

The bottom line to this issue, Mr. Speaker, is that we need to get our budget balanced. We would like to do it in less than 7 years. We are determined to save Medicare in particular.

Mr. Speaker, we are determined to balance our budget, get our financial house in order, and save our trust funds.

#### THE DEMOCRATIC RESPONSE

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

Mr. WYNN. Mr. Speaker, over the last few days we have been having a momentous debate on this floor and in this country. We have been debating the balanced budget, not whether to have a balanced budget but how to have it. What are the proper priorities?

A lot of people come to me and say, "Why are you guys going back and forth on this?" I tell them, no, it is a good debate, we ought to have this debate. But the question tonight becomes, why do we have to shut down the Government in order to have this debate?

As a point of fact, I believe in a balanced budget, a 7-year balanced budget with CBO estimates. That is not the problem. The question before us tonight is why are we shutting down the Government, why are we putting millions of Federal employees out of work, why are we then paying them not to work on the eve of Christmas?

That is the issue before us tonight.

Well, I will tell you why. The reason why we are shutting down Government is because the Republicans cannot get their budget. Not because they cannot have this debate but because they cannot have their way.

You see we were making progress. The President and the Republican leadership and the Democratic leadership were making good progress and they said, since we are making this progress, why do we not pass a continuing resolution to keep the Government up and running?

The gentleman from Georgia [Mr. GINGRICH] took this issue back to his Republican colleagues and the radical freshman Republicans said, "No, it's our way or no way." So instead of having a reasonable compromise, a continuing resolution while this debate continues, we have shut down the Government.

I was particularly irritated when I heard one of our smug freshman colleagues comment that, "Well, I've got my Christmas tree and I'm bringing my family up, so I really don't care."

Well, I think that speaks for itself, but it is certainly a sad statement.

Mr. LEWIS of Kentucky. Mr. Speaker, will the gentleman yield for a second?

Mr. WYNN. I would be happy to yield in just a minute.

Let us talk about the merits of this issue. Let us talk about their notion of a balanced budget. First of all they cut

\$270 billion out of Medicare. Now, a gentleman got up a little earlier on the Republican side and said, "Oh, no, this isn't a cut. We're just slowing the increase."

Let me tell you, ladies and gentlemen, try this on the Defense Department. Take \$270 billion out of a Defense Department budget that is below projected needs and then tell them that is not a cut. I do not think it would fly.

We all know this is a cut. It is a significant cut. It means that by the year 2002 seniors will be paying on average \$138 more per year just in additional premiums, not to mention the loss of choice of their doctors.

They say, "Well, that's not all that significant." Keep in mind these same seniors only average about \$25,000 or less in annual income. So the Medicare question is significant. We do not need the big cut in Medicare. As was indicated, the actuaries say we only need to cut about \$89 or \$90 billion and we could solve the solvency problem.

Then we go to Medicaid, and in their budget they want to cut 8 million people off the rolls by the year 2002. They want to eliminate the guarantees that we have for the sick, the elderly, the poor, the blind, and the disabled. They want to take 3.8 million children off the Medicaid rolls and deny them the safety net guarantee that we have now.

We have a problem with that. We do not think it is necessary. The reason it is not necessary is because they have hidden in their budget a little poison pill in the form of a \$245 billion tax break for the wealthy.

You cannot see this chart out there in America but I will tell you what it says. It says that about half of the tax breaks, half of the \$245 billion, go to people making over \$100,000 a year. I do not see any reason why we in this Congress ought to be giving a tax break to people making over \$100,000 a year. But apparently they do. That is why we are having this problem.

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

Mr. WYNN. I would be happy to yield to my colleague from North Carolina.

Mr. HEFNER. I want to ask you a question, because I heard you say that you believe in doing the CBO scoring. Is that right?

Mr. WYNN. Absolutely.

Mr. HEFNER. Let me ask you this and see if it makes sense. You are going to have a \$245 billion tax cut, basically going to the wealthiest people in the country. Unless they get the \$270 billion reduction in Medicare, and it gets scored that way, you cannot have the \$245 billion tax cut. Does that make sense?

Mr. WYNN. That makes sense to me.

Mr. HEFNER. Is that not the way the scoring works?

Mr. WYNN. That is the way the scoring works.

Mr. HEFNER. Unless you get the cuts in Medicare, you cannot have the \$245 billion tax cut?

Mr. WYNN. That is right.

Mr. HEFNER. And that ain't fair in any State in this country.

Mr. WYNN. Absolutely. That is why they want to do it, so they can deliver this big tax break to people making over \$100,000 a year.

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

Mr. WYNN. In just a minute.

That does not make any sense. They come down and they say, give us honest figures, give us 7 years.

Gentlemen, I will make you a deal. We will give you honest figures and 7 years. You get rid of the tax break for the wealthy, and I think we can work this out.

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

Mr. WYNN. In just a minute.

The gentleman said, why do we not put all these people in a room, order pizzas and all that. Maybe we could do that, but you do not need to shut down the Government. You have got Scrooge and the Grinch that stole Christmas. Add to that list the Republican freshmen.

#### REPUBLICAN REBUTTAL

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

Mr. HUTCHINSON. Mr. Speaker, I am going to yield my time in just a moment, but I do want to respond to the previous speaker.

We repeatedly hear this demagoguery that there are tax cuts for the wealthy, and repeatedly during his comments when I asked an opportunity to enter into a colloquy, we heard that these tax benefits are for people making over \$100,000 per year.

Well, I have had a lot to do with that \$500 per child tax credit. It is something that I have worked on from day one when I entered this Congress, something I totally believe in, because the American family is overtaxed, squeezed to the limit.

For the family making \$30,000 a year, I say to the gentleman, to the family making \$30,000 a year with two children, they will see their Federal tax liability cut in half. That is not a tax break for the wealthy.

Mr. WYNN. Mr. Speaker, would the gentleman yield on that specific point?

Mr. HUTCHINSON. No, sir, I believe I have the time and since you would not yield to me, I would like to complete my statement.

The family making \$30,000 a year with two children will see their Federal tax liability cut in half. That is a tax break to the wealthy? That family with \$30,000 income and two children? I suggest to you no. They are not wealthy at all.

Mr. Speaker, they are the very people who most need tax relief. For that couple with two children making \$25,000 a year, they will see their entire Federal

tax liability eliminated. I suggest to you that there are millions and millions of families out there right now who are desiring this tax relief to become a reality. In fact, I was on a radio talk show this morning, one call after another saying, please, do not let the liberals back you down on family tax relief. They need it. We need it. America needs it.

I yield to the gentleman from Florida [Mr. SCARBOROUGH].

Mr. SCARBOROUGH. Mr. Speaker, what is so distressing to me is the fact that the numbers are just being misstated politically. I saw Leon Panetta this weekend say that the majority of the tax cuts that go to the families were for wealthy Americans.

The fact of the matter is, CBO has scored it that 89 percent, 89 percent of these tax cuts go to families making \$75,000 or less. What frightens me about this is that this is the liberal view, I guess, and the President's view of what now constitutes a rich person in America, a family with three or four people now making \$75,000 or less is, according to Leon Panetta on This Week with David Brinkley, is now a rich person in America. That is a truly sad view of America.

Mr. SHAYS. Mr. Speaker, if the gentleman will continue to yield, I would like to point out that the \$500 tax credit applies to a single person whose income is less than \$75,000. Only then would her child be given a \$500 tax credit and a married couple of 110. It is income sensitive to those families at that number and below.

I want to reiterate the fact that we have tax cuts in our 7-year plan. We actually eliminate some programs. We slow the growth of other programs. We take entitlements and we definitely slow the growth of entitlements. But with Medicare, Medicare was to grow at 10 or 11 percent. We did what Hillary Rodham Clinton suggested, that we get the growth of Medicare down to 6 to 7 percent. In fact it is actually 7.2 percent. It is .2 percent higher than the First Lady suggested it should be.

So what we are trying to do is slow the growth of certain programs. But if our colleagues on the other side of the aisle and the President do not agree to that, it is a concept of opportunity cost. If you do not slow the growth of one program, where are you going to slow the growth of another program ultimately to balance the budget in 7 years?

So I would just say it is just a misrepresentation of the fact if someone suggests that we are saying they have to agree to our budget. The President does not have to agree to our budget. He has to, for the first time, submit a balanced budget. If I had my wallet in my hand, I would take it out and I would offer it to my colleagues on the other side if they could show me a budget from the President of the United States that is balanced in 7 years using the Congressional Budget Office numbers. It simply has not been done.

In fact, when the President submitted his last budget we put it up for a

vote and only a very few Members on either side of the aisle supported it. What we are asking is a balanced budget in 7 years, scored by the Congressional Budget Office. It does not have to be our budget. It can be their tax cuts, with or without.

Mr. SCARBOROUGH. If the gentleman will continue to yield, this is an important point. Even though we believe that that is important to us, we will put that on the table. We will put everything on the table. All we want is a balanced budget for future generations. If we have to take up certain tax cuts next year, fine. I just want to see the President of the United States say that my children and future generations are important enough that the Federal Government finally spends only as much money as they take in. Everything is on the table but negotiating our children's future. We must balance the budget.

#### MEDICARE AND MEDICAID

The SPEAKER pro tempore (Mr. LAHOOD). Under a previous order of the House, the gentlewoman from New York [Mrs. MALONEY] is recognized for 5 minutes.

Mrs. MALONEY. Mr. Speaker, I yield to the gentleman from Maryland [Mr. WYNN].

Mr. WYNN. Mr. Speaker, let us get straight on these tax figures. The gentleman talks about the people who make \$30,000. They only get 13 percent of the total tax break. We could balance this budget and have a deal. Cut out the tax breaks for the wealthy. Just give it to the folks that make \$30,000. They are only getting 13 percent. The rich, over \$100,000, are getting almost half, almost 50 percent of the tax breaks.

In addition, they repeal the family tax credit so they are actually increasing the taxes on the middle class and working poor. They also give another windfall to the rich because they eliminate the alternative minimum tax. What does that mean? That means \$17 billion to the richest corporations in America. That is the truth about the so-called tax breaks.

Mrs. MALONEY. Mr. Speaker, I yield to the gentleman from North Carolina [Mr. HEFNER].

Mr. HEFNER. Mr. Speaker, I want to say to the gentleman from Connecticut, he talks about demagoguery, there was a little bit of demagoguery that took place on this floor yesterday when they offered up the sham on the President's budget that had not been scored. It had not been brought here by the President. The President did not request it. It did not go to the Committee on Rules. It had not one day of hearing, not reported out of any committee. There were no comments on it. The gentleman from Connecticut, Mr. SHAYS, has been around here a long time. He knows that was a sham to embarrass the President of the United States, and we are better than that.

I could not let him get away with saying that all those Members voted against the President's budget, because it was a sham and it was a disgrace to the most deliberative body in this country.

Mrs. MALONEY. Mr. Speaker, the American people do not just want a balanced budget.

They want a balanced balanced budget.

And the Republican budget—which the President is rightfully resisting—is an unbalanced balanced budget.

The Republican budget is unfairly balanced on the backs of seniors on Medicare.

It is unfairly balanced on the backs of the poor, the disabled and middle class families whose parents benefit from Medicaid.

It is unfairly balanced on the backs of the children of our public schools and students with student loans.

The Republican budget is a load off the backs of corporate welfare recipients, defense contractors, polluters, and all the other Republican special interest groups.

No issue more clearly divides Democrats and Republicans than Medicare and Medicaid reform.

The proposal to block grant Medicaid takes away the guarantee that poor people will receive health care.

At this time in history—when the gap between rich and poor is wider than ever—that is inexcusable.

The block grant proposal is predicated on a blind-faith fantasy, that States will come up with a magic formula, to do much more in health care for the poor with much less money.

If there are any such miracle cures to health care in New York State, I've certainly never heard of them.

And neither has anyone else in the New York hospital system.

What's more, this block grant proposal has no flexibility.

It will be most effective in providing health care for the poor during good economic times, and least effective in recessions, when America needs Medicaid most.

That stands the very purpose of Medicaid on its head.

The Republican Medicare plan is just as reckless, and just as cruel.

Cutting \$270 billion out of a program that needs a \$90 billion cut to remain solvent—and is so important to so many seniors—is outrageous.

Just as this proposal will hurt Medicaid and Medicare clients/it will also devastate Medicaid and Medicare providers.

Estimates vary, but it is clear that if the Republican plans are enacted, New York State will lose between \$40 and \$50 billion dollars.

That would endanger the very survival of literally every public hospital in New York City.

Two provisions are of particular concern to the city and State of New York