here; no, we are going to find it over there. Just give me some more money, he says.

Folks, you are sitting there eating dinner. Mr. Chairman, from my point of view, the American public must be just scratching their head and saying, what are these people talking about? A budget is the priorities you set.

Now, in a family you take care of the necessities, food, health care, housing. Our housing situation in this country is awful. In Seattle you cannot find a starter house for under $250,000. Somebody who takes a job at six or seven or eight dollars an hour cannot buy a house in Seattle, and I know that that is not the only place. Oh, you can do it, if you want to go out 40 miles into the countryside, and then there is no rapid transit to bring you in to get to work. I mean, you are caught coming and going. That is where the average American is in this country.

Now, we have two realities that we have to deal with in this budget, and the President of the United States has failed on both of them. One of them is to provide jobs, and the other is fairness in taxation.

Nobody likes to pay taxes. I do not like to pay them. I am right now in the middle figuring out my income tax, like everybody else in this country. I do not want to pay taxes, but I know that I have to pay some so we can have a civil society, and it ought to be done as fairly as possible.

Let us take the jobs issue. I put this up here just so you understand. Since it is Iowa night at the state fair, you all remember a guy named Herbert Hoover? He was from Iowa. He was a great guy from Iowa. He is the last guy that did to our economy what George Bush is doing.

He sat up there and said, ''Well, you know, the rich people, the stock market should just go up and up and up.'' And it was going up and up and up in 1928 and 1929. When it crashed, everybody said, ''Oh, my God. I do not have anything.'' We had no Social Security, we had no unemployment insurance, we had no construction projects, we had nothing.

Franklin Delano Roosevelt came in, and you know the first thing he said when he became the President of the United States? Was it, ''The problem with this country is our taxes are too high. We have to reduce taxes in this country. We have to give back all the money we have, and in some magical way it will get better.''

Do you think that is what happened? Do you think that is where the WPA came from, and unemployment and Social Security and all these other things, by the President of the United States saying, ''My answer is cut the taxes. Give the money back to the people. It is their money. Let them spend it any old way they want.''

Of course not. The whole country knows. Everybody in this country over the age of 50 knows that the proposals made by the President of the United States are absolute and total nonsense. He said, ''Well, you know, I got that terrible problem from that Bill Clinton. Golly, he was just such an awful guy, created those 22 million jobs, and then he left me a mess, left me a mess when I came in here.''

So he said, ''Cut taxes.'' He came out here and said to the Members, stood right here in this well and said, ''If you cut taxes, why, everything will be better.''

Well, folks, this is zero jobs created. If it was up here it would mean there was something going good. But in fact it has been going down. We have lost 2.8 million manufacturing jobs since George Bush has been here.

Now, you can blame maybe how much you want to blame on Bill Clinton. Do you want to blame two-thirds? Or three-quarters? Would you not think after 3½ years he would have figured out some way to get it turned around? Franklin Delano Roosevelt did. He put us to building bridges and highways and buildings and all kinds of things, and, lo and behold, if you spend the money you have, not giving it back to the rich, but spend it on things investing in the country, you create jobs. That is what Franklin Delano Roosevelt did.

The private non-farm payroll in this country has gone down by 3 million people, and in the non-farm payroll employment, that is only by 2.2 million. Now, that is in addition to these two.

Do you know what I heard from my colleague just a few minutes ago? ''Things are really getting better.'' Do you know how many jobs were created in February? 21,000. Now, let us see, 50 into that, that would be 400 jobs per state. That is really pretty good. I mean, I bet they will have a lottery for

those jobs. And they were all government jobs. There was not a single private sector job created.

That is why we ought to vote no on this budget.

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

Mr. Chairman, the facts bear out that the economy is growing. Like the previous speaker, I wish that jobs were growing faster, and I believe they will. But the previous speaker's examples were not exactly examples that I would have used.

For example, to compare this recession to the Great Depression I find, I guess I would say amusing to a certain extent, because while we know that the unemployment rate today is at 5.6 percent and topped out at 6.3 percent in this recession, the unemployment rate during the Great Depression was 25 percent. So I think that is a rather poor example, and I think goes to show the extent and the lengths to which the minority will try to bend things to make their story look like the one that they would like the American people to believe.

A lot has been said about tax rates. One of the charges that has been made about our tax policy and our tax cut, and the last speaker repeated it again for the last of many times today, is that when we reduced taxes for the American people, when we did away with the marriage tax penalty, when we created the child tax credit, when we passed the other tax cuts that provided for economic growth, we created the deficit.

Well, I would like to show one final chart which demonstrates that that is not true either. This chart to my left shows, and the Congressional Budget Office, which works on a bipartisan basis, came up with these numbers, it shows that the projected surplus in 2001 was $281 billion, and shows in the first year that the tax cuts went into effect the static cost. ''Static'' is a word we use around here to mean as exactly as we can the amount of money that will not flow into the Treasury if you assume no economic growth at the same time because of the tax cuts.

□ 2130

We assume that there is a static loss of revenue to the Federal Government, and it is shown here in blue. This is what the tax cut cost. Out of the $281 billion surplus that was projected to exist, only $70.2 billion went for tax cuts, and we actually would have had a surplus of $210 billion, after the tax cuts. The actual surplus turned out to be $127 billion because, as I pointed out before, during the last year of Bill Clinton's administration, the economy began to decline. So less growth in the economy, less people working, less people paying taxes, less revenue.

And then, if I move on to the next year, the projected CBO surplus was $313 billion, and the actual cost of the tax cuts that year, $73.7 billion; and for the first time in 4 years, we went into a deficit situation of $158 billion. We had a $158 billion deficit. So if we go from a $313 billion projected surplus to a $158 billion deficit, it is a swing of $471 billion, from surplus to deficit. The cost of tax cuts: $73.7 billion.

I will not bore everybody with the third year, but the same trend continues: the cost of the tax cut, $172 billion out of a $359 billion projected surplus, and we ended up with a deficit of $375 billion, a big swing from a $359 billion surplus to a $375 billion deficit.

The fourth year is the most dramatic. We went from a projected surplus of $397 billion to a deficit of $477 billion, a swing of $874 billion, and the actual cost of the tax cuts: $264.8 billion, which would have left us with a surplus of $132 billion if it were the fault of the tax cuts. Other factors mitigated to have that tremendous swing. The war was taking place, the economy fell, and other factors played into it, such as the loss in the stock market.

So as is evident from this chart and the CBO numbers, and the numbers from the Joint Tax Committee, all of which are bipartisan, the tax cut did not cause the deficits at all, unlike what our minority opponents would like America to believe.

One of the most important accomplishments of our budget policy, and this budget reflects this, in this year, in the past few years, is the enactment of this tax package for families all along the income spectrum. The budget before us today continues and preserves the key elements of this tax relief, allowing families to keep more of their hard-earned money.

Over the 4-year period, from 2002 to 2004, just three key tax reductions out of the dozens enacted have produced savings for American taxpayers. These three provisions are a new 10 percent tax bracket. Previously, low-income people paid 15 percent in the bottom tax bracket. Pursuant to these tax cuts, that 15 percent dropped to 10 percent. We enacted a child tax credit worth $1,000 in 2003 and $1,000 in 2004; and we enacted a marriage penalty relief through an increased standard deduction for couples filing joint returns. For married couples with two children and who use the standard deduction, the savings from these tax reductions total approximately $5,500 over these 4 years, according to the Joint Economic Committee report that was published recently.

If one is interested in that report, click on our Web page. It is there for everyone to see.

Consider these figures for 2004 from the JEC report. First, the child tax credit, now $1,000 per child, double what it was back in 2000. For a two-child household, the increases translate to $1,000 in tax savings. Second, thanks to the 2001 and 2003 tax relief cuts, there is now a new 10 percent tax bracket, which applies to the first $14,300 of income this year for joint tax returns. Without this new bracket, that income would otherwise be taxed at 15 percent. These are for the lowest wage-earners. This tax cut is for the lowest wage-earners. In 2004, this 10 percent tax bracket will save taxpayers $715.

Third, married couples have finally received some tax relief on the marriage tax penalty. A quirk in the law required married couples to pay more taxes than the same individuals paid if they were single. Tax legislation enacted in 2001 now provides new tax relief such as a standard deduction for married couples that is double the standard deduction for single couples. Families taking advantage of this increased standard deduction will save $233 this year. Total tax savings from these three provisions alone amount to $1,948 in 2004. Over the 4-year period, 2001 to 2004, combined savings total $5,480 for low-income and middle-income American families.

Mr. Chairman, these tax cuts are not for the rich. These tax reductions benefit everyone who pays income taxes. In fact, the threshold to receive all the dollar savings described here is just $36,400 for a married couple with two children claiming a standard deduction.

Mr. Chairman, this budget, while all of us would have written it differently, is a budget that deserves to pass; and the tax cuts and the economic growth provisions provided by this budget are important for the future of America's families and for America's economy.

Mrs. JO ANN DAVIS of Virginia. Mr. Chairman, I rise today in support of an amendment to the Fiscal Year 2005 Budget Resolution, offered by my colleague from Virginia, VIRGIL GOODE. His amendment was offered in the Rules Committee today, but unfortunately, the Rules Committee did not allow it to be offered on the floor of the House.

Nonetheless, I want to clear my support for his amendment, had it been offered. The Goode Amendment would cut foreign aid funds by $8 billion, and use that money to pay down the deficit and take care of our veterans. From the $8 billion cut from foreign aid spending, $5 billion would be put towards the deficit and $3 billion would be put towards veterans' health care. I would have voted for this amendment, with the clarification that the $8 billion cut from foreign aid spending would not be taken from U.S. aid for Israel. Israel is our most-valued ally, and we need to do everything we can to support her.

Mr. Chairman, this amendment is commensense. It takes away money from foreign aid, and gives it back to the hard-working Americans who earned the money in the first place.

$5 billion would be used to put down the deficit, something we have got to start doing more. We cannot spend taxpayer dollars recklessly without thinking about our national debt, which is now up to $7.1 trillion. We owe it to our future generations to spend taxpayer money wisely so that the important programs our government provides are still around for our children and grandchildren.

Also, $3 billion would be used towards veterans' health care. Mr. Chairman, since I was elected to Congress, I have done everything I

possibly could for our Nation's veterans. They have done more for our country than most people will ever be asked to do, and it is important to make sure they have adequate health care. This additional $3 billion for veterans' health care funding is a step in the right direction.

Again, I commend Mr. GOODE for offering this worthy amendment, and I wish it could have been offered on the House floor.

Mr. ENGLISH. Mr. Chairman, I rise today to express my support for the fiscal year 2005 budget resolution, which I believe strikes an appropriate balance between funding our national priorities and cutting the budget deficit in half over the next four years.

America stands at a pivotal point in history where we are leading a global war against the scourge of terrorism and driving the world's economic growth. We have already laid the groundwork for economic growth through the President's tax program. As a result, growth averaged 6.1 percent in the second half of 2003, the fastest growth in consecutive quarters since 1984.

The Budget Committee has presented to us a framework which allows us to build upon this foundation. This resolution allows us to make permanent the expiring tax relief while upholding our commitment to national priorities at home and abroad. The House Republican budget proposal offers a very different blueprint than what would have been offered by our colleagues from the other side of the aisle. It solidifies a pro-growth policy while assuring there will be no tax increase over the next five years. It takes into account the needs of our troops as well as the veterans who have already fought for our country.

I'd also like to call attention to the fact that we've included an increase in total veterans spending of $1.2 billion in fiscal year 2005 and removed some of the fees that the President's budget had included for veterans services—fees which veterans communities have opposed.

This is a strong budget that reflects strong priorities and moves us in the direction of fiscal balance.

Mr. DINGELL. Mr. Chairman, I stand here once again watching my Republican colleagues add billions of dollars to the deficit and public debt. I watch them take money out of the pockets of working families so that they may line the pockets of their fat cat friends. This budget is a betrayal to working families across America, to seniors, veterans and especially to our children and grandchildren, who will be left to clean up this Administration's fiscal disaster. I am amazed that my colleagues on the other side of the aisle have managed to turn record surpluses into record deficits in a mere three years. This budget does nothing to remedy the situation and continues further down the same road.

By using a 5-year budget instead of a traditional 10-year budget, my Republican colleagues are attempting to hid the real costs of their outrageous plan. After five years, the cost of making the tax giveaways permanent will grow drastically. Over the next ten years, the tax giveaways in this plan will cost $1.2 trillion. My Republican colleagues will not even apply the "pay-as-you-go" method to their tax giveaways because they know we cannot afford them. These budget gimmicks and rascality cannot be tolerated. The American people deserve to know the outrageous credit card bills the Bush Administration is racking up in their name and with their credit.

In addition, this budget does nothing to protect the Social Security trust fund, five years from when the first of the baby boomer generation reach retirement age. These Republicans' fiscal mismanagement will squander the entire $1 trillion Social Security surplus, adding to the ballooning deficit and throwing the long term economic security of millions of Americans into doubt.

The Republican budget doesn't provide any money this year to protect Medicaid—in fact it cuts the program. As a result, States are going to be forced to cut benefits and coverage for the more than 50 million of our most vulnerable seniors, children, pregnant women, working families and disabled Americans who rely on Medicaid for vital healthcare services. More than 3.7 million have already lost coverage under Bush's watch. We should be shoring up the programs that provide health insurance coverage—not cutting them.

On the Medicare side, Republicans offer no proposals to improve the inadequate and disingenuous Medicare drug benefit enacted last year. Just yesterday, a new stud concluded that the Medicare hospital fund will be bankrupt in 2019, seven years sooner than predicted a year ago, partly due to the new benefit which funnels money into private health plans. Also absent from this budget are other proposals that could improve the Medicare program, such as funding for increase nursing home staffing and quality improvement or fixing the flawed payment system for doctors. Nor are there any proposals to protect the Medicare program from being overcharged and defrauded by private insurance companies and Health Maintenance Organizations. And of course, there is the similarly outrageous effort of this White House to hide from both Democratic and Republicans the true cost of their Medicare privatization bill, which truly makes me wonder whether any of their budget numbers can be trusted.

In education, No Child Left Behind is already dramatically underfunded and this budget will continue this indignity. We cannot leave the States to pick up the tab for this federally mandated program. Special education, after school programs, teacher training, Pell grants, Perkins loans, and vocational education are all either frozen or cut under this dreadful budget. I wonder if my colleagues on the other side of the aisle are trying to ensure that public schools fail so they can privatize the entire system?

This budget continues the Republican war on the environment. The President and Republicans will try to sound like they are environmentalists, but the truth is in this budget which contains drastic cuts to major environmental protection programs. Budget cuts will be felt in a variety of areas including enforcement inspections; less money available than needed for safe drinking water; inadequate funding for cleanups of Superfund sites and leaking underground storage tanks; and fewer brownfields grants than authorized by the new law signed two years ago. My colleagues would rather give tax cuts to their buddies than invest in clean air, clean water and cleaning up toxic waste sites. For the next five years, the Republican budget provides 10.5 percent less than what is needed just to maintain services at the current level. More noteworthy, their funding levels in 2009 will still be $901 million below the 2004 enacted level. My Republican colleagues obviously fail to keep our Nation's commitment to a healthy environment.

Our troops and veterans are also betrayed by this draconian budget. Mr. Chairman, we made a promise to our service men and women: Serve your country and we will take care of you. This budget is yet another promise broken by this Administration and Republican Congress. These men and women are willing to risk their lives for this country and this Congress and President will not even guarantee basic benefits for healthcare and housing. We cannot treat our men and women in uniform with such disregard and disrespect. Particularly during this time of war, we must treat our veterans and soldiers with the utmost honor and dignity. Thirty thousand veterans are waiting six months or longer for an appointment at a VA hospital. This is a total outrage, and this budget does nothing to help. In fact, this budget raises healthcare costs for up to 1 million veterans. In addition, my Republican colleagues refuse to eliminate the disabled veteran's tax, which forces disabled military retirees to give up one dollar of their pension for every dollar of disability pay they receive. The Republican budget continues to require nearly 400,000 military retirees with service-connected disabilities to continue to pay the disabled veterans' tax.

Mr. Chairman, I strongly support the Democratic budget and urge my colleagues to do the same because it will keep the promise we made to the American people—unlike the budget being served up by our Republican colleagues. The Democratic alternative will cut the deficit in half by 2007 and balance the budget by 2012. The Democratic alternative matches the Administration request for defense spending and adds funding for homeland security. We need to get back to fiscal responsibility and get the Nation's economy back on track. We need to take care of our veterans, and our children and our environment. We need to make sure our citizens have healthcare and education opportunities. the Democratic budget is responsible and sensible and I urge my colleagues, regardless of party, to support it. The Republican budget is not worthy of support by any responsible American.

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

The CHAIRMAN. Pursuant to the order of the House of Tuesday, March 23, 2004, all time for general debate has expired.

Under that order, the Committee rises.

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

COMMUNICATION FROM CHIEF OF STAFF OF HON. ZOE LOFGREN, MEMBER OF CONGRESS

The SPEAKER pro tempore laid before the House the following communication from David R. Thomas, Chief of Staff of the Honorable ZOE LOFGREN, Member of Congress:

HOUSE OF REPRESENTATIVES,
Washington, DC, March 23, 2004.

Hon. J. DENNIS HASTERT,
Speaker, House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: This is to notify you formally, pursuant to Rule VIII of the Rules of the House of Representatives, that I have been served with a grand jury subpoena for documents issued by the U.S. District Court for the Southern District of New York.

After consultation with the Office of General Counsel, I have determined that compliance with the subpoena is consistent with the precedents and privileges of the House.

Sincerely,

DAVID R. THOMAS,
Chief of Staff.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 2003, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. BILIRAKIS) is recognized for 5 minutes.

(Mr. BILIRAKIS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

EXCHANGE OF SPECIAL ORDER TIME

Ms. GINNY BROWN-WAITE of Florida. Mr. Speaker, I ask unanimous consent to take the time of the gentleman from Florida (Mr. BILIRAKIS).

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Florida?

There was no objection.

WOMEN'S PROGRESS IN IRAQ

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Florida (Ms. GINNY BROWN-WAITE of Florida) is recognized for 5 minutes.

Ms. GINNY BROWN-WAITE of Florida. Mr. Speaker, I wanted to take a moment to report on the progress of women in Iraq. I am the vice-chair of the Congressional Women's Caucus, and it gives me great pleasure to tell about the progress that we have made.

Iraqi women greeted the capture of Saddam Hussein on December 13 with joyful relief. As one woman reported from an Iraqi women's conference taking place in Jordan, Almost all broke into tears and sobs that the man who had managed to reach into every individual's personal life and rip it apart by killing their husbands, sons, and fathers, and raping and maiming their daughters, their mothers, and very often themselves, was brought to justice.

The United States is working with women in Iraq on programs that will broaden their political and economic opportunities and increase women's and young girls' access to education and health care.

In early 2003, the United States Government committed approximately $2.5 billion in humanitarian and reconstruction aid to Iraq, and women were and still are full partners in this process. However, women's involvement in politics in Iraq actually is nothing new. Women have a long history of being involved in their country's development.

Prior to the Baathist regime, Iraqi women were the vanguard of women in Islam. I would note that the first woman's organization in Iraq was actually formed in 1924. The signing of an Iraqi interim Constitution on March 8 marks the beginning of a new role for women in the country. The Coalition Provisional Authority, or CPA, and the Iraqi Governing Council agreed to a process to restore Iraqis' sovereignty beginning with a fundamental law leading to a permanent Constitution. They agreed that a Bill of Rights would ensure equal rights for all Iraqis, regardless of gender, sect, or ethnicity.

Let us talk about the women's role in the new government. Three Iraqi women who are members of the new Governing Council are fully engaged in promoting the involvement of women in Iraq's future. An esteemed former female Iraqi judge in the Ministry of Justice is undertaking a review of all laws, legal practices, and the legal profession in Iraq for ways to increase equality and participation of women. The Ministry of Labor and Social Affairs has adopted a policy of equal access to services and benefits for all of those who are eligible. And this policy will ultimately expand services as well for a larger quantity of Iraqi women.

Quotas restricting the entry of women into certain university courses have been raised or lifted altogether. Iraqi women's organizations are being created to expand opportunity for women to improve their lives and those of their families.

Let me talk more specifically about what kinds of activities are taking place and what kind of progress is actually being made.

After the fall of Saddam Hussein in 2003, Iraqi women were among the first demonstrators and have steadfastly sought equal rights. On a very brief trip that I took to Iraq, I spoke to many women and they are indeed very, very happy with American action.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. CONYERS) is recognized for 5 minutes.

(Mr. CONYERS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. MARIO DIAZ-BALART of Florida) is recognized for 5 minutes.

(Mr. MARIO DIAZ-BALART of Florida addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

EXCHANGE OF SPECIAL ORDER TIME

Mr. PEARCE. Mr. Speaker, I ask unanimous consent to claim the time of the gentleman from Florida (Mr. MARIO DIAZ-BALART).

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

There was no objection.

APPEASEMENT DOES NOT WORK AGAINST TERRORISTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Mexico (Mr. PEARCE) is recognized for 5 minutes.

Mr. PEARCE. Mr. Speaker, the images of 9–11 are very vivid in my mind. That unsolicited, unprovoked attack on the American population is one of the most heinous things that this generation will see.

Mr. Speaker, we are given two choices when we are struck like that. We can choose appeasement. That was the policy of the preceding 10 years.

□ 2145

Appeasement where we do not respond or we can respond to try to stop the threat. Under President Bush we have responded. President Clinton chose appeasement. If you watch the graduation of the attacks under the appeasement policy of President Clinton, you will see that the attacks began to escalate. The severity of the attacks began to take a greater toll.

The terrorists have one thing in mind when they attack innocent civilians and countries that have not provoked them. They desire to create instability, understanding that if they create economic instability, they will create political instability.

That was the mode of operation for the terrorists as they graduated through the 1990s. We recall that the World Trade Center was struck previous to 9/11. It was struck 10 years previous. On 9/11 we lost over 2,000 lives and it cost our economy $2 trillion, and it is still costing today as businesses face increased insurance premiums to cover the losses of that 1 day.

When I hear critics talk about the war and the cost on the war, and it is an expensive war, make no doubt about it, the costs are up around $200 billion now. $200 billion though is not yet 10 percent of the cost of that 1-day strike.

The President has boldly fought back. Dramatic things have been done since 9/11. The President has caused Saudi Arabia to dismantle the funding mechanism for the terrorists, the funding network that was established in Saudi Arabia, a worldwide network marketing nuclear components for nuclear weapons that was created by A.Q. Khan, a Pakistani. That network in a marketed nuclear armament has been dismantled. We are now in the process of collecting back the things, Mr. Speaker, that he sold to nations.

In Afghanistan the Taliban has been uprooted. They are out. Al Qaeda is on the run. That training camp where they trained 20,000 terrorists during the 1990s no longer exists, Mr. Speaker. And it is because of the bold action under this President. Libya has admitted to their participation in the weapons of mass destruction and they voluntarily have given up their weapons after the President took his bold action in Iraq.

Mr. Speaker, Iran is acknowledging their problems and their willingness to create weapons of mass destruction. Pakistan now is helping us fight the war on terror and just days ago was involved in a tremendous fire fight along the Afghanistan-Pakistani border.

Mr. Speaker, those are the responses of strength. And I will tell you that we are going to fight the war on terror; 9/11 declared it to be that way. If we are going to fight the war on terror, I choose to fight it in their country rather than in this country.

I traveled to Iraq at the end of October and the first of November. I visited our troops there, wanting to express my appreciation for what they were doing. As a soldier in Vietnam, I never received one communication from my Congressman, but I did want to communicate to these young men and women how much I valued what they do because they are changing the tide of world history.

If we were to sit and always choose appeasement, if we were to sit and not respond, I would guarantee you that our economy would not survive another 9/11. On 9/11 I was in Paris, France, on a vacation. We were delayed 10 days in getting home. When we arrived, we arrived at Dallas-Ft. Worth Regional Airport, an airport that today when I travel through it has thousands of people every day. That airport was essentially shut down. There were no taxis. The hotels were empty.

We will see our economy completely collapse if we continue to let strikes like 9/11 happen without response.

The President has given bold response. Our soldiers are acting responsibly. They understand the value of what they are doing. They tell me they have pride in their accomplishments. I see the reconstruction is having dramatic effects. The Iraqis themselves believe they can create liberty.

Mr. Speaker, the President's responses of strength are a tribute to the great leadership that he is bringing to this time of great stress; and I would like to support him in that.

The SPEAKER pro tempore (Mr. BURGESS). Under a previous order of the House, the gentlewoman from New York (Mrs. MALONEY) is recognized for 5 minutes.

(Mrs. MALONEY addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Florida (Ms. ROS-LEHTINEN) is recognized for 5 minutes.

(Ms. ROS-LEHTINEN addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. EMANUEL) is recognized for 5 minutes.

(Mr. EMANUEL addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BUYER) is recognized for 5 minutes.

(Mr. BUYER addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. BROWN) is recognized for 5 minutes.

(Mr. BROWN of Ohio addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. HENSARLING) is recognized for 5 minutes.

(Mr. HENSARLING addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. MCGOVERN) is recognized for 5 minutes.

(Mr. MCGOVERN addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Hawaii (Mr. CASE) is recognized for 5 minutes.

(Mr. CASE addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. HINCHEY) is recognized for 5 minutes.

(Mr. HINCHEY addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

TIME WILL PROVE WAR TO BE RIGHT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Utah (Mr. BISHOP) is recognized for 5 minutes.

Mr. BISHOP of Utah. Mr. Speaker, it is still an honor to stand in this body and speak to those Members of the House who are assembled.

Historians and politicians, political scientists, play parlor games, one of which is to rank the Presidents from best to worst. In that group almost always Washington, Roosevelt and Abraham Lincoln are put as the top three; usually Lincoln is listed as number one. They are able to do that because of the 20/20 hindsight of history, because of the dogged tenacity which prohibited him from taking a shattered country that was mired in what some people have called the ''19th century Vietnam'' and extracting themselves from the war even though he would have received critical acclaim from liberals at that time.

That same tenacity that we respect today was the element of criticism that was intense and unfair to him while he lived. The New York riot that took place in 1863, lasting 4 days, killing 105 people, when even the New York Times put three Gatling guns on the roof and in their windows to protect them, was blamed on him.

Horace Greeley in 1864 of Lincoln wrote, ''Our bleeding, bankrupt and almost dying country longs for peace.'' The Democratic platform that same year said that after ''four years of failure to restore the Union by the experiment of war, we demand immediate efforts for cessation of hostilities.''

A leading newspaper wrote that there is a ''cowardly imbecile at the head of the government.'' And a Congressman said, ''I am heartsick at the mismanagement of the Army and disgust with our government is universal, probably even amongst some of our European friends.''

Sound familiar? I am sure, because those same feeble criticisms have been thrown at the U.S. policy in Iraq. Lincoln was great, just no one told his critics that he was. But that same mold of critics tells us the Iraqi policy has failed. Unfortunately, no one has told the Iraqis of that fate.

They still recognize that they have more power generated now than they ever had in their country. Two-thirds of all the water projects have been restored. There is a 6,000 percent increase in health funding in the country. All the hospitals, all the colleges, all the technical schools are now open again. Five-and-a-half million students go to school every day without having to say, ''Long live Saddam Hussein'' every morning. Seventy percent of the Iraqis see their future as better and brighter with a spirit, a new form of government and new policemen and soldiers who are enlisting every day. The impact has been significant in that particular area.

This is an area of the world where some people, of which the Baathist Party in Iraq is an example, have viewed the Byzantine Empire as the time when everything was right and the Mideast was the center of the world; and that, today, is an aberration. And many of those people have tried to find in the history of the 20th century quick-fix solutions to change that and rewrite the world as they see it.

Before World War II, and the Baathist Party is an example of this, they attempted Fascism while they supported the Axis powers until they realized that was not the access that they needed. They flirted briefly with Communism in the 1950s before they found that was not an access that was needed. They tried the Pan-Arabism of Nasser in the 1950s and 1960s and they found that was not the access. And, today, many of these elements have used terror as, hopefully, the access to right the world.

If this country is ever going to have a future, it must ensure that terrorism is never viewed as a successful policy by any state or any subgroup of a state to try and change the world.

Historians have praised Lincoln for the same qualities that his contemporary critics blamed him for. Historians, I am convinced, will pass praise on America's policies in Iraq which have ended a dictatorship of 30 years, mired in blood and horror and terror that destabilized his region with the ultimate goal of destabilizing the entire world.

It is right what we have done to try to restore the balance in the world.

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Tennessee (Mrs. BLACKBURN) is recognized for 5 minutes.

(Mrs. BLACKBURN addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

PROTECTING OUR FUTURE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. MCCOTTER) is recognized for 5 minutes.

Mr. MCCOTTER. Mr. Speaker, I rise for the purpose to speak on Iraq and maybe address a couple of myths or omissions that may have been missed in this.

First, many of my constituents are Iraqi-Americans and much of what we hear today in some quarters is oddly reminiscent of what we heard in this country for about 140 years. There are those people who have claimed that the Iraqi people know nothing but an oppressive dictatorial government and that they will never take to democracy. They will never be able to take control of their lives and form a better future.

In the past, within this country, we heard those same remarks made by slave owners trying to justify that African Americans should not be free. I think this is doing a horrible disservice to the Iraqi people whenever they hear from this country, from whatever corridor, that they will not take to democracy.

The United States is an experiment in democracy based on the thought that through our revolution all people would see that liberty is to be enjoyed, defended and savored. The Iraqi people will do no less than we did at our own inception.

Secondly, I think that in the fallout over Spain's decision in the wake of the terrorist attack to leave the Coalition, many people have been led to believe that the terrorists will only attack those whose foreign policy is a problem for the terrorists. And yet little noted is that the French Government has decided that Muslims cannot wear traditional headdresses in their public schools have now become also a potential target for terrorist attack.

Let us be clear here, it is not simply a matter of foreign policy as to whether the terrorists attack you or not, whether you are American or whether you are European. The whole goal is to affect lives, be it the foreign policy decisions or your internal decisions of your own government.

Which I think gets to a third myth, which is that some people believe that we through our actions will determine what the terrorists will do or not do to us.

Having seen al Qaeda's motto, for wont of a better word, I do not see any exception to their belief that it is a Muslim duty to kill American soldiers and civilians. There is no codicil. There is no caveat. And I would encourage Americans to do what many in Europe did not do upon initially reading Mein Kampf, that you are best to take a lunatic at his word, especially when he talks about killing you, killing your children and destroying your way of life.

In the overarching context of the situation in Iraq, the stakes could not be higher, and I believe that many people in both parties agree with that. If we fail in Iraq, the success we have had in helping to eradicate terrorism there and throughout the world will be dealt a major blow.

If we choose to retreat from that commitment, if we choose to pull back to our own borders and try to rely upon intelligence and law enforcement, as we did prior to September 11, we are going to be faced with a terrible situation of prolonging the war on terror. Because if we do not take the war to the terrorists, as we have done in Iraq, as we have done in Afghanistan, then the terrorists will bring their attacks to us and we will prolong the war on terror well into the lives of our grandchildren. And I do not think that that is a situation anyone in this country, in this Chamber would like to see.

□ 2200

It is easy sometimes when we look back, we were told after we defeated European communism that it was the end of history, that liberal democracy would face no external threat capable of destroying it. It was tempting to believe it; but as we found out, it turned out not to be the case.

As a revolutionary country, as I stated before, we are always going to be a target for terrorists, tyrants and other despots bent on world domination. It is unfair to us, we who seek to live in liberty and seek to have amity with our neighbors and our international community; but liberty is our blessing. It is also our burden, and it is a burden generations of Americans before us have shouldered and is a burden our brave men and women in Iraq and the military are shouldering now and one we cannot turn our back on. For if we do, we will not only be inviting more terrorist attacks here, we will be renouncing our birth right as Americans to live in freedom and renouncing our duty to defend it.

The SPEAKER pro tempore (Mr. BURGESS). Under a previous order of the House, the gentleman from Illinois (Mr. DAVIS) is recognized for 5 minutes.

(Mr. DAVIS of Illinois addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. FEENEY) is recognized for 5 minutes.

(Mr. FEENEY addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. WYNN) is recognized for 5 minutes.

(Mr. WYNN addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from the District of Columbia (Ms. NORTON) is recognized for 5 minutes.

(Ms. NORTON addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. DEFAZIO) is recognized for 5 minutes.

(Mr. DEFAZIO addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. MEEKS) is recognized for 5 minutes.

(Mr. MEEKS of New York addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

WE ARE MAKING PROGRESS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 2003, the gentleman from Michigan (Mr. HOEKSTRA) is recognized for 60 minutes as the designee of the majority leader.

Mr. HOEKSTRA. Mr. Speaker, there has been a lot of discussion about the progress, and I applaud my colleagues for talking about the issues, with Iraq and the war on terrorism.

I have got to tell you when I flew out here on Tuesday afternoon, and you have a question as to whether of not we are winning the war on terrorism, but the question is whether we are making progress. Just a small note in USA Today, on Tuesday, on page 8, ''Inspectors complete the Libya arms inventory.''

It was only about 4 or 5 weeks ago that I had the opportunity to travel to Libya and to meet with Colonel Qaddafi. We had planned the trip to Iraq and Afghanistan in December, never expecting that 6 short weeks later we would be invited to go to Libya and to meet with Colonel Qaddafi to talk about the change in the attitude that has been highlighted for the last 6 or 8 weeks.

Qaddafi's mea culpa on terror. Libya explains reversal, sees new era with the United States. What does that mean? What does that mean for the war on terrorism? Here is a real benefit that I think is an indication that we are making progress.

The inspectors complete Libya arms inventory. International inspectors completed their inventory of Libya's chemical weapons stockpiles and confirmed that the country's only chemical weapons factory had been disabled, a watchdog organization said Monday. The inspectors said Libya had more than 20 tons of mustard gas and the materials to make thousands of tons of saren nerve gas.

The Organization For the Prohibition of Chemical Weapons said it had inventoried materials at two storage facilities. Libya announced in December that it was scrapping its nuclear and chemical weapons programs in hopes of ending international sanctions. Washington has already lifted most sanctions.

Libya is also working with inspectors from the International Atomic Energy Agency of the United Nations to dismantle its nuclear weapons programs.

Who would have thought that a few short months ago, who would have thought a few short months ago that we would have made that type of progress with Libya?

For more than a decade, probably closer to 2 decades, Libya had been identified and characterized as a state sponsor of terrorism. It is obvious that with what the experts have found in Libya, the tons of mustard and saren gas, that they had an active chemical weapons program. Also, through the negotiations and through the relations that they have made, we have got much better insights into their nuclear program, not only the status of how far their nuclear program had advanced, but perhaps more importantly, how they had gained access to the nuclear materials, the nuclear technology and the equipment to get into the nuclear business.

By learning how they gained access to these materials, we have a better sense of what other countries might have been able to acquire, when they might have been able to acquire it, and how far they might have progressed in their own nuclear weapons programs, countries like Iran and countries like North Korea.

Once we have identified the distribution network, the marketing network, the group of individuals, the organizations that made these materials available, it has given us an insight into the nuclear proliferation program that we never had before. There is no doubt that we are making progress in the war on terrorism that has been identified through much of the 1990s.

Some say that this President, President Bush, was the one that after September 11 identified this new threat. Some say he pulled it out of the air; but when you take a look at the evidence, you see that a war on terrorism and the threat of terrorism had been identified through much of the 1990s.

President Bill Clinton, February 17, 1998, here he is talking about Iraq. They have harassed the inspectors, lied to them, disabled monitoring cameras, literally spirited evidence out of the back doors. Continuing, and they will be all the more lethal if we allow them to build arsenals of nuclear, chemical and biological weapons and the missiles to deliver them. We simply cannot allow that to happen. There should be no doubt, Saddam's ability to produce and deliver weapons of mass destruction poses a grave threat to the peace of that region and the security of the world. There is no more clear example of this threat than Saddam Hussein's Iraq. His regime threatens the safety of his people, the stability of his region and the security of all the rest of us. A rogue state with weapons of mass destruction, ready to use them or provide them to terrorists who travel the world if we fail to respond today, Saddam will be emboldened tomorrow by the knowledge that they can act with impunity. I have no doubt he would use them again if permitted to develop them.

So during much of the 1990s, President Clinton identified not only the threat of Iraq but the threat of terrorist organizations coming from rogue states or coming from safe havens who would threaten the lives of American citizens and the security of the United States. What did others say?

Some of our Senators have said, Iraq possesses a chemical weapons program and a biological weapons program. Name another leader on the face of this Earth who has decided not once but on numerous occasions to use weapons of mass destruction against his own people and his neighbors. Name one other country. Only Iraq, only Saddam Hussein.

Another Senator has stated, Saddam Hussein's weapons of mass destruction programs and the means to deliver them are a menace to international peace and security. They pose a threat to Iraq's neighbors, to U.S. forces and the Gulf region, to the world's energy supplies and to the integrity and credibility of the United Nations Security Council.

Now, because of the customs of the House and the rules of the House, I cannot identify the specific individuals who have made those statements; but the interesting thing to me, and I can share the names with my colleagues off-line, not here on the floor of the House, but I can share the names with my colleagues, and now it is some of these same individuals who are saying it was all made up. Excuse me. These individuals were saying the same thing and identifying the same issue that President Bush identified when he took action after September 11; but more importantly, almost immediately after taking office, President Bush identified that terrorism was a threat and that maybe the United States should consider alternative strategies.

During much of the 1990s, we treated terrorist attacks as criminal acts. We waited for the attacks to occur. We put in place our policing authorities and our police resources, and then we prosecuted them as crimes, tried to find the bad guys and to prosecute them as crimes.

In 2001, after watching what happened during the 1990s, the successful attacks on the World Trade Center in 1993, the attacks on our barracks in Saudi Arabia, the attacks on our embassies in Africa, the attacks on the USS *Cole*, all together creating a devastating loss of life, this President said, you know, maybe it is time that we should at least consider alternative strategies rather than treating these as criminal activities, recognizing them for what they are.

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

Mr. HOEKSTRA. I yield to the gentleman from New Mexico.

Mr. PEARCE. Mr. Speaker, I thank the gentleman for yielding, and I would note that even when President Clinton was making the allegations about the strength of the effort in Iraq and about the threat that Iraq posed to the world, he was systematically dismantling the information-gathering network that the United States had in place. He began to pull the operatives out of our spy networks so that we had no information on the ground. The Clinton administration was saying that we will gather that information electronically, we will use satellites and we will use monitoring of phones.

The truth is you cannot know actions until you understand the heart of the individuals who are planning actions,

until you can assess the threat by listening to the rhetoric; but President Clinton dismantled that at the same time he was acknowledging the threat, and President Bush was faced with a situation in the world where we did not have information and we were struck without warning, without provocation.

I think that before we consider all the ramifications, if we are to listen to the left, talk to America today, about retreating away from the war, about coming back home, about the mistakes they are claiming that we made, we have to understand the risk of retreat.

We have now Pakistan who is engaged with us, but it would guarantee instability and overwhelm the President of Pakistan if we were to retreat. The fundamentalists, the extremists in Iraq would overwhelm the growing government process there. Our friends who have helped us get there, Saudi Arabia and Kuwait, would face certain instability if we were not there to offer the moral support and the troop strength which we are offering today.

It was well-known through the 1990s the threat that Iraq and many of the terrorist states, the risks that they posed to the United States; but in treating these not as acts of war but as a crime, like my colleague has said, we have to understand that the person who perpetrated the 1993 attack on the World Trade Center was actually in prison. He was only a criminal. It was his uncle who conducted and led the 2001 attacks with the certainty that they had communicated frequently.

The failed policies of appeasement simply are not going to work in this war on terror; and if we understand that the instability of the world is the goal of the terrorists, that through the instability they represent a very small percent of the population but they will gain tremendous power in instability, we begin to understand why they are doing what they are doing.

Mr. HOEKSTRA. Mr. Speaker, I thank my colleague for yielding back, and when my colleague is talking about what was happening during the 1990s, I am on the Permanent Select Committee on Intelligence, and I have had opportunity to go back through and look at what happened during the 1990s.

What he was talking about and describing was what we described as the Deutch Doctrine. The Deutch Doctrine or the director of the CIA who in 1995, 1996 decided that they would kind of cleanse and purge our intelligence network, believing that, yes, we could rely on satellites and electronic eavesdropping to get all of the information that we needed, that with the collapse of the former Soviet Union, the end of the Cold War, the need for spies was gone, and in reality what happened after the collapse of the Wall, a very new threat was emerging. There are statements from President Clinton, from his administration, that clearly identified that this threat was emerging.

□ 2215

They all saw terrorism as something that was coming, but they put in place a series of policies. One of the things that I give President Bush a tremendous amount of credit for, after September 11, he never went back and said, you know, I wish that this had happened during the Clinton administration; or, boy, they really left me with the cupboard bare, no spies, no intelligence capabilities, no human intelligence collection capabilities. He recognized that fighting the war on terrorism is a very, very difficult process with a lot of different strategies that should be employed.

That is why shortly after he took office he brought together his team and said we need to explore other alternatives. We will continue moving full speed ahead on some of the more aggressive policies the Clinton administration had put in place, but we are not going to back and publicly critique the Clinton administration for what they did or did not do. That is not the issue. We are fighting a war on terrorism, and it is time to put in place a strategy and a program that we believe will be effective. So we started rebuilding human intelligence.

What happened under the Deutch Doctrine in 1995–1996, what happened is we said, number one, we are not going to recruit people who have human rights violations or who have criminal records. When you look around the room of Saddam Hussein's cabinet and you see who is sitting at the table, you say I wonder how many of those folks do not have criminal violations or human rights violations. Obviously, none of the folks inside the room are going to qualify to give us the information that we need. These are individuals who systematically have executed at least 400,000 of their countrymen. The estimates range from 1.2 to 1.5 million of their countrymen are buried in mass graves around Iraq.

These are people who used weapons of mass destruction. Yes, they used chemical weapons. It is not a question whether they had them. They used them against the Iranians and they used them against their own people. Obviously, none of the people who had some insight into what Saddam Hussein was thinking were going to qualify to work for our Central Intelligence Agency. The people sitting in a cave with bin Laden planning and training terrorists in Afghanistan and the remote regions of Pakistan, would they qualify to work for our Central Intelligence Agency in 1995 and 1996? Absolutely not. So we knew we could not recruit any more individuals.

But then the Deutch Doctrine went one step further. They said we are going to scrub the assets that we currently have. What does that mean? That means that for those folks already spying for the United States and trying to tip us off and give us the information we need to stay secure, if we have people on the payroll of the Central Intelligence Agency who have human rights records or criminal violations, we are going to scrub them. They are gone.

These are individuals who had made the decision and obviously they did things that were pretty damaging and ugly in the past, maybe were still involved with regimes that were doing that, but had committed and said we are willing to give information to the United States, for whatever their motivations, whatever they may be, whether it is money, whether it is sanctuary, whether it is a promise that they are not going to be prosecuted for their crimes. Whatever their motivations or agreements that they had, they were now being told, sorry, thanks for helping us for the last 3 years, 5 years; you are no longer part of the program.

They are sitting there and saying, let us see. We made this commitment to the United States, we have been feeding them information for such number of years. They have now sold us out. I wonder how long before they tell people who we are.

What happened during the mid-1990s, our intelligence community was gutted from exactly the resources that we needed to fight a war on terrorism, which is human intelligence. Not a satellite that tells us there is a building and a suspicious truck going in and out that has some materials on it that if you put it together, X, Y, Z, it is a legitimate material; but if you put it together differently, it becomes a weapon of mass destruction or a toxic gas.

We did not understand the plans and intelligence of the terrorist organizations that we were fighting and that posed a threat to us. So we end up getting into, just prior to 2001, as the planning for the attacks were going on, understanding very little about our enemies other than knowing they are out there and consistently highlighting them, whether it is from President Clinton, whether it is from our colleagues in the other body, or whether it is from other members of the Clinton administration.

Mr. Speaker, I yield to the gentleman from New Mexico (Mr. PEARCE).

Mr. PEARCE. Mr. Speaker, the gentleman brought up a personality trait of the President. When he inherited a bad problem, the President did not whine about it, did not take it to the American public, did not point fingers. He just set to work to solve the problem. There are many things that the President could have talked about that existed in the military at the point that he took over. Raises had been ignored for the 8 years under President Clinton; the inventory of our weapons were depleted seriously through many actions taken under President Clinton. Spare parts for vehicles and tanks were depleted, and the maintenance readiness status of our equipment was sadly lacking; but the President has not said one word about that during this war. He simply went to work, asked for the money to take care of the problems, and began to take care of the problems.

Today, I heard a speaker who described leadership as seeing a need, then taking a personal responsibility to take care of that need. As I look back on the President's performance since 9/11 in a situation that was tremendously challenging for any person, I see a person who saw a need and took a personal responsibility to begin to address the problems. He has addressed them well. If we look at the changes since 9/11, we see the dramatic changes in the situation in the world today. He talked to our friends in Saudi Arabia and said there were networks financing terrorism there, and that has changed. He compelled them to make a change in that.

Today Saddam Hussein is not in power, but instead is in prison. Who can forget the image of that leader who had killed a half a million people, his own people, and here was that leader, that vicious, violent leader crawling out of a hole in the ground where he had been hiding, whipped and beaten by the steadfast determination of American forces to rid the world of that evil and to keep him from doing more destruction, either in the world or to his own people.

Afghanistan this summer has already had elections. They are looking at a Constitution that is offering new freedoms in that country. Iraq has approved the temporary Constitution, the one that for the first time gives women rights in that Middle Eastern country, one that recognizes private property rights.

Children are back in school in Iraq today because of the President's actions. As my colleague has mentioned, Libya has given up their chemical and nuclear weapons. Iran is acknowledging their participation in this dramatic build up of weapons of mass destruction. The Pakistani President has vowed to fight terrorism in his country with his troops and is doing a dramatic job of that.

These are significant changes in the history of the world. And make no mistake about it, if the changes were not made to the better, toward the more stable governments, the changes will be made in the world to more unstable governments. That is the choice in the world today, stability versus instability. It is not so much a question of those countries that are democrat or not democrat. The question is stability and the protection of humans and human rights in those countries.

So the President inherited a military that was depleted, one that seemed to be on its heels. I would point out that when I went to Iraq in October and early November, I talked with many of the soldiers there. For 3 days we had lunch and dinner with American soldiers, both men and women fighting the fight. Every day I would walk through the large dining halls of 800 or 900 people, and I had a chance to visit with a lot of young men and women. In unison and one by one they said please tell the President we love him. That was prior to when the President went there on Thanksgiving morning. When I saw him about to come around that curtain, I realized what the American troops would say to him because they had said the same thing to me a month earlier.

Mr. HOEKSTRA. Mr. Speaker, I think the gentleman probably agrees with me that one of the most rewarding things to do during a trip to Iraq is to meet with the troops, especially those troops patrolling the streets of Baghdad, especially those troops rebuilding the schools and health clinics, doing the different construction projects around Iraq, because they are the ones that are interacting on a daily basis with the people of Iraq. They are the ones who are experiencing firsthand the sincere expressions of gratitude and thanks for the work that the United States and our coalition partners have done.

People ask, Is Iraq better off today than what they were before? Before they were under a dictator that was killing them. We have heard the stories of what his sons would do. One of the troops that I met with this week indicated he had an opportunity to talk to someone who told him a story about the excitement that the Iraqis are expressing about fielding an Olympic team. There is a young boxer who is looking forward to making the Olympic team. His brother was a boxer for the Iraqi team before, but his brother lost an international match. He got back to Iraq, was picked up and was never seen again. His brother figures somewhere in a mass grave is his brother killed and buried for the simple fact that Uday or Qusay said you did not do a good enough job, and you are dead. There are many stories of what Uday and Qusay would do in the streets of towns where they had palaces. It was an unbelievable, brutal regime.

Mr. PEARCE. Mr. Speaker, as the gentleman was talking about the soldiers in the streets, there were three young men from New Mexico, and they brought me a picture from their patrol that morning. These young men were in their early 20s. They graduated from New Mexico high schools. I had watched one play in the State championship ball game. We talked about that game, but their greatest pride came from the recognition that was given to them by the Iraqis in the streets over a period of time. They said when they got there, people were peeking out of the curtains. They were unsure because they had been told for 35 years that the Americans had only one intent, and that was to kill when they came.

□ 2230

Yet through the weeks families became familiar with them being in the same streets and in the same alleyways, and protecting and guarding, and gradually they began to open their doors. On that morning, the morning they took the picture in the street, they brought it to me to put into my office here. One of the families brought out their young kids and held them up to see them eye to eye. He said it brought tears to his eyes to see the changes in the Iraqi people in just a few short weeks.

The greatest question that our solders ask us is, why don't Americans hear this in the American press? Why don't my mom and dad hear about the good things that we're doing on the streets? I could not give them an answer but when I was there in my 3 days I took 5½ hours of video. I have consolidated that onto a CD that I take into the schools in my districts and I talk over and over and over about the good things that American soldiers are doing there in the reconstruction, not only in the reconstruction of the facilities in Iraq, but in the reconstruction of the hope and the dreams and the human spirit that we see taking place right now.

Our young men and women are recognizing the very valuable thing they are creating in the human spirit in Iraqis, and both the young men and women got tears in their eyes when they were telling me about it.

I thank the gentleman for yielding for that brief story.

Mr. HOEKSTRA. I thank my colleague. I think we also want our colleagues to recognize in the times that we have been to Iraq, we recognize that Iraq is still a very dangerous place. Our troops will tell us that. There are Iraqis who clearly were part of the brutal regime of Saddam Hussein who received and reaped all the benefits of the Oil for Food program, the health care system and all of those types of things. Obviously, Iraq for them will not be a better place because now instead of the few benefiting from the riches of Iraq, all 26 million people will benefit.

Obviously, the terrorist organizations have made Iraq a battleground, the point of intersection with those who are fighting terrorism.

We recognize that Iraq continues to be a very dangerous place for our troops, for the Coalition troops and for the Iraqis that are working for us. The Iraqis that are now working for us are the targets frequently rather than Coalition forces.

My last trip 4 weeks ago to Iraq, we went to the police academy. The police academy is one of the first institutions of building a civil government after 30 years of a brutal regime, a lawless regime. We want to get a constitution in place, we want to get a set of laws in place as well, we want a police force in place, we want a judiciary in place, we want representative government in place, we want a free press. All of this stuff takes time, but one of the first building blocks is putting in place a functioning police organization.

The terrorists, recognizing that this is one of the first blocks that needs to be put in place, have now targeted the

new recruits. In the week before we were there, over 100 recruits had been killed in two different bombings.

We went to the police academy where over 600 young men and women, young men and women, the new Iraq now creates opportunities for women. We went there to lay a wreath, to show our solidarity with the Iraqi police officers and the police recruits. As we got done laying the wreath, we then had the opportunity to go around and shake hands with probably 300 of the 600 Iraqi police recruits. You could see it in their eyes.

I think this is the experience that our troops go through. They see it in the eyes, in the faces of the Iraqi people, they feel it in the handshake that you get, a firm handshake, you hear it in the words that they tell you, the sincerity of saying ''thank you,'' and I am sure that our soldiers have experienced the same thing that we did.

After they looked us in the face, after they shook our hands and after they said ''thank you,'' they put their hand over their heart and brought it back to their side, demonstrating the sincerity and the earnestness with which they were expressing their thoughts and feelings to us for having American troops there, for liberating them from Saddam Hussein and providing them the opportunity. They recognize, these are young kids, they are 18 to 24, and they know that the day that they leave that academy, they have got a price on their head because the terrorist groups do not want the beginning of a civil society, and the police force is one of those first building blocks. So they leave that academy knowing that they are going to go out.

I think I just read this week again that in the last 7 or 10 days, another 20 Iraqi police have been killed. I am sure that some of those that have been killed, I would tend to believe that some of those that were killed were in that group of 600 that we met 4 weeks ago. But they were there, there is a new class there now, they are committed to building a new Iraq.

I yield to the gentleman from New Mexico. We have been joined by our colleague from Arizona.

Mr. PEARCE. I thank the gentleman for yielding. He is bringing up a very compelling story that occurred when I was in Iraq. We went to Kirkuk. At that town, we visited the police station. I am understanding that it is the same police station that was bombed several weeks ago in Iraq causing great damage.

But when we were there the police captain began to address this concept of liberty. He likened it to growing a garden. He said in his words that for the roses to grow in Iraq, the roses would have to be watered with Iraqi blood. He said, We're willing to do that. We're willing to shed Iraqi blood for Iraqi freedom. When I heard those words, I knew that Iraq, no matter what the trials, no matter what the troubles, would be in good shape as long as we are there to help, as long as we are there to help until they get their strength.

The only thing that can cause Iraq to suffer worse is for America to lose its resolve, because the Iraqi police at that station in Kirkuk said two things, Don't leave Iraq too early and do not leave Saddam Hussein loose. That was before we captured Saddam Hussein. We have taken care of the second piece but America cannot lose its resolve. Otherwise, the Iraqi people will pay dearly for the terrorists and the extremists who would go in and punish anyone who has cooperated with the United States or with the Coalition forces.

Again, I thank the gentleman for yielding.

Mr. HOEKSTRA. I thank my colleague. I thank him for being here tonight. There is no doubt that we are making progress in Iraq and not only do Americans continue to pay the price, and our Coalition forces, but the Iraqis who are standing with us right now are probably the ones that are really on the front lines that scare the terrorists most, because they are demonstrating to the rest of the Iraqis that they are willing, as my colleague said, to pay the price with their blood to grow the flower of freedom in Iraq.

I yield to my colleague from Arizona.

Mr. SHADEGG. I thank the gentleman very much for yielding. I want to compliment both my colleague from Michigan and my colleague from New Mexico for their leadership on this issue and for helping carry the message to the American people that what we have done in Iraq is working and that it has been a struggle that has been well worthwhile.

As my colleague from Michigan well knows, I went with him to Iraq in August, and we were there largely before any Members got in. We spent 3 days. As my colleague from New Mexico mentioned, he went to Kirkuk. We also went to Kirkuk and Tikrit and Mozul in addition, of course, to going to Baghdad. For anyone who has been there, it is a tremendous education to go and to meet the people and to see the progress that is being made. We were there early on.

It was interesting to me, you were discussing the threat that is posed to anyone who goes to Iraq right now. When we went, we were freely allowed to travel by helicopter and did indeed travel by helicopter from the Baghdad International Airport to downtown Baghdad and around downtown Baghdad and then to each of the other places that we visited. We spent a lot of time in helicopters.

My colleague from New Mexico mentioned having taken about 5 hours of video. I think I took about 20 hours of video, in part because that is what we were allowed to do. We had a fair amount of time in helicopters. It does show you a great deal about the country.

My first and probably most striking recollection of it, and this was in August, so the climate was different than it is now, was of taking off from Baghdad International Airport, and I had a TV news camera with me, and of shooting the neighborhoods surrounding the outskirts of Baghdad as we flew into downtown, and the young kids rushing out into the streets and out into the parks and waving up to us and giving us the thumbs-up and expressing their joy and their appreciation for what we as Americans have done for them.

Mr. HOEKSTRA. We were there in August and I think even then we also flew over the city and we saw the tremendous amount of commerce, the cars on the roads. Baghdad looked much like a functioning city until you got to some of the compounds where we had built the protected barricades. I can tell you that having been back there 4 weeks ago, the commerce has even expanded much more significantly.

There are more cars on the road. We drove by the gas stations. The lines are gone. The kids are still out there on the streets. It is still a dangerous place, but this is a place that is making progress.

Mr. SHADEGG. It seems to me as I listened to you each speak about this, it has got to be hard for the average American citizen to appreciate all that we have done, because we in America take our freedoms so much for granted. We cannot even imagine the kind of repression that they suffered.

The gentleman refers to commerce in the streets. One day, I believe when you were getting a classified briefing, I was up in a helicopter in our trip not eligible to get that classified briefing and we flew over a market. This bustling market with hundreds of people there buying and engaging in commerce was just a tremendous display.

Also, thinking about the perspective of the average American out there, it seems to me that we have heard so much about this issue of weapons of mass destruction and I think we are as a nation kind of second-guessing, well, was it appropriate to go, did we do the right thing given that David Kay and the others that we sent were not able to document huge stockpiles of WMDs?

Mr. HOEKSTRA. The gentleman is right. There has been so much focus on weapons of mass destruction. Let me read a quote for you:

''There is no doubt in my mind that Saddam Hussein still seeks to amass weapons of mass destruction. You know as well as I do that as long as Saddam Hussein stays in power, there can be no comprehensive peace for the people of Israel or the people of the Middle East. We have made it clear that it is our policy to see Saddam Hussein gone.''

Mr. SHADEGG. Bill Clinton?

Mr. HOEKSTRA. Everybody would say, of course, that is George Bush, January 2002. No.

We have made it clear that it is our policy to see Saddam Hussein gone. ''If entrusted with the presidency, my resolve will never waver.'' Al Gore, May 23, 2000.

These people are now revealing these secrets that the President had this secret plan to get rid of Saddam when he came into power. Excuse me. This was the policy of Bill Clinton in 2000, forcefully articulated by then-Vice President Al Gore saying, ''We have made it clear that it is our policy to see Saddam Hussein gone.''

Mr. SHADEGG. I think that is a great transition for a point I wanted to make about the whole issue of WMD. Some now, in hindsight, would say, Well, the entire rationale for going to war was WMD. They try to make the argument that only now are we justifying our effort in part on liberating Iraq from the awesome and repressive rule of Saddam Hussein. What they forget is that the technical, legal reason for going to war in Iraq was, in fact, fully satisfied. They do not want people to think about that anymore. Even some people on this floor do not want you to think about that.

But David Kay, the weapons inspector with whom you and I met in Iraq, who in fact was not able to demonstrate or establish beyond a question of a doubt now that there are stockpiles of weapons of mass destruction, told me a week ago here in this Capitol building pointblank that there was absolutely no doubt but that Saddam Hussein was in violation of U.N. resolution 1441 and of the earlier U.N. resolution, I believe the number is 468, maybe you can recall the number, but, and this is David Kay, said there is absolutely no question but that Saddam Hussein was in clear violation as of when the war started of both U.N. resolutions. That was the legal premise for going to war in Iraq.

Mr. HOEKSTRA. Going back to the speech by then-Vice President Al Gore in May of 2000:

''As Senator I voted for the use of force, as Vice President I supported the use of force. If entrusted with the presidency, my resolve will never waver.''

And then, going on, talking about this time in the case of Iran, but it is also true for Iraq:

It is still a major sponsor of terrorism, a seeker of weapons of mass destruction. That is a deadly and an unacceptable combination.

There is no doubt that the Clinton administration and, at that point in time, Vice President Al Gore got it right. Iraq was a threat to the United States, Saddam Hussein had to go and that was a policy and a vision that was carried through under President Bush and his new administration with one big difference. Saddam Hussein, al Qaeda, bin Laden, the war on terrorism were seen through a very different lens. They were seen through the lens of 9/11. And so what we had to do is we had to take a look at the broad expanse of terrorism and the threats that were out there, recognizing that terrorists do not take a break. They do not take a vacation. 24/7 they are looking at how they are going to attack the United States, when, how and where.

There is only one way you can respond to that kind of a threat with people who are, I believe, fully committed. If they got their hands on weapons of mass destruction, the technology, they would manufacture them, they would use them against us, they would use them against the West and against our allies.

□ 2245

And the only way to stop them is not to negotiate with them, but is to put the pressure on them 24–7, 365 days a year.

Mr. SHADEGG. Mr. Speaker, I think the point is precisely made. I think it is exactly right. It shows that this administration was willing to take action. The kind of fine point I want to put on it was in addition to all of those things, the legal rationale for the war was their violation of the U.N. resolutions. And in point of fact, those resolutions said that if Saddam Hussein and Iraq did not comply with the U.N. resolutions, then the United Nations and the world would be justified in taking whatever steps were necessary, including force, to enforce the resolutions. And that was the legal basis for the war, and I think that is an important point to understand.

But the gentleman has raised a wider issue, and that is the war on terror. And it seems to me that today of all days we ought to talk a little bit about the war on terror

Mr. HOEKSTRA. Mr. Speaker, I think that is a key word that we need to spend time on, maybe not tonight, but that the American people and our colleagues need to think about. Are we really at war? It was not that long ago that we had the opportunity to be at an event where one of the deputy Secretaries of the Defense Department, Steve Cambone, spoke and was very definitive. And he said we are a Nation at war, that we do not know exactly how long it will last, but it will not be short, recognizing that we are at war in that the situation that we face is very different, and we should realize it is different than how we treated it during the 1990s which was what my colleague and I talked about earlier, saying that these are just random criminal activities. This is much more serious.

Mr. SHADEGG. Mr. Speaker, I just wanted to take the conversation forward to some of the events of today. We are at war, and it is a war against terror. And of course the news of the day is the investigative work of the 9–11 commission and the question of whether or not either the Clinton administration or the Bush administration appropriately has responded to the war on terror, that the kind of overarching news on that is the criticism which has surfaced in the last few days by this Richard Clarke of the Bush administration, a rather scathing book that he has written saying that the Bush administration did not take the war on terror seriously enough before 9–11. And he testified today before the 9–11 commission.

I happened to be in a position to watch his testimony, at least a substantial part of it, and I thought it absolutely fascinating because it was brought out in his testimony today that while he was accusing and is accusing the Bush administration of not having been sufficiently aggressive in the war on terror before 9–11 and in his testimony he detailed his frustration in not being able to get the Bush administration to do as much as he wanted, one of the members of the commission brought forward the text of a briefing that he, Richard Clarke, had given to the press in February of 2000 and again, I believe, in June of 2000. And the text of this briefing by Mr. Clarke said the exact opposite of what he is saying today. The text said, and this was a briefing by Mr. Clarke to the American press on the Bush administration's efforts on the war on terror, and he said the Bush administration is going far beyond what the Clinton administration had done. And at one point, he said, for example, in this particular aspect of the war on terror, the Bush administration has increased funding fivefold. That is a direct quote from Richard Clarke to the American media in a briefing he presented at the White House to our media about the efforts of the Bush administration.

In the course of the questioning, the questioner said, Mr. Clarke, that statement that the Bush administration was being much more aggressive in its efforts to go after the war on terror seems to stand at odds with the premise of your current book. And he went on and said, Specifically you told the press that there was a fivefold increase in the amount of money dedicated by the Bush administration to the war on terror than had been dedicated by the Clinton administration. Mr. Clarke was then asked, How do you justify that, how do you rationalize that, how do you explain that in the light of your book?

And Clarke made an interesting statement. He said, Number one, with regard to the statement that the Bush administration was being far more aggressive, it turns out that I was wrong; that is just what I believed they were going to do, and they did not do it.

And then the questioner said, What about this claim that they had increased funding by fivefold? If they increased funding by fivefold over what the Clinton administration had been doing, certainly that is inconsistent with your claim that they did not take the war on terror seriously.

And I thought Mr. Clarke's response was fascinating. His response was, Well, I was then a spokesman for the White House and my job was to put the best face on it I could, and so I highlighted the strong things or the positive things, not the negative things.

The questioner said, This is not a matter of opinion. This is a matter of fact. Did the Bush administration increase spending fivefold?

Clarke said, Well, they did in authorization. They did not in actual spending or in actual appropriations.

The questioner said, Wait a minute. Appropriations are done by the Congress.

Clarke said, No. There is also a twofold process in the administration. They initially propose a number, and then they actually spend the number or put a number in their budget. And Clarke said, In point of fact, the fivefold increase that I was talking about is what they wanted to spend. They ultimately did not actually put that number in their budget.

The questioner did not follow up with the question I would have followed up with, which is I think the $64,000 or in this case maybe the $3 million or $3 billion question, which is, Let me understand this, Mr. Clarke. You told the press that they had increased funding fivefold. You did not clarify this detail; so you were misleading the press back then.

And I think that begs the question of if he was willing to mislead the press back then, is he willing to mislead the press today.

Mr. HOEKSTRA. Mr. Speaker, I was not prepared to talk about Clarke because I am not sure that the whole debate can be dignified by a debate or discussion on the floor of the House. It, from my point of view, is one of the more disappointing things that I have seen. People who are coming out of positions where they have been entrusted by more than one administration with the security of the United States, the lives of American citizens, the lives of American service people, the lives in the CIA, and they very well know that they can go out and they can make whatever claims they want because the information that could thoroughly embarrass them and discredit them, and I believe it exists, is classified.

I can tell the gentleman there are few documents that I would just kind of like to take and put in Richard's face or give to the media and say, Now, just like this memo. It is not a memo. Here is what you briefed, not to the Bush administration in an internal memo, here is what you briefed to the press a year ago. Here is the letter of resignation that you sent, I believe, into the White House that praises this President for some of the work that he has done; and now that it comes to be an election time and it is time to sell a book, all of a sudden you are rewriting history. You can go out and make whatever accusations you want, knowing that most of the information that would rebut what you are saying is classified and so, hey, you are basically entitled to a free shot to do whatever you want.

And 2 years ago this person was holding the secrets and the strategy of the United States in place to some of the most dangerous elements that were challenging us. It is disappointing to see this kind of behavior. We deserve better.

I yield to my colleague.

Mr. SHADEGG. Mr. Speaker, as a member of the Permanent Select Committee on Intelligence, I am sure the gentleman has a fascinating perspective on these issues which many of us do not, and I think he makes an excellent point with regard to the ability of someone who has had access to that information and knows what can and cannot be used to refute or rebut any arguments they make now. And I certainly empathize with and would share the gentleman from Michigan's concern about somebody who speaks out under those circumstances knowing that the information that might set the record straight is classified and cannot be brought out.

Mr. HOEKSTRA. Mr. Speaker, we have had a wide variety of people come in and testify, and I can tell the Members that one of the things that I really appreciate on the Permanent Select Committee on Intelligence is the seriousness with which individuals on both sides of the aisle take the job that they have got on the Permanent Select Committee on Intelligence. We do not find the Permanent Select Committee on Intelligence members participating in this gotcha type of game. We recognize that the responsibilities of the committee are too serious. We also recognize that we have had Richard Clarke testify in front of us, we have had a lot of folks who were in various capacities testify in front of us in secret session, and not everybody agrees. There is a variety of opinions, and it is our job on the Permanent Select Committee on Intelligence to put the package together that tries to make sure that something like this never happens again.

Mr. SHADEGG. Mr. Speaker, I do want to conclude with this point, and I want to get it across. As a nonmember of the Permanent Select Committee on Intelligence, as someone not privy to that information, I certainly would agree with the gentleman that perhaps this whole episode does not merit acknowledgment and debate here on the floor of the House except that I have long believed and indeed kind of grew up with the notion that the unrefuted lie becomes the truth. And in this case, I want to make this point very clear. Today in sworn testimony before the 9–11 Committee, Richard Clarke said, ''The briefing I gave actively misled the press because I told the press there was a fivefold increase in funding, and now I am telling you some 2 years later that that was not correct.''

If Mr. Clarke was willing to actively mislead the press 2 years ago and lead the press to believe that there had been a fivefold increase in funding when he knew darn good and well that no such fivefold increase existed, then I would suggest that his willingness to mislead the press then and admit it today, acknowledge ''I made this claim, I was trying to explain the Bush administration's position,'' it absolutely was not true because it was only in discussion or in, as he called it, authorization, not spending, an acknowledgment that he was willing to actively and aggressively mislead the American press and the American people 2 years ago, and what does that say about the validity of the claims he is making today? And I think that is a question that the American people unfortunately in this kind of tawdry discussion that is going on deserves to know about, be aware of. And unfortunately buried in that hearing today, not many people might have picked up the fact that what Richard Clarke said was, yes, I said to the press and the American people we had increased funding fivefold, but technically I was really lying because I needed to to keep my job. And I think that is shocking conduct on his part. I hope the press will comment on it in tomorrow's papers, and I certainly think the American people need to be aware that Mr. Clarke made a pretty startling admission today when he acknowledged, if his claim today is in fact true, that what he was saying 2 years ago or in February of 2000, now 4 years ago, was misleading the American people about what was going on.

Mr. HOEKSTRA. Mr. Speaker, I yield to the gentleman from New Mexico.

Mr. PEARCE. Mr. Speaker, I thank the gentleman from Arizona (Mr. SHADEGG) for bringing this important subject up because I have asked the President because many people asked me, Why does the President not fight back? Why does he not explain? And his simple answer to me was he cannot take the Presidency down into those baseless claims of people that are coming from everywhere. He stays focused on the job of fighting the war on terror. He has made tremendous accomplishments in the war on terror as we look across the history of the changes in just the last 3 years and even the recent incident along the Pakistani-Afghanistan border where U.S. troops are on the Afghanistan side and Pakistani troops were pinching in together al Qaeda troops in the middle. I think that indicates some of the most dramatic changes going on in the region, and this President, in spurning a policy of appeasement but choosing instead to respond in strength and remaining dignified and not dipping the Presidency into the baseless accusations that have been hurled from every direction during the last 8 or 9 months, indicates a steadfastness, a commitment to duty that this President brings that makes me proud.

I thank both of the gentlemen for bringing these conversations in front of the American people.

□ 2300

I think this is the right place to refute the lies that are being thrown about.

I thank both gentlemen for allowing me to participate this evening.

Mr. HOEKSTRA. Mr. Speaker, I thank both my colleagues for joining me tonight. As we began, there is no

doubt that we are making progress. There is no doubt that there is still a tremendous amount of work to do, both in Iraq and Afghanistan, but there is also no doubt that these countries have a long way to go, whether it was 12 years under the Russians and Taliban government in Afghanistan, those governments and those regimes which destroyed what little that country had, or whether it was 30 years of a brutal regime in Iraq. These countries both now are experiencing for the first time in a long time the taste of freedom, of building a civil society, of building a country that is based on a Constitution, that is providing opportunities to all of their citizens.

There are potholes on the way to success, but there is no doubt in my mind that we need to keep moving forward; that these countries have a tremendous potential to set an example for that part of the world, especially Iraq, to set an example for the rest of the world as to the types of things that can happen. They are good people, they are moving in the right direction, and they are taking ownership for their country, the future of their country. What we need to do is we need to stand alongside them and to help guide them in the right direction.

SEARCHING FOR THE VICE PRESIDENT

The SPEAKER pro tempore (Mr. BURGESS). Under the Speaker's announced policy of January 7, 2003, the gentleman from New Jersey (Mr. PALLONE) is recognized for 60 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, I come to the floor this evening basically to ask one question, and that is, where is Vice President CHENEY these days? Every once in a while he pops up at a reelection fund-raiser. In fact, he was just up in my home State of New Jersey on Monday. And last week he appeared at the Ronald Reagan Library in California, which is always a tough place for Republicans. CHENEYs went there to attack Senator KERRY's record on defense and national security issues.

Finally, this Monday, presumably on his way to New Jersey for his fundraiser, the Vice President made time to go on Rush Limbaugh's show to attack his administration's former top counterterrorism official. Rush Limbaugh allowed the Vice President to get out his main message that Richard Clarke, the Bush administration's top counterterrorism expert, ''Wasn't in the loop, frankly, on a lot of this stuff.''

Mr. Vice President, I think that says a lot. When your top counterterrorism expert supposedly is not in the loop on what your administration is doing, how can you honestly say that you are giving terrorism the kind of attention that it warrants?

So, over the last week the Vice President has hung out with some Republican donors in New Jersey, Republican loyalists at the Ronald Reagan Library, and Republican talk show host Rush Limbaugh. But for the better part of last year, the Vice President has been keeping a low profile. Why is he so afraid to step out of his Republican comfort zone?

I would suggest that the reason is that the Vice President does not want to have to answer more questions about his continued relationship with Halliburton. I have mentioned the Halliburton issue many times on this floor, along with a lot of my democratic colleagues. Back in the year 2002, Vice President DICK CHENEY said these words: ''Halliburton is a fine company, and I am pleased that I was associated with the company.''

But, you know, Mr. Speaker, the facts show otherwise. Halliburton, a fine company? Well, let me give you some facts, Mr. Speaker.

First, Halliburton has acknowledged that it accepted up to $6 million in kickbacks for its contract work in Iraq.

Another fact: Halliburton is now being investigated by the Pentagon for overcharging the American government for its work in Iraq.

A third fact: Halliburton faces criminal charges in a $180 million international bribery scandal during the time CHENEY was CEO of the company.

A fourth fact: Halliburton has been repeatedly warned by the Pentagon that the food it was serving 110,000 U.S. troops in Iraq was dirty, and the Pentagon audit found blood all over the floor of the kitchens Halliburton supplied over in Iraq.

A fifth fact: Halliburton is getting around an American law that forbids doing business with rogue nations. Thanks to a giant loophole, Halliburton is able to do business in Iran, of all nations, through a subsidiary in the Cayman Islands.

Mr. Speaker, how can the Vice President characterize Halliburton as a fine company? Things are getting so bad with the company in Iraq that the Army is now considering other companies to compete against Halliburton for more than $4 billion worth of additional contracts. But the Vice President continues to condone the actions of his former company.

From a purely financial perspective, it probably makes sense for Vice President CHENEY to lay low. After all, it is also financially beneficial for the Vice President to continue to praise Halliburton and duck questions about his continued connection with the company.

The Vice President tried to squash such a story when he appeared on Meet the Press last year. Vice President CHENEY stated then, ''And since I left Halliburton to become George Bush's Vice President, I have severed all my ties with the company, gotten rid of all my financial interests. I have no financial interests in Halliburton of any kind, and haven't had now for over 3 years.''

But, Mr. Speaker, despite the Vice President's claims, the Congressional Research Service issued a report several weeks later concluding that because CHENEY receives a deferred salary and continues to hold stock interests, he still has a financial interest in Halliburton. In fact, if the company were to go under, the Vice President could lose the deferred salary, a salary he is expected to continue to receive this year and next year.

Now, while the loss of more than $200,000 over 1 year would not put a big dent in the Vice President's wallet, he clearly still has a stake in the success of Halliburton.

Vice President CHENEY also neglects to mention that he continues to hold more than 433,000 stock options with Halliburton. The Congressional Research Service report that states that these stock ties ''represented a continued financial interest in those employers which makes them potential conflicts of interest.''

Again, this was not the first time that Vice President CHENEY has misrepresented his role in Halliburton. Earlier this year, the Vice President stated in reference to government manipulation by Halliburton during his tenure, ''I wouldn't know how to manipulate the process if I wanted to.''

What the Vice President neglects to say is that Halliburton cashed in after CHENEY took over. Under CHENEY's leadership, Halliburton doubled the value of its government contracts. According to a report by the Washington-based Center for Public Integrity, the company took in revenue of $2.3 billion on government contracts, which was up $1.2 billion from the 5-year period before the Vice President arrived.

Now, I am not saying it is not possible that Halliburton is the right company to do this work, but then how does the Bush administration and the Republican Congress explain why there is so much secrecy surrounding the whole deal? Could it be that the Republican Congress and the Bush administration are concerned that the more light that is shed on Halliburton's use of taxpayer money, the more examples of waste and mismanagement are likely to be exposed?

Under the circumstances, it is no wonder that the Vice President continues to hide.

I want to talk this evening a little bit about the Vice President's Energy Task Force and the relationship with the Supreme Court Justice Scalia and the case that is now before the Supreme Court relative to the Energy Task Force.

Vice President CHENEY might also be staying out of the limelight these days because he does not want to answer tough questions about how he continues to abuse his power as Vice President by refusing to release documents that could significantly impact our Nation's future energy policy.

For 3 years now, the Vice President has done everything he can to keep the

records of his Energy Task Force secret. This secret task force developed President Bush's energy policy, a policy that was then made into legislation here in Congress. That legislation passed the House, but it is now stalled in the other body. Nevertheless, the end result was bad energy policy.

There is no doubt that the energy industry succeeded with its influence during these secret closed-door meetings in crafting a policy that benefited them, rather than benefiting Americans who at the time desperately needed relief from high energy prices.

For 3 years, the Vice President has refused to let the American people know who made up this Energy Task Force. For 3 years now, the Vice President has refused to let the American people now how and why the task force came to the conclusions that it did.

Finally, after 3 years of hiding the information, it appeared that we would finally get some of the information the Vice President was fighting so hard to keep secret.

□ 2310

Thanks to the Sierra Club and the conservative group called Judicial Watch who sued Vice President CHENEY seeking an accounting of energy industry participation in crafting the Bush administration's destructive energy policy, a district court ordered the Bush administration to provide information about participation from these industries, which the Bush administration refused to do. The administration's reason was they claimed constitutional immunity from such inquiries.

The district court rejected that contention, pointing out that the Bush administration was attempting, and I quote from the case, ''to cloak what is tantamount to an aggrandizement of executive power with a legitimacy of precedent where none exists.''

Refusing to give in to the Federal court's decision, Vice President CHENEY then appealed the decision, asking the D.C. district court to make a new law that would effectively shield the Bush administration from any scrutiny.

Now, imagine the arrogance, and I really think it is arrogance. The Bush administration actually went to a court and asked the court to shield President Bush, Vice President CHENEY, and the rest of the administration from any scrutiny. Fortunately, Mr. Speaker, the court denied the request.

But now, Vice President CHENEY has appealed the decision of the court to the U.S. Supreme Court, and on December 15, the Supreme Court agreed to take the case and will hear arguments next month in April.

Three weeks later, Justice Scalia and one of his children accompanied Vice President CHENEY on an Air Force 2 flight from Washington, D.C. to Morgan City, Louisiana. There, according to news reports, Justice Scalia and the Vice President were guests of Wallace Carline, president of an energy services company, on a duck hunting vacation. Neither the Vice President nor Justice Scalia made this duck hunting vacation public. Had it not been for the investigative work of the L.A. Times, we might still not know that these two spent several days together hunting duck in Louisiana.

Now, Mr. Speaker, there is no doubt in my mind that this vacation serves as a conflict of interest and, because of that, Justice Scalia should recuse himself from hearing CHENEY's case involving the Energy Task Force. The Sierra Club asked Justice Scalia to do just that. But last week, Justice Scalia refused to recuse himself and attempted to defend his decision not to recuse himself in a 21-page memo that was released to the public. In that memo, Scalia describes how he enjoyed going hunting every year with his friend, Wallace Carline. And Scalia writes that ''during my December 2002 visit, I learned that Mr. Carline was an admirer of Vice President CHENEY. Knowing that the Vice President with whom I am well acquainted is an enthusiastic duck hunter, I asked whether Mr. Carline would like to invite him to our next year's hunt.'' Scalia continued in this memo, and I quote, Mr. Speaker, ''The answer was yes. I conveyed the invitation with my own warm recommendation in the spring of 2003 and received an acceptance subject, of course, to any superseding demands on the Vice President's time. The Vice President said that if he did go, I would be welcome to fly down to Louisiana with him.''

Now, Mr. Speaker, just think about that explanation by Justice Scalia for a minute or so. Think about the apparent relationship these two men have, a relationship between two men who have worked in Washington for so many years and even worked in the Ford administration together, but now try and look at it the way that E.J. Dionne did in his Washington Post column yesterday. He did an op-ed in The Washington Post yesterday commenting on the relationship between Scalia and CHENEY and this duck hunt vacation, and that is what E.J. Dionne says in The Washington Post column yesterday: ''Imagine you were in a bitter court fight with a former business partner. Would you want the judge in your case to be someone who went duck hunting with your opponent and flew to the hunt on your opponent's plane?'' Dionne continues, ''And now consider that you as a citizen have a right to know with whom CHENEY consulted in writing an energy bill that was overwhelmingly tilted towards the interests of an industry in which the Vice President was once a central player. Scalia admits that the recusal might be in order where the personal fortune or the personal freedom of the friend is at issue but,'' Dionne writes, ''you shouldn't worry. What's at stake here are only CHENEY's political fortunes, the interests of the industry that CHENEY once worked for, and the public's right to know. No big deal.''

Well, Mr. Speaker, it is a big deal. Vice President CHENEY should have realized the conflict of interest and declined to join the Supreme Court Justice once he knew that the Supreme Court would be hearing the case, I should say should have declined to join the Supreme Court as a Justice in hearing this case because of the conflict of interest.

But, again, I go back, Mr. Speaker, to what I said in the beginning. What is it that the Vice President is trying to hide? I do not know that it would be embarrassing for Mr. CHENEY or to the Bush administration to have to admit that every member of the task force was an oil or gas executive. I mean, that is not going to be anything new. If that was what they were trying to hide, who would be surprised? I think it has to be something else. What is it that is so damaging in these documents? Now, could it be that somewhere within these documents there is proof that the Bush administration was looking at taking out Iraqi leader Saddam Hussein in order to take control of that nation's oil reserves?

Former Treasury Secretary Paul O'Neill stated in his book that Vice President CHENEY strongly suggested U.S. intervention in Iraq well before the terrorist attacks of September 11. Earlier this week, President Bush's former top antiterrorism advisor, again, that is Richard Clarke, also talked about how almost from day one the Bush administration was consumed with taking out Saddam Hussein. It began back in 2001, months after the new administration came to power. Richard Clarke says that he had been trying to schedule a cabinet-level priority meeting on terrorism. His first opportunity was a meeting with Deputy Secretary of Defense Paul Wolfowitz, and Clarke said that he started the meeting by saying that we needed to deal with bin Laden. Wolfowitz's response was, ''No, no, no, we do not have to deal with al Qaeda. Why are we talking about that little guy? We have to talk about Iraqi terrorism against the United States.''

Now, Clarke then responded to Wolfowitz by saying, ''Paul, there hasn't been any Iraqi terrorism against the United States in 8 years.'' Clarke turned to the Deputy Director of the CIA who agreed with his assessment with regard to Iraq.

The amazing thing, though, Mr. Speaker, is that this conversation took place 3 months after Bush and CHENEY took over control of the White House. Clarke's assessment, of course, seems to support that of former Treasury Secretary Paul O'Neill, and Clarke goes on to detail conversations with both President Bush and Defense Secretary Rumsfeld after 9–11 when both wanted to go after Iraq and Saddam Hussein.

Mr. Speaker, additional evidence exists that CHENEY played an early planning role in the war in a National Security Council document dated 3/2001, months before September 11. According to a report in the New Yorker magazine, the top-secret document written by a high National Security Council staffer ''directed the NSC staff to cooperate fully with the Energy Task Force as it considered the melding of two seemingly unrelated areas of policy: the review of operational policies towards rogue nations such as Iraq and actions regarding the capture of new and existing oil and gas fields.''

Now, the melding of two seemingly unrelated areas of policy. Think of that, Mr. Speaker: the Bush administration's obsession with taking out Saddam Hussein and a document that discusses the administration's idea to capture new and existing oil and gas fields.

My question is, Does Vice President CHENEY want to keep his energy task force secret because perhaps he does not want to admit that the administration was exploring ways of taking out Saddam Hussein before 9–11, strictly for the purpose of taking control of their rich oil fields?

Now, I do not know the answer to that question, and obviously neither do the American people, because we are not allowed access to the documents that talk about the energy task force and what they did and who served on it. We do not know it because the Vice President refuses to allow the American public to see these documents. I only can hope that when the Supreme Court hears this case next month that there are enough Justices that will do the right thing and say that these documents should be made public. But I certainly hope that we do not have a 5–4 decision, Mr. Speaker, with Mr. Scalia casting the fifth vote, because there is no question in my mind that he should have recused himself and that there is a conflict of interest. I just hope, and it would certainly be nice, Mr. Speaker, if the Vice President would finally come out of his hole, be straightforward with the American people about Halliburton, about the energy task force and other things that I have not mentioned here tonight.

□ 2320

I know that he is not necessarily going to listen to me, but I hope that if we continue to raise this issue about what he is hiding with regards to Halliburton, what he is hiding with regard to the Energy Task Force, that maybe there will be an opportunity to see what the documents are in the Energy Task Force and why they have been hidden this long.

I see that my colleague, the gentleman from Ohio (Mr. STRICKLAND), is here and I know he also wanted to address the issue of Iraq as well.

I yield to the gentleman.

Mr. STRICKLAND. I want to thank my colleague from New Jersey (Mr. PALLONE). I just wanted to share for a few moments a letter that has been sent to each of us regarding the budget, because I think it is timely. We are likely to vote on the budget tomorrow afternoon, and it is a budget that is woefully inadequate.

And I know sometimes we stand up here as Democrats and people who may be watching think, well, they are just partisan or what they are saying is simply based upon their political preferences rather than on what is best for public policy.

I have a letter here from the Disabled American Veterans and it was sent to every Member of the House of Representatives and I would like to share with my colleague some of the things that are in this letter. It was written and signed by Alan Bower, the National Commander of the Disabled American Veterans.

''Dear Representative, As the National Commander of the Disabled American Veterans, I write to urge you to oppose and vote against H. Con. Res. 393, the House budget resolution for fiscal year 2005.'' And then the letter goes on and talks about how we are short-changing VA health care.

We are at war and yet the President actually sent us a veterans' budget this year that was woefully inadequate. It called for an increase in the costs of prescription drugs for many of our seniors and our veterans. It called for an annual enrollment fee of $250 for many of our veterans. It continues to shut out many of our Priority 7 and 8 veterans, and literally prevents those that are referred to as Priority 8 veterans from even enrolling in the VA health care system.

We continue to have a situation where the VA has literally formulated a policy that prohibits many of their health care providers from actively marketing VA services to veterans.

But I think this letter is rather devastating because the DAV is not a partisan group. It is just simply a group that was developed to advocate for the needs of the disabled veterans who have served our Nation. And so this letter that we have received says, ''The inadequate appropriations provided for in this budget resolution will support medical treatments for 170,000 fewer veterans than the Department of Veterans Affairs could treat with the funding which was recommended by the House Veterans' Affairs Committee,'' a committee that I serve on. ''It will support 13,000 fewer full-time employees for veterans' medical care. With the level of appropriations in the House budget resolution, VA will be required to delay medical care for some veterans and deny it altogether for other sick and disabled veterans, just to enable it to meet inflationary costs, including increases in employee wages.''

And then the National Commander of the DAV writes this paragraph. He says, ''Short-changing veterans in this budget resolution is all the more objectionable because it in no way is necessitated by our fiscal situation, but rather is part of a larger objective to make deep cuts in spending on veterans' and other domestic programs at the same time far more costly cuts are being made in taxes.

''The House budget resolution is also the more objectionable because it is part of a greater plan to impose these cuts on discretionary programs such as veterans' medical care, and to impose a freeze on any improvements or adjustments in benefits programs such as veterans' disability compensation in fiscal years 2006 through 2009.

''To the veterans of this Nation,'' he writes, ''it is incomprehensible that our government cannot afford to fund their medical care and benefit programs at a time it can afford generous tax cuts costing hundreds of billions of dollars.''

Now, this letter was written not by a Democrat partisan, but by the National Commander of the Disabled American Veterans. And basically what he says is, we are giving tax cuts to the wealthiest among us, at the same time that we are limiting the funding we are providing to our VA, so that medical care will not be available in a timely manner to those who have served this Nation.

And then the letter says, in conclusion, the DAV must ask that Congress restore some sense of reason, responsibility and justice to the budget process. There must be some balance between the goal of reducing taxes and the government responsibility of meeting our national obligations to veterans whose contributions and sacrifices have made us the most secure and prosperous nation on Earth. Then they ask that we vote against this budget that is going to be brought to this floor tomorrow afternoon.

So my friend from New Jersey is talking about the Vice President and the fact that he tends to remain hidden much of the time. He does come out occasionally for a fundraiser. But I would like the Vice President to explain to us how he and the President can support a budget that wants to make tax cuts permanent for the wealthiest and yet is short-changing the medical care that our veterans need.

The fact is that we are creating disabled veterans on a daily basis. We all know that. Sadly, we have seen the loss of really hundreds of lives in Iraq, but what many people do not understand is that for every soldier whose life is lost in Iraq, we are having six soldiers seriously injured. And they are coming back to this country, many of them without their arms or legs. Some have been blinded. Others terribly disfigured, and yet we are not providing adequate resources.

I do not understand the President in this regard. I simply do not understand how a President who calls himself a wartime President and who apparently enjoys spending time with our military, we see him standing in front of soldiers with flags waving, having his

picture taken, how can this President not fully fund the medical care that is necessary to adequately treat those who have fought for our Nation in the past?

It really puzzles me. I do not understand why the administration does not say, here is the money you need, and simply provide the needed funding.

Now, tomorrow we are going to have the AMVETS, the American Veterans here in Washington. They are going to be testifying before the Committee on Veterans' Affairs and we are going to be having this vote. And I just urge, I would hope that the President, the Vice President, the members of his Cabinet would rethink their priorities and would provide the kind of resources that are needed so that we can have timely health care provided, high-quality health care provided, affordable health care provided to those who have served our country.

I thank my friend from New Jersey for allowing me to speak about this subject this evening.

Mr. PALLONE. I just wanted to commend my colleague from Ohio (Mr. STRICKLAND). I know that not only is he a member of the Subcommittee on Health of the Committee on Veterans' Affairs with myself, but he has often spoken out on concerns about veterans.

□ 2330

As you pointed out, I think you made references to the fact that the Democrats have a substitute tomorrow on the budget, or an alternative budget is I guess the best way to describe it, which would make sure that veterans health care receive significant funding so that we do have some significant improvements over what the President has requested in terms of the amount of money that goes to veterans health care.

I just wanted to make two remarks. First of all, I have to tell you that I get calls every day in my District offices, people complaining about veterans not having access to health care either because it is difficult to get services or they have to wait a long time or whatever. We just opened a new clinic at Fort Monmouth, an outpatient clinic, but there is just the constant need for more services, and I do not understand it either.

I am not saying that you and I disagree, but certainly Democrats and Republicans can disagree over the justification for the war in Iraq. We know there were not any weapons of mass destruction, and many of us who voted against the war feel somewhat vindicated in the sense that we realize now that the justification that was put forward by the President for the war, which was the weapons of mass destruction, clearly is not there. I mean, we know it is not.

Regardless of how you felt about the war, whether we should have gone, we should not have gone, there is just no way to justify that when people come back that they are not adequately cared for, and again, the problems that you point out are not just with regard to Iraq, although that is certainly important, but also World War II veterans, Korean, all veterans.

It just seems to me that it is totally unacceptable to say that after people fight and are seriously injured, that they come back and are not adequately cared for, but we know that is often the case.

Mr. STRICKLAND. Mr. Speaker, if my friend will yield for one more moment, I read the letter that was signed by the national commander of the Disabled American Veterans, but I have another letter here that has been signed by the national legislative director of AMVETS, the national legislative director of the Paralyzed Veterans of America, the national legislative director of the Disabled American Veterans and the national legislative director of the Veterans of Foreign Wars, and in their letter, which was sent to each Member of this House. We all received one. There is not a Member, not a Democrat or Republican in this chamber or who serves in this chamber, that did not receive this letter from these four veterans organizations, and I would just like to share with you one paragraph from that letter.

It says, Passage of the budget resolution, and what they are talking about is the Republican budget resolution that is going to be brought to this floor tomorrow, passage of the budget resolution, as presented, would be a disservice to those men and women who have served this country and who are serving in Iraq, Afghanistan and around the world in our fight against terrorism.

Now, the President cannot have it both ways. He cannot, on the one hand, claim to be the wartime President and say we are going to do everything we can to win the war against terror and, on the other hand, fail to fully fund those medical services which will provide care for the wounded who are returning to this country in significant numbers.

As I said to my friend from New Jersey, this is not a partisan argument. This is a letter that came to every Member of this House from these four veterans organizations. These are not Democrat or Republican organizations. These are organizations which have been established specifically to advocate for the needs of veterans, the Paralyzed Veterans of America, the Disabled Veterans of America, the Veterans of Foreign Wars and the National AMVETS, and it is a pretty strongly worded letter, I will say that, and it lays it out real clearly to say that this budget will be a disservice, not only to those who have served but to those who are currently serving.

We have got men and women, as you and I stand here in the safety of this Chamber, thousands of miles from us who are facing danger every moment of every day that they are there in that country, and the least we can do is say to them we care enough about you and we honor your service to this country sufficiently to provide the kind of health care that you are entitled to receive once you return to this country, especially if you have been terribly wounded or injured in the battle.

That is why we have been called upon by these various veterans organizations to reject this budget tomorrow, to vote ''no,'' to force this House to go back and to do the right thing, to restore an adequate level of funding for our veterans health care.

Mr. PALLONE. Mr. Speaker, I appreciate your comments, and I kind of wanted to go back. As you were reading that second letter, I was thinking in the back of my mind about your question that you originally posed, which is how is it possible that President Bush and Vice-President CHENEY and the Bush administration, the Republican colleagues that we have here in the House can, on the one hand vote, for the war, spend money to conduct the war, advocate that we continue to be there for certainly in the foreseeable future and, at the same time, not pay for the health care benefits or adequate health care for the veterans.

I was thinking about your question, and I really think that I do not believe that anybody's cold-hearted or bad. I think the President is a good person. The vice president is well motivated. Republican leadership is well motivated. I am sure they want to help the average American if they can, but I think it is really ideology, and I have found that so many times with the Bush administration and with the Republican leadership here in the House, they are so determined to follow that certain ideology or maybe they are liked trapped by the ideology, that they cannot look at the facts.

In other words, their ideology tells them that Congress or Washington, whatever, should get out of the business of government; that the government is somehow a bad thing; that government should not administer social programs; that government should not provide health care; that that is not a role somehow of the government. The ideology says that health care, for example, is not something that the government should be doing. It should be done by the private sector.

So maybe what they say to themselves is, okay, well, these veterans fought in the war, but it is really not a good idea for the government to provide them with health care because we do not think that the government should perform that function. It is sort of an ideologic conviction on their part. So, as a result, they do not feel the necessity to help the veterans because their ideology stands in the way of the facts. The facts are these people are maimed, people need health care, they served their country so you provide them health care. It is like a commitment, but if your ideology tells you the government should not be providing health care, that that is not a

function of government, then you justify not providing health care.

I do not know how else to explain it because I cannot believe that they are cold-hearted. I do not believe that. I yield back to the gentleman.

Mr. STRICKLAND. Mr. Speaker, I mentioned the fact that we have so many wounded coming back from Iraq. I would just like to share with my friend that recently it was reported that during World War II we had three soldiers seriously wounded for every soldier that was killed. That was World War II. During the Vietnam conflict, we had four soldiers wounded for every soldier that was killed. In this war, we are having six soldiers seriously wounded for every soldier whose life is lost.

□ 2340

Now, there is some good news, and the good news is this: we are now able to save the lives of many of our soldiers who are seriously injured because of advances in medical technology, and that is good. But consequently, we are having more seriously wounded soldiers coming out of this war who are desperately in need of high-quality, adequate medical care. I was thinking, and I have shared this with the gentleman before, the young man from my district in Ohio who joined the service at 17 years of age and as he was standing guard duty in Baghdad on his 19th birthday, the morning of his birthday a truck bomb exploded, and one whole side of his face was seriously damaged. I visited him at Walter Reed Medical Center near where we are tonight.

He is going to be going through several surgeries. They are going to have to take bone from his hip and refashion his jawbone, and he is going to have to go through skin grafts. He is just one of hundreds and hundreds of soldiers who are newly wounded. This is happening in part, and I share this because we want to believe that the administration and those responsible for pursuing this war have the best of intentions. But the fact is that we sent our soldiers into battle when this war began last March without protective body armor.

I had a series of communications with Secretary Rumsfeld and General Myers, the chairman of the Joint Chiefs of Staff, over a several month period of time; and I kept asking when are our soldiers going to be protected with this body armor. It took them an entire year before they were able to give me in writing an assurance that all of our soldiers in Iraq were protected. An entire year.

I have asked Secretary Rumsfeld how many of our soldiers have lost their lives because they were in danger in battle without protective equipment.

Now, I hope that when the Pentagon tells us that all of the soldiers in Iraq have this body armor, they are being accurate. But there is another problem that is every bit as serious, and that is the fact that we have vehicles over there without proper armor. We have Humvees over there that are not armored, and so many of the wounds that are taking place over there are the result of our vehicles passing over bombs that have been placed in the roadway and exploding. We have Humvees that are not armored, and I can tell Members that the company that provides armored Humvees and the kits that can be used to armor the Humvees that are already there without proper armor is an Ohio-based company. It is in Fairfield, Ohio. That company tells me they are capable of producing 500 armored vehicles a month, and yet the Pentagon is only asking for 220 of these vehicles a month, and the Pentagon is saying that it will be the end of 2005 before the vehicles that are being used by our soldiers in Iraq are properly armored. Think about that.

We have put about $150 billion into this war effort, and it took this administration a full year to adequately provide body armor for our soldiers, and they still have not provided armored vehicles. So many of our soldiers are being maimed and killed because they are in vehicles that are not properly armored, and we cannot produce those vehicles more rapidly and deploy them in Iraq more rapidly. Why are we not doing it? We simply have an administration that is not willing to spend the money to get it done as quickly as it is possible to get it done.

That is something that the American people need to know about. That is something that the families in this country who have loved ones in Iraq need to be aware of. And the Members who serve in this Chamber and the Senators who serve in the other Chamber need to be hearing from the American people about this. There should be no hesitancy to spend whatever is necessary to make sure that our soldiers have the best equipment, and everything that can be done to keep them safe should be done to keep them safe.

Mr. PALLONE. Mr. Speaker, I am so glad the gentleman is bringing this up. The gentleman spoke about the budget at the beginning, and it goes back to the fact that this administration continues to try to hide the cost or reduce or suggest that the cost of the war is less than it is. I am sure that has something to do with it.

The President's budget did not even include the funding for the war in Iraq. I know the Democratic budget, the alternative, certainly does; and I am not sure what the Republican budget that we will vote on tomorrow has, but when President Bush presented his budget in February, he did not include the cost of the war.

What we see is this administration constantly tries to downplay the cost, cut corners in terms of paying for what is necessary for the war in the same way that they are not paying for the veterans health care. It is an effort again to try to hide what is really going on, not only in terms of how we got there, but also the costs, and what the long-term costs are going to be.

Mr. STRICKLAND. Mr. Speaker, I would just like to conclude my remarks by saying this, that there is an effort to hide the cost of this war. I think that effort is seen in the fact that when the bodies of the soldiers who have lost their lives in Iraq are brought to Dover Air Force Base, there is a prohibition against having cameras there and pictures being taken of the flag-draped coffins being unloaded. I was just told today that even the families of those soldiers are being prohibited from being there and being present when their loved one is brought back and brought off those planes, and I think that is unconscionable if that is taking place. I want to verify that, but a colleague told me that this afternoon in this Chamber that families are literally being prohibited from being present when their loved ones are brought back.

There is an effort to hide that cost and keep that away from the American people. I also think there is an effort to de-emphasize the horrendous wounds and disabilities that are being experienced by those who are coming back; and certainly there is an effort to minimize the financial costs of this war, the fact that we have spent, the estimates are somewhere around $150 billion already, about $1 billion or more a week, and the President is going to come back later this year, probably after the election, and ask for an additional $50 billion or $80 billion.

So the gentleman is right, there is an effort to hide the true cost of this war, both in the loss of human life, the serious injuries that are being experienced by our men and women, and the financial burden that is being placed upon this country at a time when we are not meeting our needs right here at home, and we are not fully equipping our troops.

To think that someone could be terribly injured unnecessarily or could lose their life simply because they are not well equipped as they are fighting this war is simply unacceptable.

Mr. PALLONE. Mr. Speaker, I thank the gentleman. I yield to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the gentleman from New Jersey (Mr. PALLONE) and the gentleman from Ohio (Mr. STRICKLAND) for sharing this time with our colleagues.

It is important that what we hear tonight is really the question of choices and judgment. The gentleman from Ohio was speaking about the judgment of not providing for our troops, but also not providing for our veterans. Having a veterans hospital in my district, I think one of the issues not yet included in the war cost is the long-term cost to not only the injured and maimed victims, the veterans, but also their families.

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I was with the American Association of Psychiatric Professionals. We were discussing the impact of war, the high

numbers of suicide that are occurring in Iraq. That is not taken into account, if you will, in the cost of war. My colleague spoke about not having flak jackets or bulletproof vests and humvees that were reinforced. That is not taken into account, making the right judgment on the cost of war. We still do not know prospectively how much this war will cost as it continues because we realize that even with the alleged transfer of power that is supposed to take place in June, any of us who have been to Iraq have been told by the soldiers on the ground that there is no structure for us to leave at this time. There is no, if you will, government or law enforcement or legal structure in place to secure Iraq.

And so it is a question whether this administration has made the right choices. First of all, the choice to go into Iraq and then the choice now to go it alone without our allies because we have so much intimidated them or maybe not so much intimidated them, maybe even offended them. It is a question of right choices.

In the remaining moments that I have, I wanted to join the distinguished gentleman from New Jersey to sort of emphasize this whole question of choices. I believe that what the American people want most of all is good government. If they have good government, they feel that the leaders in Washington will make the right choices on their behalf. I want to bring up just a point that was made from the distinguished gentleman from Ohio. I think it is a travesty that loved ones and others are not able to welcome home our fallen heroes. This ban on Dover Air Force Base, which I believe exists, I do not know if the families are forbidden from coming, but I recall the tribute that has been given to our fallen soldiers as far back as I can recall, the Vietnam War when they would come in to Dover Air Force Base or other Air Force bases. I know that they were welcomed in ceremonies. It is noticeable that we have not been able to welcome our fallen heroes. They are buried, of course, in their respective communities but the Nation has not seen both the price of war but the ultimate sacrifice that they have been willing to give. I wonder why that occurs? It is the judgment. It is wondering why this administration is making these kinds of judgments on behalf of the American people. Is this good for the American people not to know those who have given their life on behalf of this country?

Then I would say that as we think about this, I sat in today very briefly on the 9/11 commission hearings. Let me make it very clear, these are outstanding Americans who have offered themselves to serve on the 9/11 commission. I noted while I was in the hearing room several family members who were there. One very potent message came through those hearings and those persons who were speaking, is that we can speak in generalities and we can speak about the conflict between administrations or even partisan tones but we have got to realize that 3,000 plus lost their life in 9/11 and this is no time to be hiding the ball. This is no time to be asking Dick Clarke is he a staff member of JOHN KERRY. This is a time to listen to Richard Clarke as to whether or not this administration did not put its fullest muscle, mind and heart against the war against terrorism before 9/11. I noted just an undertone of some of those questions in that hearing room were more interested in getting one-upsmanship on Richard Clarke than listening and trying to find out what is the future of this Nation in finding out the ways to secure the homeland and to provide for us the opportunity to discover the truth. Was this administration asleep at the wheel as relates to the war against terrorism? Did Mr. Clarke offer a report in January of 2001 speaking about the threat of al Qaeda? Did he make a report that 35 Americans had died during the Clinton administration and then trying to reinforce the importance of looking to al Qaeda during 2001? This is the question of judgment and choices. And so I am concerned as we look at the future of this Nation that we have not been making the right choices.

I held a Medicare hearing against this atrocity that was passed in the last session when the vote was held open for 4 hours. My seniors get it. My seniors understand that we cannot negotiate for the cheapest price in terms of prescription drug benefits. My seniors understand that they may be pushed into an HMO and not have the ability to choose their own physician. My seniors get it. In fact, they were asking me who should we call. I called one of our local chain pharmacies, and I am going to call the name, CVS. I am told that now CVS has a memo out saying, do not give to Congresswoman SHEILA JACKSON-LEE the information she requested on the cost of prescription drugs in our respective stores. I understand there is a memorandum that I am going to secure from CVS. But that shows that we must have a conspiracy, if you will, from the ground up and from the top down to block seniors from getting the lowest price, from not giving truth to those of us who have the responsibility of oversight, and to protect the hide-and-go-seek Medicare bill that was passed in the last session that will do nothing but bust the budget, not knowing the actual cost of it, $536 billion and growing. At least with the Democratic proposal we were guaranteeing a Medicare prescription drug benefit under Medicare. This has no guarantee.

Let me tell you about those prescription cards, which I welcome. I told my community, please use them. But there must be one for each of the pharmaceuticals and they can choose and put on that list the drugs that they want any day of the week within a 7-day period and so the actual prescriptions that you need may not be listed and may not be covered. This is a question of judgment.

As I go back to the 9/11 hearings, Mr. Clarke made it very clear that the distraction of the war in Iraq has given a death blow, if you will, to the war on terrorism. It has been a distraction but literally it has taken us off course. I am only hoping that the 9/11 hearings will find themselves back on track and get away from partisan politics and be able to give at least a limited focus on what we should be doing to secure the homeland. I am concerned. That is why there was a very deep exchange, if you will, with some Members, including the chairman of the Intelligence Committee, not in undermining my colleagues who are investigating 9/11 and the war in Iraq but to say that this is so serious, so serious that it is important for the full Congress to investigate but as well it is important for us to know as much as we can, not to suggest that anyone is not being effective in their job or the Permanent Select Committee on Intelligence, the Committee on the Judiciary or Homeland Security but we cannot stand on protocol. We have lost lives in 9/11 and we have lost lives in Iraq.

Let me just close by saying this as we talk about the question of judgment. We have looked over the past couple of weeks about some of the abuses unfortunately that we have seen in this administration and I must say, my respect for the Supreme Court as a lawyer is maintained but the election in 2000 was evidence that sometimes partisan politics raises its ugly head. A decision in the Bush v. Gore case is still one that one wonders how that framework and that ultimate decision was made. How do you choose between candidates for President of the United States? How do you determine whose equal rights were denied? Al Gore who was denied his rights in the Supreme Court of Florida, denied his rights to have a full recount, or George Bush.

But in the instance of Justice Scalia on this question of recusing oneself on the ultimate decisions dealing with the energy task force that precipitated the energy bill, let me say that I voted for the energy bill and I believe that we need a real, if you will, energy policy here in the United States. But I think this is a question of judgment. This is a question of good government. I have tried to give examples of the need for good government. We cannot have good government if we do not adhere to the Constitution which says there are free separate branches, executive, legislature and the Supreme Court. And if there is any suggestion of taint, any suggestion of conflict of interest, any suggestion of abuse, then we have lost the highroad of which government should stand.

And so I believe that it is important that if a justice has any reason to believe that there may be some suggestion of conflict, then it is their obligation to recuse themselves from any decision. I think it is the obligation of

Justice Scalia and any other judge to recuse themselves in any decisions on this question of the energy task force and who should be exposed or announced and who should not. I believe in executive privilege, but I believe that there should be an ultimate review of the courts so that we in government can do our jobs. And if we do our jobs, that is all the American people can ask of us.

We have had some bad judgments. I hope that we can get back on track. I hope the American people will not perceive this to be a question of partisanship. My heart was very heavy in that hearing room today. It was heavy because I was looking for some sense that the truth would be determined and I was hoping for those families that we would step aside from who had a book or who did not have a book or who was working for President Bush and who was not working for President Bush and find out the truth for the American people and those families that lost their life and find out the truth about weapons of mass destruction and why we went into Iraq.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. PALLONE) to revise and extend their remarks and include extraneous material):

Mr. CONYERS, for 5 minutes, today.

Mrs. MALONEY, for 5 minutes, today.

Mr. EMANUEL, for 5 minutes, today.

Mr. BROWN of Ohio, for 5 minutes, today.

Mr. MCGOVERN, for 5 minutes, today.

Mr. CASE, for 5 minutes, today.

Mr. HINCHEY, for 5 minutes, today.

Ms. CORRINE BROWN of Florida, for 5 minutes, today.

Mr. DAVIS of Illinois, for 5 minutes, today.

Mr. WYNN, for 5 minutes, today.

Ms. NORTON, for 5 minutes, today.

Mr. DEFAZIO, for 5 minutes, today.

Mr. MEEKS of New York, for 5 minutes, today.

(The following Members (at the request of Mr. HOEKSTRA) to revise and extend their remarks and include extraneous material):

Ms. GINNY BROWN-WAITE of Florida, for 5 minutes, today.

Mrs. BLACKBURN, for 5 minutes, today.

Mr. BISHOP of Utah, for 5 minutes, today.

Mr. BONNER, for 5 minutes, today.

Mr. FEENEY, for 5 minutes, today.

Mr. CANTOR, for 5 minutes, March 30.

Mr. MCCOTTER, for 5 minutes, today.

Mr. PEARCE, for 5 minutes, today.

BILL PRESENTED TO THE PRESIDENT

Jeff Trandahl, Clerk of the House reports that on March 23, 2004 he presented to the President of the United States, for his approval, the following bill.

H.R. 3724. To amend section 220 of the National Housing Act to make a technical correction to restore allowable increases in the maximum mortgage limits for FHA-insured mortgages for multifamily housing projects to cover increased costs of installing a solar energy system or residential energy conservation measures.

ADJOURNMENT

Mr. PALLONE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at midnight), the House adjourned until tomorrow, Thursday, March 25, 2004, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

7237. A letter from the Acting General Counsel/FEMA, Department of Homeland Security, transmitting the Department's final rule — Changes in Flood Elevation Determinations [Docket No. FEMA-P-7632] received March 19, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

7238. A letter from the Acting General Counsel/FEMA, Department of Homeland Security, transmitting the Department's final rule — Changes in Flood Elevation Determinations [Docket No. FEMA-D-7551] received March 19, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

7239. A letter from the Acting General Counsel/FEMA, Department of Homeland Security, transmitting the Department's final rule — Changes in Flood Elevation Determinations — received March 19, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

7240. A letter from the Acting General Counsel/FEMA, Department of Homeland Security, transmitting the Department's final rule — Final Flood Elevation Determinations — received March 19, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

7241. A letter from the Acting General Counsel/FEMA, Department of Homeland Security, transmitting the Department's final rule — Final Flood Elevation Determinations — received March 19, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

7242. A letter from the Acting General Counsel/FEMA, Department of Homeland Security, transmitting the Department's final rule — Suspension of Community Eligibility [Docket No. FEMA-7825] received March 19, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

7243. A letter from the Secretary, Department of Health and Human Services, transmitting the first annual financial report to Congress required by the Medical Device User Fee and Modernization Act of 2002 (MDUFMA), covering FY 2003; to the Committee on Energy and Commerce.

7244. A letter from the Secretary, Department of Transportation, transmitting The Department's Fiscal Year 2003 annual report as required by the Superfund Amendments and Reauthorization Act (SARA) of 1986, as amended, pursuant to 42 U.S.C. 9620; to the Committee on Energy and Commerce.

7245. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on International Relations.

7246. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a report on the activities of the United States Government departments and agencies relating to the prevention of nuclear proliferation from January 1 to December 31, 2003, pursuant to 22 U.S.C. 3281; to the Committee on International Relations.

7247. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting pursuant to Section 620C(c) of the Foreign Assistance Act of 1961, as amended, and in accordance with section 1(a)(6) of Executive Order 13313, areport prepared by the Department of State and the National Security Council on the progress toward a negotiated solution of the Cyprus question covering the period December 1, 2003 through January 30, 2004; to the Committee on International Relations.

7248. A letter from the Auditor, District of Columbia, transmitting a copy of a report entitled, ''Certification of the Fiscal Year 2004 Revenue Estimate in Support of the District's $173,995,000 General Obligation Bonds (Series 2003B) and $140,325,000 Multimodal General Obligation Bonds (Series 2003C and 2003D),'' pursuant to D.C. Code section 47—117(d); to the Committee on Government Reform.

7249. A letter from the President, African Development Foundation, transmitting the Foundation's annual fiscal year management report for fiscal years ending September 30, 2003 and 2002, pursuant to the Chief Financial Officers Act of 1990, Pub. L. 101-576, and the Federal Managers Financial Integrity Act (FMFIA); to the Committee on Government Reform.

7250. A letter from the Chairman, Federal Maritime Commission, transmitting in accordance with OMB Circular No. A-11, Part 2, the Final Annual Performance Plan for FY 2005; to the Committee on Government Reform.

7251. A letter from the Secretary, Department of the Interior, transmitting a draft bill ''To direct the Secretary of the Interior to establish a rural water supply program in the Reclamation States for the purpose of providing a clean, safe, affordable and reliable water supply to rural residents and for other purposes''; to the Committee on Resources.

7252. A letter from the Deputy Assistant Administrator for Regulatory Programs, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule — Fisheries of the Exclusive Economic Zone Off Alaska; Groundfish Observer Program [Docket No. 030818203-3328-02; I.D. 071503D] (RIN: 0648-AR32) received March 19, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

7253. A letter from the Deputy Assistant Administrator for Regulatory Programs, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule — Fisheries of the Exclusive Zone (EEZ) Off Alaska; Provisions of the American Fisheries Act (AFA) [Docket No. 030808196-4036-03; I.D. 062403C] (RIN: 0648-AR13) received March 19, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

7254. A letter from the Deputy Assistant Administrator for Regulatory Programs, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule — Fisheries Off West Coast States and in the Western Pacific; Pacific Coast Groundfish Fishery; Amendment

16-1 [Docket No. 030821210-4052-02; I.D. 081103A] (RIN: 0648-AR36) received March 17, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

7255. A letter from the Assistant Administrator for Fisheries, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule — Fisheries of the Caribbean, Gulf of Mexico, and South Atlantic; Reef Fish Fishery of the Gulf of Mexico; Referendum Procedures for a Potential Gulf of Mexico Red Snapper Individual Fishing Quota Program [Docket No. 0310107264-4034-03; I.D. 100103C] (RIN: 0648-AR48) received March 19, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

7256. A letter from the Deputy Assistant Administrator for Regulatory Programs, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule — Magnuson-Stevens Act Provisions; Fisheries off West Coast States and in the Western Pacific; Pacific Coast Groundfish Fishery; Annual Specifications and Management Measures [Docket No. 031216314-4068-02; I.D. 112803A] (RIN: 0648-AR54) received March 17, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

7257. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Modification of Class E Airspace; Mount Pleasant, IA. [Docket No. FAA-2003-16498; Airspace Docket No. 03-ACE-82] received February 4, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7258. A letter from the Paralegal Specialist, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; McDonnell Douglas Model DC-10-10, DC-10-10F, DC-10-15, DC-10-30, DC-10-30F (KC-10A and KDC-10), DC-10-40, DC-10-40F, MD-10-10F, and MD-10-30F Airplanes; and Model MD-11 and MD-11F Airplanes [Docket No. 2003-NM-07-AD; Amendment 39-13500; AD 2004-05-06] (RIN: 2120-AA64) received March 18, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7259. A letter from the Paralegal Specialist, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; McDonnell Douglas Model DC-9-31 and DC-9-32 Airplanes [Docket No. 2003-NM-32-AD; Amendment 39-13502; AD 2004-05-08] (RIN: 2120-AA64) received March 18, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7260. A letter from the Paralegal Specialist, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Boeing Model 767 Series Airplanes [Docket No. 2001-NM-259-AD; Amendment 39-13501; AD 2004-05-07] (RIN: 2120-AA64) received March 18, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7261. A letter from the Secretaries, Departments of Energy and the Interior, transmitting in compliance with the requirements of Subtitle F, section 3182 of the National Defense Authorization Act for Fiscal Year 2002 (Pub. L. 107-107), a joint report on the costs to the Department of Energy and the Department of the Interior for implementation of the Rocky Flats National Wildlife Refuge Act of 2001; jointly to the Committees on Resources and Energy and Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HASTINGS of Washington: Committee on Rules. House Resolution 574. Resolution providing for further consideration of the concurrent resolution (H. Con. Res. 393) establishing the congressional budget for the United States Government for fiscal year 2005 and setting forth appropriate budgetary levels for fiscal years 2004 and 2006 through 2009 (Rept. 108–446). Referred to the House Calendar.

DISCHARGE OF COMMITTEE

[Omitted from the Record of March 23, 2004]

Pursuant to clause 2 of rule XII the Committee on Armed Services discharged from further consideration. H.R. 3966 referred to the Committee of the Whole House on the State of the Union.

TIME LIMITATION OF REFERRED BILL

[Omitted from the Record of March 23, 2004]

Pursuant to clause 2 of rule XII the following action was taken by the Speaker:

H.R. 3966. Referral to the Committee on Education and the Workforce extended for a period ending not later than March 23, 2004.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. CHABOT (for himself, Mr. BROWN of Ohio, Mr. WEXLER, and Mr. ROHRABACHER):

H.R. 4019. A bill to address the participation of Taiwan in the World Health Organization; to the Committee on International Relations.

By Mr. SMITH of New Jersey (for himself and Mr. EVANS):

H.R. 4020. A bill to amend title 38, United States Code, to establish within the Department of Veterans Affairs a program to assist the States in hiring and retaining nurses at State veterans homes; to the Committee on Veterans' Affairs.

By Mr. ACKERMAN:

H.R. 4021. A bill to amend the Foreign Assistance Act of 1961 to require that only countries that have a democratic form of government and that support United States nonproliferation objectives may be designated as major non-NATO allies for purposes of that Act and the Arms Export Control Act; to the Committee on International Relations.

By Mr. ANDREWS (for himself and Mr. SAXTON):

H.R. 4022. A bill to strengthen the Nation's ability to protect its key assets and the life, health, and property of its populace by granting providers of private security services access to the criminal history records available through the National Crime Information Center in connection with their employees and prospective employees, requiring such providers to employ only those employees who pass criminal history records checks, to protect against unauthorized use of such records, and for other purposes; to the Committee on Education and the Workforce, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. ORTIZ (for himself, Mr. TAYLOR of Mississippi, Ms. CORRINE BROWN of Florida, Mr. EVANS, Mr. JONES of North Carolina, Mr. CARDOZA, Mr. RODRIGUEZ, Mr. SANDLIN, Mr. GREEN of Texas, Ms. JACKSON-LEE of Texas, Mr. MILLER of Florida, Mrs. JO ANN DAVIS of Virginia, Mr. KANJORSKI, Mr. HOLT, and Mr. ALLEN):

H.R. 4023. A bill to amend the Defense Base Closure and Realignment Act of 1990 to postpone the 2005 round of base closures and realignments until 2007; to the Committee on Armed Services.

By Mr. PAUL:

H.R. 4024. A bill to amend the Communications Act of 1934 with respect to retransmission consent and must-carry for cable operators and satellite carriers; to the Committee on Energy and Commerce.

By Mr. PAUL:

H.R. 4025. A bill to amend the Internal Revenue Code of 1986 to allow individuals a credit against income tax for medical expenses for dependents; to the Committee on Ways and Means.

By Mr. PICKERING (for himself and Mr. GREEN of Texas):

H.R. 4026. A bill to preserve local radio broadcast emergency and other services and to require the Federal Communications Commission to conduct a rulemaking for that purpose; to the Committee on Energy and Commerce.

By Ms. ROS-LEHTINEN (for herself, Mr. LINCOLN DIAZ-BALART of Florida, Mr. MEEK of Florida, and Mr. MARIO DIAZ-BALART of Florida):

H.R. 4027. A bill to authorize the Secretary of Commerce to make available to the University of Miami property under the administrative jurisdiction of the National Oceanic and Atmospheric Administration on Virginia Key, Florida, for use by the University for a Marine Life Science Center; to the Committee on Resources.

By Mr. WYNN:

H.R. 4028. A bill to prohibit the award of a Federal contract unless the contractor agrees to offer their employees certain health insurance benefits; to the Committee on Government Reform.

By Mr. WYNN:

H.R. 4029. A bill to amend the Internal Revenue Code of 1986 to establish a 15-year recovery period for depreciation of designated low-income buildings and to allow passive losses and credits attributable to qualified low-income buildings; to the Committee on Ways and Means.

By Ms. KILPATRICK:

H. Res. 573. A resolution honoring the life of Mildred McWilliams ''Millie'' Jeffrey (1910-2004) and her contributions to her community and to the nation; to the Committee on Government Reform.

By Mr. HASTINGS of Washington:

H. Res. 574. A resolution providing for further consideration of the concurrent resolution (H. Con. Res. 393) establishing the congressional budget for the United States Government for fiscal year 2005 and setting forth appropriate budgetary levels for fiscal years 2004 and 2006 through 2009.

By Mr. OSBORNE (for himself, Mr. WOLF, and Ms. ROYBAL-ALLARD):

H. Res. 575. A resolution expressing the sense of the House of Representatives that the National Collegiate Athletic Association (NCAA) should affirm its commitment to a policy of discouraging alcohol use among underage students by ending all alcohol advertising during radio and television broadcasts of collegiate sporting events; to the Committee on Education and the Workforce.

By Ms. WATSON (for herself, Mr. LANTOS, and Mr. HYDE):

H. Res. 576. A resolution urging the Government of the People's Republic of China to improve its protection of intellectual property rights, and for other purposes; to the Committee on International Relations.

MEMORIALS

Under clause 3 of rule XII, memorials were presented and referred as follows:

259. The SPEAKER presented a memorial of the House of Representatives of the State of Michigan, relative to House Resolution No. 184 memorializing the United States Congress to enact S. 659, the Protection of Lawful Commerce in Arms Act; to the Committee on the Judiciary.

260. Also, a memorial of the House of Representatives of the Commonwealth of Pennsylvania, relative to House Resolution No. 560 memorializing the Senate of the United States Congress to adopt the Snowe Amendment to H.R. 4, the Personal Responsibility and Individual Development for Everyone (PRIDE) Act; jointly to the Committees on Education and the Workforce and Ways and Means.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 97: Mr. CLAY, Mr. KELLER, and Mr. MCCOTTER.
H.R. 110: Mr. ISTOOK.
H.R. 284: Mr. RUSH.
H.R. 348: Mr. COOPER.
H.R. 369: Ms. SCHAKOWSKY.
H.R. 391: Mr. BONNER and Mr. NETHERCUTT.
H.R. 401: Mr. GREEN of Wisconsin.
H.R. 442: Mr. PETERSON of Minnesota.
H.R. 568: Mr. NEY, Mr. DOOLITTLE, and Mr. GALLEGLY.
H.R. 785: Mr. SCHIFF and Mr. PETERSON of Minnesota.
H.R. 850: Mr. BAKER.
H.R. 876: Mr. ORTIZ.
H.R. 977: Mr. WALDEN of Oregon.
H.R. 995: Mr. LAHOOD.
H.R. 1101: Mr. FILNER, Mr. LARSEN of Washington, Mr. GRIJALVA, Mr. MCDERMOTT, Mr. BOEHLERT, and Mr. WEXLER.
H.R. 1120: Mr. EVERETT.
H.R. 1155: Mr. DOGGETT and Mr. GONZALEZ.
H.R. 1160: Mr. RYUN of Kansas.
H.R. 1214: Ms. CORRINE BROWN of Florida, Mr. LUCAS of Kentucky, Mr. MCHUGH, Mr. BRADY of Pennsylvania, and Mr. BAIRD.
H.R. 1236: Mr. CUNNINGHAM and Mr. GERLACH.
H.R. 1285: Mr. BAIRD, Mr. BOSWELL, Mr. COSTELLO, Mr. HOLDEN, Mr. LAMPSON, Mr. LARSEN of Washington, and Mr. MICHAUD.
H.R. 1345: Mr. COSTELLO, Mr. PETERSON of Minnesota, and Mr. CLAY.
H.R. 1348: Mr. HINCHEY.
H.R. 1406: Mr. RENZI, Mr. UPTON, and Mr. GOODE.
H.R. 1508: Mr. MATSUI.
H.R. 1643: Mr. PRICE of North Carolina.
H.R. 1741: Mr. SNYDER and Mrs. DAVIS of California.
H.R. 1746: Mrs. BONO.
H.R. 1824: Ms. LOFGREN, Ms. PRYCE of Ohio, and Mr. GREEN of Wisconsin.
H.R. 1916: Mr. WAXMAN, Mr. TURNER of Texas, and Mr. FROST.
H.R. 1959: Mr. SHAYS.
H.R. 2011: Mr. SMITH of Washington.
H.R. 2106: Mr. BRADY of Pennsylvania.
H.R. 2173: Mr. CUMMINGS, Mr. LUCAS of Kentucky, and Mr. NADLER.
H.R. 2201: Mr. WEXLER, Mr. HOSTETTLER, Mr. HASTINGS of Florida, and Mrs. CHRISTENSEN.
H.R. 2316: Mr. LINCOLN DIAZ-BALART of Florida.
H.R. 2318: Mr. ALLEN.
H.R. 2482: Mr. OLVER.
H.R. 2735: Mr. FOLEY and Mr. PETERSON of Pennsylvania.
H.R. 2787: Mr. NORWOOD and Mrs. MCCARTHY of New York.
H.R. 2823: Ms. BERKLEY.
H.R. 2824: Mr. LOBIONDO.
H.R. 2890: Mr. HAYES.
H.R. 2905: Mr. UDALL of New Mexico.
H.R. 2944: Mr. LAHOOD.
H.R. 3066: Mr. BARRETT of South Carolina and Mr. SMITH of Texas.
H.R. 3090: Mr. KILDEE.
H.R. 3092: Mr. GORDON.
H.R. 3134: Mr. THOMPSON of Mississippi and Mr. EHLERS.
H.R. 3194: Mr. HINCHEY.
H.R. 3204: Mr. ANDREWS and Mr. LYNCH.
H.R. 3213: Mr. GARRETT of New Jersey.
H.R. 3242: Mr. MCINTYRE and Mr. BLUMENAUER.
H.R. 3352: Mr. HONDA, Mr. MATSUI, Mrs. MALONEY, and Mr. ROTHMAN.
H.R. 3426: Mr. ANDREWS, Ms. SOLIS, Mr. TIERNEY, Mr. MCDERMOTT, Mr. KILDEE, Mr. BISHOP of Georgia, and Ms. WOOLSEY.
H.R. 3429: Mr. FOSSELLA.
H.R. 3441: Mr. UDALL of Colorado, Mr. HINOJOSA, Mr. FRANK of Massachusetts, Mr. BELL, and Mr. SCOTT of Virginia.
H.R. 3460: Mr. KINGSTON.
H.R. 3539: Mr. WAXMAN and Mr. FRANK of Massachusetts.
H.R. 3550: Mr. BECERRA.
H.R. 3579: Mr. TANCREDO, Mr. ALLEN, Mr. CRAMER, and Mr. PAYNE.
H.R. 3619: Mr. SCOTT of Virginia, Mr. WATT, Mr. FATTAH, and Mr. ORTIZ.
H.R. 3643: Mr. HOEFFEL.
H.R. 3678: Mr. ROGERS of Kentucky.
H.R. 3684: Mr. LARSEN of Washington, Mr. BRADLEY of New Hampshire, and Mr. OLVER.
H.R. 3716: Mr. BROWN of South Carolina, Mr. GREEN of Texas, and Mr. STRICKLAND.
H.R. 3739: Mr. RYUN of Kansas.
H.R. 3755: Mr. FEENEY.
H.R. 3778: Mr. WELDON of Pennsylvania.
H.R. 3798: Mr. FRANK of Massachusetts.
H.R. 3801: Mr. WELDON of Florida, Mr. BAKER, Mr. SIMPSON, Mr. CARTER, Mr. KENNEDY of Minnesota, Mr. EVERETT, Mr. JONES of North Carolina, Mr. TOOMEY, Mr. SMITH of Michigan, Mr. HOSTETTLER, Mr. CHABOT, and Mr. GARRETT of New Jersey.
H.R. 3802: Mrs. JOHNSON of Connecticut, Mr. CUMMINGS, Mr. MCHUGH, Mr. RUSH, Mr. GORDON, Mr. OWENS, and Mrs. LINDA T. SANCHEZ of California.
H.R. 3818: Mr. SAXTON and Mr. MEEK of Florida.
H.R. 3824: Mr. FRANKS of Arizona.
H.R. 3837: Mr. RYUN of Kansas.
H.R. 3847: Mr. CROWLEY and Mr. CARDIN.
H.R. 3860: Mr. BOEHLERT.
H.R. 3866: Mr. MEEHAN.
H.R. 3874: Mr. BACA.
H.R. 3881: Mr. ETHERIDGE, Mr. FROST, Mr. DOOLEY of California, Mr. PRICE of North Carolina, Mr. VAN HOLLEN, Mr. GRIJALVA, Mr. CASE, Mr. SERRANO, Mr. MENENDEZ, Ms. MCCARTHY of Missouri, Mr. LYNCH, and Mr. HOEFFEL.
H.R. 3889: Mr. GILLMOR, Mr. MANZULLO, and Mr. ROHRABACHER.
H.R. 3916: Mr. PITTS, Mr. BEREUTER, and Mr. SHIMKUS.
H.R. 3919: Ms. EDDIE BERNICE JOHNSON of Texas, Mr. JACKSON of Illinois, Mr. MCDERMOTT, Ms. WATSON, Ms. MILLENDER-MCDONALD, and Mr. RUSH.
H.R. 3949: Mr. GREEN of Wisconsin, Mr. BURR, and Mr. WALSH.
H.R. 3950: Mr. HOSTETTLER and Mr. TANCREDO.
H.R. 3951: Mr. BRADLEY of New Hampshire, Mr. WILSON of South Carolina, Mr. LOBIONDO, Mr. MCNULTY, Mr. BURR, and Mr. MILLER of Florida.
H.R. 3981: Mr. NORWOOD.
H.R. 3989: Mr. FROST, Ms. CARSON of Indiana, Mr. JACKSON of Illinois, Mr. BROWN of Ohio, Mr. BISHOP of Georgia, and Ms. LOFGREN.
H.R. 3991: Mr. OBEY, Mr. SERRANO, Mr. OBERSTAR, Mr. FROST, Mr. GRIJALVA, Mr. MARKEY, and Mr. DEFAZIO.
H.R. 3995: Mr. DEFAZIO.
H.R. 4011: Mr. GALLEGLY and Ms. ROS-LEHTINEN.
H. Con. Res. 304: Mr. PAYNE.
H. Con. Res. 328: Mrs. JO ANN DAVIS of Virginia, Mr. SKELTON, Mr. FROST, Mr. MILLER of Florida, Mr. HAYES, Mr. SIMMONS, Mrs. MALONEY, Mr. GIBBONS, Mr. CALVERT, Mr. BRADY of Pennsylvania, Mr. BISHOP of Utah, Mr. WILSON of South Carolina, Mr. FORBES, Mr. BROWN of South Carolina, Mr. BARTLETT of Maryland, and Mr. HUNTER.
H. Con. Res. 330: Mr. KENNEDY of Rhode Island.
H. Con. Res. 332: Ms. ESHOO, Mr. LATOURETTE, Mr. PORTMAN, Mr. CULBERSON, Ms. NORTON, and Mr. SENSENBRENNER.
H. Con. Res. 371: Mr. COX, Mr. CARSON of Oklahoma, Mr. KLINE, Mr. LINCOLN DIAZ-BALART of Florida, Mr. LATOURETTE, and Mr. KINGSTON.
H. Con. Res. 374: Mr. FORBES, Mr. RYAN of Ohio, and Mr. MOORE.
H. Con. Res. 378: Mr. WOLF, Mr. SOUDER, Mr. LEACH, Mr. PAYNE, Mr. WELDON of Pennsylvania, Mr. BELL, Mr. FORD, and Mr. OLVER.
H. Con. Res. 386: Mr. TAYLOR of Mississippi and Mr. SPRATT.
H. Con. Res. 395: Mr. WAXMAN, Mr. SHERMAN, and Ms. ROYBAL-ALLARD.
H. Con. Res. 541: Mr. WELDON of Pennsylvania and Mr. KUCINICH.

PETITIONS, ETC.

Under clause 3 of rule XII, petitions and papers were laid on the clerk's desk and referred as follows:

59. The SPEAKER presented a petition of H.R.M. de Buonaparte, a Citizen of Turtle Island, North Pangaea, relative to an amendment to previously submitted petitions of redress of grievances; to the Committee on the Judiciary.

60. Also, a petition of the Village President, Village of North Barrington, Illinois, relative to Resolution Number 2291, a resolution supporting the U.S. House of Representatives Transportation and Infrastructure Committee's Federal Transportation Funding Proposal; to the Committee on Transportation and Infrastructure.

61. Also, a petition of the Director, California Bay-Delta Authority, relative to the California Bay-Delta Authority's 2003 Annual Report, in accordance with the reporting requirements of the California Bay-Delta Authority Act (Ch. 812, Stats. 2002); jointly to the Committees on Resources and Transportation and Infrastructure.