We don't want to talk today about the regulatory burdens and interference that families and businesses have from government, but those should be counted in the cost as well and get those out of the way.

When you put the pro-growth policies in place that we have had, you get some startling results. We have 17 straight quarters of growth, as measured by the GDP. We have 5 million new jobs that have been created. Unemployment across the Nation is at 4.8 percent, which many think is full employment. Actually, in District 11, which I represent, the unemployment rate is zero, for anyone who wants a job. And a record number of Americans are working today. A record number of Americans are working and paying taxes.

A little aside on the importance of a job, I spent a lot of time in west Texas working on United Way issues and other social service issues, and it has been my experience that when a family has a job that family is better off. That family is able to provide for itself, to make its own decisions about how it wants to conduct its life, and when those individual families are better off then the neighborhoods are better off and the communities are better off as well. So 5 million jobs should not go unnoticed as a startling number in a growing economy.

In conclusion, I think we see that the pro-growth tax policies we have put in place have created record revenues. We will collect more money this year than in any other year in our Nation's history, collecting and growing it in the correct way, more taxpayers paying tax rates at a lower number.

What we have is a spending problem and not a revenue problem. This budget addresses discretionary spending in a modest way, and it also addresses the mandatory spending in an even more modest way. But they are steps in the right direction, and this new mandatory spending will be the first time ever we have done it twice in a row, and I urge my colleagues to support this budget resolution.

ANNOUNCEMENT BY THE ACTING CHAIRMAN

The Acting CHAIRMAN. For clarification, the gentleman from Texas (Mr. EDWARDS) had 2 minutes remaining of his 6 minutes. As he may not reserve time, the Chair presumed that it was yielded back to the gentleman from South Carolina.

Mr. SPRATT. The gentleman has 2 minutes remaining on his original allocation of time?

The Acting CHAIRMAN. It has returned to the gentleman from South Carolina.

Mr. SPRATT. Mr. Chairman, I yield the gentleman from Texas back his 2 remaining minutes.

The Acting CHAIRMAN. The gentleman from Texas (Mr. EDWARDS) is now recognized for 2 minutes.

Mr. EDWARDS. Mr. Chairman, let me just say that cutting health care for veterans during a time of war by over $5 billion compared to present services and putting nearly a $1,000 a year military health care tax on military retirees' premiums is not a way to say thank you to our servicemen and women who have risked their lives to defend our country.

And if that weren't insulting enough, to add insult to injury, this budget resolution would say to those people that are making $1 million this year in dividend income you don't have to give up one dime of your $220,000 tax cut. That makes a mockery of the principle of shared sacrifice during a time of war.

Military retirees' health care premiums. Let's say ''no'' to stopping the tripling of those premiums. Let's allow the administration to go through with its proposal to triple those health care premiums, to veterans' health care services over 5 years, and it is in the budget. If you look at the numbers, over a $5 billion cut in present services to veterans. That is okay, but let's not ask those people making $1 million a year in dividend income to give up one dime of their $220,000 tax cut. That is more money than a private serving in Iraq will make over the next decade. The American people understand tough times. And in tough times, they ask for fairness and they ask for shared sacrifice.

□ 1415

This budget resolution is an insult to the American principle of shared sacrifice during time of war, and that is why we should vote this budget resolution down.

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

I cannot find anything of what the gentleman from Texas just said in the budget. I am still looking. None of those policies exist. All of that is just kind of created out of whole cloth. I have looked through it. There is no tax on veterans. My goodness, what kind of rhetoric is that, taxes on veterans. My goodness. Not in here. You cannot find it. I defy you to find it. I don't see a tax on veterans.

Mr. Chairman, I yield 2 minutes to the gentleman from Kansas (Mr. RYUN) and a member of the committee.

Mr. RYUN of Kansas. Mr. Chairman, there is nothing in this budget process that creates greater priority than what we do as a Nation. When it comes to this budget, Congress has no higher priority than providing for our national defense.

This Congress remains unwavering in support for our troops, both here and abroad. After 9/11, we spent quickly to rebuild New York and the Pentagon. We spent deliberately to enforce our Nation's defenses to prosecute the war on terrorism. Over the past 4 years, the budget for the Department of Defense has grown by $22 billion, or roughly 6.3 percent per year. This figure excludes the money we have committed to fight the war in Iraq and Afghanistan, which is an additional $317 billion if we assume the most recent supplemental.

So when you add DOD's base budget with the additional funding for the war, the defense budget has increased by an amazing 70 percent since 2002. So, clearly, this Congress has had no higher budget priority than providing for the security of this country, and that is the way it should be.

Even prior to 9/11 and the war on terrorism, the need for a military transformation was evident. So, now, DOD and our Nation as a whole must confront the challenges of waging a very unconventional war, even in the midst of massive transformation.

One of the challenges we confront here today is to provide funding for our country's safety. This budget fully accommodates the President's request for the Defense Department, which increases funding to $439.8 billion in discretionary spending, an increase of 7 percent.

We will also see, as we have in the past two budgets, we have included a $50 billion placeholder for the ongoing operations in Afghanistan and Iraq. That is probably not the right figure, and as we go through the year we will probably write another one; but it is a reasonable place to start and help provide for those fighting for our freedom overseas.

Now, as I said a moment ago, there is no higher priority in this budget than providing whatever is needed to protect and defend our Nation. That said, all the taxpayer dollars should be spent wisely with proper planning and oversight. I urge my colleagues to support the budget for fiscal year 2007.

Mr. NUSSLE. Mr. Chairman, I yield to the gentleman from Alaska (Mr. YOUNG), the chairman of the Committee on Transportation and Infrastructure, for a unanimous consent.

(Mr. YOUNG of Alaska asked and was given permission to revise and extend his remarks.)

Mr. YOUNG of Alaska. Mr. Chairman, first let me thank Mr. NUSSLE and Mr. SPRATT, especially in the realm of transportation.

Mr. Chairman, I want to take this opportunity to thank Budget Committee Chairman NUSSLE and ranking member SPRATT for their assistance during last year's Surface Transportation Reauthorization.

The budget title of the Safe, Accountable, Flexible and Effective Transportation Equity Act, a Legacy for Users (SAFETEA LU) contains the vitally important funding Firewalls for the Federal Highway, Transit, and Highway Safety Programs for fiscal years 2005 through 2009.

My committee is grateful for the Budget Committee's recognition of these important guarantees and their codification in the Balanced Budget and Emergency Deficit Control Act.

I understand that the budget resolution incorporates certain assumptions for Function 400 Transportation Activities.

First, all mandatory funding is assumed to meet the Congressional Budget Office's baseline.

This is good news for the portions of our Highway, Highway Safety, Transit, and Aviation programs that are funded out of the Highway Trust Fund or the Aviation Trust Fund—it means that the authorized levels are assumed under the budget resolution.

However, discretionary budget authority is assumed for these programs at the administration's fiscal year 2007 budget request levels. This is not very good news for transportation programs.

The President's budget request for surface transportation programs is almost completely consistent with the funding levels in SAFETEA LU, with only one major exception.

The 2007 funding level for the Federal Transit Administration is $100 million lower than what was authorized in due to the Administration's failure to fully fund the ''Small Starts'' program. If the fiscal year 2007 appropriations bill fails to restore this $100 million shortfall, that bill will be subject to the house rule XXI point of order against a bill or conference report that would cause obligation limitations to be below the guaranteed level set forth in section 8303 of SAFETEA LU.

Unfortunately, the administration's budget request does not make a similar commitment to meeting our Nation's aviation infrastructure investment needs.

Under the President's budget, aviation capital programs would receive $5.25 billion, which is $1.6 billion, or 23 percent, less than the level guaranteed by the Vision 100—Century of Aviation Reauthorization Act. This reduction is extremely shortsighted, and will only serve to accelerate the impending crisis of congestion and delays in our Nation's aviation system.

Unless we make the necessary investments in our airport and air traffic control infrastructure, delays will increase significantly as air travel continues to increase.

To ensure that our aviation system remains safe, reliable, efficient, and able to accommodate the increased number of passengers anticipated in the near future, the transportation and infrastructure committee recommended in its fiscal year 2007 views and estimates that Aviation Capital Programs be funded at least at the $6.81 billion level guaranteed by Vision 100.

The administration's budget request cuts funding for Amtrak from $1.3 billion in 2006 to $900 million in 2007.

Over the years, proposed cuts in Amtrak funding have been repeatedly rejected by Congress.

If the budget resolution assumes just $900 million for Amtrak, but Amtrak funds are subsequently restored during the appropriations process, other important programs will have to be cut in order to make up the difference.

If the budget resolution assumes the President's budget request levels for the portions of these three programs that are funded with discretionary budget authority from the general fund, it could have a very negative effect on all the agencies and programs that are funded under the Transportation, Treasury, HUD, The Judiciary, District of Columbia, and Independent Agencies Appropriations bill.

I am gravely concerned that the underlying assumptions in this legislation could force a painful choice among programs that are vitally important to the continuing economic well-being of our country.

I sincerely hope that, when the appropriations committee makes funding allocations among its 11 subcommittees, the discretionary budget authority allocation to the Transportation-Treasury subcommittee reflects the full authorized levels for these transportation programs.

This is not only for the sake of the Federal Highway, Aviation, Transit and Rail programs, but also to reduce the painful funding constraint on other domestic discretionary programs that receive funding under that subcommittee's annual appropriations bill.

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

I would say to the chairman of the Transportation Committee, we do better by transportation than your colleagues on that side of the aisle.

Mr. Chairman, I yield 1 minute to the gentleman from Texas to respond.

Mr. EDWARDS. Mr. Chairman, to respond to Chairman NUSSLE's comments on veterans cuts in this program, I just point out, and his silence perhaps answers my question, it is in the budget. The veterans cuts in present services will be over $5 billion over the next 5 years. It is right here if you would like to see the printout.

Secondly, the chairman knows we voted for a Republican amendment to say ''no'' to the $250 enrollment fee for veterans getting the VA system, but yet you voted on a party-line vote against my amendment to say ''no'' to a thousand dollar increase per year for military retirees health care cost for their premiums. So I would like to ask the chairman in his time to explain what a devastating cut $5 billion in present services would be to the 5 million American veterans who depend on the VA system. I do not know who came up with that proposed cut, but I think it is mean spirited and wrong and will hurt military morale and will not serve our country well. I would hate to put my name on a bill that will cut veterans health care during a time of war.

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

I have to put on my glasses, these numbers are so small. I have to tell you, on page 63, I have it right here: veterans goes from $71.9 billion to $74.6 billion. $71.9 billion to $74.6 billion. I am trying to think now, mathematically that sounds like an increase. Maybe I am missing something, but 71 to 74. Let's see, that's a bigger number; 74, bigger, not a cut. That is an increase.

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

Mr. BONNER. Mr. Chairman, it is early in the debate but one thing is clear: our friends on the other side of the aisle seem to want to have their cake and eat it, too. They want to blame the majority for the national debt and the rising cost of Federal spending, but the only solution they seem to offer is more spending or more taxes.

Increased spending or increased taxes. How can either of those two solutions be the right prescription for getting our fiscal house in order? There is no better example of the challenges we are facing than the need to secure our homeland. And as you know, in the aftermath of the terrorist attacks on September 11, our administration and this Congress responded in a bipartisan way to create a centralized agency to coordinate our Nation's homeland security efforts. But creating an entirely new agency, particularly following September 11, was no easy task. At that time, the organization of the Department of Homeland Security marked the largest single agency opening in nearly four decades, dating back on the creation of the Department of Energy.

It also required the reshuffling of 180,000 employees and the transfer of some 22 Federal agencies from one area of government control to another. A department of this size and scope certainly needs a sufficient level of funding to carry out its goals and objectives; and, initially, $50 billion was set aside just for this purpose.

The overall fiscal year 2006 budget for the Department of Homeland Security, including nonhomeland defense spending, totaled $40.3 billion. President Bush requested in his fiscal year 2007 budget $42.7 billion, an increase of $2.4 billion or 5.8 percent. Overall spending in the homeland security component of DHS has increased from $10.7 billion in fiscal year 2001 to $25.7 billion in fiscal year 2006, or an average of 19 percent increase per year.

Mr. Chairman, while we have made substantial progress in getting DHS up and running, I think it is very fair to say that this Department, while securing our Nation's homeland, is not yet where it needs to be or where it must be. Needless to say, however, this budget moves us on the right path.

At the outset I said that our friends on the other side were looking to have their cake and eat it, too. I went to the House cafeteria to find a piece of cake I could bring to use as an illustration. The only cake I could find was a slice of angel food cake. Now angel food cake tastes good, it sounds good; but it is squishy in the middle, just like their budget proposal.

Mr. SPRATT. Mr. Chairman, I yield 1 minute to the gentleman from Texas (Mr. EDWARDS) to respond further to the gentleman from Iowa.

Mr. EDWARDS. Mr. Chairman, when Mr. NUSSLE, the chairman of the committee, talked about the VA budget line, what he didn't do is tell the full story. The full story is if you take out the mandatory spending in that VA budget level, what you end up with is going from VA discretionary spending, which covers VA health care, from $36.9 billion in 2007 to $34.4 billion in 2011. That is just not a cut after inflation; that is a cut before you take into account inflation.

So the bottom line is that this budget as proposed will require a massive cut in VA medical services during time

of war. That is not right for our veterans; and he can show all of the charts he wants to about the past, but he knows that you take out the mandatory spending, you are cutting VA discretionary spending. And to try to hide that fact is creative at best and dishonest at worst.

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

Mr. CHOCOLA. Mr. Chairman, I would like to thank the gentleman for yielding me this time and thank him for his leadership and service here in Congress in bringing this budget to the floor.

I rise in support of the budget. I would like to point out, really, a historic aspect to this budget. For the first time I am aware of, we are actually budgeting for emergencies.

Most families understand that it is important and prudent to set aside money for a rainy day. Even some States budget for emergencies in their annual budgets. Congress, however, rarely if ever budgets for emergencies, despite the fact that we spend taxpayer dollars on emergencies every single year.

I am afraid this is not just an oversight; it is a back door means to exceed our resolution every year because after allocating all of the available resources, somehow Members can find unforeseen emergency needs that require us to break the budget many times without justification. But in this year's resolution, we are actually starting to clean up that process by bringing transparency and accountability to the process.

We are setting aside an emergency reserve fund for natural disasters and budgeting money we know we are going to spend. Any emergency spending that exceeds the reserve would have to be brought back to the Budget Committee for clearance. It ensures that the committees work the way they are supposed to work. The Appropriations Committee can allocate the resources against competing priorities, and the Budget Committee can set limits on spending and ensure that those limits are enforced.

Mr. Chairman, budgeting for emergencies will help expedite the delivery of funds for those people in need, it will deter breaking the limits of the budget with routine spending, and provides a more honest presentation of the Federal budget to the American people.

I support this budget, I support this provision, and I encourage my colleagues to do the same.

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

Mr. Chairman, in the area of health care, there is a major difference between us. Some 6 or 7 years ago we got together on a bipartisan basis and agreed that every year we would try to increase the budget of the NIH such that over 5 years it would be doubled.

We achieved that goal, and now every year the Bush administration is marching us right back down the hill. This year in their budget submission over 5 years they have proposed short-funding public health and medical research programs at a level of $18 billion below current services. The programs at risk range from the National Institutes of Health to the Centers for Disease Control to graduate medical education at children's hospitals to rural health. The Democratic budget resolution, by contrast, spares these programs from deep cuts and restores them, fully funding them to the level of current services.

Mr. Chairman, I yield 8 minutes to the gentleman from Michigan (Mr. DINGELL), the dean of the House and the ranking member of the Energy and Commerce Committee, to discuss further the impact of these cuts and ask that he be allowed to yield the time that is granted him.

The Acting CHAIRMAN (Mr. FOLEY). The gentleman is recognized for 8 minutes.

The gentleman is reminded that any time yielded, he will have to remain on his feet.

Mr. DINGELL. Mr. Chairman, I thank my good friend and distinguished colleague who has done such a fine job on the Budget Committee.

We are talking about the Republican budget, and it does not address two pressing health care problems of peculiar and special importance to our people, amongst the other things that it does wrong.

First, thanks to this Republican Congress, new part D of the Medicare program is complicated, impossible to navigate, and the benefits confusing, indeed. And they vary from plan to plan. Plans can even change the drugs they cover after seniors have signed up, bait and switch, if you please. But seniors cannot change plans for a year, while the HMO can do so.

All too often this confusion has resulted in seniors leaving pharmacies without their medication or paying more than they should for their medications. Pharmacists are going broke because of nonpayment or late payment by Medicare. These problems and many of the others which infest part D are in no way corrected by this budget. They are not even giving seniors enough time to sign up; and as a result, these seniors will have to pay a 7 percent penalty for the rest of their lives for this Medicare part D.

Our Democratic substitute would allow seniors until the end of the year to identify and sign up for a plan that meets their needs. It also enables citizens to know that HMOs and private-plan bureaucrats are not going to be able to continue bait and switch, stopping coverage for drugs that a senior's doctor has prescribed and that were covered when the senior signed up.

Second, the Republican budget does not even try to protect the most vital relationship the senior has, that which they have with their doctor.

□ 1430

Even though doctors in Medicare are facing deep cuts in their payments, the Republican budget does nothing to stop this.

Not paying adequately for physician service is going to undermine our entire health care and Medicare program. The Democratic substitute would not permit that to happen. It is another reason for voting with us.

Republicans are content to permit traditional Medicare to erode, while steering unneeded billions of dollars to their HMO and insurance company cronies. Democrats want to protect Medicare as we know it and to spend the money to help seniors and those with disabilities, not to shower it unneeded upon greedy health maintenance organizations and others who deserve no assistance.

I yield 2 minutes to the gentlewoman from South Dakota (Ms. HERSETH), my distinguished colleague and friend.

Ms. HERSETH. Mr. Chairman, I thank the gentleman from Michigan for his leadership, as well as the gentleman from South Carolina for his.

As I travel throughout the State of South Dakota, the number one issue my constituents raise with me is health care. For thousands of families in my State and millions across the country, health care is their top priority. But this budget not only fails to make health care a national priority, it makes the crisis worse.

This budget ignores the 46 million Americans without health insurance, and it actually eliminates the transitional Medicaid assistance program that encourages families to leave welfare for the workforce. This budget actually punishes families trying to create a better future by choosing work over welfare.

The budget cuts funding for health research at the NIH and disease prevention at CDC. It eliminates the National Children's Study to improve the health and well-being of children, the kind of common sense research that will pay dividends in the future. We ask the American people to recognize the cost savings that comes with prevention, but this budget fails to make disease prevention and the research that leads to cures a priority.

This budget cuts Urban Indian Health Centers which serve Native Americans across the country, including in a number of communities in South Dakota. And as has already been noted, it cuts funding for veterans health care by $6 billion over the next 5 years, and it shifts the burden of health care costs for our troops and their families from a grateful nation to the very families with loved ones serving in Iraq and Afghanistan.

And this budget is particularly hard on seniors. As Mr. DINGELL already noted, by allowing a cut to physicians under Medicare it will make it harder for millions of seniors to find quality health care services, particularly in already underserved areas.

And for the millions of seniors struggling to navigate the Medicare drug benefit bureaucracy, this budget does absolutely nothing to solve that problem. For seniors forced to deal with the poor planning and implementation of CMS and the private drug plans, this budget does nothing for them or the community pharmacists who have shouldered most of the burden.

Congress can do better. We owe it to the American people to do better, and I urge my colleagues to demand that the committee either bring us a new budget, one that makes health care a national priority or, better yet, support the Democratic substitute, which does just that.

Mr. DINGELL. I yield 2 minutes to the distinguished gentlewoman from California (Mrs. CAPPS), my dear friend.

Mrs. CAPPS. Mr. Chairman, frankly, I am getting really tired of hearing proponents of this budget argue that drastic cuts to health care are a result of difficult choices.

It is quite apparent that the choice being made is a simple one, further tax breaks for the wealthy instead of real investment into the health care needs of our Nation, the most urgent needs, as our colleague from South Dakota expressed, in her State, and also in mine, the most urgent need that our constituents want us to address in their time of need at home.

At such a time of remarkable breakthroughs, for example, in medical research, it is appalling that this budget cuts 18 of the 19 institutes of the National Institutes of Health. Again, proponents of this budget will argue that in the late 1990s we doubled NIH's budget, and it is a good thing we did. But that just shows how little is understood about scientific research, how much they are minimizing our country's need for true investment.

If this budget passes, the NIH will have 13 percent less funding than it did in 2003. That will mean that we will take giant steps backward in our efforts to eliminate cancer deaths by 2015, a doable goal if we were to stay on track with NIH. It means that our efforts will be hampered to combat the number one killer in this country, heart disease. It means that our ability to remain globally competitive in the development of new treatments is threatened.

Not only is our health research infrastructure under attack by this budget, so are our health professionals. Funding for title VII health professional training is eliminated in this budget. Despite our nursing shortage crisis, funding for nurse workforce training programs is actually less today than it was 30 years ago.

Mr. Chairman, our national security is very much dependent upon our ability to sustain a healthy and viable work force to respond to emergency situations. This budget ignores those needs. So I urge my colleagues to oppose this illogical and immoral budget.

The Acting CHAIRMAN. The gentleman from Michigan has 1 minute remaining.

Mr. DINGELL. Mr. Chairman, I yield that back with great gratitude and appreciation to my distinguished friend from South Carolina.

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

Mr. MARIO DIAZ-BALART of Florida. Mr. Chairman, the Budget Committee chairman today, we have heard it, has mentioned a number of times something that is captured in this budget, reducing waste, fraud and abuse. Now, our friends from the Democratic side also have a consistent theme, spend more money regardless if a lot of it is wasted.

But you see, Mr. Chairman, billions of dollars are lost each year to waste, fraud and abuse in the Federal Government. Not only does waste, fraud and abuse steal from the American taxpayers, Mr. Chairman, it also burdens those who rely on the government for their services.

Unfortunately, our friends on the other side of the aisle, they are consistent in, again, spend more money, without measuring efficiency or effectiveness of the programs. It is evident, obviously, that some on the far left measure success of government programs by the level of spending, not on results. Again, just spend more of the taxpayers' money, no matter what.

We cannot excuse programs that, through waste, fraud and abuse, are cheating the taxpayers out of billions of dollars of their hard-earned money. We owe it to the people that sent us here to Washington to ensure that their hard-earned tax dollars are protected through good oversight, performance evaluations and sensible funding decisions.

While the far left is endlessly attempting to increase taxes without any form of accountability and spend more money, I urge you to support the Republican budget that helps make our government programs more efficient, reducing waste, fraud and abuse, while funding our Nation's priorities.

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

Mr. Chairman, budgets are moral documents, and one measure of a budget is how it treats the least among us. The House Republican budget resolution severely weakens the safety net for the least among us, cutting income security programs by some $14.9 billion over 5 years below the level of current services.

Among the programs cut, actually totally eliminated, would be the Commodities Supplemental Food Program, which provides nutritious food to 420,000 elderly people every month and to 50,000 mothers. HOPE VI would be eliminated for repairing and refurbishing public housing. Supportive housing for the disabled would be slashed by 50 percent, housing for the elderly cut by 26 percent, and, in addition, $4 billion in reconciled spending cuts that are directed to the Ways and Means committee, implying cuts in the Earned Income Tax Credit, TANF, SSI, unemployment insurance, these programs within their jurisdiction.

Here to discuss further the implications and consequences for families and communities is the senior member from New York (Mr. RANGEL), the ranking member of the Ways and Means Committee, to whom I yield 8 minutes.

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

Mr. RANGEL. Mr. Chairman, let me first thank Mr. NUSSLE and the Republican leadership for bringing up an important bill and allowing us to discuss it during the daytime hours. It is so unusual that I just wonder when the vote is going to take place, but I do hope it is in time for America to see how we work.

Also, I want to thank Mr. NUSSLE for giving me the opportunity to explain some of the language that he has been using, because when he talks about entitlements there are so many people that get angry and they have to be against entitlements, too. They have to really be angry with America spending such a large amount of our budget on entitlements. But it is strange, they talk about entitlements and we talk about people in need. They talk about entitlements, we talk about the Social Security system that has lasted this country and given so much self-esteem and pride for our older people, those who became disabled, and things that we like to do.

Don't cry. Don't just bring us these doggone private accounts. Don't send it to commissions. Bring it on the floor. Take it to the American people. Ask the older people and their kids and their grandkids, how do you measure self-esteem and dignity?

Entitlements. What does it mean? Who are the least among us? Is it the poor? And if you are poor and you are sick, is it asking too much in this great country of riches to say you are entitled to health care? And if you are older, and you want to get a prescription drug, is it wrong for you to be outraged because we believe that they are entitled?

Or how about a kid from the neighborhood? Most of us here came from families that never got a college education. Were we entitled to an education? No. We were lucky we were able to get it. But I think that now that our Nation is at war, a war that we shouldn't be in, I think that our Nation is at war in terms of competition with foreign countries, that our people should be entitled to educations. They should be entitled to compete. They should be entitled to self-esteem, and every American should have an education and a decent place to live and health care.

But no, we can't afford it. We can't afford it, one, because $400 billion for

Iraq. We can afford it for them. Oh, they will be entitled to decent health and decent housing and anything else, and we are not going to leave there until they get it, and they will have the victory and we will have the deficit.

And so what I am saying is that let's not talk entitlements. If you really want to kill the education programs, the health programs for the aged and for the young, let's call it what it is. It is called Social Security. Say it with me. Social Security. It is called Medicaid. It is called Medicare. And these are programs for the disadvantaged.

Now, if you can't afford it because you have some friends that are in the highest income, and I have not received one letter from any of them, and I don't think those from the rural areas, there aren't too many of them there either. They may be included on the contributors list, but they haven't called and asked for this tax cut. They haven't called and asked for it.

But the people that are out there when we get back home during this work period, they will thank us for fighting to save what they think, what they used to be entitled to.

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

The Acting CHAIRMAN. The gentleman yields back the time to the gentleman from South Carolina.

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

Mr. SPRATT. Mr. Chairman, I yield 4 minutes to the gentleman from New York (Mr. RANGEL).

Mr. RANGEL. Mr. Chairman, I yield 2 minutes to the outstanding gentleman from Washington (Mr. MCDERMOTT), a member of the Ways and Means Committee.

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

Mr. MCDERMOTT. Mr. Chairman, when I read through this budget, they are back again, folks. They are back again.

Just a few months ago the Republicans called a final vote on the budget bill that slashed funding for child support enforcement, foster care, student loans and health care coverage for low income families. Today, the nightmare continues. They are back again doing the same thing within 3 months.

□ 1445

Republicans propose another round of pain for Americans already suffering. The committee on which I serve is required by the Congress to cut $4 billion from the budget. Now, it will come out of my subcommittee, the one I am the ranking member on, because that is where the children are and that is where the weak and the old and the sick are. They are not going to take it away from the taxpayers. They are going to take it away for the poor and the weak.

When the Republicans send the high-income earners to the trough for more tax cuts, they will starve the Federal programs to help the poor.

I know it is Lent; so I am sure this is a faith-based initiative we have here, and the Republicans certainly understand the idea of sacrifice. This budget sacrifices one-third of the Social Services Block Grant, which funds assistance for abused kids, child care for working families, and vital services for the disabled and the seniors in this country. I asked the Rules Committee to allow an amendment to restore these cuts, but the Republicans said no. Mr. Chairman, why will you not allow this House to actually consider the effects of slashing programs to help the sick and the poor?

Now, I know some key Republicans have left, but the fix is still in in this joint. The Republican Congress will rubber-stamp the Bush agenda and provide for those who need it least. It is Lent, and the Republican majority is ready to sacrifice common sense, common decency, and common dreams.

The Republicans' budget sacrifices morality and a balanced budget for tax holidays for the rich, for the 1 percent. The party of the 1 percent is in charge in this House. Only the 1 percent at the top matters.

They're back, Mr. Chairman, and the Republican budget is no apparition. It is a real assault.

There is an irony that maybe some of you out on this floor may not think about, but some Members are running for higher office in State-level jobs. Some of those people are cutting the very programs that they, if they win their election in November, will have to go out and deal with the problems. If you are running for a State governorship or any kind of State office, think very carefully about how you stab yourself, because you are going to meet this when you get there after the election.

Mr. RANGEL. Mr. Chairman, I yield the balance of my time to the distinguished member of the Ways and Means Committee from Massachusetts, Mr. NEAL, who serves on our committee as well as the Budget Committee.

(Mr. NEAL of Massachusetts asked and was given permission to revise and extend his remarks.)

Mr. NEAL of Massachusetts. Mr. Chairman, I want to thank Mr. RANGEL for yielding me the time.

But let us clear something up immediately. Let us not demean the intelligence of the American people when we hear waste, fraud, and abuse. Where has the spending gone? They are bragging on one hand about increasing military spending by 70 percent. Seventy percent for the military. We are fighting two wars, Iraq and Afghanistan. Have we forgotten about that? What about Katrina? Have we forgotten about Katrina? What about their prescription drug bill? Now, which of those qualifies for waste, fraud, and abuse? That is where the money has gone. The problem we have today in this House is their tax cuts that, by the way, went to the top 1 percent of the wage earners in America. The millionaires were taken care of with their largesse.

This budget takes the word ''compassionate'' out of ''compassionate conservatism.''

The Republicans would have the country believe that the budget cuts do not have any impact on Americans. There is not a family in America that will not be harmed by this budget. The President's budget was bad enough. I was honored as a Democrat to present the President's budget at the budget meeting. Do you know why? Because not one Republican would present the President's budget. The result, 39–0, we knocked down the President's budget.

But let us talk about what this budget does. It calls for freezing child care funding. It will eliminate a program that provides food for 420,000 poor elderly people, 50,000 poor mothers and their kids. It even ordered a 50 percent cut in housing assistance for people with disabilities. Their budget before us today takes an additional $100 million in cuts beyond what the President's budget proposed.

At a time when we ought to be concerned about families in America, this budget turns its back on those people. This budget is the polar opposite. Instead of throwing doors open for the American people, they offer less vocational training, fewer small business loans, less financial aid for colleges, less support for our veterans.

This budget lacks vision.

Mr. NUSSLE. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. DANIEL E. LUNGREN), a member of the committee.

Mr. DANIEL E. LUNGREN of California. Mr. Chairman, as you know, I was absent from this House for 16 years, and I came back longing for some familiarity, but also hoping for some change. But as Yogi Berra said, when we have these budget debates, it is deja vu all over again. The same words I heard 18 years ago from the other side of the aisle still prevail: ''weaken,'' ''starve,'' ''slash,'' ''stab,'' ''kill,'' ''attack,'' ''assault,'' ''inflict pain.'' So I looked at the budget to see how much less it is than when I left here 18 years ago. It is so much larger now it is unbelievable.

When we had the head of the OMB, now soon to be the new chief of staff at the White House, appear before us, he said that if we do not start to control entitlements, mandatory spending, by the time my children are ready to retire, we will have no ability, he said, to spend anything on discretionary spending including the military. Think of that. We have come to a position now where the burgeoning of the entitlement programs is such that in another generation what the Constitution calls our first obligation, common defense, we will have no money for it. Now, how can this budget be so terrible? How can it be stifling?

When I left here before, if we had just frozen spending for a year, receipts would have caught up with spending. Now we are in a position that it would take 3 years of a freeze to catch up. This budget is not slashing, cutting. We are doing a little bit of trimming. Many Americans do not think we are doing enough.

And the whole idea on the other side is all we have to do is tax more. Look at what these tax policies have given us. We have a robust economy. We have lower unemployment rates. Our rates of unemployment now are below what economists told us when I was here before we could ever sustain. They talked about 6 percent unemployment being full employment. Now we are below 5 percent.

We should not sacrifice jobs on the mantra of increasing taxes, as my friends on the other side would have us believe.

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

Mr. Chairman, the President sent us a budget that was woefully deficient when it came to homeland security, which is a pressing concern for all of us. The Republican budget, I will give them credit, to some extent corrects that woeful deficiency by $11 billion. But over 5 years that funding level for homeland security, a pressing, critical domestic need, is still $6 billion below current services.

We restore homeland security at least to the level of current services. Thus we would be funding programs that are critically needed to deal with what most of this House recognizes is a tremendous deficiency, namely, seaport security, which pales in comparison to what we have done for airport security; and it is one of the reasons for the outcry over the Dubai ports deal.

Mr. Chairman, I now yield 6 minutes to the gentleman from Mississippi (Mr. THOMPSON), the ranking member of the Homeland Security Committee, to discuss the consequences and the differences between our budget and theirs when it comes to homeland security.

Mr. THOMPSON of Mississippi. Mr. Chairman, today I rise in strong opposition to the fiscal year 2007 House budget resolution, a resolution that shortchanges our critical homeland security programs.

The funding provided under this measure leaves dangerous gaps in our Nation's border, ports, mass transit, aviation, and critical infrastructure security. It also fails to address the preparedness and response deficiencies laid bare by Hurricane Katrina.

When Katrina struck the gulf coast, it was a frightening wakeup call to our Nation that we could not handle a response to a major incident, regardless of whether it was a terrorist attack or natural disaster. Regrettably, the House budget resolution, like the President's budget request, continues a 4-year trend of underfunding the Department of Homeland Security and homeland security programs across the Federal Government.

The most egregious cuts and eliminations are to programs that assist our local and State officials in preparing for and responding to emergencies. The budget slashes first responder funding by $570 million. The Local Law Enforcement Terrorism Prevention Program is completely eliminated. Communities across the Nation have come to rely on the program to help with information sharing among local law enforcement agencies as well as counterterrorism and security planning.

Like the President's budget, this budget unjustifiably cuts critical firefighter grant programs. The SAFER Act firefighter hiring program is eliminated. The FIRE Act grant program is cut by 50 percent. Together these programs are critical to ensuring that our local fire departments can recruit and retain firefighters and give them the tools they need to respond to emergencies and disasters. These programs should be increased, Mr. Chairman, not decimated.

Another grant program that is slashed under the budget is the Emergency Management Performance grants. This program is the singular Federal program for State and local all-hazards preparedness and readiness. Communities use this money to develop disaster plans, sheltering strategies, and evacuation routes.

In 2004, even before the name ''Katrina'' became synonymous with misery and loss, NEMA reported that this program faced a $260 million shortfall. Just 2 days ago, expert hurricane forecasters told America to prepare for another bad hurricane season. They predicted that the east coast chances of being hit this year had doubled to more than 60 percent. Yet here we are today considering a budget that slashes Emergency Management Performance grants. I hope the forecasters are wrong; but if they are right, Mr. Chairman, I for one do not want to be standing here 6 months from now if New Jersey, Long Island, or some other populated east coast center is hit, saying we could have done something.

Not only does this budget shortchange our communities, Mr. Chairman, but it also turns its back on them when it comes to covering the cost of keeping dangerous and criminal aliens incarcerated. The President's budget calls for the elimination of the State Criminal Alien Assistance Program. This resolution before us today does nothing to remedy that. With all the President's tough talk on border security, you would think that he would want to at least keep the most violent and dangerous illegal immigrants off our streets. Instead, this budget cuts the one program dedicated to helping our local cops and sheriffs put behind bars those who are breaking laws. Even Republicans last year disagreed with the President and joined Democrats in approving $405 million for the SCAAP program.

What has changed this year? They no longer want the criminals off the streets?

The budget also ignores the wakeup calls that came in 2004 and 2005 when terrorists executed coordinated rush hour train and bus bombings in Madrid and London. The budget does not provide dedicated funds to close known gaps in rail and mass transit systems to protect 14 million Americans, who use nearly 6,000 public transportation systems each day.

Under this budget, State and local transit agencies, which have already spent $2 billion to enhance security and emergency preparedness since 9/11 attacks, continue to be left largely to fend for themselves.

We are shortchanging the Coast Guard in this budget. That agency, which did the right thing in Hurricane Katrina, is using ships from the Vietnam era. In using these Vietnam-era ships, we put our Coast Guard at risk. This budget will ensure one thing: that the Coast Guard with need a lot of bubblegum, bailing wire, and buckets to stay afloat if it is approved.

Speaking of maritime security, this budget does little to ensure that ports can make the physical security improvements they need for high-risk containers coming to America.

I call on my colleagues to reject this budget for these reasons. Congress should no longer ignore the fact that homeland security begins at home, in our communities, towns, and in our cities. Let us do the right thing by the American people. Let us put a budget together that protects our Nation.

□ 1500

Mr. NUSSLE. Mr. Chairman, I yield 3 minutes to the very distinguished chairman of the Education Committee, my friend from California (Mr. MCKEON).

Mr. MCKEON. Mr. Chairman, I rise in support of the fiscal year 2007 budget, and I would like to thank Budget Committee Chairman NUSSLE for his hard work and leadership, as well as the work of his committee and staff, in putting together this blueprint. This budget maintains our commitment to funding our national priorities while exercising fiscal restraint on behalf of American taxpayers. I think that is the thing that they should be doing.

This commitment is one that the Education and Workforce Committee has taken and continues to take seriously. As part of the last budget process, we placed our student loan and pension insurance programs on a more solid financial foundation. We expanded benefits for those attending college and saved taxpayers billions of dollars in the process. Just like last year, we fully intend to be key players once again.

My colleagues know that there is no higher priority for the Education and Workforce Committee than our Nation's students. In this Congress alone, this House has passed legislation to reform our early childhood education

programs, expand college access, and strengthen our job training and vocational education systems. These reforms have been backed in recent years by an equally impressive record of funding for our Nation's education priorities.

As you can see in this chart, over the past decade Federal education funding has increased by about 150 percent. Breaking these numbers down further, funding for No Child Left Behind has increased by one-third since it became law a few years ago, Pell Grants are funded at an all-time high, and Federal aid to low-income schools is consistently high as well. Those who claim that we are shortchanging any of these programs may have rhetoric on their side, but they do not have reality on their side. The reality is our education priorities are well-funded, and this budget continues that practice.

But we also must not lose sight of the fact that today's students are tomorrow's taxpayers, and it is unfair to leave them with exploding budget deficits. That is why this budget's ability to balance priorities and restraint is so important.

Mr. Chairman, American taxpayers have a right to know that our top priorities are well funded, but they also have the right to expect a return on their massive annual investment in Federal programs. This budget strikes a responsible balance between the two, and I urge my colleagues to support it.

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

Ms. LEE. Mr. Chairman, I rise in strong opposition to this Republican budget which, of course, continues to take our country in the wrong direction. Not only does the Republican budget make harmful cuts to critical services for working families, it fails to live up to really any standard of morality.

By eliminating programs like HOPE VI and the Community Services Block Grant, and by slashing education training and social services funding, the Republican budget really is an all-out assault on millions of hard-working Americans.

Further, the issue of economic security which, of course, does not exist in this budget, economic security is really a critical component of national security, and the Republican budget even fails to adequately support homeland security priorities.

I represent one of the largest ports in the country, and I know firsthand how important port and container security is. Though the Port of Oakland achieved the ability to screen all cargo coming through last year, how many other ports are adequately funded to do this? Economic security and homeland security are put on the back burner in this budget, and that is simply unacceptable.

So I urge my colleagues to reject this budget resolution, because it is not a budget that we should be supporting.

Mr. SPRATT. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, the Democratic budget resolution, I want to emphasize again; is exactly the same when it comes to dollar funding for national defense-national security, function 050. We are at the very same level, exactly the same as the House Republican resolution. That includes the $50 billion they provide toward the cost of operations in 2007 in Iraq and Afghanistan.

Our resolution also funds foreign affairs, function 150, a bit above the House Republicans, but below the Senate and below the President's request.

Though the funding levels are the same, the Democratic budget resolution calls for a better distribution of the defense budget. The Democratic budget resolution calls for, among other things, forgoing higher TRICARE fees on retirees under the age of 65, as the President and Pentagon have requested; not granting that request; increasing pay and reenlistment bonuses, badly needed to ensure recruitment and retention; increasing family support center funding, badly needed for troops who are deploying now, some for their third tour of duty, leaving their families behind; funding cooperative threat reduction and nonproliferation at higher levels; funding the Army National Guard at 350,000 troops, not 17,000 less than that; ensuring $115,000 in death gratuities, funded retroactively to May 5, 2005; funding free life insurance in combat zones at $400,000.

Then, to pay for these things, funding missile defense at a substantial, but lower, level, among other things; de-emphasizing space-based interceptors; funding transformational, next-generation satellite development, being pushed along a fast track, at a substantial, but lower, level; and, finally, implementing the financial management recommendations that the General Accounting Office has made in order to make the Pentagon and the Department of Defense more efficient, particularly in the acquisitions.

Mr. Chairman, I yield 6 minutes to the gentleman from Missouri (Mr. SKELTON), the ranking and long-time member of the House Armed Services Committee, here to discuss the budget for national defense.

Mr. SKELTON. Mr. Chairman, I need to share with the Members of this body the testimony we received at our Armed Services Committee hearing just yesterday. David Walker, the Comptroller General of the United States, told us we face a large and growing structural deficit. He testified as follows: ''Continuing on this path will gradually erode, if not suddenly damage, our economy, our standards of living, and ultimately our national security.''

Mr. Chairman, we have been warned. That is why I rise today in support of the Democratic alternative budget.

The Spratt alternative begins to put us on a sane fiscal path which will protect our national security. Furthermore, it provides funding for our critical national security needs that were left out of the President's and the majority's budgets.

The Spratt alternative would fully fund the end strength, the number of people, in the National Guard. If one supports the National Guard, one should vote for the Spratt alternative.

It reverses the cut to the Cooperative Threat Reduction Program. If one supports keeping weapons of mass destruction out of the hands of terrorists, one should vote for the Spratt alternative.

It rejects the TRICARE fee increases proposed by the President. If you oppose tripling the fees charged to military retirees, one should vote for the Spratt amendment.

It increases funding for family support centers. If one supports military families when mom or dad is deployed overseas, one should vote for the Spratt alternative.

It provides $400,000 of life insurance to servicemembers going into combat. If one supports taking care of our troops when they pay the ultimate price, one should vote for the Spratt alternative.

It increases funding for pay raises and reenlistment bonuses. If one supports rewarding our troops with higher pay, one should vote for the Spratt alternative.

Like the base bill, the Spratt alternative will extend the enhanced death gratuity to those families who were previously left out after September 11.

Mr. Chairman, in summary, I view voting for the Democratic alternative being offered by Mr. SPRATT as crucial to supporting our national security, and I hope that each of our colleagues who supports defense will vote with me and for the Spratt Democratic alternative.

Mr. Chairman, I yield 2½ minutes to the gentleman from New Jersey (Mr. ANDREWS).

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

Mr. ANDREWS. Mr. Chairman, I thank my friend for yielding.

Mr. Chairman, there are many reasons that the Spratt substitute is a superior alternative to the base bill, but I think among the most important reasons is the basic credibility and honesty of the Spratt alternative when it comes to the foreign entanglement issues our country finds itself faced with today.

The base bill essentially assumes that the conflict in Iraq will wind down very precipitously and require almost no resources in the coming fiscal years. I hope that is true, but I think it is wildly imprudent and recklessly irresponsible to build a budget on that assumption.

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

Mr. ANDREWS. I yield to the gentleman from Iowa.

Mr. NUSSLE. Does the gentlemen know that the Spratt alternative does the exact same thing?

Mr. ANDREWS. Mr. Chairman, reclaiming my time, I also know that the Spratt alternative, by forgoing the reckless tax cuts of the majority's version, gives us the flexibility and resources to meet our true obligations in Iraq and Afghanistan.

Mr. NUSSLE. But is the money in there in this ''reckless'' plan the gentleman was suggesting?

Mr. ANDREWS. Reclaiming my time, the Spratt alternative, frankly, leaves room for the supplementals that would be necessary, because it does not opt for fiscally reckless tax cuts that have put the country in a position where it is borrowing $25 for every $100 that it spends.

It is true, as the chairman points out, that the Spratt alternative doesn't lay out the true costs of this adventure in Iraq. But it is also true that the supplementals that are inevitably coming, inevitably, that there are resources for those supplementals because of what Mr. SPRATT has done, and there are not resources beyond simply expanding the deficit because of what the majority has done.

Whether one agrees with the policy in Iraq or disagrees with the policy in Iraq, the reality is we have to pay for it. To put on the floor a budget that doesn't pay for it and then takes up resources that could be used in a supplemental and soaks them up for the majority's worship at the altar of tax cuts for the wealthy, I think is irresponsibility beyond compare.

There are a lot of debates one can have about the question of Iraq, but the debate we cannot have is whether we have to pay for what we are doing. The majority has put us in a position where we will only pay for it by borrowing money. Mr. SPRATT has put us in a position where we can follow a more rational path.

I urge adoption of the Spratt alternative.

Mr. NUSSLE. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, let me just say to start with, I cannot let that go. In this body we have had bipartisanship with regard to national defense for quite a long time, and I hope that continues. But the irresponsibility of the statement that was just made has got to be called on the carpet.

The Spratt alternative, everyone has a right to come to the floor with an alternative, and I have enormous respect for the gentleman from South Carolina. We are friends. We work together on budgets. He has the full right to come here. But don't come to the floor and tell us that we have an irresponsible plan, when your plan has the same numbers, number one; and, what is more, fills whatever gap you were just talking about with something called the ''tax gap,'' which is a $290 billion pipe dream that somehow you are going to collect money on past taxes from people who didn't pay them.

□ 1515

Good luck. I would like to see you try. But that is how you fill the hole, I would say to the gentleman from New Jersey. And what is more, and I will bet it is in your press release already, you claim balance by supporting the Spratt substitute.

There is only one way you can claim balance, only one way. Do you know what that is? The way you claim balance is if you spend no more money on Afghanistan, no more money on Iraq, no more money supporting troops in the field, no more money for body armor, no more money for any benefits to those troops that are serving us so well over there in the Gulf.

So for you to come to the floor, when we have bipartisanship on national defense 99.9 percent of the time around here, for you to come here and for you to suggest somehow that it is reckless for us to put that in our plan when you not only put it in the plan but then somehow claim balance, there is only one of two ways: You either have some secret plan to bring the troops home immediately, similar to evidently what was proposed by the gentleman from Pennsylvania here not that long ago, or you intend to have no money for those troops in Afghanistan and Iraq.

Now, my guess is that is not true, and my guess is I just went over the line. My guess is that is not what the gentleman intends, and my guess is that when the bill comes to the floor and when the very distinguished gentleman from Missouri, the Democrat ranking member and when the very distinguished gentleman from California, the chairman of the full Committee on National Defense and Armed Services comes to the floor, that that will not be the case whatsoever.

But for you to increase the rhetoric down here about some irresponsible defense plan is irresponsible.

I hope we can put that partisanship back in the bottle, because it ought to end at the shore when our men and women are fighting in harm's way, and I hope that the gentleman will check that rhetoric next time he comes to the floor, because we can have disagreements over a lot of things, but when the numbers are the same for the same reason because we have the same passion and concern about our men and women, please, I would ask the gentleman not to heighten the rhetoric so he can put out a press release.

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

Mr. SPRATT. Mr. Chairman, I yield 1 minute to the gentleman from New Jersey (Mr. ANDREWS) to respond.

Mr. ANDREWS. Mr. Chairman, perhaps instead of the rhetoric that the gentleman from Iowa ought to check is the rhetoric that refuses to ever consider scaling back the size of the sacred cow tax cut to meet the honest obligations that this government has to those men and women that he invoked just a minute ago.

The reality is there will be at least one supplemental on this floor; the reality is it is not accounted for in the underlying resolution; and the reality is that, as far as I can see from their past behavior, the majority would not even consider scaling back the size or scope of the tax cut in order to finance that supplemental.

Now, I would be thrilled to hear the chairman correct any of those three assumptions, but I assume that they are accurate. Or, Mr. Chairman, I would yield to you. Are any of my three assumptions inaccurate?

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

Mr. ANDREWS. I yield to the gentleman from Iowa.

Mr. NUSSLE. Yes, they are. In fact, we put into the budget an emergency reserve fund for the purpose of funding that war, the same way Mr. SPRATT does, the exact same amount.

Mr. ANDREWS. Reclaiming my time, is that amount sufficient to meet the supplemental need, do you think? Apparently not.

The Acting CHAIRMAN (Mr. GILLMOR). The time of the gentleman has expired.

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

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

Ms. WATERS. Mr. Chairman, I had intended to keep my remarks along the lines of the housing and community development concerns that I have as ranking member of the Subcommittee on Housing and Community Affairs, but I cannot sit here and witness what I just heard from the opposite side of the aisle without joining with my colleagues and certainly calling the Republican budget resolution irresponsible. And certainly we support the tax alternative, the Spratt alternative, the Democratic alternative, because not only do we have a more responsible alternative, we have said over and over again to the opposite side of the aisle, while the President of the United States has been spending like a drunken sailor, that you cannot, you cannot wage this war, you cannot spend the money that has been spent on the military and have the kind of deep tax cuts that he has imposed upon this Nation, over $2 trillion since 2001. And to add to that, the President of the United States promised us that we would get money from the pumping of the oil in Iraq, we would use that money to help rehabilitate, to rebuild Iraq. But instead they cannot account for $9 billion unaccounted for, and about $2 billion of that was stolen by Halliburton, and so to challenge us about responsibility is laughable.

As a matter of fact, when we take a look at this budget, aside from the disaster that has been caused by these tax cuts, we find that this budget is cutting the most vulnerable people in our society. When I look at the fact that persons with disabilities are going to be cut 50 percent in the housing budget, when I look at the fact that the elderly will be cut by 25 percent, then who are they to call us irresponsible?

Mr. Chairman, there is a housing crisis in the United States of America, and not simply because of Katrina and Rita. Those trailers down there under this administration are sitting, they remain empty, the public housing units have not been rehabilitated. We are confronted with a real catastrophe here.

Further, there is not a single metropolitan area where extremely low income families can be assured of finding a modest two-bedroom rental home that is affordable, and there are literally millions of people who are homeless.

I am also concerned about the $736 million in cuts this budget makes to Community Development Block Grant program. CDBG is an indispensable program to communities across the Nation for housing, neighborhood improvements, and public services. My own State of California will lose $119.7 million and Los Angeles County would lose $41.1 million in CDBG funding, especially if these cuts are enacted. And I want to tell you, little towns all over America depend on these.

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

First and foremost, we added $1.3 billion back into the budget for that very purpose on CDBG. So the gentlewoman is mistaken on that point.

Plus, I am glad the gentlewoman is at least one of the Members who have been willing to come here and be honest about her lack of support for the war and what that means for the budget priorities. If you do not support the war and you do not support the funding, it makes it clear why you would not put it in there and then claim balance.

We are not trying to pretend to anybody that there are not going to be expenses in the outyears. We just do not know what they are. And nobody on either side knows what they are going to be. The Pentagon does not even know what they are going to be. We hope that they are minimal, but we have at least put the funding in the budget to demonstrate that.

The difference is that in this alternative I think we are starting to see the glimmer of what the plan is really about, and that is a secret plan to bring the troops home, do it immediately, not fund in the outyears, claim balance, and as a result not support what we are doing.

That is fine if that is what you want to do. I am glad you are at least being honest about that and that is exactly what is being planned in this budget. By not putting the money in there, by claiming balance, it is clear that there will be no more money for the war in Afghanistan and the war on terror after this budget year.

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

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

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

Mr. PRICE of North Carolina. Mr. Chairman, in relation to Chairman NUSSLE's last offering, let me just repeat once again: the defense numbers in the two budget resolutions are equal.

In other respects, however, the Republican budget gives us the worst of two worlds. It takes us over the cliff fiscally, and yet it underfunds key domestic priorities.

You would like to think that if we are going into $400-plus billion worth of additional debt, at least we are getting adequate funding for our domestic needs. But we are getting neither fiscal responsibility nor an adequate addressing of our needs for investment.

The premise of the Republican budget as submitted by the President and as presented by our Republican friends seems to be that this country is going broke because we are doing too much cancer research. We are going broke because we have too many after school programs. We are going broke because we are opening up too much affordable housing. It simply is not true. To scapegoat these sorts of domestic expenditures is deceptive and reprehensible.

There are many reasons for the fiscal mess that we are in, starting with the President's tax cuts targeting the wealthiest Americans, defense and security spending above projected levels, a sluggish and sporadic economic recovery, and the expansion of health care entitlement costs. The one item not on the list is domestic discretionary spending, which is very close to projected levels. Yet that is the item that is being squeezed in this budget as though that were the culprit in our fiscal meltdown.

I am happy to say that our Democratic alternative balances the budget sooner and addresses these pressing domestic needs.

Mr. Chairman, our Federal budget, like our household budget, is a statement about our priorities, about what we most care about.

We ought to care about our obligation to future generations, to avoid placing a debt on them. We also have an obligation articulated in James' epistle in the scriptures. ''Suppose a brother or sister is without clothes and daily food. If one of you says to him, 'Go, I wish you well, keep warm and well fed,' but does nothing about his physical needs, what good is it?''

Mr. Chairman, we must take these dual obligations seriously: An obligation to be fiscally responsible, to avoid loading a burden on future generations, and at the same time to meet the needs of our communities, to open up opportunity, to be fair, to bring home the promise of American life.

Surely there is no better indication of what we really care about and what we aspire to for this country than the Federal budget that we enact each year. It is not just abstract numbers; it reveals what kinds of stewards we wish to be.

The Democratic alternative shows us the way past the President's ''worst-of-both-worlds'' budget, and I urge colleagues to give this alternative open-minded consideration and support.

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

Mr. Chairman, in this budget the function for natural resources and the environment is not as large as defense, or some of the other functions, but it is important for the future of our country. In the function it funds, the natural resources and the environment, our Republican colleagues again match their President dollar for dollar.

For 2007 the Republican budget provides $28 billion in discretionary funding for a range of programs. That is $2 billion less than this year's level, $3 billion less than current services. Here are some of the cuts: Corps of Engineers cut $596 million, Environmental Protection Agency cut $304 million, Clean Water State Revolving Fund cut by $199 million, Land and Water Conservation Fund cut $42 million down to $86 million, the National Parks Service cut $102 million, State and private forestry cut $35 million to $244 million.

Our resolution, the Democratic resolution, restores all of those cuts and brings the budget for natural resources and the environment back to current services.

Mr. Chairman, I yield 8 minutes to the gentleman from West Virginia (Mr. RAHALL) to discuss the consequences of the cuts that the Republican resolution would make.

Mr. RAHALL. Mr. Chairman, I thank the distinguished ranking member of the Budget Committee for yielding me time.

Mr. Chairman, I do rise in strong opposition to this budget resolution for all the reasons that have already been said today, that will continue to be said this evening, that will be said all day tomorrow and into tomorrow night until the majority can get the necessary votes on their side of the aisle to jam it down our throats.

□ 1530

I want to highlight the negative impacts of the President's budget, as endorsed by this resolution, on the environmental and natural resources.

The President's budget for fiscal year 2007 provides funding for environmental programs which is 6.7 percent below the enacted level in fiscal year 2006.

That amounts to nearly a 10 percent cut below the level necessary to maintain current services at the EPA, the Department of the Interior, and other resource management agencies.

And to add insult to injury, these cuts would come on top of the previous years of stagnant funding under this administration for these vital domestic programs.

I also serve on the Transportation Committee, and let me briefly highlight one of the impacts of this budget on the EPA. Across the Nation, there is

a vast array of unmet clean water and safe drinking water infrastructure needs here in America. Yet the President's budget for the Clean Water State Revolving Fund calls for a 22.4 percent cut from the 2006 enacted level. If enacted, that would represent nearly a 50 percent decrease since 2004.

Whether it is in my district in southern West Virginia or any other Member's district in this country, it is obvious that we need to do more to ensure clean water and improve public health. Yet this budget disregards those obligations to the American people and falsely says, in effect, Mission Accomplished.

The inadequacies of the President's budget are equally detrimental to the programs administered by the Department of the Interior and other agencies under the jurisdiction of the Committee on Resources.

The vast majority of Americans treasure our national parks, national forests, national wildlife refuges and public lands. Along with the oceans, Great Lakes and inland waterways, they not only provide habitat for fish and wildlife, but they are economic engines as well for adjacent cities and communities.

Yet this constricted budget not only neglects to improve and enhance this vast array of vital resources and national assets; it fails to even maintain the status quo. For example, the administration is so desperate for revenue gimmicks that it has resorted to proposing to sell off our national forests and public lands in order to fund rural schools.

Instead of selling public lands to special interests, what Congress should be doing is increasing funding for critical programs such as the popular Land and Water Conservation Fund.

The administration proposes to effectively dismantle the stateside grant program and provide only $91 million, the lowest amount in more than 30 years, for Federal land acquisition under the Land and Water Conservation Fund.

In effect, this would deprive State and local governments of badly needed funding for local parks and recreation and would further undercut efforts to acquire new lands to enhance our national parks, forests, and wildlife refuges.

Ironically, the Land and Water Conservation Fund has an unspent surplus on the books in the Treasury of over $14 billion, and the authorized annual spending limit is $900 million.

The purpose of the fund is to dedicate a small fraction of the enormous revenues generated by drilling offshore on the Outer Continental Shelf to the conservation of our resources. Yet this flawed budget, to put it politely, breaks that promise to the American people and disregards the conservation needs of this Nation.

Mr. Chairman, in the budget reconciliation legislation last year, the Republican majority on the Committee on Resources proposed to expand drilling in Federal waters offshore coastal States. That proposal, along with other controversial measures to open up ANWR and sell off public lands to mining companies, were all stripped from the legislation prior to enactment. Fortunately, perhaps in light of that experience, the Budget Committee has not included any instructions to Resources in this resolution.

But there are legislative proposals pending before the Resources Committee that would seek to undercut the offshore oil and gas drilling moratoria restrictions and expand drilling off the coast of Florida and elsewhere. In fact, these proposals would seek to offer incentives to approve States to approve drilling based on sharing of revenues which would otherwise accrue to the Federal Treasury and to the Land and Water Conservation Fund.

But before Congress proceeds to consider opening wide swaths of protected coastal waters to the oil and gas industry, we should carefully evaluate the budgetary aspects of the current drilling in the Gulf of Mexico and elsewhere.

The failure to adequately appropriate the current Land and Water Conservation Fund surplus is one problem with the current system, but the broader problem is a failure to collect the Treasury's fair share of the value of the oil and gas produced on public lands and offshore.

At a time of high prices and record oil and gas company profit, it is an outrage, let me repeat, simply an outrage that companies are avoiding paying the 12 to 16 percent royalty on oil and gas that they extract from public lands and waters. In part, the underpayments are an administrative problem as the agencies have failed to aggressively audit the industry; but Congress also shares the blame for enacting unwarranted royalty relief, first in 1995 and again in 2005, in the Energy Policy Act.

Of all the industries seeking relief from their obligations to pay for the privilege of profiting from the extraction of publicly owned resources, I can think of none less deserving than the oil and gas industry in the current high price and record profit environment in which they thrive. Yet it is this politically powerful industry that the Congress has favored time and again with unwarranted subsidies.

According to an investigation by the New York Times and a recent GAO draft report, the costs of royalty relief to the Treasury are staggering. Over the next 5 years, the cost to the Federal Government will be at least $7 billion in lost revenues and more than $28 billion if the industry is successful in a pending legal challenge.

And GAO estimates that the losses to the Treasury could range over the next 25 years from at least $20 billion to as much as $80 billion, depending on the outcome of industry litigation.

Mr. Chairman, if the Republican majority were serious about the deficit, it would put a halt to the royalty relief outrage, but this budget resolution is the worst of both worlds. It does nothing to improve the collection of revenues from the extraction of resources on public lands and at the same time it puts a fiscal squeeze on funding vital environmental programs that cannot effectively function if cut further.

Mr. Chairman, I yield 1 minute to the gentleman from Washington (Mr. BAIRD), a valued member of our Resources Committee.

Mr. BAIRD. I thank the gentleman.

I just briefly want to put something that average Americans can see firsthand in this budget. Like me, most Americans love our national parks, but this budget would cut $102 million from the national parks budget.

Parks are not only a cherished national treasure; they are a source of great local economies for communities surrounding and inside the parks, supporting more than 248,000 jobs and providing annual revenues of nearly $12 billion.

But the Park Service's annual backlog of operating deficit is $600 million, and the maintenance backlog is now over $6 billion, and the cuts will only make that worse.

When Americans travel to their parks and are unable to find rangers to take their kids on nature walks, when trails are unpaved, when roads are in disrepair, it is the budget and appropriation processes like this that make that happen.

I urge my colleagues to defeat this budget and fully fund our national parks and to eliminate over time backlogs in maintenance that we have there now.

Mr. RAHALL. Mr. Chairman, I appreciate the gentleman from Washington's comments, a very important member of the Budget Committee, although we wish you were on the Resources Committee.

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

Mr. GARRETT of New Jersey. Mr. Chairman, I thank the chairman of the Budget Committee, and I come to the floor today to speak to a very important issue, and that is the issue of port security.

I have been listening to the debate, and much of the debate is on the positive impacts that this budget will have on the economy and on the family budget, which is where the focus should always be in our lives here and not so much on the Federal budget. The positive impact that this budget will mean is it will have more money in the family budget, more money that the families have to decide where they want to spend it, as opposed to where Washington wants to spend it.

But let me suggest, as secure as a family can be in their economic situation, that truly is of no moment if they are not secure at home and in their business from a physical point of view,

if we do not have strong homeland security in all that we do, if economic security does not rise to that merit of importance. That is why I support what we have done in this House and in this Chamber and in this conference and in this budget with regard to homeland security and with regard to border security as well.

When it comes to the overall perspective of homeland security, look at what we are doing in this budget. While other aspects maybe have been frozen, as far as spending on homeland security, we are seeing a 3.8 percent increase in spending; and that is as it should be because we are setting the priority in the right manner.

Now, I do represent the Fifth Congressional District of the State of New Jersey, the nice part of New Jersey, the very top of it, from river to river, from the Hudson River to the Delaware River. My district is one that lives in the shadows of the Twin Towers and 9/11. Mine is a district that overlooks the Hudson River. Mine is a district that overlooks that river with two significant ports, Port of Newark and Port of Elizabeth.

So anything that occurs with regard to homeland security is of paramount interest to my security. Anything that occurs with regard to our ports obviously is of paramount interest in my district as well, whether it is the fact that the people in my district work at those ports or that the containers come through our district. What happens there is important.

What happens overall to our security is important in my district. What happens overall to security of our borders is important, but the ports are the gateway into this country; and for that reason, we have to do everything we can to make sure they are secure. This budget does do that.

As I say, a 3.8 percent increase in homeland security, plus specifically on ports, we are seeing the Container Port Security program, that is the CPS program, has grown from $61 million in fiscal year 2004 to $137 million in fiscal year 2006.

What does that mean? That means an average annual increase of 49.9 percent, almost a 50 percent annual increase, in port security, appropriately setting where the priorities should be.

Really, Mr. Chairman, that comes down to what we are talking about here. What this budget does do is set priorities. It sets priorities in what is important, economic security, homeland security; and I congratulate the chairman for setting the appropriate points.

Mr. NUSSLE. Mr. Chairman, I yield 4 minutes to the gentleman from North Carolina (Mr. MCHENRY), a very distinguished member of the committee.

Mr. MCHENRY. Mr. Chairman, I thank the chairman.

I want to commend the Budget Committee Chairman, JIM NUSSLE, on his hard work in crafting a strong document that puts our priorities in line and in order for the coming fiscal year and lays us on course to reduce the deficit by cutting it in half over the course of 5 years.

Mr. Chairman, I quote the ranking Democrat on the House Budget Committee: A budget is a statement of moral choices, and this budget makes the wrong choices, cutting education, Medicare, and Medicaid and barely funding the bold initiatives that the President set out in his State of the Union address. Its greatest moral flaw is it that it leaves our children a legacy of debt and even heavier burden to bear as the baby boomers begin to retire.

It is wonderful rhetoric, high and mighty rhetoric, indeed befitting of maybe this day and this budget debate that we have, but I think it is disingenuous in terms of what we try to do here on the Republican budget that we are trying to pass, that we have crafted in our committee.

I want to tell you about what we are doing in terms of discretionary, nonsecurity spending. As we well know, we are fighting the war on terror. We are trying to fund our homeland security and our defense. It is the necessary and proper thing for a great Nation to do to defend itself. But what do we do in nonsecurity spending? We hold it to a near freeze. That is not a cut. It is a near freeze. That is about zero growth in nonsecurity discretionary spending. I think that is a good thing, especially when we have priorities that we have to meet in terms of defending ourselves from enemies around the world. It is better than the previous year's 1.3 percent growth in this area, and it is better than the 5-year previous average of about 6.3 percent growth.

So that helps us reduce the deficit and come closer to balance, which is what we should be all about.

The Democrats, through the rhetoric that I mentioned outlining the gentleman from South Carolina's quotes, talk about moral choices. Well, they have moral choices outlined and what they are going to submit for their Democrat budget. And what do we have there? Well, certainly it is the old liberal trick, a tax and spend and spend and tax. That is a moral choice. They want to take more from every American's pocketbook and spend it here in Washington, D.C., in the name of government. I think that is wrong, but let us see what they do.

Total outlays over the next 5 years, $139 billion. More in spending with the Democrat alternative. But look at this, what do they do? How do they spend that money? There are zero increases for defense, veterans benefits or for science, which they actually cut.

And I will tell you something, let us look at their moral choices. They do not want to fund research, but they talk about it. They scream about it on the House floor, the Republicans are cutting needed health care services and research. That is wrong and that is wrong rhetoric. It is not even correct in terms of the facts on it.

What are they doing for defense? They are not spending more than Republicans. They are not spending it wisely either.

Beyond that, you have certain Members that come out here and scream that we are not doing enough for veterans benefits. Let us look at what we have done. We have doubled veterans benefit over the last 10 years. That is a good thing, and this is a necessary thing for a great Nation to do. What does their budget alternative do? Nothing for veterans.

□ 1545

Mr. SPRATT. The gentleman is absolutely wrong. I have sat here and listened to his misconstruction of my budget for as long as I am going to take it. He is absolutely, dead-set wrong. He doesn't know what he is talking about.

Mr. MCHENRY. You can use some of your time, Mr. SPRATT.

The Acting CHAIRMAN (Mr. GILLMOR). The gentleman from North Carolina controls the time.

Mr. MCHENRY. Like I said, Mr. Chairman, you can't teach an old liberal new tricks. It is all about tax and spend.

The CHAIRMAN. The gentleman's time has expired.

Mr. SPRATT. I am not even going to deign to respond to that. You got my responses so wrong, I don't know where to start. We provide exactly the same amount of money for defense. We just had that debate out here. You weren't on the floor. But I am turning to other topics worthy of debate.

Mr. Chairman, I now yield 3½ minutes to the gentleman from New Jersey (Mr. PASCRELL).

Mr. PASCRELL. I hope the gentleman from North Carolina stays on the floor.

You know, I am dismayed because this is the first time in a long time that this branch has upped the President's ante. This budget, the scheme that you defend, might be the only budget proposal in the world which actually manages to be worse than the President's original budget. I want to congratulate you. And that is exactly why the American people have no confidence in your ability to govern any longer.

This 5-year budget scheme will only exacerbate the current regressive tax policies which tax income at a higher rate than assets. You talk about productivity in the last 5 years? Yes, productivity has increased by 8 percent, and wages are flat, flat, flat. Income from work from average Americans can easily be taxed at twice the marginal rate as the income from wealth from millionaires.

You sit there and you stand there and you defend those millionaire tax cuts. Donald Trump is taxed less on all of his investments than Barry the accountant is taxed on his middle income wages.

I am a member of Homeland Security, Mr. Chairman, and let me tell you

something, I just heard this budget defended in terms of port security when we know that CBO says that all three major programs are underfunded and the goods that are coming into this country are not screened or examined properly. We had a meeting on it yesterday in case you missed the news.

The reckless tax policies of this budget will only continue to balloon our national debt, which currently stands at over $8 trillion. And they stand and defend this, these austere conservatives. This budget scheme will add an additional $2.3 trillion in debt over 5 years. And by the way, there is no scientific evidence, none whatsoever, that documents any essential relationship between the tax cuts you have defended to those making over $200,000 and the improvement in the economy. Nada, nothing, zero. And yet you keep on referring to this great economy. Why don't the American people feel this great economy? Why do just you feel this great economy?

In total, extending the President's tax cuts for the wealthy will cost $196 billion over only 5 years and $2.5 trillion over 10 years, the end result of which is fiscal madness; that a millionaire gets a tax cut of over $150,000 a year while middle income taxpayers only get a few hundred dollars.

We support those tax cuts to the middle income and to those who are the working poor. We support increasing the strength of the EITC, the Earned Income Tax Credit, which your President Ronald Reagan put together and this President has tried to zero out. You don't want to help people working.

You don't want people to work. You want to harp about public assistance. We want to keep people at work. The Earned Income Tax Credit has not increased, and you should be ashamed of yourselves what you have done to the middle class and what you have done to the poor and burdened their children for generations to come.

I thank the chairman for his courtesy.

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

I am sure I misunderstood what the gentleman just said. You mean to tell me he supports tax cuts? My goodness. He supports cutting taxes for people? I can't believe my ears. At a time of deficits? At a time of national debt? At a time where we are not meeting our obligations the gentleman is supporting cutting taxes?

My goodness. There is not a scientific scintilla of evidence that cutting taxes is right, he says, but yet he supports cutting taxes? My, my goodness. Why would the gentleman be supporting cutting taxes for people at this desperate time in American history? There must be a reason.

Mr. PASCRELL. Will the gentleman yield?

The Acting CHAIRMAN. The gentleman from Iowa controls the time.

Mr. PASCRELL. Can I respond, Mr. Chairman, since he is referring to me?

Mr. NUSSLE. I believe I have the time, Mr. Chairman.

The CHAIRMAN. The time belongs to the gentleman from Iowa.

Mr. NUSSLE. I just am shocked. There is no scientific evidence, Mr. Chairman, but we are understanding that the gentleman, and that there might even be in the Democratic substitute tax cuts? Why would we do such a thing when there is no science, when we have desperate times, when we have deficits? Why would we do that?

Mr. PASCRELL. Will the gentleman yield?

The CHAIRMAN. The gentleman's time has expired.

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

I hope my colleagues understood what I was trying to point out, and that is it seems very convenient for Members to come to the floor and decry the irresponsibility of tax cuts and yet propose them themselves. Isn't that interesting? Oh, but they are targeted, the gentleman will say. They are targeted. They are targeted for the exact right one person they want to target it for.

Our tax cuts reduce taxes for every taxpayer in America. We didn't pick and choose the winners. We didn't decide who was appropriate and who wasn't appropriate. Every taxpayer in America, every taxpayer in America got tax relief under this plan, and it is working because, as the gentleman fails to understand, last year alone there was a 15 percent increase in revenue.

Because there is scientific data to show that when you allow people to spend their own money, as opposed to having to come crawling to you to have a little bit of it back for the dignity that they seek from a big government; when they make those decisions for themselves, they make better decisions, and the economy grows and it expands.

We have had 18 quarters of economic growth and expansion with 5 million new jobs created. There is your proof, and that is the reason why the gentleman comes down now and says, yeah, I am kind of for those tax cuts; kind of like them now. I don't want them for everybody, I will pick and choose who I want. I have decided who the winners and losers in America are going to be because I can make that decision. I am smart enough to do that.

Well, on this side of the aisle, we believe everybody in America is a winner. Every taxpayer deserves that kind of respect, and that is the reason why we reduce taxes for every American. Every American is a winner in our vision of America.

Mr. Chairman, I yield 3 minutes to the gentlewoman from Michigan (Mrs. MILLER).

Mrs. MILLER of Michigan. Mr. Chairman, I certainly want to thank the gentleman for yielding. I wish to associate myself with his comments and his remarks. I certainly want to commend him for his remarkable leadership on the budget.

Mr. Chairman, what an interesting debate that we have witnessed today, really a fascinating exchange here on the floor today. And let me say that the Budget Committee has certainly performed its very difficult duty I think extraordinarily well. Is the budget we are going to vote on absolutely perfect? Probably not. But is it a step in the right direction, a huge step in the right direction? Absolutely, yes.

I find the Democrats' rhetoric today really difficult to understand. Been following the debate today. I do find it very difficult to understand. First of all, they don't support the budget because the deficit is too large. But yet they also don't support the budget because we don't spend enough. So which is it? Not sure you can have it both ways.

And what would their answer be? Well, bigger government, that is for sure. That would be part of their answer. And dramatically higher taxes. That is for certain as well. And do you think that families who are struggling to pay for education or child care or home heating bills or gasoline can afford a tax hike? Do you think that seniors who are living on a fixed income can afford a tax increase?

Well now, they say they only want to raise taxes only on the rich. We have just heard that rhetoric. But if past experience means anything at all, the Democrats' idea of rich is anybody who gets a paycheck. Absolutely anybody who gets a paycheck is rich, in their views. Or anyone who is getting a Social Security check. Because we can all remember that the last time the Democrats had control of this House they actually raised taxes on seniors' Social Security. Yes, that is right. If you are getting a Social Security check, the Democrats think that you are rich and they want to raise your taxes.

Well, Mr. Chairman, we absolutely have to get spending under control, and this budget is a start but we do need to do more. The American people are demanding it. We have to keep taxes low because hard-working families simply cannot afford a tax increase. And I would urge my colleagues to support the budget resolution and to reject the tax and spend alternative of the Democrats.

Mr. SPRATT. Mr. Chairman, I yield 1½ minutes to the gentleman from Virginia (Mr. MORAN).

Mr. MORAN of Virginia. Mr. Chairman, it is appropriate on this floor that we all be entitled to our own opinions, but it is not right that we should all be entitled to our own set of facts. The facts are that if this budget passes it will be 5 straight years of the largest deficits in American history.

Do you know in the last 5 years we have raised the Federal debt limit four times? It is now over $9 trillion. What does that mean to the average American? It means that every American owes $28,110 of that debt. That means

that every child born in America today starts off their life owing $28,110. That is a fact, but it is not fair.

And it is not fair that we continue to cut revenue that this country needs to invest in its physical and its human infrastructure. This budget includes another $228 billion of tax cuts that go overwhelmingly to the people who need it the least. And yet, we have got 13 million children in America living in poverty today; we have got over 43 million Americans without any health insurance. And yet look at the priorities in this budget: You reward those who need help the least and ignore those who need help the most. That is not fair. That is not American. That is why this budget shouldn't pass.

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

Mr. BRADLEY of New Hampshire. Mr. Chairman, let me start out by thanking the chairman for the leadership he has exhibited for so long on this budget, and certainly wish you well in your future endeavors.

I would like to return the discussion to the veterans discretionary portion of the budget and thank both Mr. NUSSLE and Mr. SPRATT for their bipartisan support of my amendment which increased the overall budget authority by $800 million in this year's budget so that we could make sure to send an extremely strong message that as a committee, on a bipartisan basis, we do not support the proposed drug copayment fee increase or the proposed enrollment fees.

To go back to some of the numbers over the years, because they are very illustrative of the significant increases that veterans health care has experienced over the years, last year's appropriated dollar level was $33.6 billion. This year, under the budget authority that Chairman NUSSLE established with my amendment, we move that up to $36.9 billion, which, by my calculation, is a 9.8 percent increase in 1 year's spending alone. This is a significant increase.

Well, beyond just the veterans health care portion of the budget, let us talk about some of the other things that have happened over the last several years. In the veterans health care portion of the budget, this year we recognized that our troops are coming home from Iraq, many of whom have post-traumatic stress disorders, and so 10 percent of the budget authority and the spending that the VA does on health care is related to this very significant issue that is affecting so many of our Nation's veterans.

The health care facilities, which we have all visited as Members of Congress, are among the best in our country, and that is because over the last several years we have almost doubled the amount of discretionary money that is going into the veterans health care system.

□ 1600

Not only have we nearly doubled the amount of money, but we have doubled the number of veterans that are being treated by the VA center from roughly 2.5 million a decade ago to 5 million today. That is increased by 1 million veterans in the last 4 years alone. And this year, as I noted, we are moving from $33.6 billion to $36.9 billion, an increase of almost 10 percent and we do so without increasing the drug copayment fee or the enrollment fee.

But beyond just the discretionary portion of the Veterans Administration budget, we have done an awful lot of other things over the last several years that are indeed noteworthy. We have more than doubled the GI education benefit that veterans are entitled to since 1995.

We recently increased the death benefit to $100,000 and increased the SGLI benefit to $400,000. Since 2001, the VA Home Loan Guarantee Program has increased by 67 percent. We have dramatically expanded the number of national cemeteries and their capacity.

We have increased back to the appropriate level of 55 percent benefits for surviving spouses. It had been 35 percent, and over the next 5 years and actually phased in by April 2008 it will go back to the promised level of 55 percent.

Lastly, the whole issue of concurrent receipts, that being when a military officer, somebody who has served our country for 20 years, has a disability as a result of their military service, they were the only Federal employees unable to collect both their disability which they received as a result of that military service and their retirement pay which they have earned. We have over the next 10 years, will phase in that benefit for those who have a disability of 55 percent or greater. This is indeed an extraordinary record.

Mr. SPRATT. Mr. Chairman, I yield 2 minutes to the gentleman from Alabama (Mr. DAVIS).

Mr. DAVIS of Alabama. Mr. Chairman, this has been one of those periodic weeks where a lot of people in the country turn on the television and they look at this institution and they wonder if we live in another world.

They see us, or at least one of us, going down the hallway giving high-fives the day after announcing the end of a career in disgrace, they hear us obsessing on all kinds of things that do not matter to the American people, and then they hear this budget debate. And they hear the gentleman from Iowa (Chairman NUSSLE), for whom I have a great deal of respect, announce that under his budget everyone in America is a winner.

They must wonder if we live in the same world because I wonder if the 13.5 million American families on Medicaid who have to pay more money under last year's budget, and more money under this year's budget to go to the doctor, really think they are winners.

I wonder if the veterans who have served our country who are looking at cuts in years 2 through 5 under Mr. NUSSLE's budget think they are winners.

I wonder if the Guard and Reservists who still will not get a fully funded TRICARE program think they are winners.

I wonder if the 45 million uninsured that Mr. MORAN talked about think they are winners.

I wonder if the 13.5 million children living in poverty think they are winners.

The reality is under this budget proposed by the chairman's mark, some people win under this budget: people who have already been winning and who have been winning for a very long time. People who need a little bit of generosity and have counted on a little bit of help from this city are not winners at all.

I remember the first year I stood in this Chamber as a relatively new Member when the President of the United States stood in the well and gave his State of the Union. The one thing I remember this President saying is this President and this Congress will not leave for other generations and for other Congresses, I wonder as the President stood here it occurred to him that all these problems that plague this country involving the old, the sick, the poor and the young, did he mean for us to leave those problems for another Congress and another generation, because the budget of Mr. NUSSLE does that. It leaves all of these problems unaddressed by the richest country in the world, and I think it makes this budget so fundamentally wrong.

Mr. NUSSLE. Mr. Chairman, I yield myself 2 minutes just to compliment the gentleman on his turn of phrase. There isn't anybody in the body who does it better, and I have enormous respect for him as well.

But let me suggest that it is an attitude about who are winners. I certainly understand as the gentleman knows very profoundly that there are people who struggle in America. No question.

But if you have an attitude about them being successful, about them being able to be successful and being able to be winners without crawling to you, without crawling to me, without having to crawl to anyone or be dependent on any government or any government check, that is a different attitude than the one I hear so often from colleagues who come here saying that the only way they will ever survive is if government is there, and that is not how our country was founded, as the gentleman knows better than anyone. That is exactly why we believe everyone in this country is a winner.

Let me also suggest to the gentlemen that when the President spoke from that well saying he would not pass off to a new generation the challenges of this generation, that speech was given approximately 8 months before September 11, 2001. In those 8 months before and in the 5 years since, we have learned a lot, haven't we.

I would suggest that we are working hard together, often in a bipartisan way, to ensure that we do not leave terrorism to the next generation, to ensure that we do not leave Katrinas to the next generation, and to ensure that we leave prosperity in our economy to future generations.

Certainly there are short-term challenges and there are short-term deficits that we need to deal with. But to suggest that the President somehow woke up today with the same challenges he woke up with the day he made that speech is either trying to not be honest about history or forgetting it, or trying to suggest that it did not happen, and I don't believe the gentleman would suggest that one way or another.

Mr. Chairman, I yield 3 minutes to the gentlewoman from Tennessee (Mrs. BLACKBURN), who is not a member of the committee.

Mrs. BLACKBURN. Mr. Chairman, I just love this debate. I love this day of the year when we come to the floor and we talk about our budget and we go before the American people to talk about the priorities that we have, what we see as being important to this Nation, where we place our hopes and where we place our dreams and where we think about opportunity.

Another great thing about this day is that this is the day when big spenders don't have anywhere to hide.

You know, as my colleague from Michigan said, they cannot have it both ways. We have now watched liberal Members come down here, and this budget is too fiscally conservative. They say we are not spending enough. We have to spend more. And then they say you are spending too much.

If you were a parent, you would go pull out a copy of ''Goldilocks and the 3 Bears'' and start reading, because nothing is ever going to suit them.

I know people back home are looking at this debate, and they are probably scratching their heads because the Democrats say it is too conservative, it does not spend enough. So let's cut through the rhetoric and look at what we have got. What they want, what it really means is that they want to pretend to support spending reductions while they turn around and they call for more spending. For big spending.

Their stance really doesn't make any sense; but what it does do is prevent them from having to take a stand for spending restraint. Did they choose to vote with us for the Deficit Reduction Act? No, they did not. They chose not to vote for reducing the deficit.

This budget will continue to hold the line on spending. It will continue to find savings in mandatory spending. We all know this government spends too much. That is why we have a huge, enormous bureaucracy in this town that the other side has built as a monument to themselves. After 40 years of control, 40 years of growing a big old budget, 40 years of trying to continue to fund it, and they are still making the same tired, worn-out arguments. They cannot have it both ways. We are either for reducing spending and getting this under control, or we are for growing it.

We can make some reductions in spending. We can freeze some things, hold the line, and that is what we are doing. As I said, they chose not to support the Deficit Reduction Act. They chose not to support across-the-board cuts. And because of that, they have chosen not to be leaders in this issue. So they ought to decide whether they are for more spending or less spending before they come down here to the floor and certainly before they go home.

Mr. SPRATT. Mr. Chairman, I would simply inform the lady that we voted for the full budget act that put the budget in balance in 1998 for the first time in 30 years and then again in the year 2000, put it in surplus by $236 billion.

Mr. Chairman, I yield 2½ minutes to the gentleman from South Carolina (Mr. CLYBURN), chairman of the Democratic Caucus.

Mr. CLYBURN. Mr. Chairman, I thank the gentleman for yielding me this time, and let me begin by yielding to the gentleman from Alabama.

Mr. DAVIS of Alabama. Mr. Chairman, I thank my friend from South Carolina, and I would say to Mr. NUSSLE, you could have had 35 or 40 of us on this side of the aisle if you had done one thing, if you had combined some of these cuts with some retreat on these tax cuts, not getting rid of them all together, not getting rid of them in their whole, but simply pulling some of them back for the wealthiest Americans. You could have had 35 or 40 of us. You left it on the table, and it is one of the last things you could have done in your chairmanship.

Mr. CLYBURN. Mr. Chairman, I thank Mr. SPRATT for the tremendous work he has done on this budget.

Franklin Delano Roosevelt in his second inaugural address said: ''The test of our progress is not whether we add more to the abundance of those who have much, it is whether we provide enough for those who have too little.''

This is a significant test of our Nation's values, and it is a test that the Republican budget fails. Let us just skip the rhetoric and read the bill. The Republican budget increases the budget deficit, and it explodes our debt. It cuts port security and funds for first responders. It cuts education, cuts health care, and cuts veterans programs. In fact, this budget puts a squeeze on working Americans, and all in exchange for more tax cuts for the wealthiest few.

Democrats offer a clear alternative and new directions. Our budget that Mr. SPRATT is putting forward will balance the national budget by the year 2012. It rejects the harmful cuts that Republicans have put forward, and it creates a $150 billion reserve for middle-class tax cuts.

Democrats believe that a stronger America begins at home. It starts with budget priorities that secure families and our borders, strengthens our Nation, and gives hope to those who inherit the products of our labors.

Mr. NUSSLE. Mr. Chairman, I yield 2 minutes to the gentleman from Texas (Mr. BURGESS).

Mr. BURGESS. Mr. Chairman, thank you for allowing me to be part of this historic debate.

I want to thank you, Mr. NUSSLE, and commend you for including the ''sense of Congress'' in the bill that revenues collected through closing the ''tax gap'' should be applied to the deficit and for debt reduction.

The tax gap is the difference between the total amount of Federal taxes owed versus the total amount of Federal taxes actually collected. The tax gap is caused by unlawful tax evasion when individuals and businesses fail to report income or fail to file a tax return or report information which is false.

In 1988, the IRS estimated that this figure was $105 billion. A recent estimate puts the gross tax gap at approximately $300 billion. The budget before us today assumes a fiscal year 2007 deficit of $348 billion. Mr. Chairman, the answer to balancing our budget is eliminating this tax gap and not increasing the taxes on hardworking Americans.

Does the Federal Government spend too much? In many ways we do. Do we always get value for our dollar? Sadly, no, we don't always.

But again, I thank Chairman NUSSLE for putting together a budget that holds the line on discretionary spending growth. But instead of increasing taxes on hardworking Americans or adding new taxes to hardworking Americans, we should concentrate on collecting taxes already owed under the current tax system.

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Mr. Chairman, one final note. The mere tripling of the tax gap between 1988 and today shows that the Tax Code has become much too complex and susceptible to tax evasion. This shows a need for simplifying the Tax Code and for fundamental tax reforms.

Mr. SPRATT. Mr. Chairman, I yield 1½ minutes to the distinguished gentleman from Georgia (Mr. LEWIS).

Mr. LEWIS of Georgia. Mr. Chairman, he who oppresses the poor shows contempt for their Maker, but whoever is kind to the needy honors God. Words from Proverbs.

Mr. Chairman, the Republican budget is unfair to the neediest and most vulnerable Americans. In addition to being unfair, the Republican budget is also immoral. Through its cuts to CDC, NIH and veterans health care programs, this budget ignores the health care crisis that our Nation faces today.

Mr. Chairman, the Republican budget is not only unfair and immoral, it is also unreasonable. Pell grants and public school programs get no new funding.

Assisting our neediest and most vulnerable Americans is not a choice, it is

a moral obligation. By reducing funding for public housing and food stamps, the Republican budgets falls short of this moral obligation.

The Republican budget is unfair, immoral and unreasonable. Both the Democratic and the CBC alternative budgets provide a better way, a more excellent way to help all of our people. I urge all of my colleagues to vote ''yes'' on the Democratic and CBC alternatives, to vote ''no'' on the Republican budget resolution.

Mr. NUSSLE. Mr. Chairman, I yield 3 minutes to the gentleman from Alabama (Mr. BONNER), a member of the committee.

Mr. BONNER. Mr. Chairman, since I was over here a few minutes ago speaking about what this budget does to protect our homeland security, Mr. Chairman, I went back to my office and turned on the TV and listened to some of the comments, and so I came back over to thank you, thank you for having the patience of Job and the wisdom of Solomon, because you would have to have both to know the difference between some of the allegations and distortions that have come out from our friends on the other side. And they are our friends. They love this country like we do. They just see things in a slightly different way in their view of America versus the facts and reality that this budget is helping to set the record straight.

One program in particular, Mr. Chairman, I also want to thank you for listening, is the Community Development Block Grants. Several weeks ago the mayors of America, the county commissioners and other community leaders came to this body and said, this is a program that works. It allows the Federal tax dollar to go to communities and put the money where it works for the people that live in these communities, that pay those taxes that allow us the privilege of working up here.

And so whereas there had been a proposal to make cuts last year and this year in the budget, your budget, our budget, the budget we passed last year and the budget hopefully we will pass this week not only takes those cuts and puts them aside, but restores additional funding. Last year it was $1.1 billion more, and this year under your mark, Mr. Chairman, it is $1.3 billion more to a program that we know has great merit in the cities and counties throughout this country.

So really I just came back over, Mr. Chairman, to say thank you. Thanks for listening to us as you have. This will be your last year to chair this process. But the legacy you leave behind is one that makes all of us who have worked with you proud, and I know it especially makes the people of Iowa very proud of the work you have done. Thank you very much.

Mr. SPRATT. Mr. Chairman, I yield 1 minute to the distinguished lady 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, the last time the American people had chicken feathers it was President Hoover who promised a chicken in every pot, and his economic policies collapsed.

Today I tell you that the resolution and budget that is offered by the outgoing chairman and the Republican Party is collapsing on the American people. Republicans increased the debt limit by $3 trillion, families without hope, women and children without hope, and a tax cut that breaks the backs of all Americans.

What this budget does, it cuts affordable housing, it cuts higher education, Medicare, and for the veterans who are coming home injured from the war in Iraq there is no light at the end of the tunnel. There is no door open for them.

And so I ask my colleagues to support the Democratic substitute and the CBC alternative budget because you know, in fact, we are not worried about an America who is willing to help those who are in need. We believe that is a good America. I am sorry to say that Republicans believe that those Americans are un-American.

A $3 trillion debt. You know that this budget is a bunch of chicken feathers.

Mr. Chairman, I rise today to join many other colleagues of mine in expressing disappointment in this budget resolution.

What we have under consideration today is a budget that forgets the American people in the name of supposedly American ''values.'' How can we say to our children, to our elderly mothers and fathers, to our neighbors, to those who reach out to us as Members of Congress to secure and protect their rights under the constitution—how can we say to them that we are engrossing a budget that cuts their healthcare, their education, their livelihoods, and resources to their communities? What do I tell my constituents when they call to say that their safety net has shrunk?

I fiercely believe that Congress must speak on behalf of those who most desperately need a voice. I speak today not only as a Member of Congress, but as an American woman on my own behalf. This budget ignores many of my concerns, and the concerns of American women.

There are 20 million women in this country who struggle to make a living, who struggle to find adequate health care, who struggle to raise their children into upstanding citizens, who struggle to either attain education for themselves or educate their children.

Our country is a great nation among nations, and although we must be more informed, measured, and wise in how we pursue our foreign policy, we are also committed to bringing stability to many regions and countries around the world. However, we should not pursue our foreign policy ambitions at the expense of our families and communities. One does not substitute the other.

ECONOMY AND WELFARE

Nearly 70 percent of adult food stamp recipients are women, and the budget we are now considering would leave 300,000 women vulnerable to a loss of their food stamps. Food stamps are not handouts—food stamps are economic exchange for staples such as bread, and milk, and eggs. What message are we sending when we cut the assistance our most needy population receives to purchase food?

The Commodity Supplemental Food Program, which provides nutritious food packages to low-income seniors and pregnant women, infants and children, has been identified as one of many programs to be completely eliminated.

The President's budget cuts $6.3 billion in Social Security benefits over 10 years by eliminating the survivor benefits safety net for women and children. This benefit can make the difference between subsistence and destitution, and it is heartbreaking that Congress could even consider pocketing funds rightly earned and needed by our constituents and their families.

The budget also completely eliminates the Women's Educational Equity Act, which has funded hundreds of programs to expose girls to careers from which they have traditionally been excluded. The Women's Educational Equity Act was introduced in Congress by Representative Patsy T. Mink in 1973 as a complement to the proposed equal rights amendment, ERA, and to title IX. This program, which only received $3 million this year, provides educational materials to help schools comply with title IX, research and information to help schools promote equality between boys and girls, and technical assistance.

HEALTHCARE

Unfortunately, Medicare will also suffer under this budget, getting slashed by $36 billion over 5 years and $105 billion over 10 years. It is a fact that over 56 percent of Medicare recipients are female, and many of these women have very limited means of income to support themselves. Medicare is supposed to be the crutch for the elderly, even though we do not yet have a plan to address their primary concerns: chronic illness and long-term care. And yet this budget continues the misguided policy of dissolving this crucial program.

We are also looking at a proposal that consists of gross Medicaid cuts, including both legislative and regulatory cuts, of $17 billion over 5 years and $42 billion over 10 years. On top of the deep Medicaid cuts that Congress enacted in 2005, Republicans are willing to stifle State programs that help children get healthcare. It sounds heartless, and I have not heard a convincing argument to the contrary.

The administration's budget would increase funding for abstinence education programs by $89.5 million for a total of $204 million in fiscal year 2007. I agree that the most effective way to prevent the transfer of STDs and the occurrence of pregnancy is abstinence. However, time and again, it is proven that abstinence education is not effective, and that the emphasis needs to be on birth control and safe sexual practices. Just this week, the GAO criticized the Bush AIDS/HIV program in Africa for diverting needed funds and focus—in fact, U.S. coordinating officers actually stated that the abstinence focus undermined previous education efforts and confused communities. Abstinence is a fine message in some cases, but must not be the primary message, and must be supported by factual and clear information.

EDUCATION

For a President who insists that he cares so much about education at every level and for every child, it is a strange thing to realize that the Republican 2007 budget resolution cuts spending on education by 29 percent.

The Bush budget freezes Head Start funding at this year's level, meaning that 19,000 children will have to be cut from Head Start next year. Similarly, the budget cuts Even Start, a program targeted to combat low literacy, to encourage family supported programs, and help children with limited English proficiency. We have strong indications that these programs give underprivileged children access and exposure that helps them succeed in school a year or two later. Perhaps if this program had ever been fully funded, we would know definitively that this program has the potential to launch every child toward educational and life-long success. It is a shame that the President is more interested in Scantron fill-in-the-bubble standardized tests rather than a nurturing and effective education.

Over the past several years, Congress has slipped backward in its commitment to fully fund IDEA, from a high of 18.6 percent in fiscal year 2005 to the proposed level of 17 percent in President Bush's fiscal year 2007 budget proposal instead of the promised 40 percent. Under the budget, IDEA would receive $10.7 billion, a $1.2 billion decrease below fiscal year 2006. Of that amount, $380.8 million would be available for preschool grants and $436.4 million would be available for grants for infants and families.

Funding for vocational education programs would be eliminated under the fiscal year 2007 budget. Congress allocated $1.31 billion for vocational education in fiscal year 2006. The unfulfilled promises are countless, and each more self-defeating than the last.

At 4-year public universities, tuition and fees increased by 7 percent this past year and 57 percent since President Bush took office. About 40 percent of African-American students and 30 percent of Hispanic students depend on Pell grants, compared to 23 percent of all students. Two-thirds of Perkins loan recipients are from families with annual incomes of $40,000 or less.

Yet, the Perkins loans took a hit on the Republicans' fiscal year 2007 budget resolution and would recall $664 million from Federal Perkins loan funds from nearly 1,800 colleges in 2007. As a result, 463,000 college students would lose a key part of their financial aid.

Six years ago President Bush promised to increase the maximum Pell scholarship for all college freshmen to $5,100. Unfortunately, this budget is now the fourth time that the President and Republicans in Congress have frozen the maximum Pell grant. About 40 percent of African-American students and 30 percent of Hispanic students depend on Pell grants, compared to 23 percent of all students. These numbers indicate the need and the demand for assistance to achieve a higher education and a greater chance at lasting success.

I share the fear and concern that every Member of Congress and every American citizen feels in regards to defending our homeland, but what kind of homeland are we defending? What do we want it to be? Each of these programs is designed to enrich our society and fulfill our obligations as a civilized nation to our citizens.

Even the youngest school-children are sensitive to dishonesty, and by breaking our word and cutting funding to mandated programs, we are teaching our children to distrust their government. We need them to grow into the upstanding citizens we know each of them has the potential to be.

We want our Nation to be educated, confident, capable, internationally competitive, and safe. This budget undermines each of these. I ask, urge, cajole, and demand that we reconsider this budget, that we remember who our greatest priority is—the American people.

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

Mr. SPRATT. Mr. Chairman, I yield 1 minute to the gentleman from New Jersey (Mr. ROTHMAN).

Mr. ROTHMAN. Ladies and gentlemen, Mr. Chairman, what are the priorities of the Republican majority? This is the greatest deficit in the history of the United States. How are they going to pay for the tax cuts? They are going to borrow the money from India and China to pay for tax cuts.

What is the difference between Democrats and Republicans? Democrats say middle class and working class people can use tax cuts. But in a time of war, the greatest deficit in our history, the richest people in the country don't need tax cuts. If you have $1 million a year income or $10 million a year income you don't need your tax cuts.

The gentleman says everybody should have them. But in a time of scarcity, when you cut funds for veterans, you cut funds for kids going to college, you cut funds for people with children with disabilities, you don't continue to give the money away to the richest people in the country.

That is the difference between Democrats and Republicans.

Mr. SPRATT. Mr. Chairman, I yield 1½ minutes to the gentleman from Illinois (Mr. EMANUEL).

Mr. EMANUEL. Mr. Chairman, it is time the American people got a refund because what they are getting out of this Congress they didn't pay for.

In every war, from Lincoln with the land grant colleges, Kennedy during the Cold War, who built literally NASA and put a man on the Moon, to Roosevelt, who thought of during World War II the GI Bill of Rights, every President in the middle of a war has thought about how to bring home the peace and invest in our future. It is only this President with this Congress, in the middle of the war, who cuts education while Americans are trying to get their kids to school, who cuts health care while we face skyrocketing costs in health care, who cuts the police program while cities are facing a shortage of police.

It is only this President in the history of his predecessors who stands on their shoulders and does exactly the opposite with this budget. It cuts back our investments in the future of America in a time of war where every President prior to him thought of America post that war and invested in its future, putting a man on the Moon, a GI Bill of Rights, an Atlantic to Pacific railroad system, at every point in our history.

President Kennedy said that leadership is about priorities. To govern is to choose. The majority has made its choices, and their priorities are clear for all to see. Now it is up to the American people to demand change.

This budget by the Republican majority is a status quo budget that says, if you liked the last 6 years of working harder, making less, costing more for education, costing more for health care, costing more for your retirement, then vote for this budget. It maintains the status quo.

It is time for new priorities. It is time for a change.

The Acting CHAIRMAN (Mr. BISHOP of Utah). Does the gentleman from Iowa have further speakers?

Mr. NUSSLE. Mr. Chairman, I have no further speakers, and we are prepared to close. I believe I have the right to close the general debate, and we are prepared to close debate at this point.

The Acting CHAIRMAN. The gentleman from South Carolina has 30 seconds.

Mr. SPRATT. Mr. Chairman, I will use those to say one thing that I haven't said, and that is, in reading this entire resolution which we offer, you will find four separate reserve funds for the improvement of health care. For example, we provide a reserve fund to cover an increase in Medicare payments to physicians to avoid a cut, a sustainable growth rate cut of 4.6 percent. We say that if you can bargain down the price of prescription drugs, you can put the savings in a reserve fund and use it to improve coverage under Medicare for prescription drugs, closing the donut hole, for example. So I would commend that to everybody's attention. There is a real difference between our budget resolution and theirs, and I ask support for ours.

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

Mr. Chairman and colleagues, this is always a challenging debate because what, unfortunately, is not part of the discussion, in the debate back home in particular, is that numbers very rarely demonstrate results; that when you talk about a budget, when you hold up a document which, it is interesting, I have heard so much debate today about we are cutting this, we are cutting that, we are slashing, we are eliminating, all sorts of things.

The budget of the United States basically is 43 legislative pages long, and you can't find those in here because what the budget does is it sets a framework, is all the budget does. It sets a framework, no different than what families do around their kitchen tables every day. They set a framework, a budget. And then as the bills come in, they apply those bills to that framework and determine whether they are over, whether they are under, what

they can afford, what they can't afford, if there is an emergency what they are able to borrow, how much they are going to be able to invest in their kids' college or whatever it might be. Those are budgets, and we have no different course of budget right here.

It is a framework. Within that framework many decisions will be made this year, decisions about education, decisions about homeland security, decisions about national defense, decisions about what we are going to do in order to meet many needs, many challenges, some choices, some circumstances that we know will rise this year and years to come.

We have decided that in order to write this budget we had to anchor it to some pretty important principles, and that is what we tried to do.

First, what are our strengths? As a nation, the most important strength we have is our people. I mean, that is what this is about. Those are the three first words of our Constitution, ''We, the people,'' not government, not bureaucracy, not government programs, not entitlements, not any of that, but ''We, the people.'' That is what is the strength.

And our people, I will tell you what, when you allow, when you unleash them, when you empower them, when you give them the incentive of American ingenuity to go out and do things, I have got to tell you, it is unbelievable to watch.

In my own home State, you see farmers produce the food for the world. You see that in so many places around our country. You see small businesses, I am sure in the gentleman from South Carolina's district, my friend, create jobs and opportunities and services and manufactured goods that not only supply the United States but supply the world. And when you unlock the economy, when you allow people to make those investments for themselves, I will tell you what, it is a wonderful thing to watch. And that is something beautiful about our country that has really been the reason why we are the economic wonder of the world, why we are the economic leader of the world.

There is no question that there are other places around the world that would love to be like the United States when it came to our ability to invent, our ability to create, our ability to serve so many people, not only here in the United States but around the world. But if we don't continue to build on that strength, it could very well be lost, and that is the reason why as part of this budget plan we continue the work to grow the economy, because that is number one.

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The second item that this is built on is our military strength, our strength of power, our strength of being able to defend freedom here in this country and around the world. And there is no question that there will be differences of opinion on every side about this conflict or that conflict, but there is bipartisan agreement always on the fact that our United States military is number one. It needs to stay number one. When we put a man or a woman in uniform and ask them to go away from their family or their community, we make sure and we ensure and we do everything we can within budgets like this and like the budget that Mr. SPRATT is presenting and like all budgets, we ensure that they have the best, that they can be the fastest, they can be the strongest. And certainly there are going to be differences of opinion of exactly how that can be accomplished; but the goal is the same, and our budget accomplishes that.

We also believe that we need to defend our Nation differently than we ever have before. I understand that there are some people who come to the floor who think it is pretty easy to write a budget. Just do this, just do that. Try to do it after 9/11. Try to do it after wars in Afghanistan and Iraq and the global war on terror. Try to do it after Katrina. Try to do it when 13 million people are crossing our borders unchecked.

We have enormous challenges with regard to homeland security. We meet those challenges as part of this budget. Will there be differences of opinion in priority of how to meet those challenges within the rest of the process that we will engage in this year? Yes, of course, and there should. But we ought to also limit that spending and say this is how much we are going to dedicate to that, and, again, our proposals are similar.

But in addition to that, we also know that the government can overstep its bounds. It can spend too much. And just like every year, we hear about pork barrel spending. We hear about earmarks. We hear about those special projects. Part of the reason that we have those is when we have unlimited funds to spend, people get pretty creative on how to spend it. Either as a constituent coming from Iowa or as constituents from around the country, I have never had a constituent come into my office and say, Jim, this project I am about to show you is not worthy of funding. In fact, they never tell me that we are spending just enough. They almost always say we would like a little bit more.

So what a budget does is it says there is the top line; that is the most we can spend. And while there are certainly worthy projects that we need to fund this year, there are also projects that need oversight, scrutiny, need to be reformed, need to be changed, need to be put off until next year, or here is a word that we rarely say particularly in an election year: How about ''no,'' we are not going to fund that; it is a crazy idea. And to look them in the eye and be able to tell them that is certainly a difficult job, but it is one that we have to do. By setting that top line on spending, we accomplish that. Again, this is what this budget does.

Finally, let me say that we do one more thing that we believe is very important, and it is a lesson that I learned one of my first years here in Congress during the great Mississippi flood of 1993. But, unfortunately, I and every one of my colleagues have relearned it almost year after year after year, and that is, regardless of what we have put in these budgets, there are unforeseen circumstances that will occur whether we like it or not. It could be an earthquake. It could be a flood. It could be the biggest hurricane in our history hitting almost a direct hit on one of our most cherished cities.

No matter what we put in this budget, we may have a war. We may have a terrorist attack. We may have things happen that are outside of our control. But we know that they are probably out there and that they are lurking, and so what we have put into this budget is not only a fund in an emergency way to deal with that war, but, also, for the first time we have set money aside recognizing that we may have that earthquake, we may have that flood, we may have the tornadoes like we had this last weekend, and we had darn well better set some money aside for that rainy day, just like that family sitting around that kitchen table saves just a little bit to deal with what might be a leaky roof or a refrigerator that goes on the fritz.

We have got to deal with those problems, and I believe this budget accomplishes that. And it does so in a way that recognizes what I tried to say in this debate. We believe in those people that we represent. We want them to be winners. We know there are challenges. We know there are people who need our help regardless of their ability to help themselves. And even though that is certainly the compassion of this country, we ought to respect the fact that dignity does not start with a government check. Dignity does not start by somebody crawling to a Federal agency and saying please help me. That is not dignity in America. Dignity does not start with a government check or with a big government bureaucracy.

Dignity starts by recognizing our personal freedom granted to us by our Creator, not granted to us by a government bureaucracy or granted to us by the United States Congress. We fought a revolution over the fact that we are free and that our dignity starts in our heart because it is given to us by God, not by government, not by anybody else. And for us to continue to perpetuate the myth that the only way to distribute compassion in this country is by handing out freedom or handing out government or handing out a check to people, that that is the only way they will get it, I believe that is an unfortunate juncture that we find ourselves in in this country.

Our budget does not continue to perpetuate the belief that in order for you to have dignity, it is found in these pages or it is found on this floor or it is found somewhere in Washington,

D.C. The most dignified things that happen in this country are the decisions that are made by people and families in freedom in the United States of America, and the only way that can continue is if we continue to perpetuate that freedom.

So while there is certainly going to be a lot of rhetoric about how for some reason we are cutting programs, we are slashing this, we are gouging that, when it comes right down to it, it is because we do not believe that these programs measure our compassion as a Nation. The only way that is measured is by getting people to be able to help themselves and creating the opportunities to pass on to the next generation. That was done for me by my parents. That is something that I hope to do for my kids, and it is something that we all hope for. And it is not something we look for from government.

So I hope that we, over the course of the next days or time, pass this budget, which sets a blueprint down that not only measures our ability to deal with certain challenges. It sets resources aside to deal with challenges that may be unforeseen, and it recognizes that freedom starts with the individual. It does not start in this Chamber or in this document.

Ms. DELAURO. Mr. Chairman, women understand the difference this budget can make in improving their lives and, their families' lives. Everyday, whether it is ovarian and breast cancer research, college loan assistance, or nutrition program, for low-income seniors, women are reminded how our sense of opportunity is in so many ways inseparable from our Nation's health, education and labor infrastructure.

But when it comes to this budget, our investment in each of these areas is cut. Pell Grants, Head Start, housing programs, child care, even the president's own No Child Left Behind education program—all fall victim to Republicans prioritizing tax cuts for the few over investments in the future of all Americans.

Republicans had an opportunity to show their commitment to women and families when I offered an amendment that would have simply restored $7 billion of funding to our communities, our community health centers and hospitals, our school districts and one-stop employment centers. It would have restored funding for lifesaving research at the NIH—research that saved this woman's life nearly two decades ago. This funding would have impacted every woman and her family at all levels of income in one way or another. But Republicans turned it aside on a party-line vote.

Mr. Chairman, women deserve a budget that supports them—a Congress that supports them. And as women are increasingly realizing, they are getting neither.

Ms. ESHOO. Mr. Chairman, I rise in opposition to the Republican Budget Resolution and in favor of the Substitute offered by Representative SPRATT.

Despite record-breaking deficits and a skyrocketing national debt, the Budget Resolution before us continues the Majority's 'spend now/pay later' policy which has gotten us into a historic fiscal mess.

Former House Republican Leader Dick Armey accurately described the Republican's fiscal management when he told the Wall Street Journal in 2004, "I'm sitting here, and I'm upset about the deficit, and I'm upset about spending. There's no way I can pin that on Democrats. Republicans own this town now."

I think it's important to note that there's always been a choice. Every year for the last 5 years, Democrats have offered alternate plans to balance the budget. Every year we've been defeated by the Majority.

Over that time, the Majority's budgets have turned a projected 10-year surplus of $5.6 trillion into a projected 10-year deficit of nearly $4 trillion, posting record annual deficits over that period. The single largest cause of this turnaround has been the tax cuts enacted in 2001 and 2003. The tax cuts, by themselves, represent approximately half of the deficits we've accumulated since 2001.

What we see again in this year's Republican budget is more of the same. Passage of their budget will increase the deficit by $348 billion in Fiscal Year 2007 and by a total of $1.1 trillion over the next 5 years. Although it never achieves a balanced budget, this Republican plan insists on more tax cuts.

That's not the whole story. This budget masks the true cost of the deficit because it continues to spend every cent of the Social Security Trust Fund. Without dipping into the Trust Fund, the Republicans would post a deficit of more than $600 billion in Fiscal Year 2007.

The costs of the debt and deficit are huge. In Fiscal Year 2007, the United States will spend $243 billion to cover the interest payments on the national credit card. This represents the fastest-growing part of the budget.

The Republican budget also presents the false claim that its spending cuts will reduce the deficit. Over the next 5 years, the proposal cuts $5 billion from mandatory programs (such as Food Stamps and Unemployment Insurance) and $127 billion in domestic discretionary programs, such as education, veterans benefits, environmental protection, and scientific health care research, but instead of paying down the debt, these alleged 'savings' will partially pay for $228 billion in tax cuts.

We've seen this bait-and-switch before. Just two short months ago, the President signed into law the so-called Deficit Reduction Act. The $40 billion in cuts in this legislation came from reductions in student aid programs ($12 billion), Medicaid ($7 billion), and Medicare ($6.4 billion). At nearly the same time, the House passed a tax cut bill at a cost of $56 billion. Provisions in this bill will give anyone who earns $1 million or more a year an average tax break of $32,000.

The cuts in services will be painful and unwise. Over the next 5 years, this budget will cut veterans' healthcare services by $6 billion, education by $45.3 billion, healthcare by $18.1 billion, and environmental protection by $25 billion. Once again, these spending reductions will cover only part of the $228 billion in additional tax cuts, guaranteeing deficits for at least the next decade.

The net result of this budget are more tax cuts for the wealthy, a reduction in social services for working families, and never-ending debt for future generations. This fiscal policy is not only unsustainable, it's immoral.

As in past years, we have a choice. The Substitute offered by Mr. SPRATT reduces the deficit year-to-year and reaches a balanced budget by 2012. The Substitute re-establishes pay-as-you-go (PAYGO) rules so that any new tax cuts and any new spending are paid for by spending cuts or revenue increases.

The Substitute also proposes $160.5 billion more than the House Republican budget for key areas, including education, health, veterans, and environmental protection while maintaining funding for defense and providing more funding for key homeland security priorities, such as port security.

Within the context of a balanced budget, the Substitute provides funding for tax relief for low and middle income taxpayers.

I urge my colleagues to oppose this budget and instead support the Democratic alternative that will restore fiscal responsibility and honor the best of who we are as Americans.

Mr. LANGEVIN. Mr. Chairman, today I rise in support of the Spratt budget substitute and in strong opposition to H. Con. Res. 373, the Republican budget.

Our sons, daughters, and neighbors are bravely fighting wars abroad. Unfortunately, when they return home, they will find a country that has lost its way. We pay lip service to shared sacrifice, but while they risk their lives for us, Republicans in Congress are providing tax cuts for the richest 1 percent of Americans, slashing programs for working-class families, and turning their backs on the middle class. The budget before us today continues these policies. It does not represent the priorities of the American people, nor does it respect the values our soldiers are fighting to protect.

For too long, Republicans have racked up charges on the national credit card, while passing the bill on to future generations. Now is our chance to set this country on the proper course to ensure America's economic success and protect our grandchildren from having to pay for today's irresponsible decisions.

There is a better way. Despite the horrible fiscal outlook facing our Nation due to Republican policies, the Spratt substitute still manages to balance the budget in 6 years, cut taxes for the middle class, and provide realistic funding for education, health care, and veterans programs, all of which are shortchanged by the Republicans.

The Spratt substitute has a better bottom line than the Republican budget every year. Fiscal responsibility today will lead to lower deficits, smaller interest payments, and less national debt in the future. Most significantly, after the budget is balanced, we can finally begin to pay off the trillions of dollars in debt that have accumulated since President Bush took office.

Unfortunately, the budget proposed by House Republicans does nothing to improve the quality of life in America. It would add $348 billion to the national debt next year alone. Under Republican stewardship, the 5 years between fiscal year 2003 and 2007 will provide us with the five largest deficits in American history. This is not a legacy worth continuing. We cannot afford to borrow additional money to continue paying for failed economic policies.

Not only does the Spratt substitute match the President's request for defense spending, but it also includes additional needed funds for homeland security programs, including port security. As a member of the Homeland Security Committee, I am concerned that the Republican budget closely mirrors the President's

budget, which proposes to eliminate several programs important to the safety of all Americans. Programs on the chopping block include the COPS Interoperability Grant Program, the SAFER Program for firefighting equipment, the Metropolitan Medical Response System, the Law Enforcement Terrorism Prevention Program, and Justice Assistance Grants. In 2005, these programs provided more than $13 million in grants to help Rhode Island's first responders keep my constituents safe. Since September 11, we have asked our police and firefighters to do so much more, but this budget fails to provide the resources they so badly need.

In addition, the budget would freeze or cut all non-homeland security discretionary spending. If the Republicans have their way, 5 years from now, education and health programs will receive less than they do today. Cuts to social programs would place a larger burden on the working class at a time when they can least afford it.

Even with all of these cuts, the Republicans still have no plan to balance the budget. Instead, they want to give away the savings to the wealthy by making permanent tax cuts on investment income. As the New York Times indicated yesterday, "Americans with annual incomes of $1 million or more, about one-tenth of 1 percent of all taxpayers, reaped 43 percent of all the savings on investment taxes in 2003." At the same time, those earning less than $50,000 saved an average of only $10 on the same capital gains and dividend tax cuts. The wealthiest Americans are doing fine on their own, and we should not be borrowing money to give them tax cuts.

Deficit spending has stymied job growth and is plaguing our economy. No Rhode Islander would write a check without sufficient funds to cash that check. Neither should the government. I urge my colleagues to join me in supporting the Spratt budget substitute and opposing the underlying Republican plan.

Mr. BISHOP of New York. Mr. Chairman, I rise in opposition to the budget resolution and in support of the Democratic substitute.

The President and the Republican majority like to take credit when there's a better statistic to report about the economy. Those stats might mean something to the fortunate few in the top income bracket.

But middle-class families struggling to keep up with soaring tuition, health care and gas prices don't have much to celebrate. And a budget that builds on a strong economy for all Americans shouldn't be one that allows more pensions to evaporate and tears more holes through the safety net.

Is there any doubt today that this Administration's first priority has been—and continues to be—tax cuts for the wealthiest at the expense of education, health care, scientific research and other middle class priorities, all of which are being cut to pay for these tax cuts?

But my main concern is the hypocrisy of this budget—that extending dividend, capital gains, and tax cuts for millionaires and corporations are like a rising tide that lifts all boats. We've already proved more needs to be done than just hope that sooner or later tax cuts will reach Americans who need our help the most.

Why, for instance, are we saddled with recordbreaking deficits exceeding $400 billion; $3 trillion in new debt since 2001; a debt limit now over $9 trillion; and deep cuts to hospitals, schools, and security? If our tax cuts performed as our friends on the other side of the aisle had promised, an exploding economy would have wiped out this debt.

How can we possibly justify a budget that cuts taxes for millionaires worth more than President Bush requested for the Department of Education and more than twice his budget for the Department of Veterans Affairs?

The answer is that we can't justify the choices made to produce this budget. Under this resolution, Mr. Chairman, those who need our help the most must get in line and hope that the benefits of tax cuts for millionaires and corporations will ultimately trickle down to them.

Mr. Chairman, middle-class Americans deserve much better.

Ms. CORRINE BROWN of Florida. Mr. Chairman, "I believe that the current budget proposal does not accommodate really crucial city safety net needs, education needs and health care needs . . . (and) I have tried as clearly as I could to lay out my concerns, which frankly are shared by a significant number in this caucus." Now, you might think that this quote was taken from someone in the Democratic leadership, or the Congressional Black Caucus, but no: This is a quote from a Republican Member of the House of Representatives. And I ask, why, my colleagues, was this said? Well, the answer is simple.

The Republican leadership is robbing from the poor to give tax cuts to the rich. That's what this budget, and this debate, are all about. We are talking about priorities here folks, and this Republican budget certainly makes it clear who the party in power supports, and who they don't.

Who do they support? That's easy: big insurance companies, HMOs, millionaires on Wall Street, the oil industry and huge defense contractors, that's who. And who don't they support? Well, that question is easy too, just look at who gets the short end of the stick in this budget: teachers, police, first responders, students, our veterans, and the elderly. Yes, since the Republican takeover it's the same old story folks: drastic cuts in vital social service programs, and going so far as to eliminate food programs for poor children and their mothers! This is a mean, mean spirited budget, my colleagues, and we need to send it right back to the smoky back room where the lobbyists and Republican leadership wrote it!

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

The Acting CHAIRMAN (Mr. BISHOP of Utah). All time for general debate has expired.

Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. BURGESS) having assumed the chair, Mr. BISHOP, Acting 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. 376) establishing the congressional budget for the United States Government for fiscal year 2007 and setting forth appropriate budgetary levels for fiscal years 2008 through 2011, had come to no resolution thereon.

MOTION TO INSTRUCT CONFEREES ON H.R. 4297, TAX RELIEF EXTENSION RECONCILIATION ACT OF 2005

Mr. CARDIN. Mr. Speaker, I offer a motion to instruct.

The SPEAKER pro tempore (Mr. BISHOP of Utah). The Clerk will report the motion.

The Clerk read as follows:

Mr. Cardin of Maryland moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the Senate amendment to the bill H.R. 4297 be instructed—

(1) to agree to the provisions of section 102 (relating to credit for elective deferrals and ira contributions), and section 108 (relating to extension and modification of research credit), of the Senate amendment,

(2) to agree to the provisions of section 106 of the Senate amendment (relating to extension and increase in minimum tax relief to individuals),

(3) to recede from the provisions of the House bill that extend the lower tax rate on dividends and capital gains that would otherwise terminate at the close of 2008, and

(4) to the maximum extent possible within the scope of conference, to insist on a conference report which will neither increase the Federal budget deficit nor increase the amount of the debt subject to the public debt limit.

The SPEAKER pro tempore. Pursuant to clause 7 of rule XXII, the gentleman from Maryland (Mr. CARDIN) and the gentleman from Pennsylvania (Mr. ENGLISH) each will control 30 minutes.

The Chair recognizes the gentleman from Maryland.

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

Mr. Speaker, people of this country are looking to our leadership for change. They want us to move in a different direction. They are tired of our spending money and going further into debt. They want to see us do something about the national debt and the deficit here in Washington. They want us to stop digging the hole deeper. They want to see a commitment to reduce the debt. They want to see tax fairness. They understand that the tax bills that we have passed in recent years provide average tax relief for those under $50,000 of $435 a year while those between $500,000 and $1 million enjoy $22,000 of tax relief. They want to see tax fairness.

They want economic opportunity so this economy can grow. They know that the R&D tax credit that allows companies to invest in the future needs to be made permanent. And they certainly want to see more savings in America. They understand that we have a negative saving rate. We know that young people and people of modest income have a very difficult time putting any money away for their retirement savings and too many companies do not offer incentives for their employees. They want to make sure that we extend the saver's credit that allows them to put money away.

Mr. Speaker, my motion to instruct the conferees on H.R. 4297 deals with these opportunities.