## TAX CUTS AND JOB GROWTH

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

Mr. GINGREY. Mr. Speaker, look at all of these new jobs: 1.4 million since August 2003. Mr. Speaker, this recovery is further proof that cutting taxes and reducing the burden of government on American citizens and businesses stimulates economic growth, as President Reagan understood so well.

In fact, there is one very telling statistic. In the last 100 days, there have been over 1 million jobs created. Let me restate that, 1 million jobs in 100 days.

This is a true sign of the times, a time of prosperity and opportunity. President Bush was correct in his policy to cut taxes to stimulate economic growth, and now we have substantial job growth.

Once again, Mr. Speaker, it is time to make these tax cuts permanent. I know of 1.4 million people and counting who most certainly would agree.

## THE CONTINUED IMPROVING STATE OF OUR ECONOMY

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

Mr. WELDON of Florida. Mr. Speaker, the numbers from the month of May reveal that the American people are improving their lives under the leadership of George W. Bush and the Republican Congress.

Two-hundred-and-forty-eight thousand jobs were created in May, and more than 1 million jobs have been created over the last 100 days. The unemployment rate is down to 5.6 percent. This is lower than the averages in the 1970s, 1980s and 1990s. Homeownership has risen to the highest level ever at 68.6 percent. Real disposable personal income is up 3.9 percent. Consumer confidence is up and business investment in equipment and software is up at an annual rate of 14 percent, and the stock market is up 18 percent.

Now, some Republicans may try to take all the credit for the economic growth we have been witnessing. However, we can only take credit for freeing up the American people from the burdens of high taxes and government intrusion. We Republicans removed those barriers, and the economy improved due to the ingenuity and the entrepreneurial spirit of the American people.

## IRAQ'S FUTURE

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

Mr. BARRETT of South Carolina. Mr. Speaker, June 30 is not the beginning of the end of Iraq, as some would want us to believe but, rather, the beginning of their future.

There is no doubt that challenges lay ahead, but I am optimistic about Iraq's future. I am optimistic because just 15 months ago, Saddam Hussein was a threat to the world and Iraqis had no voice.

Today, thanks to the brave and selfless sacrifices of American and coalition troops, Saddam is no longer in power and millions of Iraqis are shaping their own destinies by participating in Iraq's political process.

The Iraq people are showing tremendous courage as they face enemies of freedom. Neither the will of the Iraqis nor the coalition will be deterred by violence and terror.

Mr. Speaker, next week Iraq officially becomes a sovereign Nation, and I am optimistic because this is no doubt that a free Iraq will be a decisive blow to terrorism and a victory for the civilized world and the security of America.

## PROVIDING FOR CONSIDERATION OF H.R. 4663, SPENDING CONTROL ACT OF 2004

Mr. HASTINGS of Washington. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 692 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 692

*Resolved,* That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 4663) to amend part C of the Balanced Budget and Emergency Deficit Control Act of 1985 to extend the discretionary spending limits and pay-as-you-go through fiscal year 2009. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on the Budget. After general debate the bill shall be considered for amendment under the five-minute rule. The bill shall be considered as read. All points of order against the bill are waived. No amendment to the bill shall be in order except those printed in the report of the Committee on Rules accompanying this resolution. Each such amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against such amendments are waived except that upon adoption of an amendment in the nature of a substitute, only the last amendment printed in the report of the Committee on Rules shall be in order. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

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

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

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

□ 1030

Mr. HASTINGS of Washington. Mr. Speaker, House Resolution 692 is a structured rule providing 1 hour of general debate equally divided and controlled by the chairman and ranking minority member of the Committee on the Budget. The rule waives all points of order against the bill and its consideration and makes in order only those amendments printed in the Committee on Rules report accompanying the resolution.

The rule further provides that the amendments printed in the report shall be considered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report, equally divided and controlled by a proponent and an opponent, shall not be subject to amendment, and shall not be subject to demand for a division of the question in the House or in the Committee of the Whole.

Finally, the rule waives all points of order against the amendments printed in the report, except that upon adoption of an amendment in the nature of a substitute, only the last amendment printed in the report shall be in order. The rule provides one motion to recommit with or without instructions.

Mr. Speaker, as the only Member of the House serving on both the Committee on Rules and the Committee on the Budget, I have become increasingly convinced of the need for significant changes in the congressional budget process, particularly with respect to the spending side of the budget ledger. Enactment of H.R. 4663 would make major strides toward providing the House with the tools needed to enforce spending discipline in a time of unacceptable high Federal deficits.

Like many Members, I wish the bill reported went even further, but it is an important first step. For that reason, I am pleased that the Committee on Rules has made in order a long list of proposed amendments to provide the House with multiple opportunities to strengthen the base bill.

At the heart of the bill are proposals to reinstate spending caps on discretionary spending, consistent with the

levels set forth in the budget resolution, and a 2-year extension of the pay-as-you-go, or PAYGO, requirements for mandatory spending. It should be noted, Mr. Speaker, that this latter provision requires that bills increasing entitlement spending must be offset by reductions in other spending and not by raising taxes.

The bill also provides that any breach of either of these spending disciplines would result in automatic spending cuts known as ''sequesters.''

Finally, the bill takes the responsible approach to the sometimes legitimate need for ''emergency'' spending by permitting such measures only when they result from circumstances that are truly unanticipated, temporary, and are needed for the preservation of life, property, or national security. The bill also requires that future spending projections no longer assume that these one-time ''emergency'' spending levels will continue in future years.

Mr. Speaker, the congressional budget process was a badly needed reform back in 1974; and while it served us well in that time period, it can serve us better. This bill is an important step towards that goal; and, accordingly, I encourage Members to support both the rule and the underlying bill.

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

Ms. SLAUGHTER. Mr. Speaker, I thank the gentleman from Washington for yielding me the customary 30 minutes, and I yield myself such time as I may consume.

(Ms. SLAUGHTER asked and was given permission to revise and extend her remarks.)

Ms. SLAUGHTER. Mr. Speaker, early this morning the Committee on Rules passed a lopsided rule packed with Republican amendments. It is shocking that of the 19 amendments made in order, only one Democrat amendment and one bipartisan amendment are in order. Senior Democrats were shut out, while the rule makes the amendments of junior Members in order on the Republican side. The rule provides for one-sided debate on H.R. 4663. The House will be allowed to discuss and vote on Republican amendments, but Democratic ideas and amendments have been virtually excluded in the important debate on budget process reform.

Mr. Speaker, the question before us is whether or not the current budget process creates a product that embodies our budget policies and our priorities. The Federal Government has gone from having historic surpluses of $5.26 trillion to having historic deficits of $2.3 trillion. If we are unsatisfied with a budget, are policies or the budget process to blame? Should the budget process enforcement mechanism be policy neutral or should the process force or enable Congress to make policy decisions?

Earlier this spring, the Subcommittee on Legislative and Budget Process of the Committee on Rules held a series of hearings on these questions. The message that came out of the hearings seemed to be, I thought, that the budget process is not at fault. Its structural flaws in the budget process did not produce Federal budgets with massive debt. Instead, the budgets are products of policy choices. The issue is not the mechanisms we employ. The real issue is that people are now unhappy with policy choices made over the last 3½ years. This concern is bubbling up as criticism over the budget process, turning process, not policy, into the villain.

Since the adoption of the Congressional Budget Act of 1974, many reforms have been proposed and tried. Biannual budget, joint budget resolution, sequestration, caps on discretionary spending, caps on entitlement spending, pay-as-you-go requirements, constitutional amendments, and other ideas were part of previous discussions, and part, again, of the current budget reform debate. We all know that caps on discretionary spending and PAYGO requirements on mandatory spending and tax cuts, which is an important point, worked well in the 1990s.

The underlying legislation is fatally flawed in that it leaves future tax cuts unchecked and applies PAYGO only to mandatory spending. The historic deficits are in large part the product of the tax cuts, which primarily benefit the wealthiest Americans. The Congressional Budget Office has said that the $2.3 trillion deficit has been caused by the tax cuts and the associated debt services.

During the second subcommittee hearing, budget expert Stan Collender offered this advice: enacting a new budget process without first developing the consensus necessary to make it work will be perpetuating a political hoax. You will be promising results the process cannot possibly deliver, allowing the process to be used to justify policy changes that will not otherwise seem appropriate and allowing policymakers to hide behind both procedural votes that, at best, will be confusing and, at worst, completely indecipherable.

The body is sharply divided, Mr. Speaker; and there is no consensus on budget reform. This debate is not an academic exercise. Changes to the process will affect millions of Americans. Caps on mandatory spending will dramatically choke vital programs, like Medicare, Medicaid, veterans benefits and student loans. I urge my colleagues to oppose this rule so that all ideas, not just the majority suggestions, may be considered and debated.

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

Mr. HASTINGS of Washington. Mr. Speaker, I yield 5 minutes to the gentleman from Minnesota (Mr. GUTKNECHT), a senior member of the Committee on the Budget and a leader in the budget reform process in the House.

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

This is an important debate, Mr. Speaker, so I hope that Members are paying attention. The real power of the purse rests with us here, in the people's House. I am proud of what we did through most of the 1990s. When we came here, when I was elected in 1994 and came here in the spring of 1995, I remember we had some meetings with some of the economists and people from the Congressional Budget Office. And we have to go back and remember what was happening in America. We were running deficits every year of $250 billion and more, and we can all point fingers and blame this and blame that; but at the end of the day, we were spending more than the taxpayers were sending in, and America wanted us to do something about this.

At one of the meetings we were at, we had some economists saying, if Congress does not get serious about balancing the Federal budget, that by the time my children got to be my age they would be paying an effective tax rate to the Federal Government of over 80 percent, just to pay the interest on the national debt.

Now, I come from a rural district, and I think most folks from rural communities understand this, because it really has been part of the rural ethic, particularly those who are farm families, to pay off the mortgage and leave the kids the farm. What we have been doing is we were literally selling the farm and leaving our kids the mortgage. We knew that it was not just bad public policy; it was fundamentally immoral.

So what we did is we began to limit the growth in Federal spending, and I am proud to report that from 1995 until the year 2000, the Federal budget was growing at a slower rate than the average family budget. That, combined with a fairly strong economy, we literally went from a $250 billion shortfall every year to a $250 billion surplus.

In fact, just 3 years ago, the Congressional Budget Office told us that we could look forward to surpluses in the Federal Treasury over the next 10 years of $5.4 trillion. Now, that same Congressional Budget Office today is telling us that we can look forward to deficits of $1.6 trillion over the next 10 years. The only thing we can really say about the Congressional Budget Office's forecasts is that they are both wrong.

What we do know that is right is that over the last several years we have allowed Federal spending to grow at a rate double what it grew through most of the 1990s. And part of the reason that happened is we allowed some of the budgetary rules to expire, the things that control the growth in Federal spending.

There was a farmer who told me several years ago, we were talking about the deficit, and he said, you know, the problem with you guys in Washington

is you do not quite get it. The problem is not that we are not sending enough money to Washington. The problem is you spend it faster than we send it in. He probably expressed it more accurately and more simply than any of us would like to admit.

What we want to do today, and this is an important event and these are important votes, we want to bring back some of the rules that controlled Congress with regard to spending. One of them is PAYGO. That means if you want to have a new program, you have to figure out a way to pay for it. And I do not think that is too much to ask. The other is setting up some spending caps.

Let me give some ideas why I think that is important. Over the last several years, we have passed some pretty good budgets, some very tough budgets here in the House of Representatives. Back in fiscal year 2002, for example, our budget resolution which we passed here in the House called for spending $661 billion in what we call discretionary spending. But by the time we were done negotiating with the Senate, we ended up spending $734.6 billion. Well, in the next year we said in the House budget resolution that we would agree to spend $759 billion in discretionary spending. But before the year was over, we actually spent $849 billion. Last year, our budget resolution called for spending $784.5 billion. But when all the numbers were in and the spending was done and the conference committees at last had concluded, the number actually was $873 billion.

Pogo was right. We have met the enemy, and he is us.

I think there was a certain amount of hubris that, well, we have done a pretty good job of balancing the budget over the 5- or 6-year period. We had actually paid down over a half trillion dollars of publicly held debt, and I think we began to think we did not need these budget rules any more. I am here to say that I think we were wrong, and we have to get back to some of those rules.

This is a very important debate. I support this rule. I know there will be people who will say, well, we did not get to offer our amendment, or this amendment was not made in order. But I think we are going to have a very vigorous debate over the next several hours on the rule and the bill. Mr. Speaker, I hope later I will have a chance to visit more about the rule and the bill.

Ms. SLAUGHTER. Mr. Speaker, I yield 30 seconds to the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Speaker, I want to thank the gentleman from Minnesota, who just noted that between 1995 and 2000 government spending grew more slowly than did the economy as a whole and that we, in the process, paid off almost $.5 trillion in debt.

I very much appreciate the endorsement of the economic policies of the Clinton administration. It is too bad that those policies were reversed by the incumbent administration.

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

Ms. SLAUGHTER. Mr. Speaker, I yield 6 minutes to the gentleman from South Carolina (Mr. SPRATT), who is the ranking member on the Committee on the Budget.

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

□ 1045

Mr. SPRATT. Mr. Speaker, this is called the Spending Control Act of 2004. The last time I looked, the Republicans control the House, Republicans control the Senate, and Republicans control the White House. So it begs the question, why can they not control spending? Why do we need this piece of legislation to control spending?

As one looks at the bill and asks that question, another question arises: Why does this bill have nothing to do with revenues? Basically what this bill would do is affect discretionary spending for 2 years, not 5, and put in place a PAYGO rule, a pay as you go rule which applied to mandatory spending, entitlement spending increases but not to tax reductions.

Do we disagree on the problem before us? Absolutely not. We have got a problem. The best evidence of the problem was signaled this week when we had a defense appropriations bill in which was buried a provision that will increase the debt ceiling over the next several years by a substantial sum of money.

Let us look first at what has happened over the last several years on the watch of the Bush administration with respect to the debt that we have accumulated, the mountainous debt that we are building up now. The best indicator of that is where does the debt ceiling stand? There is a statutory ceiling on the amount of debt we can incur. When President Bush came to office, it was $5.95 trillion. Within a year, he had to increase that by $450 billion. Last year he had to increase it by, get this, $984 billion. The other day they increased it by $650 billion, to $8.74 trillion once it finally passes the Congress.

That is the record of the last 4 years, three increases in the debt ceiling in 4 years, from $5.9 trillion to $8 trillion and this is the bad news: It does not stop here. The Congressional Budget Office tells us looking at the President's budget out over the next 10 years, as they are required by law to do, that if we follow the policies laid down by the Bush administration, the debt of this country will grow in 2014 to $13.6 trillion. That is where the debt ceiling will have to be taken in order to accommodate their fiscal policies.

What does this bill propose with respect to this problem? As it turns out, very, very little. Before going any further, it is worth reminding everybody what happened in the 1990s. It can be done. If you put your shoulder to the wheel and the President supports it and the leadership of the Congress supports it, we can bring the deficit to heel. We did it in the 1990s. We went from a deficit of $290 billion at the end of fiscal year 1992 to a surplus of $236 billion in 1998. Just as a reminder from 1997 to 2000 on the watch of the Clinton administration, we reduced the debt of this country by $362 billion. If you added fiscal year 2001, which was basically the Clinton budget, we reduced the debt by more than $400 billion. What a fiscal reversal we have seen in the last 4 years.

What does this bill propose to do? Essentially it proposes to clamp down on that wedge of the budget called domestic non-homeland discretionary spending. That is, discretionary spending from which we have backed out international spending and from which we have backed out homeland security, because in both of those categories, they foresee substantial increases, but they are going to bring all the force of their efforts to bear on this wedge of the budget which constitutes 16 percent of the budget.

Let us ask the question, is this where the problem arises, in this segment called domestic non-homeland discretionary spending? This is what has happened over the last three fiscal years to that particular account: $383 billion in 2002, $382 billion in 2003, $383 billion in 2004. The problem does not arise here. But this is where they go for a solution. On the other hand, look what the solution is. The President proposes to take domestic non-homeland security resources down to $376 in 2005. That is a reduction of $7 billion. Actually it is hard to do but in truth, we have got a deficit this year of between $400 billion and $500 billion, you have only dented the problem once you have done it.

This is where the problem lies. If you want to look at spending, which this bill does not do, over the last 4 fiscal years, 90 to 95 percent of the increase in discretionary spending has occurred in defense, homeland security and our response to 9/11. But this bill ignores that particular aspect of the problem. And where is the rest of the problem? When the Bush administration held their tax cuts out to us and when they were passed, they told us this is the path that revenues will follow, between $1 trillion and $1.1 trillion. This is where revenues, income taxes, have actually gone over that period of time, largely responsible to their tax cuts.

And this is what has happened to spending generally. Spending generally has gone up in the Bush administration. Revenues have gone down. Spending, however, is still as we can see from this chart below the historic norm for the last 25 years. Revenues, on the other hand, are at an all-time low. Personal income taxes as a percentage of GDP are at their lowest level since the early 1950s. So revenues are low, spending is high, and this bill unfortunately

does nothing about the problem at hand.

Mr. HASTINGS of Washington. Mr. Speaker, I yield 5 minutes to the gentleman from Minnesota (Mr. GUTKNECHT).

Mr. GUTKNECHT. Mr. Speaker, I want to respond to some of the things that our colleague the gentleman from South Carolina has just said. Much of what he said, I do not disagree with. But there is something I think we need to clarify for all of the Members. Even if we had a balanced budget last year and this year, we would have to raise the debt ceiling. That is something I think it is hard for many Members and frankly I think most Americans. They wonder how in the world can that be. It is kind of a complicated thing to explain but even in a very strong economy with surpluses, we would probably have to raise the debt ceiling. The reason is this. When money comes into the Social Security trust fund, there are only two things they can do. They can either pay benefits or they can buy government bonds. When they buy government bonds they in effect drive up the debt. I know that is hard for people to understand, so yes, we are going to have to raise the debt ceiling, but even if we were balancing the budget we would have to do that.

I would also like to at least remind Members that things did change a lot in this country on September 11, 2001. I think we all know that. We all have to be cognizant of that and it has changed the priorities of how we spend money. Is that an excuse to allow other Federal spending to be going up? No. And have we been a little too profligate with the Defense Department and homeland security? My opinion would be yes. We have allowed our emotions to get the better of us and we have just said, we will spend more money and maybe we will be safer. I am not sure that is the answer. I am not sure that having 50 guards at every airport entrance makes us all that much safer and that is an argument and a debate we should have.

The debate today is how much are we going to allow Federal spending to go up, and is there really a good reason to allow the Federal budget to grow at a rate twice the rate of the average family budget?

The numbers we were talking about, from 1995 until 2000, the Federal budget went up at an average rate of about 3.2 percent. Since that time, we have allowed the Federal budget to grow at a rate of 6.4 percent. That assumes that we will enforce the numbers that we passed in this year's House budget resolution and that is really what we are debating today; that is, it is one thing to pass a budget, it is another thing to make certain that we enforce the budget.

There will be two great issues we are going to discuss today that I think are important. First of all, are we going to enforce the budgets that we pass here in the House of Representatives? We are the keepers of the public purse. I think we ought to enforce that budget. The second thing we are going to debate today is changing the process by which we derive a budget. The process today all leans towards more spending. In fact, I think the Wall Street Journal did a beautiful editorial last week which really underscored that point. Everything we do here, and frankly that is what we do, is we spend the public's money, but all of the rules today tend to make it easier to spend more money. What we want to do is level the rules so that at least we have a counterbalance to all of that pressure to spend more money.

I might just say this. We all have different reasons, and some say it is the tax cuts, but I would remind people that we cut taxes in almost every year during the 1990s, and we did it under PAYGO and spending cap rules. It can be done. We just have to find offsets for those. And we did. In fact, most of the supplemental spending bills that we passed we found offsets for those. It can be done. It means making some tough choices, but I always remind my colleagues, our constituents did not send us here just to make the easy choices. They sent us here to make tough choices. We are going to make some tough choices today in terms of whether we really mean what we say about holding the line on Federal spending and whether or not we are going to level the playing field in terms of the rules by which we make our budgets. This is an important debate.

The debate about raising the debt ceiling is clearly an important debate, but I think we have to be clear. Even if we had a balanced budget, because of the surpluses coming in in the Social Security trust fund, we would still have to raise the debt ceiling.

Ms. SLAUGHTER. Mr. Speaker, I am pleased to yield 5 minutes to the gentleman from Texas (Mr. STENHOLM).

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

Mr. STENHOLM. Mr. Speaker, I come to the floor very disappointed because once again the majority has chosen not to allow the Blue Dogs to have our amendment considered. I would like to ask the gentleman from Washington, why did his committee allow 19 amendments, most of which should be offered by the minority party, but are being offered by the majority party? Why did he not allow the Blue Dogs to have 5 minutes, 10 minutes, a simple up and down vote on our proposal?

Mr. HASTINGS of Washington. Mr. Speaker, will the gentleman yield?

Mr. STENHOLM. I yield to the gentleman from Washington.

Mr. HASTINGS of Washington. Mr. Speaker, I thank the gentleman for yielding. As the gentleman knows, I would respond to my friend from Texas, our committee has to make a lot of difficult decisions sometimes with the number of amendments that are brought in. Sometimes we have to make choices that are going to disappoint some Members. My friend from Texas has been here, and I confess that maybe he has been disappointed more than once.

Mr. STENHOLM. I take back my time from the gentleman. I appreciate the honesty in which he comes forward and with a straight face attempts to say why they denied us a chance. They can find time for 19 amendments, most of which are a joke. The rhetoric sounds good. The gentleman from Minnesota just spoke, there is a lot he and I can work together on. What we offered in our amendment is a chance to work together on something, but we are constantly denied and why? Because if they allowed our amendment on the floor, there is bipartisan support for it and it might have a chance to pass.

Any resemblance to democracy in this House is purely coincidental with the running of it by the current leadership in the House. Purely coincidental. I ask my colleague why they denied our amendment but allowed 19 others. We heard the answer.

The rule before us presents us with a false choice. Let me remind everyone, Republicans control the House, Republicans control the Senate, Republicans control the White House. The only thing Republicans cannot control is spending. Spending has gone up more in the last 3 years than in the previous 8. And when you talk about spending, I have been here 25 years. Spending has gone down by one-half of 1 percent as a percent of gross domestic product since I was elected in 1978. Revenue has gone down by 5 percent. That creates the deficits. I agree with the gentleman who just spoke a moment ago. Raising the debt ceiling would have to be done. But we should never raise it without putting a change in the manner in which our economic program is working that will just continue to have the debt ceiling going on as far as the eye can see. That makes no sense.

Some of us would like to work with you but we are constantly denied the opportunity to come before this body and have a vote. What we asked for is pay as you go that applies to both spending and to revenue. If you are going to spend more, you have got to cut someplace else. We agree with the President, President George W. Bush's spending limits for 2 years. We agree. There is no argument on spending. But there is an argument on deficits. And with all due respect, if you want to cut taxes, you have got to cut spending. Do not just talk about it. Do not just come and make the speeches we are going to hear all day today about how tough we are going to be on spending. You are in the majority. Anybody offering some of those amendments you are offering, you ought to be doing it. Nobody is keeping you from doing it. You have got the votes. You can do anything you want if you have got the votes. But what do you do?

You bring 19 amendments to the floor that you used to offer when you were in the minority party, and I agreed with you. I agreed with you on many of those. But now you are in the majority and I disagree with the manner in which you are running this House. But that is a right of the majority. All we asked for is a chance to have our idea debated and through the wisdom of, oh, well, you are going to disappoint some from time to time, there are folks on your side that agree with us and you deny them the right to vote with us.

□ 1100

That is shameful. Applying pay-as-you-go rules to tax cuts does not prevent Congress from cutting taxes, and do not say that over here. You know it is not true. It makes great sense, pleases a lot of folks, I suppose. But all it says is if we are going to reduce our revenues, we need to reduce spending by the same amount. Do it. Do not just come to this floor and spend 12 hours debating some of the silliest amendments that we could have if you are serious about doing something. If we really want to do it, let us do it like we did in 1990, like we did in 1997, when we had bipartisan support for doing something about the deficit.

The hand is still here on this side. I wish somebody over there would take it just once before this year is over.

Mr. HASTINGS of Washington. Mr. Speaker, I yield 5 minutes to the gentleman from Wisconsin (Mr. RYAN), a member of the Committee on Ways and Means.

Mr. RYAN of Wisconsin. Mr. Speaker, I thank the gentleman for yielding me this time.

And I would like to say to the last speaker the hand was reached out on an amendment and the last speaker took the hand and that is why he and I have an amendment on the floor today on a very important item. So while all the minority's amendments were not made in order, there are a couple of amendments that were bipartisan that he and I have. And I hope that he does not count among the silly amendments the one that he and I have.

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

Mr. RYAN of Wisconsin. I yield to the gentleman from Texas.

Mr. STENHOLM. Mr. Speaker, I appreciate the gentleman's yielding, and I appreciate that fact, and I do not consider all of the amendments silly. I consider some of them very silly, but the one that I am agreeing with him on I do not consider silly.

Mr. RYAN of Wisconsin. Mr. Speaker, reclaiming my time, I appreciate the clarification.

Mr. Speaker, let me frame what this is all about. What are we doing here today? What we are trying to accomplish here today is to clean up this silly budget process we have here in Washington. All of us have different ideas on how to fix this system.

There are some differences in philosophies. We heard the gentleman talking about the PAYGO, their version of PAYGO, our version of PAYGO, that the basis of that philosophical difference is we do not believe fiscal discipline in Washington should come from tax increases. We believe fiscal discipline in Washington should come from spending cuts. And when we have the PAYGO system, much like what we have had in the past, history already shows that it puts a bias in the law for tax increases, not spending cuts.

So what we want to accomplish, because we believe this, we want the discipline, we want the inertia, we want the pressure to be on controlling spending, not raising taxes. There is the big philosophy difference.

But going down the road of the system we have here in Washington, Mr. Speaker, I would argue that we have this thing in place since 1974; and since 1974, Washington has had a horrible record of getting its handle on our budgets, when Republicans ran things and when Democrats ran things. For a while in the 1990s, we did a pretty good job, but since then we have not; and I would argue that.

We are doing well in many years, but when we look at a system, for example, that allows some appropriations to come to the floor, say, adding $50 million for a rain forest museum in Coraville, Iowa, and if we want to come to this floor and pass an amendment so that we can do so on behalf of our taxpayer constituents to say I do not think we should pay $50 million for a rain forest museum in Coraville, Iowa, I have an amendment to strike that proposal. We could pass that amendment. But by the rules of this institution from the 1974 Budget Act, that $50 million would have to be re-spent somewhere else in the Federal Government. It could not be saved. That is ridiculous. That is just one example of how crazy this budget system is that we have today.

Another crazy example of these rules is when we pass budgets, and we really work hard on passing these budget resolutions, as soon as we pass these budget resolutions, they amount to nothing more than mere guidelines. They are not actual, enforceable budgets. They do not take the force of law.

What we propose today, through an amendment and through a couple of substitutes, is that when we actually pass a budget here, it means something. We stick to it. We enforce it. It is honest. It is going to work. It is going to happen. That is not what happens today.

So we want to have a budget process that is done at the beginning of the budget process where the President signs it into law, and because the budget becomes law, it therefore is enforceable so that we can make sure we stick to the budget, that we plan the finances of this country so that we can factor in all the things we need to think about: the level of taxation, the level of debt, the deficits, getting ready for the baby boomer retirement, all of those things so that when we actually pass a budget, it works and it is enforceable. These are not really crazy ideas. These are commonsense ideas to bring common sense to a budget system that is broken.

I would challenge anyone to come to the floor and argue on behalf of this current budget system to say that this is the epitome of common sense, that this thing works right as it should. We have not changed this system since 1974. It is high time we changed it. We are going to have a lot of amendments to try to do that. We are going to have some big substitute votes on big bills to do that. This is the product of a collaborative work. It is a product of Democrats and Republicans. It is a product that needs to come to this floor. It is a product that needs to pass into law so that we bring common sense back to our budget process.

Ms. SLAUGHTER. Mr. Speaker, I yield 3½ minutes to the gentleman from Illinois (Mr. EMANUEL).

Mr. EMANUEL. Mr. Speaker, I thank my colleague from Rochester for yielding me this time.

Mr. Speaker, I rise in strong support of the gentleman from South Carolina (Mr. SPRATT) and the Democratic substitute.

It would have made incredible common sense to deal with the budget reform before voting on the budget. But that kind of common sense regularly escapes the majority, and that is why there has been a 4-month impasse on their budget between the two Chambers, their party.

The truth is this Congress has been on a recess on dealing with the crisis that is facing the American people for the last year dealing with health care costs, college costs, and retirement savings problems. You are scared to be honest with the American people about the fact that you have been on a recess. But given how they feel about this Congress and given the fact that they have given you a failing grade so far, none of these Hail Mary passes is going to confuse them about where you are and what you have done in addressing their health care crisis, their college education crisis, and their savings crisis.

This bill ignores the advice of Chairman Greenspan, who said it would be a grave mistake to let go of the PAYGO budget rules. This bill even ignores the advice of the gentleman from Iowa, chairman of the Committee on the Budget, who said just 2 years ago the PAYGO rules contributed to obtaining the deficits. The chairman voted for those rules in 1997. That vote ensured that we made choices, lived within our means, and were accountable for what we do. Maybe with maturity over the last 2 years, he has decided to change his view on that. It is possible. Or maybe like the rest of us, he got the disease that is rampant in Washington

where one is firm in one's opinions, but very flexible on one's principles. That is a possibility too.

The 1990s were good economic times. We created 22 million jobs, raised income for all levels, had more access for the uninsured to health care. College was more accessible to more Americans, and savings were up. We balanced the budget and accumulated surpluses reaching nearly $300 billion. And what we did not do was say that every tax cut is good or every tax cut is bad. We made choices. We made choices on spending.

In the 1993 budget, we cut taxes for the middle class, and we also reduced spending. In 1997 we cut taxes for people earning $100,000 and, yes, gave them the first-ever $500-per-child tax cut. And we made choices by investing in children's health care, investing in the environment, investing in Medicaid, and also investing in people's retirement and strengthening our Social Security system.

But your economic plan has led to $3 trillion in additional debt, an annual budget deficit of $500 billion, 44 million Americans without health insurance, 2 million more middle-class families who have moved from the middle class to poverty, and the highest rate of foreclosures in the last 3 years on personal bankruptcy. You have turned your back on what worked in the 1990s.

And let me add one additional point. The majority party in the 1990 budget did not vote for it. It took Democratic votes that put us on the path to fiscal discipline. The majority party in 1993 contributed not a single vote that built on the 1990 agreement that also reduced the deficit and put us on the path to a balanced budget. You did not become a player in deficit discipline until 1997 with that agreement, which was the last yard.

So let us not rewrite history here. Some of us do not have a foggy memory of what happened in the 1990 agreement, the 1993 agreement. We made choices and difficult choices, and some sat on the sidelines and were really good critics.

Mr. Speaker, this so-called budget process bill says hands off when it comes to making the tough choices, and it says that we do not have the political courage to make those choices.

We must make choices when it comes to tax cuts and spending and be honest with the American people, but it takes both to deal with putting our fiscal house back in order.

Mr. HASTINGS of Washington. Mr. Speaker, I yield 6 minutes to the gentleman from Texas (Mr. HENSARLING), a member of the Committee on the Budget and also a leader on budget reform.

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

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

I think this is an incredibly important debate that this House needs to have today. Not only is it a critically important debate to have; but, frankly, it reduces itself down to a very simple debate to have. Simple perhaps, not easy.

The simple proposition is this: Do we believe there should be any limit to government? It is a very simple proposition. Do we believe that there should be any limit to government whatsoever?

Many in this body do not believe it. Many do, however. Many know the struggles and challenges that families face. Some of us believe that it is time to protect the family budget from the Federal budget.

Since I have been alive, the Federal budget has grown seven times faster than the family budget when measured by median worker income. Seven times faster. I believe that is an unsustainable and unconscionable growth rate.

The government is now spending over $20,000 per American household for only the fourth time in the entire history of our Nation and for the first time since World War II. That figure is up from $16,000 per household just 5 short years ago, just 5 short years ago. This represents the largest expansion of the Federal Government in 50 years. At what point do we say enough is enough? I know the Founding Fathers believed in limited government. The question is do we believe in limited government?

There is going to be a bill. There are going to be a number of substitutes. There are going to be a number of amendments. But all of them are going to reduce down to two simple propositions: Should the family budget be protected from the Federal budget? Do we believe in limited government? And second of all, once we pass a budget, will we abide by that budget? Will we live by that budget like American families do each and every day? Because we cannot have unlimited government and unlimited opportunity.

Many of us believe strongly that we must have unlimited opportunity. It would be wonderful if all of this government spending magically turned into love and happiness and kindness; and, indeed, there is much great work done by the Federal Government. But, indeed, there is also much waste and much fraud and much abuse and much duplication. And I fear until we limit, limit, the growth of government, that this body will not take the steps necessary to protect the family budget from the Federal budget and root this out.

Up until recently, Medicare would routinely pay three, four, five times as much for a wheelchair as the VA did and had for years. Why? Because one would competitively bid and the other would not. The Department of the Interior maintains approximately 31,000 Web sites, almost one for every two employees. Does this meet the reasonableness test? I do not believe so.

In the last year of the Clinton administration, HUD spent over 10 percent of their budget, $3 billion, paying out payments to people who did not even qualify for the program. We spent over $800,000 for one toilet in one national park, and it did not even work.

My point is we are just scratching the surface here. When we begin to look at the 10,000 Federal programs spread across 500, 600 government agencies, we discover that they routinely waste 5, 10, 15, perhaps 20, percent of their taxpayer-funded budgets and have for years.

This money is not free. It is not ours. It belongs to the families of America. And when we take it away from their kitchen tables to fund our programs, what are we taking away from them? Maybe the opportunity for them to buy a computer, a home computer, to further the education of their children. Maybe it is that first downpayment on a home. Maybe it is a couple months of child care.

We must limit the size, the scope, the power, and the expense of the Federal Government. And this is what this legislation is all about. So no matter how many different ways people try to obfuscate it and try to make it confusing and cumbersome, it boils down to one simple proposition: Do we believe in limited government, or do we not believe in limited government? And that is why we need this rule for this very critical debate to go forward.

I know, from listening to the debate on the other side, what we will hear all day. We will hear about Draconian cuts in the budget. As I read the legislation, government is still going to grow under every single amendment. Government will still grow. All we are saying is that maybe, just maybe, the government budget should not grow faster than the family budget.

And we hear so much about how tax relief is causing these massive deficits.

□ 1115

Well, it is interesting, when we actually look at the numbers, and last year's budget, which was a 10-year budget, we had almost $27 trillion of spending compared to $350 billion of tax relief. Now, if we buy into the opposition's argument, that tax relief represents a government expenditure, if we do the math, we figure out that the tax relief is roughly 1.5 percent of the spending. We could take it all the way and make no dent in the challenge whatsoever.

I continue to be perplexed why people who talk so much about their concern for the deficit will focus all of their rhetoric on 1 percent of the challenge and ignore 99 percent of the challenge, which is on the spending side. And, by the way, tax relief is proven to be part of the solution and not part of the problem.

Ms. SLAUGHTER. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. FATTAH).

Mr. FATTAH. Mr. Speaker, I thank the gentlewoman for yielding me this time.

If the American people want to buy more of what we just heard, they are going to get a chance in November. But if they want to really think about the fiscal future of this country, then think about how we have moved from hundreds of billions of surpluses to hundreds of billions of deficits. Think about what Treasury Secretary O'Neill said in his book when he raised the concern about this deficit spending by the majority and by the Republican party.

He said that Vice President CHENEY said, oh, do not worry about deficits. It did not hamper Reagan, when we quadrupled the national debt. Now we are raising the debt limit 3 times, up to $8 trillion, so that our children and our grandchildren will have to pay for the cost of our expenditures.

And he said well, we do not want to have PAYGO affect tax cuts, we just want it on the spending side because it is philosophical. Well, it was philosophical about whether the earth was flat or not, or round. The facts are stubborn things, Reagan said, and I remember that. Because when we think about the real facts: 44 million Americans without health insurance, millions without jobs, a 50-year high on mortgage foreclosures, an historic high the third year in a row on personal bankruptcies.

This majority has controlled spending and tax cuts for the last 10 years. They come on the floor and want to blame it on what they affectionately refer to as ''the other side.'' Where is the willingness to be accountable, to take responsibility for their own actions?

The majority has decided to take this country on a course of fiscal irresponsibility. What we need to really think about now is whether we want to continue to go in that direction, whether we want to continue to have future generations having to pay for the choices we are making today, or whether we are prepared to pay for our own choices.

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

Ms. SLAUGHTER. Mr. Speaker, I yield 3 minutes to the gentleman from Tennessee (Mr. TANNER).

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

Mr. TANNER. Mr. Speaker, I come over here with a degree of sadness, because the rule prohibits the consideration of the Blue Dog substitute on budget enforcement.

The gentleman from Wisconsin (Mr. RYAN) made a speech a while ago that I could not say any better about why the Blue Dog budget enforcement ought to be passed. My other young friend talked about spending. If we want to talk about wasteful spending, let me just talk about it for a second.

In July of 2002, the debt ceiling in this country was raised $450 billion. On Memorial Day weekend last year, it was raised another $980 billion. The other night in the defense bill, we had to raise it again, $650-plus. In the last 3 years, the debt of this country, the debt ceiling has been raised over $2 trillion. At 5 percent interest, what we have done following this economic game plan is raise taxes $100 billion a year every year, and my Republican colleagues want to talk about wasteful spending. I can think of nothing more wasteful than interest, because we get no health care, no military, no education, no nothing.

But it is even worse than that. Years ago, when we heard about the GDP, percentage of GDP and the deficit, they said, do not worry about it. Do my colleagues know who was buying our debt then? Americans. Do my colleagues know who is financing our debt now? Seventy percent of our debt last year was financed by foreign interests.

I am telling all of my colleagues, sooner or later, the hocking of this country to anybody in the world that will buy our paper is going to, if it is not already, become a national security issue. We are going to not only do a generational mugging on our children and grandchildren by what we are doing here now, but we are going to put future policymakers in a position where there will be leverage on them by foreign powers who do not see the world the same way the United States does in such a way that it is going to be a national security problem for them.

I can think of no other better way to control spending than to apply PAYGO to tax cuts. Do my colleagues know why? Because then, when we cut taxes, we have to cut spending. Now, we cut taxes, and I voted for some of them, but we did not cut spending. Spending keeps going up. If we are really serious about cutting spending, apply pay-go to both. Then we will have to cut spending when we cut taxes, and that is what the Blue Dog budget enforcement has in it. Without that, all we are hearing is rhetoric, rhetoric, rhetoric.

It has not worked. It will not work. And I tell my colleagues, when the American people find out what is going on here, I think they are going to be not only disappointed, but appalled.

Mr. HASTINGS of Washington. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota (Mr. GUTKNECHT).

Mr. GUTKNECHT. Mr. Speaker, I would like to respond to some of the things that were just said.

First of all, I happen to believe that PAYGO rules ought to apply to tax cuts, too. But this is all about the politics of the possible, and we cannot get that done this year. So we can take this step this year, this day to begin to constrain Federal spending.

Let me also respond to something else. Our friends on the left cannot have it both ways. They cannot say, well, we need to invest in this program and that program and this program for people, and if we put more money into education, the argument is we will get it back ten-fold, but we do not want to pay any interest on that money. We cannot have it both ways. Fifty-five percent of what we will spend this year will be for what are called entitlement programs, and many of those entitlement programs were sold as investments in people. Now we are being told, but we get no return on that investment. This is just an expenditure, and it is lost forever.

So as we debate this, I know that people are going to come at this from different perspectives, but let us try to at least be honest with ourselves. We have a system right now, and the rules and the way the system works encourages more and more spending.

The debate today simply is about this: are we going to enforce the budgets that we pass here in the House and are we going to change the rules to give the taxpayers an even break? That is what the debate is about today. We can debate all of those other issues some other day. But we need support on both sides of the aisle to make certain that the American people understand that we are going to enforce the budgets we pass in the House.

We are the keepers of the public purse. We are going to enforce those budgets, and we are going to begin to amend the rules to make it more difficult to spend more than we take in.

Ms. SLAUGHTER. Mr. Speaker, I am pleased to yield 3 minutes to the gentleman from New Jersey (Mr. MENENDEZ).

Mr. MENENDEZ. Mr. Speaker, I thank the gentlewoman for yielding me this time.

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

Mr. MENENDEZ. Mr. Speaker, back in 1990, Congress instituted the pay-as-you-go rules with bipartisan support, including the support of the first President Bush. However, those rules were based on the principle that if you are digging yourself deeper into a hole, the first thing you do is stop digging. And the 1990 rules which required that both mandatory spending increases and tax cuts be offset helped keep the deficit hole from getting deeper, and eventually helped produce record budget surpluses.

Unfortunately, my colleagues on the other side of the aisle evidently have completely forgotten this sound concept. The Republican bill we debate here today is a deeply flawed and ineffective version of the earlier pay-as-you-go requirements. Specifically, this legislation lets the Congress keep digging deeper to make the deficit bigger. By covering only mandatory spending, tax cuts would not have to be paid for, and entitlement increases would ultimately have to be paid for by cutting other entitlements. That is Social Security, Medicare, and Medicaid. In essence, this is the way in which they mask the dismantling of entitlement priorities.

In addition, the measured spending caps would be set at unrealistically low levels, which would lead either to devastating cuts in domestic spending, in education, in health care, in research, or, to the ignoring of the caps. RECORD deficits are not due to discretionary spending. If we eliminated all nondefense discretionary spending, we would not eliminate the anticipated fiscal year budget deficit of $478 billion, all nondefense discretionary spending. Forget about it. Eliminate it all. We still would not take care of the deficit.

So since most Federal benefits for low and middle class people are provided through entitlement programs, and most government subsidies for high-income individuals and corporations are in the Tax Code, this measure would then turn the policy practice on its head in favor of the affluent and against the low and middle income families of this country.

The bill was designed so that the new spending caps would be set at discretionary spending levels contained in the conference report on the budget resolution, which calls for cutting domestic discretionary programs outside of homeland security by $77 billion over the next 5 years.

Unlike the caps imposed in the 1990s, the new caps require much deeper cuts and would not be part of a balanced deficit reduction package that puts every part of the budget, every part of the budget on the table and calls for shared sacrifice.

Finally, on this rule, Republicans clearly are afraid of the views expressed on this side of the aisle that everything must be on the table when there are 19 amendments and 17 are Republican, and leading democratic voices who are known in this Congress are not given the opportunity to present on these issues. It is shameful. The rule needs to be voted down, as does the bill.

Mr. HASTINGS of Washington. Mr. Speaker, I am very pleased to yield 4 minutes to the gentleman from Florida (Mr. YOUNG), the distinguished chairman of the Committee on Appropriations.

Mr. YOUNG of Florida. Mr. Speaker, I am going to vote for this rule, but I do not support it. I do not think it is a good rule. I want to explain in just the couple of minutes that I have why that is the case.

First, I think I should make it known, especially to Members on my side of the aisle who have heard recently that I have been opposing budgetary caps, that that is not true. I do not oppose caps on the budget. To the contrary, my colleagues have heard me here on the floor many times saying that I need a budget. I cannot help it that the budget committees cannot get together and give us a real budget, but I need a budget to have discipline in the committee when there are amendments on the floor to raise spending by billions of dollars. So I need a budget with a budget cap.

However, I will not support statutory budget caps. This rule provides for a bill that provides for statutory budget caps. The reason I will not support statutory budget caps is very simple. It goes beyond politics, it goes beyond the House and the Senate. It is the Constitution of the United States that has established checks and balances by separation of powers. The budget process is the responsibility and the jurisdiction of the Congress of the United States. Statutory budget caps put the executive branch into the mix. We would be hearing from OMB on a daily basis that they cannot accept this or they cannot accept that; that you are going to have to do it our way, or we will not sign the bill. That is what statutory budget caps are going to do to this process.

The current process is already unworkable. We need real budget process reform, but we need budget process reform that is going to work. And the budget process that we are working under today does not work.

□ 1130

We do not have a budget, and that is an example that the current process does not work. But let me say this: when we have had a real budget resolution, the Committee on Appropriations stays within their cap. Discretionary spending has not exceeded the budget caps since this gentleman has been chairman of the committee.

Where Congress ought to be looking is mandatory programs, because mandatory spending, which is basically two-thirds of all government spending, is the spending that runs us deeper into debt every year.

So I do not think the bill that this rule provides consideration for is a good bill. And I do not intend to support the bill. But I am going to vote for this rule, although I do not really agree with what it does. But in order to get the bill on the floor so the House can work its will, I will vote for the rule, but not for this bill.

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

Mr. Speaker, I urge Members to vote ''no'' on the previous question. If the previous question is defeated, I will offer an amendment to the rule that will allow the House to vote on an important substitute amendment that was not allowed under the rule.

This substitute by the gentleman from Texas (Mr. STENHOLM), the gentleman from Utah (Mr. MATHESON), the gentleman from California (Mr. THOMPSON), the gentleman from Indiana (Mr. HILL), the gentleman from Kansas (Mr. MOORE), and the gentleman from Tennessee (Mr. TANNER) would reinstate for 2 years the provisions of the Budget Enforcement Act.

It also provides for pay-as-you-go rules for legislation that increases the deficit, sets discretionary spending limits, and calls for a separate vote to consider legislation that would increase those discretionary spending limits or waive the PAYGO requirement.

It is certainly worthy of discussion and a vote in this debate on the House budget process. Unfortunately, the Republican leadership blocked this amendment, and it was voted down in the Committee on Rules early this morning on a straight party-line vote.

When asked why so few or no Democrat amendments were allowed, the Chair of the Committee on Rules said, Because we are the majority.

Mr. Speaker, there are few Members in this House who have worked as hard and long to improve the budget process and control the deficit, as has the gentleman from Texas (Mr. STENHOLM); yet he was denied an opportunity after his thoughtful and responsible substitute. Three Republican substitutes were made in order under the rule and 15 other amendments, but the amendment of the gentleman from Texas (Mr. STENHOLM) was arbitrarily denied.

It seems that every time we get on the floor to do a rule, the other side talks about how fair and balanced their rule is. Well, there is nothing fair and balanced about shutting out of the budget reform debate one of the House's experts on this matter. If one does not support the Stenholm substitute, one does not have to vote for it, but at least let it come before the House for a debate in an up-or-down vote.

I urge Members on both sides of the aisle to vote ''no'' on the previous question. Let me make it clear that a ''no'' vote will not stop the House from taking up the Spending Control Act and will not prevent any of the amendments made in order by the rule from being offered. However, a ''yes'' vote will preclude the House from consideration of the Stenholm substitute, a substitute that would add greatly to this process.

So do the right thing, please vote ''no'' on the previous question. Mr. Speaker, I ask unanimous consent to insert the text of the amendment into the CONGRESSIONAL RECORD immediately prior to the vote on the previous question.

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

There was no objection.

Ms. SLAUGHTER. Mr. Speaker, again, vote ''no'' on the previous question.

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

Mr. HASTINGS of Washington. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is a serious issue, and it is one that needs to be debated as we can see by the debate that we have had here simply on the rule. We expect a more vigorous debate as the issues are presented and as amendments are offered.

Mr. Speaker, I urge a ''yes'' vote on the previous question.

The material previously referred to by Ms. SLAUGHTER is as follows:

PREVIOUS QUESTION FOR H. RES. 692—RULE ON H.R. 4663 SPENDING CONTROL ACT OF 2004

At the end of the resolution, add the following:

''SEC. 2. Notwithstanding any other provision of this resolution the amendment specified in section 3 shall be in order as though printed after the amendment numbered 17 in the report of the Committee on Rules if offered by Representative Stenholm of Texas or a designee. That amendment shall be debatable for 60 minutes equally divided and controlled by the proponent and an opponent.

''SEC. 3. The amendment referred to in section 2 is as follows:

AMENDMENT TO H.R. 3973, AS REPORTED

OFFERED BY MR. STENHOLM OF TEXAS, MR. MATHESON OF UTAH, MR. THOMPSON OF CALIFORNIA, MR. HILL OF INDIANA, MR. MOORE OF KANSAS, OR MR. TANNER OF TENNESSEE

Strike all after the enacting clause and insert the following:

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''Living Within Our Means Act of 2004''.

**TITLE I—REINSTATING AND STRENGTHENING BUDGET ENFORCEMENT**

**SEC. 101. EXTENSION OF THE DISCRETIONARY SPENDING CAPS.**

(a) DISCRETIONARY SPENDING LIMITS.—(1) Section 251(c)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by inserting a dash after ''2005'', by redesignating the remaining portion of such paragraph as subparagraph (D) and by moving it two ems to the right, and by inserting after the dash the following new subparagraphs:

''(A) for the general purpose discretionary category: $819,697,000,000 in new budget authority and $862,247,000,000 in outlays;

''(B) for the highway category: $30,585,000,000 in outlays; and

''(C) for the mass transit category: $1,554,000,000 in new budget authority and $6,787,000,000 in outlays; and''.

(2) Section 251(c)(3) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by inserting a dash after ''2006'', by redesignating the remaining portion of such paragraph as subparagraph (D) and by moving it two ems to the right, and by inserting after the dash the following new subparagraphs:

''(A) for the general purpose discretionary category: $837,271,000,000 in new budget authority and $853,170,000,000 in outlays;

''(B) for the highway category: $33,271,000,000 in outlays; and

''(C) for the mass transit category: $1,671,000,000 in new budget authority and $7,585,000,000 in outlays; and''.

(b) ADVANCE APPROPRIATIONS.—(1) Section 251 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by inserting at the end the following new subsection:

''(d) ADVANCE APPROPRIATIONS.—In fiscal years 2005 through 2009, the total amount of discretionary advance appropriations provided in appropriation Acts shall not exceed $23,158,000. Any amount enacted in excess of such amount shall be counted against the discretionary spending limits for the fiscal year for which the appropriation Act containing the advance appropriation is enacted.''.

(2) Section 250(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding at the end the following new paragraph:

''(20) The term 'advance appropriation' refers to the following budget accounts or portions thereof that become available one fiscal year or more beyond the fiscal year for which the appropriation Act making such funds available is enacted:

''(A) 89-5428-0-2-0271 (Elk Hills);

''(B) 16-0174-1-504 (Training and Employment Services);

''(C) 91-0900-01-501 (Education for the Disadvantaged);

''(D) 91-1000-01-501 (School Improvement);

''(E) 75-1536-0-1-506 (Children and Family Services (Head Start));

''(F) 91-0300-0-1-501 (Special Education);

''(G) 91-0400-0-1-501 (Vocational and Adult Education);

''(H) 18-1001-0-1-372 (Payment to the Postal Service Fund); or

''(I) 86-0319-0-1-604 (Housing Certificate Fund (Section 8 Renewal).''.

(c) EXPIRATION.—Section 275 of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 900 note) is amended by striking subsection (b).

(b) DEFINITIONS.—Section 250(c)(4) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) in subparagraph (B), by—

(A) striking ''the Transportation Equity Act for the 21st Century and the Surface Transportation Extension Act of 2003'' and inserting ''the Transportation Equity Act: A Legacy for Users''; and

(B) inserting before the period at the end the following new clauses:

''(v) 69-8158-0-7-401 (Motor Carrier Safety Grants).

''(vi) 69-8159-0-7-401 (Motor Carrier Safety Operations and Programs).'';

(2) in subparagraph (C), by—

(A) inserting ''(and successor accounts)'' after ''budget accounts''; and

(B) striking ''the Transportation Equity Act for the 21st Century and the Surface Transportation Extension Act of 2003 or for which appropriations are provided pursuant to authorizations contained in those Acts (except that appropriations provided pursuant to section 5338(h) of title 49, United States Code, as amended by the Transportation Equity Act for the 21st Century, shall not be included in this category)'' and inserting ''the Transportation Equity Act: A Legacy for Users or for which appropriations are provided pursuant to authorizations contained in that Act''; and

(3) in subparagraph (D)(ii), by striking ''section 8103 of the Transportation Equity Act for the 21st Century'' and inserting ''section 8103 of the Transportation Equity Act: A Legacy for Users''.

**SEC. 102. ADJUSTMENTS TO ALIGN HIGHWAY SPENDING WITH REVENUES.**

Subparagraphs (B) through (E) of section 251(b)(1) of the Balanced Budget and Emergency Deficit Control Act of 1985 are amended to read as follows:

''(B) ADJUSTMENT TO ALIGN HIGHWAY SPENDING WITH REVENUES.—(i) When the President submits the budget under section 1105 of title 31, United States Code, OMB shall calculate and the budget shall make adjustments to the highway category for the budget year and each outyear as provided in clause (ii)(I)(cc).

''(ii)(I)(aa) OMB shall take the actual level of highway receipts for the year before the current year and subtract the sum of the estimated level of highway receipts in subclause (II) plus any amount previously calculated under item (bb) for that year.

(bb) OMB shall take the current estimate of highway receipts for the current year and subtract the estimated level of receipts for that year.

''(cc) OMB shall add one-half of the sum of the amount calculated under items (aa) and (bb) to the obligation limitations set forth in the section 8103 of the Transportation Equity Act: A Legacy for Users and, using current estimates, calculate the outlay change resulting from the change in obligations for the budget year and the first outyear and the outlays flowing therefrom through subsequent fiscal years. After making the calculations under the preceding sentence, OMB shall adjust the amount of obligations set forth in that section for the budget year and the first outyear by adding one-half of the sum of the amount calculated under items (aa) and (bb) to each such year.

''(II) The estimated level of highway receipts for the purposes of this clause are—

''(aa) for fiscal year 2004, $30,572,000,000;

''(bb) for fiscal year 2005, $34,260,000,000;

''(cc) for fiscal year 2006, $35,586,000,000;

''(dd) for fiscal year 2007, $36,570,000,000;

''(ee) for fiscal year 2008, $37,603,000,000; and

''(ff) for fiscal year 2009, $38,651,000,000.

''(III) In this clause, the term 'highway receipts' means the governmental receipts credited to the highway account of the Highway Trust Fund.

''(C) In addition to the adjustment required by subparagraph (B), when the President submits the budget under section 1105 of title 31, United States Code, for fiscal year 2006, 2007, 2008, or 2009, OMB shall calculate and the budget shall include for the budget year and each outyear an adjustment to the limits on outlays for the highway category and the mass transit category equal to—

''(i) the outlays for the applicable category calculated assuming obligation levels consistent with the estimates prepared pursuant to subparagraph (D), as adjusted, using current technical assumptions; minus

''(ii) the outlays for the applicable category set forth in the subparagraph (D) estimates, as adjusted.

''(D)(i) When OMB and CBO submit their final sequester report for fiscal year 2004, that report shall include an estimate of the outlays for each of the categories that would result in fiscal years 2005 through 2009 from obligations at the levels specified in section 8103 of the Transportation Equity Act: A Legacy for Users using current assumptions.

''(ii) When the President submits the budget under section 1105 of title 31, United States Code, for fiscal year 2006, 2007, 2008, or 2009, OMB shall adjust the estimates made in clause (i) by the adjustments by subparagraphs (B) and (C).

''(E) OMB shall consult with the Committees on the Budget and include a report on adjustments under subparagraphs (B) and (C) in the preview report.''.

**SEC. 103. LEVEL OF OBLIGATION LIMITATIONS.**

(a) HIGHWAY CATEGORY.—For the purposes of section 251(b) of the Balanced Budget and Emergency Deficit Control Act of 1985, the level of obligation limitations for the highway category is—

(1) for fiscal year 2004, $34,309,000,000;

(2) for fiscal year 2005, $35,671,000,000;

(3) for fiscal year 2006, $36,719,000,000;

(4) for fiscal year 2007, $37,800,000,000;

(5) for fiscal year 2008, $38,913,000,000; and

(6) for fiscal year 2009, $40,061,000,000.

(b) MASS TRANSIT CATEGORY.—For the purposes of section 251(b) of the Balanced Budget and Emergency Deficit Control Act of 1985, the level of obligation limitations for the mass transit category is—

(1) for fiscal year 2004, $7,266,000,000;

(2) for fiscal year 2005, $7,750,000,000;

(3) for fiscal year 2006, $8,266,000,000;

(4) for fiscal year 2007, $8,816,000,000;

(5) for fiscal year 2008, $9,403,000,000; and

(6) for fiscal year 2009, $10,029,000,000.

For purposes of this subsection, the term ''obligation limitations'' means the sum of budget authority and obligation limitations.

**SEC. 104. REVENUE ADJUSTMENT.**

If an amendment is designated to be used to offset a decrease in receipts for a fiscal year pursuant to section 316(c)(1)(D) or section 317(c)(1)(D) of the Congressional Budget Act of 1974, then the applicable level of revenues for such fiscal year for purposes of section 311(a) of such Act shall be reduced by the amount of such amendment.

**SEC. 105. EXTENSION OF PAY-AS-YOU-GO REQUIREMENT.**

(a) PURPOSE.—Section 252(a) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking ''2002'' and inserting ''2009''.

(b) SEQUESTRATION.—Section 252(b)(1) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking ''2002'' and inserting ''2009''.

**SEC. 106. REPORTS.**

Subsections (c)(2) and (f)(2)(A) of section 254 of the Balanced Budget and Emergency Deficit Control Act of 1985 are amended by striking ''2002'' and inserting ''2009''.

**SEC. 107 EXPIRATION.**

Section 275(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking ''2002'' and inserting ''2009'' and by striking ''2006'' and inserting ''2013''.

**SEC. 108 AUTOMATIC BUDGET ENFORCEMENT FOR MEASURES CONSIDERED ON THE FLOOR.**

(a) IN GENERAL.—Title III of the Congressional Budget Act of 1974 is amended by adding at the end the following new section:

''BUDGET EVASION POINTS OF ORDER

''SEC. 316. (a) DISCRETIONARY SPENDING CAPS.—It shall not be in order in the House of Representatives to consider any bill or resolution (or amendment, motion, or conference report on that bill or resolution) that waives or suspends the enforcement of section 251 of the Balanced Budget and Emergency Deficit Control Act of 1985 or otherwise would alter the spending limits set forth in that section.

''(b) PAY-AS-YOU-GO.—It shall not be in order in the House of Representatives or the Senate to consider any bill or resolution (or amendment, motion, or conference report on that bill or resolution) that waives or suspends the enforcement of section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 or otherwise would alter the balances of the pay-as-you-go scorecard pursuant to that section.

''(c) DIRECTED SCORING.—It shall not be in order in the House of Representatives or the Senate to consider any bill or resolution (or amendment, motion, or conference report on that bill or resolution) that directs the scorekeeping of any bill or resolution.

''(d) FAR-OUTYEARS.—It shall not be in order in the House of Representatives or the Senate to consider any bill or resolution (or amendment, motion, or conference report on that bill or resolution) that contains a provision providing new budget authority or which reduces revenues which first takes effect after the first five fiscal years covered in the most recently adopted concurrent resolution on the budget and would have the effect of reducing the surplus or increasing the deficit in any fiscal year.

''(e) ENFORCEMENT IN THE HOUSE OF REPRESENTATIVES.—(1) It shall not be in order in the House of Representatives to consider a rule or order that waives the application of this section.

''(2)(A) This subsection shall apply only to the House of Representatives.

''(B) In order to be cognizable by the Chair, a point of order under this section must specify the precise language on which it is premised.

''(C) As disposition of points of order under this section, the Chair shall put the question of consideration with respect to the proposition that is the subject of the points of order.

''(D) A question of consideration under this section shall be debatable for 10 minutes by each Member initiating a point of order and for 10 minutes by an opponent on each point of order, but shall otherwise be decided without intervening motion except one that the House adjourn or that the Committee of the Whole rise, as the case may be.

''(E) The disposition of the question of consideration under this subsection with respect to a bill or joint resolution shall be considered also to determine the question of consideration under this subsection with respect to an amendment made in order as original text.''.

(b) TABLE OF CONTENTS.—The table of contents for the Congressional Budget Act of 1974 is amended by inserting after the item for section 315 the following:

''Sec. 316. Budget evasion points of order.''.

**SEC. 109. REQUIREMENTS FOR BUDGET ACT WAIVERS IN THE HOUSE OF REPRESENTATIVES.**

(a) JUSTIFICATION FOR BUDGET ACT WAIVERS.—Clause 6 of rule XIII of the Rules of the House of Representatives is amended by adding at the end the following new paragraph:

''(h) It shall not be in order to consider any resolution from the Committee on Rules for the consideration of any reported bill or joint resolution which waives section 302, 303, 311, or 401 of the Congressional Budget Act of 1974, unless the report accompanying such resolution includes a description of the provision proposed to be waived, an identification of the section being waived, the reasons why such waiver should be granted, and an estimated cost of the provisions to which the waiver applies.''.

(b) SEPARATE VOTE TO WAIVE MAJOR BUDGET ACT POINT OF ORDER.—(1) Section 905 of the Congressional Budget Act of 1974 is amended by adding at the end the following new subsection:

''(h)(1) It shall not be in order in the House of Representatives to consider a rule or order that waives the application of a major budget act point of order as defined in paragraph (2).

''(2) For the purposes of this subsection, the term 'major budget point of order' means any point of order arising under any section listed in section 904.

''(3)(A) In order to be cognizable by the Chair, a point of order under the sections referenced in paragraph (2) must specify the precise language on which it is premised.

''(B) As disposition of points of order under the sections referenced in paragraph (2), the Chair shall put the question of consideration with respect to the proposition that is the subject of the points of order.

''(C) A question of consideration under the sections referenced in paragraph (2) shall be debatable for 10 minutes by each Member initiating a point of order and for 10 minutes by an opponent on each point of order, but shall otherwise be decided without intervening motion except one that the House adjourn or that the Committee of the Whole rise, as the case may be.

''(D) The disposition of the question of consideration under this subsection with respect to a bill or joint resolution shall be considered also to determine the question of consideration under this subsection with respect to an amendment made in order as original text.''.

**SEC. 110. CBO SCORING OF CONFERENCE REPORTS.**

(a) The first sentence of section 402 of the Congressional Budget Act of 1974 is amended as follows:

(1) Insert ''or conference report thereon,'' before ''and submit''.

(2) In paragraph (1), strike ''bill or resolution'' and insert ''bill, joint resolution, or conference report''.

(3) At the end of paragraph (2) strike ''and'', at the end of paragraph (3) strike the period and insert ''; and'', and after such paragraph (3) add the following new paragraph:

''(4) A determination of whether such bill, joint resolution, or conference report provides direct spending.''.

(b) The second sentence of section 402 of the Congressional Budget Act of 1974 is amended by inserting before the period the following: '', or in the case of a conference report, shall be included in the joint explanatory statement of managers accompanying such conference report if timely submitted before such report is filed''.

**TITLE II—INCREASED AND ACCOUNTABILITY AND INFORMATION IN CONGRESSIONAL BUDGET PROCESS**

**SEC. 201. DISCLOSURE OF INTEREST COSTS.**

Section 308(a)(1) of the Congressional Budget Act of 1974 (2 U.S.C. 639(a)(1)) is amended—

(1) in subparagraph (B), by striking ''and'' after the semicolon;

(2) in subparagraph (C), by striking the period and inserting ''; and''; and

(3) by adding at the end the following new subparagraph:

''(D) containing a projection by the Congressional Budget Office of the cost of the debt servicing that would be caused by such measure for such fiscal year (or fiscal years) and each of the four ensuing fiscal years.''.

**SEC. 202. ACCOUNTABILITY IN EMERGENCY SPENDING.**

(a) OMB EMERGENCY CRITERIA.—Section 3 of the Congressional Budget and Impoundment Control Act of 1974 is amended by adding at the end the following new paragraph:

''(11)(A) The term 'emergency' means a situation that—

''(i) requires new budget authority and outlays (or new budget authority and the outlays flowing therefrom) for the prevention or mitigation of, or response to, loss of life or property, or a threat to national security; and

''(ii) is unanticipated.

''(B) As used in subparagraph (A), the term 'unanticipated' means that the situation is—

''(i) sudden, which means quickly coming into being or not building up over time;

''(ii) urgent, which means a pressing and compelling need requiring immediate action;

''(iii) unforeseen, which means not predicted or anticipated as an emerging need; and

''(iv) temporary, which means not of a permanent duration.''.

(b) DEVELOPMENT OF GUIDELINES FOR APPLICATION OF EMERGENCY DEFINITION.—Not later than five months after the date of enactment of this Act, the chairmen of the Committees on the Budget (in consultation with the President) shall, after consulting with the chairmen of the Committees on Appropriations and applicable authorizing committees of their respective Houses and the Directors of the Congressional Budget Office and the Office of Management and Budget, jointly publish in the Congressional Record guidelines for application of the definition of emergency set forth in section 3(11) of the Congressional Budget and Impoundment Control Act of 1974.

(c) CONTINGENCY OPERATIONS RELATED TO GLOBAL WAR ON TERRORISM.—Section 251(b)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding at the end the following new subparagraph:

''(I) CONTINGENCY OPERATIONS RELATED TO GLOBAL WAR ON TERRORISM.—If supplemental

appropriations for discretionary accounts are enacted for contingency operations related to the global war on terrorism that, pursuant to this subparagraph, the President designates as a contingency operation related to the global war on terrorism and the Congress so designates in statute, the adjustment shall be the total of such appropriations in discretionary accounts so designated and the outlays flowing in all fiscal years from such appropriations.''.

(d) SEPARATE HOUSE VOTE ON EMERGENCY DESIGNATION.—(1) Rule XXII of the Rules of the House of Representatives is amended by adding at the end the following new clause:

''13. In the consideration of any measure for amendment in the Committee of the Whole containing any emergency spending designation, it shall always be in order unless specifically waived by terms of a rule governing consideration of that measure, to move to strike such emergency spending designation from the portion of the bill then open to amendment.''.

(2) The Committee on Rules shall include in the report required by clause 1(d) of rule XI (relating to its activities during the Congress) of the Rules of the House of Representatives a separate item identifying all waivers of points of order relating to emergency spending designations, listed by bill or joint resolution number and the subject matter of that measure.

(e) COMMITTEE NOTIFICATION OF EMERGENCY LEGISLATION.—Whenever the Committee on Appropriations or any other committee of either House (including a committee of conference) reports any bill or joint resolution that provides budget authority for any emergency, the report accompanying that bill or joint resolution (or the joint explanatory statement of managers in the case of a conference report on any such bill or joint resolution) shall identify all provisions that provide budget authority and the outlays flowing therefrom for such emergency and include a statement of the reasons why such budget authority meets the definition of an emergency pursuant to the guidelines described in subsection (b).

**SEC. 203. APPLICATION OF BUDGET ACT POINTS OF ORDER TO UNREPORTED LEGISLATION.**

(a) Section 315 of the Congressional Budget Act of 1974 is amended by striking ''reported'' the first place it appears.

(b) Section 303(b) of the Congressional Budget Act of 1974 is amended—

(1) in paragraph (1), by striking ''(A)'' and by redesignating subparagraph (B) as paragraph (2) and by striking the semicolon at the end of such new paragraph (2) and inserting a period; and

(2) by striking paragraph (3).

**SEC. 204. BUDGET COMPLIANCE STATEMENTS.**

Clause 3(d) of rule XIII of the Rules of the House of Representatives is amended by adding at the end the following new subparagraph:

''(4) A budget compliance statement prepared by the chairman of the Committee on the Budget, if timely submitted prior to the filing of the report, which shall include assessment by such chairman as to whether the bill or joint resolution complies with the requirements of sections 302, 303, 306, 311, and 401 of the Congressional Budget Act of 1974 or any other requirements set forth in a concurrent resolution on the budget and may include the budgetary implications of that bill or joint resolution under section 251 or 252 of the Balanced Budget and Emergency Deficit Control Act of 1985, as applicable.''.

**SEC. 205. PROJECTIONS UNDER SECTION 257.**

Section 257(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by inserting after paragraph (6) the following new paragraph:

''(7) EMERGENCIES.—New budgetary resources designated under section 251(b)(2)(A) or 251(b)(2)(I) shall not be assumed beyond the fiscal year for which they have been enacted.''.

**SEC. 206. TECHNICAL CORRECTIONS TO THE BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT OF 1985.**

Part C of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended as follows:

(1) In section 250(a), strike ''SEC. 256. GENERAL AND SPECIAL SEQUESTRATION RULES'' and insert ''Sec. 256. General and special sequestration rules'' in the item relating to section 256.

(2) In subparagraphs (F), (G), (H), (I), (J), and (K) of section 250(c)(4), insert ''subparagraph'' after ''described in'' each place it appears.

(3) In section 250(c)(18), insert ''of'' after ''expenses''.

(4) In section 251(b)(1)(A), strike ''committees'' the first place it appears and insert ''Committees''.

(5) In section 251(b)(1)(C)(i), strike ''fiscal years'' and insert ''fiscal year''.

(6) In section 251(b)(1)(D)(ii), strike ''fiscal years'' and insert ''fiscal year''.

(7) In section 252(b)(2)(B), insert ''the'' before ''budget year''.

(8) In section 252(c)(1)(C)(i), strike ''paragraph (1)'' and insert ''subsection (b)''.

(9) In section 254(c)(3)(A), strike ''subsection'' and insert ''section''.

(10) In section 254(f)(4), strike ''subsection'' and insert ''section'' and strike ''sequesterable'' and insert ''sequestrable''.

(11) In section 255(g)(1)(B), move the fourteenth undesignated clause 2 ems to the right.

(12) In section 255(g)(2), insert ''and'' after the semicolon at the end of the next-to-last undesignated clause.

(13) In section 255(h)—

(A) strike ''and'' after the semicolon in the ninth undesignated clause;

(B) insert ''and'' after the semicolon at the end of the tenth undesignated clause; and

(C) strike the semicolon at the end and insert a period.

(14) In section 256(k)(1), strike ''paragraph (5)'' and insert ''paragraph (6)''.

(15) In section 257(b)(2)(A)(i), strike ''differenes'' and insert ''differences''.

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

The SPEAKER pro tempore (Mr. LATOURETTE). The question is on ordering the previous question.

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

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

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this matter will be postponed.

## REVISING THE CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2005 AS IT APPLIES IN THE HOUSE OF REPRESENTATIVES

Mr. DELAY. Mr. Speaker, pursuant to the order of the House of June 22, 2004, I call up the resolution (H. Res. 685) revising the concurrent resolution on the budget for fiscal year 2005 as it applies in the House of Representatives, and ask for its immediate consideration.

The Clerk read the title of the resolution.

The text of House Resolution 685 is as follows:

H. RES. 685

*Resolved,* That the conference report on Senate Concurrent Resolution 95, and the accompanying joint explanatory statement, as made applicable to the House by section 2 of House Resolution 649, shall have force and effect in the House as though such conference report and accompanying statement included the following modifications:

(1) In section 101 (relating to recommended levels and amounts for the budget year):

(A) In paragraph (4) (relating to the deficit), the amount of the deficit for fiscal year 2005 shall be reduced by $4,675,000,000.

(B) In paragraph (1) (relating to Federal revenues), the recommended level of Federal revenues for fiscal year 2005 shall be increased by $12,285,000,000 and the amount by which the aggregate level of Federal revenues should be changed shall be increased by $12,285,000,000.

(C) In paragraph (2) (relating to new budget authority), the appropriate level of total new budget authority for fiscal year 2005 shall be increased by $14,200,000,000.

(D) In paragraph (3) (relating to budget outlays), the appropriate level of total budget outlays for fiscal year 2005 shall be increased by $7,610,000,000.

(2) In section 103 (relating to major functional categories):

(A) In paragraph (1) (relating to National Defense (050)), the amount of new budget authority shall be increased by $1,000,000,000 and the amount of outlays shall be increased by $740,000,000, to improve the quality of life and provide livable housing for military personnel and their families.

(B) In paragraph (5) (relating to Natural Resources and Environment (300)), the amount of new budget authority shall each be increased by $825,000,000 and the amount of outlays shall be increased by $550,000,000, to provide clean water and open spaces for future generations.

(C) In paragraph (6) (relating to Agriculture (350)), the amount of new budget authority shall be increased by $380,000,000 and the amount of outlays shall be increased by $330,000,000, to inspect and secure our Nation's food supply and to improve economic opportunities, infrastructure, and the quality of life for rural Americans.

(D) In paragraph (10) (relating to Education, Training, Employment, and Social Services (500)), the amount of new budget authority shall be increased by $6,075,000,000 and the amount of outlays shall be increased by $2,430,000,000, to create opportunities for our children and young adults, and to address the needs of low-income communities and assist the long-term unemployed.

(E) In paragraph (11) (relating to Health (550)), the amount of new budget authority shall each be increased by $1,370,000,000 and the amount of outlays shall be increased by $530,000,000, to provide health care for children and others in need, control infectious diseases, foster medical research, and alleviate shortages of nurses and other health professionals .

(F) In paragraph (13) (relating to Income Security (600)), the amounts of new budget authority shall each be increased by $250,000,000 and the amount of outlays shall be increased by $170,000,000, to help States provide energy assistance to poor and alleviate the impact of refugees on State and local communities.