

to take the medicine. The first issue that I thought was so interesting was the Hill newspaper, which said, guess what,

The Republicans are having trouble with their own appointed head of the Congressional Budget Office.

Luckily, the Congressional Budget Office is there. When the Democrats appointed the head of the Budget Office, we had trouble. Mr. Reischauer pointed out that we had underestimated the cost of the health care proposals that were out there. Thank goodness he did that, because I think he brought real reality.

Now they are very angry because the new head that they appointed is telling them their Medicare stuff does not add up, that they have put in all sorts of little amendments, and they want to tinker a little bit with it, and it is going to be a whole lot more costly than they thought. That is not the news they want to hear, but Americans want to hear what is really going to happen to the budget, so I am glad that both under Republicans and Democrats that Budget Office has worked to be nonpartisan and look at the numbers, not poll numbers, but budget numbers.

This budget fight goes on and on and on because, as you see in the other newspaper, you see both Republican leaders out pleading with the President to join them in the rescue of Medicare. They want the President to join them in the rescue of Medicare after they have proceeded to raid Medicare. What a deal. They get to raid it, we get to rescue it. There is something wrong with that picture.

The President and his administration were very responsible in the last 2 years. They have dealt with Medicare in our last budget. We bailed it out for the next 3 years, added solvency to it. We did it without one Republican vote. We have been talking about how not only Medicare but all health care should be looked at, because of the rising costs. We have had many proposals. Guess what, we didn't get a lot of bipartisan help.

In this last election people went out and said, "It is so easy. Those silly Democrats, they just mess everything up. Just give it to us. We can do tax cuts, we can balance the budget, and we can increase defense." I guess people forgot they had heard that once before in 1981. It didn't work then, and we see it isn't working now.

I really hope we get on with business, we get a budget out here. The No. 1 issue people want is doing something about that deficit, doing something about that deficit as rapidly as possible. All the other stuff was frill. We got the frill out of the way. We still don't have the main course, the budget. I hope we don't see politicization of the budget office.

We saw earlier this year the Speaker taking on his own budget nominee, saying he didn't like the way that they were responding. They are supposed to respond neutrally and according to real

numbers. That is the way it should be. I salute Director O'Neill for continuing that tradition, and I must say, let's stop whining about that and let's get on with the real budget. Just do it. Let's stop whining about how the President should rescue them from their own raids that they made to do tax cuts for the wealthy. Hey, they gave it away, now they have got to figure out how they pay. I don't think they should blame it on the President. He didn't get the credit for giving it all away.

Let's get on with it, let's see that budget, and let's get on with the real hard tasks of government.

Mr. DURBIN. Mr. Speaker, will the gentlewoman yield?

Mrs. SCHROEDER. I am delighted to yield to the gentleman from Illinois.

Mr. DURBIN. I think I have heard some speculation that the Republicans want to cut somewhere in the neighborhood of \$350 billion out of Medicare spending, which would mean, of course, that there would either be higher payments by senior citizens, or lower reimbursement to hospitals and doctors and clinics and the like.

What I find curious about this is that \$350 billion figure is very close to the figure that we hear will be the cost of the tax cut bill, which was part of the Republican Contract With America. So this tax cut that took the money out of the Treasury is obviously being plugged with some cuts in Medicare. Maybe I have missed something here, but the two figures are very similar.

Mrs. SCHROEDER. The gentleman from Illinois listened very properly and very correctly. That is exactly right. They raided it, they gave it away, and now they are screaming to the President, "Rescue us, rescue us from our own craziness." If you remember, when these tax cuts went into effect, the Speaker attacked the same budget director who came out with this analysis on what those tax cuts were going to cost: "Did you write the numbers the same," and said it looked like she had socialists doing the analysis. Really.

That is why I think the rhetoric has gotten too high on this, and the gentleman has gotten right to the core of the problem, as he usually does.

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#### MEDICARE AND THE BUDGET

The SPEAKER pro tempore (Mr. REGULA). Under a previous order of the House, the gentleman from California [Mr. MILLER] is recognized for 5 minutes.

Mr. MILLER of California. Mr. Speaker, many of our colleagues on this side of the aisle have raised the question about exactly what is going on with the Republican budget process where we are now a month late in meeting the deadline, a deadline that we have not missed over the last 4 years.

I guess the answer is in the daily press. That is, that the Republican leadership is having a terrible time with now trying to figure out how to connect all of the dots in what they have promised in their budget to the American public. That is, that they would provide a huge tax cut to the wealthiest people in this Nation, they would balance the budget, they would add money to the military, and they would not touch Social Security.

Of course, what we now find out is that they cannot meet those targets without touching Social Security, and they plan to do more than just touch Social Security. The speculation runs from cuts of somewhere around \$200 billion over the next 7 years to Senators estimating as high as \$400 billion. What that means, if you just take an average, if you just save \$250 billion, you are talking over that 7-year period of asking senior citizens to pay somewhere between \$3,000 and \$3,700 more for their health care.

The problem is that many, many of these senior citizens simply have no way to replace that income. They have no way to replace the money that they would have to pay out for the additional cost of Medicare. They have no ability to go back to work. They cannot get a job. They cannot lean on their children any harder. So those cuts are immediately translated to the declining assets and the financial well-being of the senior citizens.

The Republican leadership has run around the last couple of days trying to explain that this is really about their saving Medicare, this is about reforming Medicare. But it is interesting, as each objective observer who has looked at this says that this continues to translate into cuts to Medicare that must be made up by the beneficiaries of that plan, the senior citizens of this country, the \$3,000 that I just talked about.

It is also interesting to note that when you get into a discussion of rural hospitals, we find out that there are 10 million Medicare beneficiaries who live in rural America, where often there is only a single hospital available to service that population and the rest of the community, and that these kinds of cuts, the hospital association tells us, translate into a serious threat of these hospitals closing, and not only the senior citizens losing access to that hospital but the entire community losing access to that hospital.

We also know that these rural residents very often are more likely than urban residents to be uninsured. So the ability to offset these cuts would then be shifted in rural areas, perhaps to those who have less access to insurance.

It is interesting also to note that the plan of just cutting across the board in Medicare is resisted by the National Association of Manufacturers, companies like Eastman Kodak that say if you do that, once again you are taking

the cost of Medicare and you are shifting it onto the backs of working people who are already paying very substantial premiums for current Medicare recipients and for their future cost.

This kind of leads you to what happened yesterday when Senator DOLE and Speaker GINGRICH called a news conference to explain all this, and as they found that they could not explain it to the press, they finally just simply walked out of the news conference. They just walked off stage.

They called the news conference, they said, "We want the news conference to explain to the American people how we are saving Medicare," and when they got into the news conference a few minutes, they found out that they could not explain it because the numbers do not add up. They cannot protect Social Security under their plan or they cannot protect the balanced budget under their plan or they cannot protect the tax cut under their plan. So they simply in a huff walked out of the room and said they would get back to everyone later.

That is what the fear is about in the country today, is that they will get back to us later. I guess the new date for the budget is on May 17, and at that point then we will, I guess, be able to unravel the puzzle here on how they are going to meet the goal of the balanced budget which almost everybody in the country believes should happen, the goal of the tax cut which most of the country thinks is kind of a luxury when you are running a deficit of \$250 to \$300 billion a year, a \$4 trillion national debt, to now borrow money to give people a tax cut or borrow money from the Social Security recipients to give the people a tax cut.

This just no longer makes any kind of economic sense, and looks very bad both for the deficit, for Social Security recipients, and eventually for low-income people who rely on the programs that have already been cut.

I will be happy to yield to the gentleman from California.

Ms. PELOSI. I thank the gentleman for yielding.

I wanted to focus on one point you had made about the Republicans saying they would not touch Social Security, but what these Medicare cuts will do. It would reduce half of the Social Security cost-of-living adjustment for millions and millions of our senior citizens. In fact, 2 million Medicare beneficiaries will have all or most of their cost of living adjustments consumed by the Republican beneficiary cost increases.

Mr. MILLER of California. So in fact what you are saying is when they get a COLA increase, the vast amount of that COLA will simply be absorbed in additional Medicare costs to the Social Security recipient?

Ms. PELOSI. Yes. It is a back door way of cutting Social Security.

#### MORE ON MEDICARE

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

Mr. DURBIN. Mr. Speaker, I would like to follow up on the earlier discussion by the gentleman and the gentleman from California about Medicare.

I think it is critically important for us to focus on the fact that when we are talking about Medicare, we are not necessarily just confining our interest to the health care of our parents and grandparents. Some of us who are advancing in age look to Medicare just a few years down the line to take care of them, too.

But the bottom line is that Medicare and Medicaid, the other Government health care program, are major sources of funding for hospitals across the United States. In my small-town district in Illinois, I have many, many hospitals, and I find that 60 percent to 80 percent of the revenue coming into those hospitals comes from those two Government programs, Medicare and Medicaid.

So when I hear suggestions made, as I have from some Republican leaders who are trying to come up with a budget, that they want to make cuts of billions of dollars in Medicare funds in out years, it not only should cause concern among seniors and people soon to be seniors as to whether they will have to pay more out of pocket, it also raises a serious question as to whether or not these hospitals will receive enough revenue to keep their doors open.

Those who visit with the hospital administrators and boards know that there have been dramatic changes in these hospitals in rural and small town America over the last 10 years. Most of them have downsized, there are fewer patient beds, there is more outpatient service, and they depend dramatically on Medicare and Medicaid to continue to keep their doors open.

We just finished last week in Ames, IA, a rural conference with President Clinton and Vice President Gore talking about the future of small-town America. A lot of concentration was put on bringing new jobs and keeping businesses in rural America. What we found is that when the Chamber of Commerce or the local boosters want to bring in a business or keep one, they have to answer some basic questions. The first question is: Do you have a hospital? How many doctors do you have?

So when we talk about changing a Federal program for medical care, reducing the expenditure and literally threatening the bottom line of rural and small-town hospitals, the ripple effect goes far beyond the jobs at that hospital. It goes far beyond whether or not that ambulance has to drive 5 minutes or 50 minutes with a patient who is in critical need. It goes to the ques-

tion of whether or not the community survives.

Members of Congress fight battles day in and day out to keep Federal facilities open in small towns. We know how important they are. There is nothing more important than a hospital. Absolutely nothing. In rural America, it is critically important because we have an older population. Many of them are in farming, the most dangerous occupation in America, and a lot of them get involved in automobile accidents in rural areas at higher speeds with more injuries.

So all these debates that we hear on Capitol Hill about budget resolutions and the future of Medicare have dramatic importance to people living in small town America. They had better tune in.

Let me tell you, also, as I listen to this debate, I am really troubled. The Republicans yesterday, Mr. DOLE, Mr. GINGRICH, tossed down the gauntlet and said, "President Clinton, why haven't you told us anything about health care reform?"

Excuse me? This President was here 2 years ago with a proposal on health care reform. It was one that was detailed. Perhaps it was overly bureaucratic, maybe it was too large in its scope, but he accepted the challenge long before they issued it. He came to us and said, "Let's look at the integrated health care system of America and how we can help Medicare, Medicaid, uninsured people, and the private sector," and it fell on deaf ears.

The insurance industry ran over him like a steamroller, and that was the end of the debate. Now the Republican leaders have discovered the issue again because the problem is still there. The problem is there in terms of human terms and in terms of budget terms.

I sincerely hope that we can come to some sort of bipartisan dialog on this. But I think honestly before that occurs that the Republican leaders, particularly those in the House, are going to have to basically admit the reality that they cannot have a tax cut package which adds more to our Nation's deficit at the time that they are talking about cutting a program as critical as Medicare.

I think if they drop that whole Republican tax bill and then say, "Let's come to the table," we have got a real opportunity for bipartisanship. But why in the world should my senior citizens, should my small towns and should my neighbors lose a community hospital critical for the future of that community in order to give tax breaks to the wealthiest people in America under the Republican Contract With America? That does not compute. You cannot give a tax credit large enough to a family to make up for the loss of a hospital when there is serious need, when that family needs that medical care.

I yield to the gentlewoman from California.