

they want it now. For their sake and our children's sake—we should override a Presidential veto of a 7-year balanced budget.

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

Mr. ROYCE. I yield to the gentleman from Missouri.

Mr. TALENT. Mr. Speaker, I want to ask the gentleman a question. There has been a lot of discussion about the government shutdown. My understanding is that the minute the President agrees to balance the budget in 7 years according to the reasonable numbers of the Congressional Budget Office, a strong bipartisan majority of this body and the Senate will send him a continuing resolution and open up the government. Is that not your understanding?

Mr. ROYCE. Mr. Speaker, that is correct, as I recall, the vote on this floor was 277 to 151.

Mr. TALENT. All the President has to do is indicate he will agree to a balanced budget in 7 years according to the budget numbers of the Congressional Budget Office.

Mr. ROYCE. That is correct.

GOVERNMENT SHUTDOWN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. PALLONE] is recognized for 5 minutes.

Mr. PALLONE. Mr. Speaker, I just want to address some of the issues that were raised by the previous speaker.

First of all, with regard to the government shutdown and with regard to what some of the freshman Democrats have said, I am very much in favor of their position. I think that we should stay here. We should not be going out of session. We should stay here through Sunday, obviously, in order to see what we can do to work out an agreement so that the Government does not have to continue to be shut down or slowed down as it is right now. I have a lot of Government employees in my district, and I think that is the only right thing for us to do.

The other thing I wanted to mention with regard to the previous speaker is, I do not really think the issue here is a balanced budget because most of the Members in this body on both sides of the aisle feel that we should have a balanced budget. Obviously the President feels that we should have a balanced budget. But what is happening here is that Speaker GINGRICH and the Republican leadership are essentially holding the government hostage to their view or their ideology with regard to a particular type of balanced budget.

□ 2130

Mr. Speaker, that is not fair, and that is certainly not what has happened here in the past. That is the major difference, if you will, about what is happening in Washington right now as opposed to previous years. In previous years, when there were dis-

agreements about the budget between the two parties or between the President and the Congress, they allowed the Government to continue, they allowed operations to continue, so Americans were not hurt in any way while they argued over their differences about the budget. That should be allowed to occur here now, that is what President Clinton has been saying, that is what most of the Democrats are saying, but that is not what happens because basically Speaker GINGRICH wants to hold the Government shut down, if you will, hostage to his particular ideology about the budget. It is not fair.

I wanted to speak a little bit, if I could, about this, about this budget that was considered today which I was very much opposed to. What I would like to say basically is that the budget that was adopted today and which I did not support, essentially what it does is it takes a huge amount of money from the Medicare Program, from the Medicaid Program, and essentially hurts seniors and those people on low incomes who receive Medicaid right now, and it cuts those programs and really hurts the people that take advantage of those programs in order to provide these hefty tax breaks primarily for the wealthy. If we were to eliminate the tax breaks for the wealthy, we would not have to cut Medicare or Medicaid as much as is being proposed, and at the same time, and even worse, we are asking seniors to even pay more for essentially less health care coverage.

I just like to give some examples of how this plays out in a little more detail, if I could, in the time that I have left. First of all, we have information that shows that the average tax cut for those in the top 1 percent of taxpayers who get a tax cut would be about \$15,000, but for 99.7 percent of all taxpayers in the bottom fifth, they would actually have a tax increase or see no change at all. For those in this group who have a tax increase, their taxes would go up by an average of \$173 a year, so this is only a tax cut for wealthy Americans, it is actually a tax increase for a lot of the taxpayers at the bottommost part who are also working and paying taxes.

With regard to the Medicare Program, because you are taking so much out of the Medicare Program, what essentially happens is that the reimbursement rate to hospitals, to doctors, to health care providers, becomes so much lower in overall terms that it causes them to cut back. Hospitals will close, particularly in my home State, because so many of them are Medicare and Medicaid dependents. A lot of doctors just will not take Medicare any more because of the reimbursement rates, and even more importantly, what they do with the Medicare Program, what the Republican budget does with the Medicare program, is that it changes the emphasis on the dollars towards HMO's and managed care and

against the traditional fee-for-service system where the senior had the opportunity to go and choose their own doctor. It does that in a very insidious way, by saying that the growth that is allowed, if you will, in funding is more in the HMO or managed care side and less on the traditional fee-for-service side where you choose your own doctor, and then, even worse, if you look at this conference agreement on the budget, it says that if they cannot save the \$270 billion in cuts that are proposed in what they propose by moving so many seniors into managed care, then what they do is they have what they call a fail-safe mechanism that basically makes even more cuts again in the traditional fee-for-service system. So what you are going to have is a lot of seniors that cannot find a doctor of their choice.

THAT IS BILL CLINTON SPEAKING, NOT NEWT GINGRICH

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. WELDON] is recognized for 5 minutes.

Mr. WELDON of Florida. Mr. Speaker, it is very timely for me to speak at this point particularly regarding the issue of Medicare. As a physician I previously took care of many seniors in the Medicare plan. Before I get into some of the comments that have been made today about the Medicare issue, I do want to just stress to all my colleagues that we can get out of here if the President will sign our continuing resolution that simply calls for a 7-year balanced budget with CBO numbers.

Mr. Speaker, the President himself has said that we should balance the budget in 5 years, not 7 years, and the President himself has said that CBO numbers are the more accurate numbers, and to stay here, and stay here, and legislate, and legislate when the problem is at the White House, I think is fully inappropriate, and I really want to talk about this Medicare issue because there has been in my opinion—well, let me just say this. Let me quote from the New York or Washington Post which I think said it very well, what is going on with our colleagues on the other side of the aisle as well as with the President?

The Washington Post said, Bill Clinton and the congressional Democrats were handed an unusual chance this year to deal constructively with the effect of Medicare on the deficit, and they blew it. The Democrats, led by the President, choose instead to present themselves as Medicare's great protectors. They have shamelessly used the issue, just as we have seen tonight, and demagogued on it because they think that is where the votes are and the way to derail the Republican proposals generally.

Now I would like to go back in time about 2 years, to a day in April 1993 when President Clinton was addressing

a meeting of the AARP, and he said the following. He said today Medicare, Medicaid, and Medicare, are going up at three times the rate of inflation. We propose, and this is the President and the Democrats in the House saying we propose to let it go up at two times the rate of inflation. That is not a Medicare or Medicaid cut, so when you hear all this business about cuts, and we have heard the cut word used just now tonight, let me caution you that this is not what is going on. It is a reduction in the rate of growth.

Mr. HOKE. Mr. Speaker, if the gentleman would yield; this is what Republicans are saying? Right? Your are quoting a Republican that must have said that.

Mr. WELDON of Florida. No, I am actually quoting the President of the United States.

Mr. HOKE. President Clinton said that these are not cuts.

Mr. WELDON of Florida. That is right.

Mr. HOKE. I thank the gentleman from Florida.

Mr. WELDON of Florida. When I came here, I met with the Speaker, I met with the Republican leadership, I met with the chairmen of the Committee on Commerce and the subcommittees, and I felt very strongly that this was extremely important, that we save Medicare. It was announced by the trustees of the Medicare plan, three of whom are Clinton administration Cabinet officials, that the Medicare plan was going to be insolvent, and I felt very strongly that it was extremely important that we maintain the solvency of the program, and the plan, and the proposal that has been put forth, and our budget proposal that we passed today calls for reducing the rate of growth of Medicare to about double the inflation rate. It is going to increase and increase dramatically. Essentially what we are doing is what the Democrats said needed to be done 2 years ago, but now today they are shamelessly, as the Washington Post has admitted, a paper that does not traditionally endorse Republicans, they have said that this is shameless demagoguery.

Let me go on. I will quote President Clinton on a CBS morning show interview March 3, 1994, that is just last year. It is not necessary for us to have a huge tax increase if employers and employees do their part, if we can slow the rate of growth in Medicare and Medicaid to just two times the inflation, just slow it down where it is only increasing twice as much as regular prices.

My colleagues, that is exactly what the Republicans do in their budget proposal.

Again on October 5, 1993, Clinton said in a White House press conference only in Washington do people believe that no one can get by on twice the rate of inflation. So when you hear all this business about cuts, let me caution you that is not what is going on. That is

Bill Clinton speaking, not NEWT GINGRICH.

WHAT DO THE AMERICAN PEOPLE WANT US TO DO?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas [Mr. TIAHRT] is recognized for 5 minutes.

Mr. TIAHRT. Mr. Speaker, I believe most Americans are puzzled why we are at an impasse here in Washington, DC. All the bickering about these alleged cuts, and the Speaker in plane rides and the parliamentary procedure is all really distracting us from the main issue, and that is the business at hand, and that is carrying out the will of the people. So let us take a minute just to talk about what the American people would like us to do.

Now I have a chart here that is the marching orders that the people of America have been giving Congress, and this is based on polling data, and all of it runs about 60 to 80 percent. The top one is balance the budget in 7 years, and we will talk more about that later, but basically this is what 80 percent of America wants us to do.

Next is save Medicare from bankruptcy this year, reform welfare, another 80 percent issue, and the third is provide tax relief for families and for job creation. But I want to spend time tonight talking about the balanced budget issue. Let us concentrate on that because that is really what is pending now.

The reason we have 800,000 Government workers off now is because the President is refusing to sign a continuing resolution that has been stripped from all the controversial issues except one, and that is the balanced budget, and the reason I say that is not controversial is because 80 percent of the Americans want a balanced budget. So what the Republicans are proposing is to balance it in 7 years, which is not unreasonable, but the President has already threatened a veto, and now he said many things about the balanced budget. He says he supports a balanced budget. During the campaign he was going to do it in 5 years, and then he said, well, we will do it in 10 years. Then he said, well, 7 may be OK, but it could be 8 or 9. Are you clear on that yet?

Well, I do know one thing, that he did send us a balanced budget, and I can show that to you. This is how it was scored. This is his budget, and you can see from 1996 through 2005 it runs about an average of \$200 billion a year deficit, \$200 billion a year deficit, and, by the way, it did go to the Senate, and it received a "no" vote, or they voted it down 96 to zero. Not one person in the U.S. Senate supported the President's budget. But that is what he has proposed.

This is the problem. The American people want to see a balanced budget.

Now Alan Greenspan, the Chairman of the Federal Reserve, says it is very

important that we balance the budget, and he has a vision of what would happen if we could balance the budget. Let us just look at Mr. Greenspan's vision because he is very knowledgeable about these financial matters. He said our children will have a higher standard of living, that improvement in the purchasing power of incomes would occur, that there would be a rise in productivity, that there would be a reduction of inflation, that strengthening of financial markets, which we have already seen incidentally just from the hope of a balanced budget, the stock market is up nearly to 5,000 points. The bond market is up, all in the hope of balancing the budget for the first time in 26 years, and acceleration of long-term economic growth and significant drop in long-term interest rates.

Well, now what would that drop in interest rates do? Well, it would help each one of us. A drop in interest rates would effect every individual in America and every family. A 2-percent drop in interest rates—and incidentally I just did not pick 2 percent arbitrarily. That is a number that came from Alan Greenspan, the Chairman of the Federal Reserve Board. It came from Alan Greenspan himself.

He said that a 2-percent drop in interest rates would, on a 30-year mortgage of \$75,000, save \$37,000 over the life of that mortgage. On a college loan, a 10-year loan at \$11,000 would save \$2,160. For a 4-year car loan for \$15,000, it would save \$900. A significant savings for each family of approximately \$2,300 per year.

So why is this a problem? Well, I think it is a problem because the President just does not think he can balance the budget, and the reason is he has members in his Cabinet who are really unable to control their own budget.

For example, we have Secretary O'Leary at the Department of Energy. Now first it started out with the GAO report that said it was an ineffective agency. Then there was Vice President Gore in his national performance review that said she was 20 percent behind in her milestones, missing one out of five projects, she was 40 percent inefficient, it was going to cost us \$70 billion over the next 30 years. Well, then we found out that she travels extensively. She is the most expensive member in the whole Cabinet.

□ 2145

Then she spent \$46,500 to hire a private investigative firm to find out who her unfavorables were, unfavorable people, so she could work on them a little.

Mr. HAYWORTH. Could you repeat that?

Mr. TIAHRT. She spent \$46,500 a year to hire a private investigative firm to find out who the unfavorables were.

Mr. Speaker, with people like that, it is going to be difficult for the President to balance the budget.