

State Department Foreign Assistance Authorization.

The bill was ordered reported by the Committee on International Relations on Monday of this week, and the report is expected to be filed tomorrow night according to the last unanimous-consent request. The House is expected to begin general debate and the amendment process next Tuesday. The rule will likely require that amendments be preprinted in the amendment section of the CONGRESSIONAL RECORD prior to their consideration.

Members should use the Office of Legislative Counsel to ensure their amendments are properly drafted to the amendment in the nature of a substitute recommended by the Committee on International Relations that will be made as base text for amendment purposes. A copy of the committee amendment in the nature of a substitute will be published in today's CONGRESSIONAL RECORD by the gentleman from New York [Mr. GILMAN], the chairman of the committee, for reference and drafting purposes. It will be available at the offices of the committee.

Since the rule will not be structured as far as the limiting of amendments is concerned, there is no need for Members to file their amendments with the Committee on Rules or to testify before us. If Members have any questions, they can contact Dave Lonie in our Committee on Rules at 57985.

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

Mr. SOLOMON. I yield to the gentleman from Minnesota.

Mr. SABO. Mr. Chairman, my question relates not to the immediate subject, but the prior subject of the rule on the budget. Let me just simply make sure I understand that rule in terms of the 6 hours of debate.

As I understand it, the first hour is 1 hour of general debate controlled by the chairman and myself. The second hour is reserved for the Joint Economic Committee, the time to be controlled by the Chair of the Joint Economic Committee and the gentleman from California [Mr. STARK], the ranking minority member. Then we revert to the general debate on the budget resolution.

Mr. SOLOMON. That is the normal procedure. It is what we have followed in the past. We will follow it this year as well.

Mr. SABO. The reason I ask, 2 years ago, we had a little disconnect. One side was on JEC for a period of time, and the other side was not. So the plan this year is the first hour would be budget debate, the second hour JEC debate, and then hours three through six general debate on the budget resolution.

Mr. SOLOMON. The chairman of the Committee on the Budget is nodding his head yes, that is correct.

CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1996

The SPEAKER pro tempore. Pursuant to House Resolution 149 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the concurrent resolution, House Concurrent Resolution 67.

□ 1420

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the concurrent resolution (H. Con. Res. 67) setting forth the congressional budget for the U.S. Government for the fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002, with Mr. SENSENBRENNER in the chair.

The Clerk read the title of the concurrent resolution.

The CHAIRMAN. Pursuant to the rule, the concurrent resolution is considered as having been read the first time.

Under the rule, debate shall be confined to the congressional budget and shall not exceed 6 hours, including 1 hour on the subject of economic goals and policies, equally divided and controlled by the gentleman from Ohio [Mr. KASICH] and the gentleman from Minnesota [Mr. SABO].

The Chair recognizes the gentleman from Ohio [Mr. KASICH].

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

Mr. Chairman, I have to confess, as I get ready to speak, I am nervous. I cannot remember the last time I was, frankly, this nervous or anxious. But I guess it is the way it needs to be, because, ladies and gentlemen, we are about to engage in a historic debate. The House is about to consider a document that truly represents a bold, innovative, and some have called it, and frankly they are probably right, a revolutionary document and a vision for where America should go.

I have been amazed over the last couple weeks just walking through the hallways here. In fact, I just had a husband and wife grab me as I was getting ready to come in the door, and I do not know where they are from, I do not know what their names are, but you know what they said? "Thank you, Thank you, Mr. KASICH, and thank your team for what they are doing."

I am hearing it everywhere I go. I think the American people have, in fact, decided that we have this week a rendezvous with destiny, that, in fact, we cannot continue down the path of more deficits and more red ink, because in the guts of every mother and father in this country there is a sinking feeling that if in fact the politicians, the elected representatives of our country, do not stand up and do the right thing, their children will be at risk, their future will be called into question.

That is why when people have had some problems with some of the speci-

fies in this proposal, they never stop like they did over the last several years and say vote it all down. They are saying "Maybe we can fix that. But, please, Congress, do not take your eye off the ball. Please work to save the country."

That is what we are hearing. And I got to tell you, when I was out here with the Contract for America, paying for the family tax credits, and let me say this, if there is anything beyond the balanced budget we ought to be emphasizing into the 21st century, if there is anything in this country we ought to be reinforcing, it is the American family. If there is anything that can provide a building block for superlatives for individuals in this Nation into the next century, it is the family, isn't it? It is the family structure that served this country well for 200 years, and the families are going to benefits under this.

The beautiful thing though is back when we were passing the contract, people said "You can't give us tax relief. You can't have growth incentives and balance the budget." And I said then, along with my wonderful budget team, and we speak as a team, I do not speak as JOHN KASICH, I speak as a leader of a group of wonderful men and women who are the tip of the spear in terms of this new American revolution, we said that we would come back here in May and we would lay a document down that would get us to zero, to balance this budget, and save the future. And that is precisely what we are doing today.

Isn't it wonderful? Isn't it wonderful in America that a group of elected officials are keeping their word? And you know why we are doing it? You know why we came together and we put this revolutionary document together? For two basic reasons. One is the next generation. This is about the children. This is about a growth society, an opportunity society, as our Speaker likes to say, that in a no growth economy the rich get richer and the poor get poorer.

But in a growing economy, and Alan Greenspan painted a picture for us, if we can balance the budget by 2002, if we can balance the budget, Alan Greenspan said we cannot begin to chart the kind of prosperity that we can have in America.

As the son of a mailman who got to be in the Congress and the chairman of the Committee on the Budget, how wonderful is it that in the United States of America, that every kid in America, using our system, can learn to fly. That is right, ladies and gentlemen, we can fly. That is right, ladies and gentlemen, we can fly. We can dream, and it is not about just dreams. It is about accomplishing those dreams.

That is why the Committee on the Budget and the Republicans in the House, along with our courageous colleague on the Committee on the Budget, the gentleman from Mississippi [Mr.

PARKER], has said that we need to balance the budget to save the next generation, to provide for growth in our economy, for opportunity in America, and to preserve the greatest American legacy, and that is that your kids will be better off than you were.

You know what else it is about? It is about the pendulum. People try to describe this plan as radical. Let me actually tell you about the pendulum. For the last 20, 30, or 40 years, we have sent more power, we have sent more money, we have sent more control to the Federal Government. And over these last four decades the Federal Government has done a lot of wonderful things for Americans: Medicare, educational programs, elimination or an attempt to eliminate the terrible abuses in human rights in America.

But you know what Americans have been saying for about the last decade? And we have not been hearing them here in the Capitol. They spoke real loud and clear last November. You know what they are saying? Folks, we would like some of our power and some of our money and some of the control over our own lives back in our hands, because we can do it better in our neighborhoods dealing with our problems than the Government in Washington can.

Now, let me just show you what this plan calls for and how reasonable this program is. Over the last 7 years, the Federal Government spent \$9.4 trillion. What is a trillion? Well, if you started a business when Christ was on Earth, if you lost \$1 million a day 7 days a week, you would still have to lose \$1 million a day 7 days a week for the next 700 years to get to \$1 trillion. In the last 7 years we spent \$9.4 trillion. We have a national debt approaching \$5 trillion.

What does the Republican plan call for? The bipartisan plan, frankly, it is not just a Republican plan, it is a bipartisan plan thanks to the efforts of the gentleman from Mississippi [Mr. PARKER]. We are going to go from \$9.4 to \$11.9 trillion. Some people would have us grow to \$13.3 trillion. I am going to tell you, you want to grow to \$13.3 trillion? We are going to give the kids a dark tomorrow. But if you can restrain the growth in spending to this \$11.9 trillion, we have a chance to preserve America.

Entitlements, take a second and talk about entitlement spending. Over the last 7 years, we spent \$4.5 trillion on entitlements. If we do nothing, we will spend \$7.7 trillion. And what does this bipartisan plan call for? Growing the entitlement programs from \$4.5 to more than 6.4 trillion.

Medicare? Boy, we are hearing a lot of stuff about Medicare. Shame on those that want to scare people. Shame on those that want to scare people. We will go in Medicare from \$924 billion to almost \$1.6 trillion in spending for Medicare. If we go to \$1.8 trillion the system goes bankrupt. What we are going to do is dramatically increase it, improve it, guarantee high customer

satisfaction, and guarantee choice to our senior citizens.

□ 1430

So my colleagues, the question is, can we restrain ourselves, can we as Americans who do not want to mortgage the next generation, after all, we would not in our private lives ring up all the debt and pass it onto our kids, we should not do it with our country. If we can just grow at a \$9.4 to \$11.9 trillion increase, we can do it.

Let me just say to all of my colleagues, as I am about to close, you have got to examine your hearts. You have got to examine your conscience, because I am going to tell you, folks, there are things called windows of opportunity and we have it now. Why? Because the American people want this done. Why else? Because we have the leadership in the Congress that is willing to put their careers on the line for the next generation. And those two efforts together can allow us to pass a plan that will guarantee a renewed America.

In 1969, the last year that we balanced the budget in America, Neil Armstrong walked on the moon. Neil Armstrong came to this Chamber and presented this flag to the U.S. House of Representatives and the U.S. Senate in a joint session. One thousand nine hundred sixty-nine was the last year we balanced the budget. Walking on the moon for a kid from Ohio meant that Neil Armstrong really did learn to fly. And that day that he walked on the moon, we were all there with him, were we not? We were all there with him because it represented the hopes and the dreams and the goodness and meeting the challenges that America has been all about for these many 200 years.

Neil Armstrong gave us this flag. Today, 26 years later, we have a chance, when we vote on this resolution, to have one very big step for this House and one very giant leap for America. Pass the resolution.

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

Mr. Chairman, members of the committee, first let me congratulate, as I did in committee, my colleague from Ohio. We are both participants and observers of this process. I congratulate him for getting the Republicans on the Committee on the Budget together. I assume when the 2 days of debate are over, he will have the votes and he will pass his resolution, which has required an exceptional amount or work by himself and the other majority members of the committee.

I have very fundamental disagreements with that resolution, but I watch your discipline and your hard work with admiration. So I congratulate you for putting a product together that is before this House today and really presents the opportunity for some very fundamental debate.

However, let me make one observation as an observer before I say some words as a critic. The question is

whether your plan will achieve its stated goal. Let me simply say that we are not quarreling over a few numbers here and there, and we might find some that we might dispute. But I, frankly, think for you to succeed requires a significant amount of luck.

I think if this were a unicameral body of the Congress and this were the final product, it simply would not succeed. There are some things you have put into place and have put into law already. Your beginning assumption has been a big tax cut, which adds roughly \$90 billion to the deficit in the year 2002.

You assume as a separate vote that you are going to make huge cuts in Medicare in a separate vote removed from the balance of the budget to come in September.

My friends, if that bill were before this House with those kinds of cuts in Medicare, with the numbers in your resolution, I would predict that such a bill would not pass this House.

The numbers are sort of interesting. The tax cut is \$90 billion in the year 2002. The projected Medicare cuts are \$86 billion. If that did not succeed, a whole series of other numbers that you use would come unraveled.

Mr. Chairman, that is merely an observation about the plan that is before us today. It would require significant luck to succeed. But that is not my fundamental objection.

Mr. Chairman, we have had two very fundamental things occur over the last 15-20 years in this country. For the last 20 years, we have had a revolution where income flows in this country. The very rich have gotten much richer, and the rest of the American public, who work hard, working families are struggling to get ahead, many with declining income.

We have also had, since 1981, an escalating Federal deficit. Two years ago we passed the President's program to make a significant dent in that deficit. Part of that program was asking the most affluent to pay a little more, and our Republican friends all said no. They all said if we passed that program, we would throw the country into a recession. The opposite happened. We have had unprecedented growth over the last 2 years. Unemployment is down. The economy is growing. The deficit went down.

But more is left to do, and we come to that now in this year 1995. Again, we have to reduce that deficit, but we face, again, a country where income continues to flow in increasing amounts to a very few and the bulk of the American people are left struggling.

We now have the Republican proposal on how to deal with the deficit. Who is asked to sacrifice? It is clear that people who depend on Medicare and Medicaid will be asked to sacrifice. And then in a series of incredible, numerous decisions, struggling Americans, who are working hard, working Americans, find their chances to move ahead, they will

find those doors sometimes slammed shut; other cases, sort of gradually closed in a series of cut, after cut, after cut, whether it is students trying to go on to college, people seeking to get new training for jobs and retraining, whether it is a parent trying to put their child in a Head Start Program, cuts on them frozen.

The TRIO Program for kids, to get them to go through high school and into college, abolished. Low income seniors who have problems with fuel bills in cold parts of this country, program abolished. Child care reduced. Just one series, mass transit operating assistance reduced, a little tougher to get to the job, a little harder to get the training, a little harder to get to college, all cumulative on person after person. Cuts that are unrealistic in Medicare and Medicaid.

Why? To pass a tax cut to benefit primarily those who have also been rewarded most by our economy in the last 20 years. So struggling American working families, hoping for the kids to go to college, needing retraining, maybe needing some assistance with day care so they can work, worried about how they get to the job, maybe in rural U.S.A., maybe in urban areas, rural communities trying to develop economically, all seeing doors shut so we can pass a tax cut to benefit the most affluent in this country.

Mr. Chairman, it is the wrong priorities. We are told at times by people that we are talking about renewing American civilization. Mr. Chairman and Members, this plan does not represent the best of American values. It represents, in my judgment, some of the worst of American values. We can do better.

Mr. Chairman, to the majority I simply would say there are many months ahead. At some point, sometime before the year is over, you will be called on to move away from ideology, to practical reform that reduces our deficit in a fair and equitable manner. When you are ready to move away from ideology, we stand willing to help because the challenge is big.

So today, to the Members, I simply urge you to vote no when we come to final passage tomorrow.

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

Mr. KASICH. Mr. Chairman, I yield 3 minutes to the very distinguished gentleman from Arizona [Mr. KOLBE], a member of both the Committee on Appropriations and the Committee on the Budget.

Mr. KOLBE. Mr. Chairman, I want to congratulate the chairman of the Committee on the Budget as well as the ranking member and particularly pay tribute to the ranking member for the decency with which he has comported himself and the members of his committee throughout this debate. It has been in the Committee on the Budget, it has been truly an outstanding debate. I appreciate that very much.

Mr. Chairman, we are at a historic crossroad. This is, as the chairman of

the Committee on the Budget said, an historic moment in our time. The previous speaker just talked to us about this not being the right plan, that we can do better. I think in the course of this debate in the next day and a half we are entitled to ask, what is the alternative plan? If ours is not the right plan, what is their plan? Where is the President in this budget battle? I would say, AWOL, absent without leadership.

Our bottom line is fairly simple, our bottom line is shown. It is too small I guess to see here, but on page 7 of the budget report, the last year, 2002, it is a plus. It is tiny, 0.6 billion, \$600 million in the scheme of a \$1.8 trillion budget that year. That is tiny, but it is everything. It is the first positive number we have seen in the budget since 1969.

This is another way of looking at it. All we are trying to do is get this line of what we spend here down to the red line of how much that we are taking in in revenues so that we have a balanced budget. Spending will go up. Spending will continue to increase but at a slower rate of growth. And we think that we can do that. Yes, there are tough choices here, but they are tough choices for the next generation.

□ 1445

Not long ago I was asked to come down for a little ceremony to one of the work sites in my place, the United Parcel Service, a company I really enjoy because they are hardworking people, they are really motivated.

At the end of this little ceremony where we had a presentation there, one of the delivery men came up to me and said "Mr. KOLBE, when you go back to Washington, would you just tell them that it is my money they are spending? It is my money. I have got three kids. I am struggling. It is my money they are spending, just keep that in mind."

Mr. Chairman, I hope in the course of the debate here the next 2 days that we will keep that simple idea in mind from one of the hardworking Americans that makes this country work, and what it is. It is their money. It is our money as taxpayers we are spending, and we ought to be remembering that in each of the parts of this debate.

Mr. SABO. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Missouri [Mr. CLAY].

Mr. CLAY. Mr. Chairman, I rise in opposition to this budget proposal. The Republicans' 100-day war on children marches on. Their assault began in the cafeteria, with the attack on the school lunch program. Republicans have now moved their war machine into our Nation's classrooms, libraries, and finally, to our college campuses.

The Republican budget before us would virtually obliterate the Federal role in education. Over \$73 billion in education and training programs would be cut over the next 7 years. It is a repudiation of this Nation's longstanding bipartisan national commitment to

educating all of her citizens. The Republicans would abolish or slash extremely successful education programs, programs like Head Start, which they would reduce by \$209 million in 1996.

They would eliminate efforts in 47 States to improve reading and writing skills, to put computers into the classroom, and to improve academic standards through Goals 2000. Their budget proposal would virtually eliminate the safe-and-drug-free school program, even though drug use is on the rise among school children. It would jeopardize teacher training for 400,000 teachers.

Programs that target assistance to 700,000 at-risk disadvantaged children would also be abolished under this proposal. They show shameful hostility to programs designed to lift disadvantaged children out of poverty through learning.

Having spread their devastation to the cafeterias and the classrooms, they would eliminate Federal support for public libraries, would cut student aid by well over \$18 billion, as one way to finance tax cuts for the rich and privileged. The elimination of the in-school interest subsidy would increase loan costs for close to 5 million students, adding as much as \$5,000 to the total loan cost for each student who would take out a loan.

Middle class families are especially hit hard. The Republicans want to make it harder for their kids to attend college, so they can finance the tax cut for the rich and the privileged.

Finally, Mr. Chairman, the Republican proposal to eliminate the Department of Education is myopic and reactionary. It would leave our country as one of the few industrialized nations in the world without a national commitment to education. Not only is this proposal dumb, it is unpopular. The vast majority of the American public supports the Department of Education, and a strong Federal role in education.

Mr. Chairman, this budget proposal is the most irresponsible assault on education by any political party in our history. We must reject this attack on education. We must reject this contract with ignorance. We must reject this Republican budget proposal, because it is being released 5 months prematurely. A turkey like this should surface somewhere around Thanksgiving.

Mr. KASICH. Mr. Chairman, I yield 4 minutes to the gentleman from Ohio [Mr. HOBSON], a very distinguished member and a dear friend of mine.

Mr. HOBSON. Mr. Chairman, I might point out that the previous speaker, the gentleman from Missouri [Mr. CLAY], voted for the Clinton tax increase, the biggest one in this country's history, and it costs his district \$520 million in new taxes. It is also interesting to note that he voted against the balanced budget amendment. We should take that into context when we review his remarks.

Mr. Chairman, we are coming up on what I expect to be the most important vote of my career in this House. Today we meet the challenge of balancing the Federal books and restoring fiscal security for America's next generation.

Today we vote on, and I encourage my colleagues to vote for, the House Committee on the Budget resolution, and restore hope to that next generation. For 26 years, our Federal Government has spent more money than it has taken in, financing this debt by borrowing money. The legacy of chronic deficit spending is passed to our children as a \$4.9 trillion national debt.

Staying on this track will undoubtedly bankrupt our Nation. This subject has particular meaning for me right now, because my 15-month-old granddaughter is in town visiting. When I think why we are balancing the budget, I think of Katy. A lot of grandfathers think that way. My other daughter is going to have another baby, so you think a little differently about the future when you become a grandfather. I think a lot of people can equate to that.

What this balanced budget is about, it will not allow her to have the same opportunity the rest of us have if we do not balance the budget. Putting the future of Katy and the other children in this country first is what balancing the Federal budget is all about. Protecting the next generation from a financial crisis means acting now in a decisive, responsible way.

The House Committee on the Budget's 1996 budget resolution does this by balancing the Federal budget by the year 2002. We also close the doors on several agencies that run up costs but fail to contribute meaningfully to our Nation's well-being. Those operations that are useful are transferred to other agencies or sent back to the States. The waste and duplication is eliminated.

Mr. Chairman, our budget also protects our children's future by preventing a crisis in Medicare, the health care system of our Nation's seniors. According to the Medicare trustees appointed by President Clinton, Medicare will run out of money in 7 years. Our budget resolution provides the structure needed to protect, preserve, and improve Medicare, and then it goes on to increase benefits to seniors from \$4,816 for beneficiaries in 1995 to \$6,376 in 2002. That is an impressive increase, by anyone's standards.

Our budget also increases overall Government spending by \$1.2 trillion over the next 7 years. That should be plenty to do the things we need to do at the Federal level. Where we can, we send programs back to the States and local governments.

In total, this process of decentralization, together with the removal of duplication and waste, justifies eliminating 283 programs, 14 agencies, 68 commissions, and 3 departments: Energy, Commerce, and Education. This is just

one path toward balancing the Federal books.

Over the next few months, the committees of jurisdiction will map out the details. The job of balancing the budget is a challenge we can meet. When we are done, we will have a healthier, stronger Nation in solid financial shape for our children to inherit. I invite everyone here to join us in this historic effort, and rise to the challenge at hand. Vote yes on the Committee on the Budget's 1996 resolution, and keep hope and opportunity alive for the next generation.

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. The Chair would remind all persons in the gallery that they are here as guests of the house, and that any manifestation of approval or disapproval of proceeding on the floor is in violation of the rules of the House.

Mr. SABO. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Hawaii, Mrs. PASTY MINK.

(Mrs. MINK of Hawaii asked and was given permission to revise and extend her remarks.)

Mrs. MINK of Hawaii. Mr. Chairman, I rise in strong opposition to the budget resolution. This resolution is being presented based upon policy assumptions which must be challenged. These assumptions are contained in the committee report. I hope that all of the Members will read it.

For my limited time in this part of the debate I want to direct attention to the egregious assumptions that are the basis for huge cuts in Function 500, which deals with education, training, and Head Start. The cuts contained in this budget resolution in Function 500 amount to \$82 billion over a 7-year period.

Despite what has been said by the Republican majority about the resolution providing for a steady increase in spending, I want to alert Members to the fact that in Function 500, the current fiscal year 1995 budget authority is at \$58 billion, and 7 years from now, it is \$44 billion. This is a substantial cut in one of the most areas of Federal Government responsibility, which in the past has enjoyed large bipartisan majority support.

In the area of education alone, the cuts are particularly devastating. Despite the avowed pronouncements about being for family values, the Republicans in this budget resolution have disavowed their support for the most important goal of American families, which is quality education for their children, enriching their experiences in education, providing for science and math instruction, and help for those who are disadvantaged by poverty, by deficiencies in language, and assuring that higher education is available for all, regardless of age or economic circumstances.

Mr. Chairman, this budget resolution strikes a deep blow to the promise of America to improve educational opportunity for all. The cuts in education

will hurt all school districts, most of whom cannot possibly make up for the huge losses in these funds.

I want to remind the Members of the House that if they support this resolution, they are voting for the elimination of President Bush's initiative called Goals 2000, which was implemented by President Clinton. This was an initiative that was promoted by the National Conference of Governors, and now it is being eliminated.

If Members vote for this resolution, they are cutting about \$5 billion in the next 7 years in the Elementary-Secondary Education Act, passed some 30 years ago. The title that is being cut is the concentration grants. Everybody has been saying target the money to the most poor, to the neediest districts. That is precisely what we did last year, and this program is being eliminated.

If Members vote for this resolution, Federal funds to help schools prevent drug abuse in their schools, the very, very difficult issue which the Federal Government has put money in, and from which the schools have benefited enormously, \$3 billion are being taken away.

If Members vote for this resolution, they will be cutting the Eisenhower Professional Development Program. All of us know that quality education is contingent on the quality of the teachers, and it would be absolutely criminal if we destroyed this program, which helps school districts provide for development of our teaching profession, allowing them to improve themselves and keeping up with the technological advancements in our society.

If Members vote for this budget resolution, they will be eliminating totally the bilingual education program. Think of the promises we have made to the young children who have come to this country with their families, whose only fault is that they are deficient in speaking and understanding English, and we are taking away from them the one chance they have to keep up with their classes and to get into this educational system so they can benefit and improve their lives.

All across America, Mr. Chairman, if Members vote for this budget resolution, they will be cutting the only Federal funds in libraries that have been in existence for decades. Our rural small libraries all benefit from the library program. This program is being eliminated totally. What a travesty on what support the Federal Government has been able to provide.

The last and probably most egregious cut that is proposed in this resolution, which if Members vote for they will be a party to, and that is to take away the interest subsidy of our young people and others aspiring to a higher education, wanting to better themselves. This is the American ideal. This is what we talk about when we say self-sufficiency: "Get in there and work to better yourselves." When they do, we have a Congress that is taking away

that small subsidy which we have provided over the years.

Mr. Chairman, I urge a "no" vote on this resolution.

Mr. Chairman, I rise in opposition to the budget resolution which is being considered today. There are policy assumptions that must be challenged in this resolution. These assumptions are contained in the committee report. For my time in this part of the debate I want to direct attention to the egregious assumptions which are the basis for the huge cut in Function 500 which deals with education, worker training, foster care, aid to the disabled, and Head Start.

The cut contained in this budget resolution in Function 500 amounts to \$82 billion over the 7-year period.

Current fiscal year 1995 budget authority for Function 500 is \$58 billion. The 7th year allocation for Function 500 in fiscal year 2002 is \$44 billion. This represents cuts in some of the most successful programs that have been in the past supported by large bipartisan majorities.

In the area of education alone, the cuts are particularly devastating. The avowed pronouncements about being for family values, the Republicans have disavowed their support for the most important goal of American families, which is quality education for their children, enriching experiences in education, promoting science and math, and help for those who are disadvantaged by poverty, by deficiencies in language, and assuring that higher education is available for all regardless of age or financial circumstance.

This budget resolution strikes a deep blow to the promise of America to improve educational opportunity for all. The cuts in education will hurt all school districts, most of whom cannot possibly make up for the loss of these supplemental funds.

President Bush's initiative, Goals 2000, joined by President Clinton in implementing them, will be eliminated. Remember this is an initiative joined in the Nation's leading Governors and goes to the heart of the national effort at education reform. The cuts are \$2.8 billion over 7 years.

Elementary Secondary Education funds, Title I Concentration Grants, are eliminated. These funds concentrate and target schools with the highest concentration of poor children which is exactly what the Republicans have argued for in the past. This is one of the most egregious of all cuts. The cuts are \$5.1 billion in 7 years.

Federal funds to help schools prevent drug abuse and violence in the highly regarded program called Safe and Drug Free Schools program are also being cut. The loss of these funds so desperately needed to help schools deal with this problem is unconscionable. The cuts are \$3.5 billion in 7 years.

The Eisenhower Professional Development program is eliminated. We have always supported ways to improve the quality of teaching. Teaching is what schools are about. Schools have grave difficulty in providing funds needed to help in professional development to maintain education relevant to the challenging times in which we live. The cuts are \$2.2 billion in 7 years.

Bilingual Education is eliminated. To ignore the needs of students whose primary language is not English is to punish and retard their ability to learn. We give lip service to the

ambition of immigrant children to achieve their goals and yet take away the help they need. The cuts are \$1.4 billion in 7 years.

Libraries support which is a basic Federal help that has been available to the smallest of our libraries, in the most rural of our communities is to be cut. This is the most backward unthinking cut of all. Funds that are lost here, will not be made up by local funds, which are largely unavailable. The cut is \$1 billion in 7 years.

Higher education loans—Stafford loans and direct loans—will no longer have an in school interest subsidy. This is negative thinking. How can we believe that our nation's future is in our children and at the same time cut back their higher educational opportunity? The cuts are \$18.7 billion in the 7-year period.

Federal Trio programs for outreach to highly talented high school students to urge them to continue with their education is what enlarging opportunity means. Killing this highly successful initiative is to turn our back on talent. The cuts are \$3.2 billion in 7 years.

The much heralded early childhood education program, Headstart, is cut by \$1.5 billion over 7 years. It is frozen at fiscal year 1994 appropriation levels. It freezes our long hoped for full funding of this important program that has dramatically changed the future of the poorest of our children.

This budget is a travesty of immense proportions. All the talk about adopting these cuts for the future of children is totally wrong. It cripples our children's future. It casts a dark shadow over the future of thousands of our Nation's children. Instead of hope and opportunity, supported by the country as a whole in its Federal budget, our children will have to struggle to attain their goals on their own with their dreams shattered by politics which did not include them or consider their future.

Vote down this budget resolution. It punishes our children. It robs them of a brighter promise for their future.

Republicans who support the budget resolution also supported the balanced budget amendment by arguing that it would force the Federal Government to balance its budget just as families, businesses, and the States do. If this is so, why did the Republicans support a balanced budget amendment and now support a budget resolution that simply fails to make distinctions between operating and long-term investment costs in the Federal budget when families, businesses, and all 50 States make those very distinctions when they plan or structure their budgets?

For example, when a family purchases a home, the cost of this long-term investment is accounted for over the 15- or 30-year life of a mortgage. However, when the Federal Government decides to build, say, a submarine, also a long-term investment, the entire cost of the submarine is front-loaded in the first year's budget and shown as a debt in that year's budget.

If we establish a Federal capital budget, the Federal Government will have separate operating and capital budgets just like all the 50 States, and the Federal Government will be required to maintain a balanced operating budget and reflect its long-term debts in its capital budget, just like those States with balanced budget mandates such as my own State of Hawaii.

We cannot look at this budget without considering the immediate impact it will have on

individuals and their families. This drastic move to severely cut our investment in our most important asset—our human capital—will have monumental consequences on programs which people depend upon everyday to help improve life for themselves and their families.

Americans want nothing more for their families than to provide their children with a better life, to be able to give them opportunities for education, employment and economic achievement. I know this is what the people of Hawaii want over and above an effort to reach a zero budget deficit just for the sake of doing it, without regard to the impact it will have on our overall economy, our future and most of all the lives of individuals.

Many programs which the people of Hawaii support and depend upon will be eliminated or severely reduced under this plan:

East-West Center—eliminated; Native Hawaiian Education Act—eliminated; Native Hawaiian Health Care Act—eliminated; Student Loans—cut by \$18.7 billion; Impact Aid—cut by \$1.3 billion; Davis-Bacon Act—eliminated; Travel and Tourism Administration—eliminated; Legal Services Corporation—eliminated; National and Community Service [Americorps]—eliminated; Retired Senior Volunteer Corps [RSVP]—eliminated; National Endowment for the Art/Humanities—eliminated; Support for the Public Television—eliminated; National Biological Survey—eliminated; Head Start—cut by \$1.5 billion over 7 years; Bilingual Education—eliminated; Library programs—eliminated; TRIO programs—eliminated; National Writing Project—eliminated; Homeless Assistance Grants—eliminated; Vocational Education/Adult Education/Job Training—block granted cut by 20 percent; Community Development Block Grant—eliminated; and U.S. Geological Survey—cut by \$798 million over 7 years.

These are not programs which can be eliminated without a significant impact on the State of Hawaii. These programs help us invest in education and training of our workforce, provides jobs in highly technical and scientific fields of research, provides investment in infrastructure and housing to improve our rural and urban communities. Davis-Bacon helps to stabilize Hawaii's economy by preventing "fly-by-night" construction companies from the mainland from gaining an economic advantage over our local construction companies in getting Federal contracts.

This budget resolution must be voted down.

□ 1500

Mr. KOLBE. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, the previous speaker talked about the cuts in education. Let's be very clear what we are preserving here.

We are preserving the title I basic grants for disadvantaged students, the impact aid for "A" students, the special education, the vocational rehabilitation, the Pell grants, the historically black colleges grants, the campus basic aid, and then we are creating 5 new block grants. So let's just be clear what we are preserving here.

The issue about libraries. One percent of funding for libraries comes from the Federal Government.

Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr.

WALKER], the distinguished chairman of the Committee on Science and vice chairman of the Committee on the Budget.

Mr. WALKER. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, there used to be a tradition in this country that you bought the farm, paid off the mortgage, and gave the farm to the kids mortgage-free. The Federal Government for years has been now moving in a different direction, where what you do is buy the farm, sell off the assets, and hand the mortgage to the kids.

What we are hearing today is a debate between those people who want to make certain that we do not continue to hand the mortgage to the kids but rather begin the process of ending deficit spending and ultimately paying off the debt.

The surprising thing is that there is a bipartisan consensus around that idea. In January, fully 187 Democrats voted for one or another of balanced budgets that said to balance the budget by the year 2002.

That is right. We actually had people line up in January on the Democratic side, 187 of them, nearly three-fourths of their conference, and say they were for some kind of balanced budget that balanced the budget by the year 2002. Now we hear today that, well, maybe they were not really for that, that was just a political vote they had to cast.

I must say that when it came to final passage, many of them voted "no," including the gentlewoman who was just in the well, although she did vote for one of the balanced budgets. The amazing thing is that they have come to the floor today with no presentation of their own of how they would get to that balanced budget that they voted for by the year 2002.

When they have told us before how they will do these kinds of things, they raise taxes. The gentlewoman who just spoke, in her district she voted back in 1993 to raise taxes on her own district by \$522 million in order to bring down the deficit.

Now we find out what they really did. In the President's budget that he brought forward earlier this year, deficits begin to go up again at the end of the 5-year period. Guess what? When you get out into the 7-year period that we assume in our budget, the deficits soar out of sight, despite the fact that they raise taxes, presumably to lower deficits.

The question here is whether or not we are going to do real things in order to get the Federal books in order. I believe we have the capacity to do some real things.

This budget does assume some things that many, many people in this House do not like. When you cut 283 programs, there are people who are tied to the special interests that back those programs, who simply do not want to do the cut of 283 programs. When you cut over 60 commissions, there are peo-

ple who are tied to the special interests who love those commissions, who then come to the floor and argue for keeping them.

When you eliminate three departments, there are people who are tied to those three departments and the special interests who back those departments, who come here and defend those departments. When you eliminate a dozen and more agencies, there are people who are tied to the special interests who love those agencies, who come to the floor and defend it.

You are going to hear them all day long out here, defending the special interests that defend those agencies and saying that this is all in the name of helping the poor and the downtrodden. Nonsense.

Mr. Chairman, if you take a look at the reality of this, what you are supporting in the budgets that we have had over the last several years is huge bureaucracy. Vote for a balanced budget.

Mr. SABO. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, let me simply observe the explosion of the Federal deficit occurred when we passed the Republican program in 1981.

I hear this discussion of special interests. Let me remind this body that we have before us a tax proposal that would repeal the alternative minimum tax for the largest corporations in this country. To pay for that, we would repeal and make more difficult the getting of student loans by thousands and millions of students in this country.

Mr. Chairman, I yield 4½ minutes to the gentlewoman from California [Ms. WOOLSEY].

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

Ms. WOOLSEY. Mr. Chairman, contrary to the claims of the majority, this is not a budget to protect our children's future. This budget is an assault on our children's future, and an assault on their grandparents as well.

It opens up tax loopholes for wealthy special interests, and slams the door on school cafeterias; college classrooms; and hospitals all over this Nation. If this budget represents the future of our children, then the future looks grim. It is no wonder Mr. KASICH says he is nervous.

Mr. Chairman, education is our future. Education, not reckless spending cuts, must be our Nation's No. 1 priority. The most glaring mistake in this budget is that it makes deep cuts in education to pay for a tax break for wealthy special interests.

Our children should be the most important special interest for this Congress, not the privileged few with influence over the Republican budget process.

It is too bad kids don't have powerful lobbyists here in Washington, because many of the education programs which are important to our children's future are being assaulted in this budget:

Goals 2000 is eliminated; Head Start is cut dramatically; bilingual education is terminated; President Clinton's national service program will disappear school lunch and school breakfast is cut the entire Department of Education would be eliminated, clearly demonstrating to the American people the majority's lack of commitment to the future of our children.

This budget is not limited to attack on our young children, it also attacks low- and middle-income college students, and their families. On May 8, 1995, the New York Times called the Republican budget resolution "the strongest assault in recent years on student-aid programs."

Mr. Chairman, this assault makes a mockery of our Nation's core values—the opportunity to get a good education, and the opportunity to get ahead. Taking away the college loan interest subsidy, which the Government provides to students while they are in college, amounts to taking away the American dream from all but the privileged few. Nationwide, college costs will increase by an average of \$5,000. Low- and middle-income students and their families just won't be able to foot this bill. In addition, these cuts in student aid threaten our future economic health and our global competitiveness. In a time when our country needs people who are more educated, not less, in order to compete in the global marketplace, this assault on our low- and middle-income families is also an assault on American's economic future.

Also, if we want to get people off welfare and into the work force, these cuts in education send us in the wrong direction. As a former welfare mother—able to work myself off welfare because I had a good education—I can tell you for sure that these cuts are just plain wrong.

Make no mistake about it, when Members of Congress cast their vote on this budget, they are providing their constituents with a clear "yes or no" answer to the following question: Should we take education and nutrition away from children; college aid away from students; and health care away from seniors in order to put money into the hands of wealthy special interests?

I beg my colleagues to answer with a resounding "no" by rejecting this budget.

Mr. KOLBE. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey [Mr. FRANKS], a distinguished member of the Committee on the Budget.

Mr. FRANKS of New Jersey. Mr. Chairman, I yield to the gentleman from Kansas [Mr. BROWNBACK].

Mr. BROWNBACK. Mr. Chairman, I just noted the gentlewoman across the aisle was saying that there are no special lobbyists for the children, no powerful special lobbyists for the children back home. I know one man that is standing right here who is a powerful

lobbyist for three young children in Kansas. I am here representing them, as many of my colleagues are. We are terribly concerned about them. That is why we are balancing the budget.

Mr. FRANKS of New Jersey. Mr. Chairman, this is the most expensive credit card in the history of the world. This card has been used by decades by politicians in Washington, DC, to buy things that we simply cannot afford.

In the process, we have accumulated deficit after deficit and piled up debt upon debt. The very children that we profess to be so deeply concerned about are the people who are being asked to pay off this enormous debt. The only answer to ending this deficit spending and to begin to pay down this enormous debt which is putting a burden on our children and on our families is to balance the budget.

Mr. Chairman, just like every American family who, when they have an important objective to meet, sit around the kitchen table and have to prioritize what is essential, identify what is important and talk about what they can do without, that great historic discussion begins for the first time in a generation right here right now.

Ladies and gentlemen, this is the time for a balanced budget.

Mr. SABO. Mr. Chairman, I yield 1 minute to the distinguished gentleman from New York [Ms. SLAUGHTER].

Ms. SLAUGHTER. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, one group of children that no Member here is lobbying for—and it is obvious we lobby for our own and our grandchildren—are the homeless children in the United States, numbering between 750,000 and 1 million on a daily basis. These are not children that caused the deficit. These are the children of parents who used to work and who do not anymore.

This program, which is very modest, has helped over 350,000 children since 1990. The number of homeless children not in school because of this program has dropped from 50 to 18 percent. Obviously it works.

A nation that believes that it is better to allow 750,000 to 1 million American children to grow up in shelters and on the streets and not to be in school has no reason to expect not to reap the whirlwind that growing up uneducated, unhealthy, and untrained will assure us. This program that costs so little and produces so much could only be eliminated by meanness.

It is a total transfer of the benefits for homeless children to the very rich who benefit from the tax cut.

Mr. KOLBE. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Staten Island, NY [Ms. MOLINARI], a very hardworking member of the committee.

Ms. MOLINARI. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, let me just say what we have here today is a difference in definition between the two political parties as to the American dream.

The Democrats, as you hear, say it is OK to add to the deficit. Increase taxes, the Government will save the day Over the next 6 or 7 hours, we are going to hear from the other side, a picking out of small programs throughout this budget that we believe the country will absolutely fall apart if they are not continued to be funded.

What you will not hear in their American dream is how to balance the budget, how to restore economic equity to the next generation, how to positively bring back that vision of hope to Americans regardless of their age.

The Republicans, on the other hand, have defined the American dream, but we have gotten that definition from people who pay taxes throughout this country, who tell us to stop runaway spending, reduce the deficit, and balance the budget. "If you want to help our children, really help our children, let them grow up in an opportunity society that is debt-free."

That is how we discourage homeless children. That is how we increase educational opportunities. That is how we make sure that we in Washington do not define the American dream, but create an economy that allows the children and their parents throughout this Nation to feel, to dream, and to hope for a tomorrow that right now today, under the current Democrat spending plan of no new options, will lead them to one big dead end.

Mr. Chairman, I urge my colleagues and the people who are watching today to dare to dream the American dream and join in supporting the Republican budget.

Mr. SABO. Mr. Chairman, I yield myself 5 seconds.

The Republicans want to cut Medicare, Medicaid, education, and a host of programs to pay for a tax cut for the rich.

Mr. Chairman, I yield 2¼ minutes to the gentleman from Michigan [Ms. RIVERS], a distinguished new member of our committee who has been outstanding in her work.

Ms. RIVERS. Mr. Chairman, at the end of this month I will celebrate my 20th anniversary of graduation from high school. The next day I will celebrate my 20th anniversary of my marriage.

□ 1515

My husband and I got married the day after high school. I was 18; he was 17. At the time we were married we had few skills, little money, and a rough row to hoe. By the time we were 21 we had our second child. Today, 20 years later, I have an undergraduate degree, I have a law degree, and I represent my community in the people's House, the Congress of the United States.

What made the difference for me? What made the difference for me is what has made the difference for many,

many Americans over the years, education, and an education was only available to me because there were student loans, because I could borrow money, because I could get a helping hand. It made all the difference. It still took me 15 years to get 7 years of education, but I would have been shut out had I not been able to ask for help.

And yet now we see a Republican plan that retreats from that position, that makes it harder to go to school, that makes it harder to get ahead.

Chairman KASICH mentioned the American dream. Mr. Chairman, I will tell you I have lived the American dream. I have done what countless others have done. I have worked hard, I have persevered. I have played by the rules, and now that I have walked through the doors of opportunity, I would like to see them kept open for others to follow.

I think it is a terrible hypocrisy for folks on the other side, particularly in the leadership, who have climbed the ladder and now wish to pull it up behind them. We need to say no to this budget and to make it clear that any retreat in student aid is unacceptable.

The CHAIRMAN. Let the Chair state that, before the time comes for the Joint Economic Committee's part of this debate, the gentleman from Ohio [Mr. KASICH] has 3½ minutes remaining, and the gentleman from Minnesota [Mr. SABO] has 3 minutes 10 seconds remaining.

Mr. KASICH. Mr. Chairman, I yield 30 seconds to the gentleman from Arizona [Mr. KOLBE].

Mr. KOLBE. Just very quickly, Mr. Chairman, the previous speaker talked about the education of homeless children. What she is talking about is a program that funds an Office of Coordinator of Education for Homeless Children and Youth in the State educational agency. And in the functions of the Office of Coordinator, page after page of State plans, local education agency requirements. There is not one bit of program for homeless kids in here. It is a bureaucracy. It is a State agency, it is a coordinator. There are no programs in here.

Mr. SABO. Mr. Chairman, I yield 30 seconds to the gentleman from New York [Ms. SLAUGHTER].

Ms. SLAUGHTER. Mr. Chairman, I just wanted to respond to the gentleman from Arizona [Mr. KOLBE], because I have a report on the homeless in his own district.

There are 64 children right now in Amphi High School. Three earned a 4.0 grade average in 1992, another 5 GPA's at 3.5 or better. Ninety percent have improved their grades since entering the program.

None of the students served by the McKinney grant dropped out of the school in the first semester. We believe the success of these students is due to our policy of encouraging perfect attendance and academic excellence, as well as to the support they receive from the independent living class.

Mr. SABO. Mr. Chairman, I yield 1½ minutes to the gentleman from Massachusetts [Mr. OLVER].

Mr. OLVER. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, if this resolution is adopted the Republicans are going to cut \$4 billion every year for the next 7 years out of educational aid programs, and that is in addition, all up and down the line of education programs, and that is in addition to one of the biggest blows to education that you could make, and that is the \$19 billion that is taken out of these in-school interest subsidies for our college students.

Who does that interest-subsidy removal hurt? Here is an example of someone in my district who depends on student aid. Her name is Theresa McGuire, a 34-year-old college student at North Adams State College in western Massachusetts. She is a single parent, the mother of a 7-year-old daughter. She left a low-paying, no-benefits, dead-end job to go back to school only when she knew she would be able to get that kind of financial aid. She now has a 4.0 grade point average. She is two semesters from her bachelor of arts. She is going to go on to graduate school. And she would manage to finish because she is almost finished anyway, but there are millions of others in positions like that who will not start or will find that their school is made considerably more expensive.

Mr. Chairman, why in the world would the Republicans focus on the getting-ahead opportunities for people like Theresa McGuire to pass a tax cut?

Mr. KASICH. Mr. Chairman, I yield 3 minutes to the gentleman from Connecticut [Mr. SHAYS], a member of the Committee on the Budget.

Mr. SHAYS. I thank the gentleman for yielding time to me.

All my life I have wanted to serve in Government, whether it was as a civil servant or as an elected official, so it was a dream come true for me to have an opportunity to serve first as a State legislator and then as a Member of Congress.

When I was a State legislator and first elected I started to notice that Congress, unlike the States and unlike my State of Connecticut, could spend more than it raised. And I thought, well, they can do it but they will not. And I saw it happen one year, and I saw it happen another year, and I saw it happen another year. For 13 years I watched Congress spend more money than it raised. And I know who is hurt by that. It is all of the children who have to pay the bill.

So I saw my Congress spend more than it raised. And when I was in Congress, along with a number of others, I have been working and waiting for the opportunity to vote finally for a budget that will get our financial house in order.

Today I have this chance. I have waited 20 years for this day to get our financial house in order, and that is

what we are doing and we are doing it fairly. We are going to take 7 years admittedly, but we are going to spend 19 percent more in the seventh year than we spend today. We are going to slow the growth in spending.

Only in Washington. I know no other place in the world, only in Washington is an increase in spending called a cut, only in Washington. Where else when you spend more do they call it a cut? I never found a place anywhere else but in Washington.

We are going to spend more. Admittedly domestic spending is going to go down, because we are going to downsize and we are going to reorganize it and provide better services in the process. International, foreign aid is going to go down; that is a cut. Defense spending is going to stay relatively the same.

But Medicare and Medicaid, they go up. Medicaid goes up 36 percent in the next 7 years, it goes up, it does not go down. I hear cuts. It goes up. It is \$89 billion; it will be \$121 billion. We are going to spend \$33 billion more in the next 7 years than we spent in the last 7 years. That is a spending increase, maybe not as much as some people want, but it is not a cut.

But most importantly, we want to save Medicare. It is going bankrupt. We know from the President that in the next year it starts to go bankrupt and in 7 years it is bankrupt. We want to protect it and we want to improve it. We want to save Medicare. We are going to have a 45-percent increase in Medicare. That is a cut? Well, in Washington it might be, but nowhere else in the world.

We are going to spend \$659 billion more in the next 7 years than in the last 7 years. Is that a cut? No. We are going to spend more. Only in Washington is an increase in spending called a cut, and I am fed up with it.

What we are doing today is we are having a sea change. We are going to change the way Washington does things.

The CHAIRMAN. The gentleman from Minnesota [Mr. SABO] has 1 minute and 10 seconds remaining during this part of the debate.

Mr. SABO. Mr. Chairman, if the minority does not object, I would like to yield 1 minute and 30 seconds to the gentlewoman from New York [Ms. VELÁZQUEZ], and we will take the 24 seconds out of the next hour.

Mr. KASICH. I do not know if we can be that reasonable.

The CHAIRMAN. By the sufferance of the Chair the gentlewoman from New York is recognized for 1 minute and 30 seconds.

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

Ms. VELÁZQUEZ. Mr. Chairman, we have heard a lot of rhetoric from the new majority this year. When it comes to this budget, they outdo themselves. They talk about saving our children and grandchildren. What they do is the exact opposite. They take Federal dol-

lars away from our children to be able to give huge tax breaks to the wealthiest families in this country.

With a \$7 billion cut in education and training programs, this budget will deny thousands of children their chance for a decent education and a brighter future. The only ones who have a brighter future under this budget plan are the wealthiest families in this country. They will get over \$281 billion in tax breaks under this budget. There is no bright future for our kids in this budget.

Saving our kids means giving them new books, building them new and safer schools.

Let us stop the rhetoric, Mr. Chairman, and speak to the truth. The only savings that is going on here is in the tax bill for the rich.

The CHAIRMAN. Pursuant to the agreement entered into prior to the House going into the Committee of the Whole, the next hour will be devoted to a debate controlled by the members of the Joint Economic Committee. Under the rule, however, that time is controlled by the gentleman from Ohio [Mr. KASICH] and the gentleman from Minnesota [Mr. SABO].

Mr. KASICH. Mr. Chairman, I ask unanimous consent to yield my 30 minutes to the gentleman from New Jersey [Mr. SAXTON] and that he be allowed to control the time.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SABO. Mr. Chairman, I yield 30 minutes to the gentleman from California [Mr. STARK], and I ask unanimous consent that he be allowed to control that time.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The CHAIRMAN. The gentleman from New Jersey [Mr. SAXTON] will be recognized for 30 minutes, and the gentleman from California [Mr. STARK] will be recognized for 30 minutes.

The Chair recognizes the gentleman from New Jersey [Mr. SAXTON].

Mr. SAXTON. Mr. Chairman, I yield 30 seconds to the gentleman from Arizona [Mr. KLOBE], a member of the Committee on the Budget.

Mr. KOLBE. Mr. Chairman, earlier the gentlewoman from New York [Ms. SLAUGHTER] was again talking about the office of coordinator of education for homeless children. Let me just read that sentence from the Department of Education's budget:

This program provides formula grants to States to operate an Office of Coordinator of Education for Homeless Children and Youth and to develop and carry out a State plan for the education of homeless children.

The education comes out of Head Start, out of title I; it does not come out of this. We are talking about cutting out a bureaucracy. The tax cuts, we are going to be talking now about the tax part of this thing, go to take

care of senior citizens and children, senior citizens and children, the next generation of Americans and that generation now which deserves our help, the senior citizens.

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

Mr. Chairman, the purpose of this hour of debate is to focus on the economic implications of the budget proposal before us. I believe that this debate today is truly a very historic debate, and to the extent that the Committee on the Budget has worked very diligently, I congratulate them on bringing us to this historic point. For the first time since the 1980's Congress is preparing to confront the tidal wave of red ink drowning our country's future. Listening to the prophets of doom, one comes away with the impression that balancing the budget is an exercise in group sacrifice, when in fact we believe it is just the opposite. Balance the budget is only painful if we accept the premise that every American is dependent upon the Federal Government. We reject that premise.

A true understanding of the economic rationale for balancing the budget is that by reducing spending we are freeing the economy from the burdens of the state. We are renewing the time-honored American values of independence, responsibility, and hard work.

However, we are faced with a dilemma. Do we once again attempt to balance the budget by hobbling the economy with higher taxes, or do we balance the budget in a manner consistent with economic prosperity? That is the big question, and I submit to my colleagues today that the American people told us last November to balance the budget in a way that makes the economy grow, and they told us to reduce taxes at the same time.

The American people understand that these two goals are consistent, and so it is essential for us to do both.

Why is it important to balance the budget with lower taxes? Because balanced budgets alone have limited power to unleash the competitive power of America's workers, which is the basis of our economic prosperity, not big Government.

□ 1530

The President and his administration have crowed about how wonderful this recovery has been. Let us take a minute to focus on the history of economic recoveries. Economic recoveries do what their name implies: They restore the economic performance of a poor economy to the economic performance of a good economy. Traditionally, during economic recoveries, productivity, incomes, and job growth are higher than the norm.

On the other hand, the current economic recovery has continued for several quarters. However, it has not created the prosperity of other economic recoveries. Far from it. In the first 3 years of the expansion of this recovery,

real gross domestic product grew by less than half, less than half of the growth of GDPs in other recoveries. The Clinton recovery has been a failure in restoring productivity and in restoring incomes. Productivity grew by an average rate of about 3.1 percent in the two decades immediately following World War II. However, during the 1970's, productivity decreased alarmingly. Growth was again restored during the Reagan expansion. However, since President Reagan, productivity has declined to the level of the 1970's, which is totally unacceptable.

In the current recovery, productivity gains in the service sector, have, in fact, been negative. Incomes have also been flat in the current economic recovery. Real median income increases dropped in 1991, 1992, and 1993, unique, unique for a sustained expansion. The only other time in American history post-World War II when GDP grew and family incomes fell was in 1979 during the Carter administration.

The Clinton recovery also is not providing Americans with quality jobs. If real median family incomes are falling, this means that new jobs created by this recovery offer wages below the average.

What has the Clinton administration done to counter this trend? They have piled additional burdens on American families with higher taxes and more regulations. The major reason for stagnating incomes is that failure of the economy to provide adequate capital for a robust economy and robust economic growth. Net fixed investment ran about 5 percent of GDP in the 1980's, but has fallen to under 4 percent, 3.8 percent, to be more exact, today.

Economists have debated the reasons for the slowdown of investment, but they are almost unanimous in believing that it is the high taxes on capital income that is primarily responsible for lowering investment and subsequently lowering incomes.

When confronted with the positive steps made by the House with the Contract With America and now with this budget proposal, many of our friends across the aisle and down Pennsylvania Avenue have resorted to the timeworn class warfare arguments. The Secretary of Labor is a great example. Secretary Reich has labeled the problem of stagnating incomes the problems of the "anxious class." Unfortunately, the administration has not learned the lessons of the anxious class. The anxious class spoke in November 1994. They said they are afraid of a Government that takes a large portion of their income in taxes, a Government that spends money imprudently, a Government that regulates in capricious and cavalier manner, and they rejected it categorically.

The Clinton administration, in its economic report of the President, states that the economy cannot grow faster than 2.5 percent. Imagine, our administration, the current administration, stating to us that the economy

cannot grow faster than 2.5 percent. They look at the experience of the 1970's and the early 1990's to buttress their claims that a faster growing economy will generate inflation. Real economic growth has stagnated in recent years. However, the postwar annual average of growth was 3.9 percent, almost 4 percent. The difference between the postwar real GDP rate of growth and the current real GDP rate of growth has been labeled by economists as the growth deficit.

I might point to this chart at this point and say that had growth continued as it should have, if taxes had been kept low and if regulations had been kept at a reasonable level, the red line indicates what GDP growth would be today, and, of course, the blue line represents what it actually is. Real economic growth has stagnated, and as we go through the postwar times and the 3.9 percent increase, if the economy had grown at the present postwar growth rate, the real GDP would be, and the difference here, of course, the deficit is \$1.6 trillion.

Per capita GDP would be approximately \$6,600 larger. A family of four, therefore, would have an annual income of and an additional \$26,000. Pretty neat, it would have been.

Why can we not achieve the level of growth of the postwar years? Because the Government is taking too many resources away from the private sector to satisfy its ever-expanding appetite for more Government and the need for more tax dollars to support it. This is why balancing the budget is so important. It provides for the kind of economic growth that we need, and we must contain Government spending to get it.

Government spending is clearly a negative for economic growth. Economists now understand that, as the Government grows too large, it destroys the necessary incentives for a healthy economy. From Moscow, Russia, to Moscow, ID, and from Paris, France, to Paris, TX, people understand that the size of Government today is the Government which is the biggest impediment to economic prosperity.

The party of the status quo on the other side of the aisle who are content to take shots at our budget without producing a real one of their own are resisting the people's desire for smaller Government and a stronger economy. They are even resorting to the highly unusual arguments like that of Laura Tyson, President Clinton's head economic adviser, who has said any effort to reduce Government spending means a dollar in reduction in demand in the economy, so it increases the contractionary risk on the economy. That statement is incredible, and it is so incredible that she must have meant, I think, something else. Clearly, all economists understand that the Government does not create wealth out of thin air. Rather they tax citizens for the resources using Government programs. If the Government does not

spend tax dollars, citizens will use them for other, more productive purposes. If the Government, on the other hand, takes our dollars, it will take them away from citizens and their desire to do more productive things with them.

Rest assured that citizens will use their dollars much more prudently than Government bureaucrats will use their tax dollars for them. Controlling Government spending, then, will be an ambitious gain for the economy. Private entrepreneurs will have more incentives to take risks, to create jobs and prosperity, but not the Government, and we will all benefit from the fruits of the labor of the private sector.

Historically, we can see the effects on lower Government spending. As the Government got larger, the economy's real rate of growth slowed. The process we are initiating today is a historic process to restore America to a high-wage, high-growth economy. We are truly at a crossroads.

What about those who say the Government has certain functions that private markets cannot undertake? Well, first, we have been deluded too often to accept the arguments that the Government must do this or that task. Private markets are much more efficient than Government processes.

And, second, these people are thinking only in the short run. If we take the long-run perspective, we can see that by maximizing economic growth, we will maximize Government revenues, and actually we have a chart here that shows what happens when taxes are kept down. We actually get more revenue and more Government revenue from growth than under the current flawed system.

What about those who say that Government has functions to undertake? Well, we agree that it does. But to balance the budget, we will have other benefits as the economy responds to our efforts. Increased economic growth will make it easier for us to reform the tax system, and we are hearing more and more from citizens who are angry with the current tax system. They find it capricious and difficult to understand.

Economic growth will allow a more reasoned approach to taxation.

The economy loses many of its best and brightest careers that simply interpret the Tax Code. All the efforts of accountants and lawyers to understand the tax system are lost to the economy. They do not bring more revenue to the Treasury. They do not generate goods and services to make Americans wealthier or richer or better off. Rather, correctly understood, the time and expense to prepare tax forms is another form of taxation that reduces economic wealth. Reducing the burdens of the tax system will make Americans wealthier because it will free up these revenues as well.

The new ethic must take hold with regard to taxation. A long time, too long, we have focused on the debate,

with the debate, on the impact of taxation on the distribution at static losses, a term we hear inside the beltway a great deal. We have ignored the dynamic harm done to every American worker by excessively taxing capital. Taxation reform must recognize that the prime determinant of wage growth is capital investment. We cannot help Americans to economic prosperity without reforming the tax system.

Also, we cannot allow this opportunity to pass, and the key to future tax reform is reducing the size of Government today. That is what our budget does.

The American voter wants a healthy economy. The American voter wants lower taxes. The American voter wants a smaller Government. We must restrain spending to reduce the deficit.

We are not reducing spending because we are masochists. Rather, we are reducing spending to enlarge opportunities for all Americans to produce economic growth. Reducing Government, reducing Government spending is the most positive thing we can do for the American people, for older Americans, for future generations, and for today's children. It is a win-win strategy.

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

Mr. STARK. Mr. Chairman, I yield myself 10 minutes.

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

Mr. STARK. Mr. Chairman, this is the hour allotted to the Joint Economic Committee. I thought it was train schedules for the Metro here. But I am going to explain that, as we learned in agricultural economics, that chicken droppings and chicken salad come from the same place, but there is, indeed, a world of difference between them.

The budget resolution, as propounded by my Republican friends, really has nothing to do with economics. It has to do with a little accounting sleight-of-hand, perhaps some legislative legerdemain, but certainly not economics.

It does represent massive redistribution from the elderly to the rich. Programs that benefit average Americans are cut, reduced, squeezed, whatever you want to call it, to provide huge tax breaks for the wealthiest people among us. Cuts to finance those breaks are made across the board, children's programs, Medicaid earned income tax credit, a whole host of credits, to given tax cuts to the rich.

Today, however, I would like to focus on the proposed cuts in just one area. Guess what, Medicare. The resolution would require us to cut \$283 billion out of the Medicare Program. That is a big chunk of cut.

Now, the Republicans would like to pretend, and this is interesting, this is what economists do all the time, they pretend something is what it ain't. The Republicans would like to pretend that these are not really cuts, just reductions in the rate of growth.

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Now, that argument is, in economic language, specious, misleading, and hypocritical. For the Social Security recipients, these proposals increase out-of-pocket costs while reducing availability and quality of medical services.

Now, the Republicans would make it sound as if Medicare costs rise over time because the program is growing, as if Congress is adding entitlements and new services, or paying higher reimbursement rates, or covering new categories of people. But none of those things are true. The truth is the Republican cuts would come out of the amount needed to keep benefits and rates at current levels. That is all.

In 2002 alone, payments for each senior will increase by over \$1,000. That is economics that the seniors in my district understand. The increases in the Medicare premiums and deductibles seniors would pay are not even the whole story. These cuts that the Republicans are talking about would reduce seniors' access to health care and require new copayments for services such as lab tests, home health care, and skilled nursing facilities.

Seniors in California in my area would have to pay almost \$1,500 more on the average for health care by the end of the 7th year. That is economics, ladies and gentlemen, that they can understand. Yet my Republican colleagues complain that the Government programs do not work.

The distinguished vice chairman of the Joint Economic Committee, the ranking Republican member, just said this is about independence, responsibility, and hard work. Hogs on ice are independent. There are a lot of responsible people out there, and certainly we all know about hard work after Speaker GINGRICH's 100 days.

But, these proposals do not illustrate any of that. They illustrate how you can destroy Government, if that is really what you want to do, and I submit that is what the Republicans are about. And these proposals illustrate how.

They take an effective program and cripple it. Last year much smaller Medicare cuts were proposed. The Republicans complained that any Medicare cuts, and that is the word you all used, you Republicans, you, would destroy the qualified and ability of care for seniors under the program. Given their objections to last year's proposed cuts, how can they possibly come back and justify larger cuts this year?

They have tried to hide their intentions about Medicare by claiming they are just trying to save the trust fund. Well, now, here is an economic term. The seniors will recognize that claim as baloney. That is Economics 102. The proposed Medicare cuts are much larger than are needed.

The only Republican proposal relating to Medicare so far that has passed this House actually makes the trust fund worse by repealing factions on

high income elderly that were dedicated to the trust fund. That hardly seems like a good way to save the trust fund.

Last year, my colleagues on the Democratic side of the aisle proposed Medicare reforms that would have saved \$168 billion over 7 years in the Medicare trust fund, and the Republicans, to the man and woman, voted against it. They argued that they wanted to support an amendment to strip the savings on the theory that they would ruin Medicare with the cuts. Now, if \$168 billion was going to ruin it last year, \$238 billion is going to knock the socks off it this year.

You have been treating, you Republicans, you, the specific details of that Medicare plan like it was the Stealth bomber plans, top secret. DORNAN could not have kept them more secret. They know that savings, you Republicans know, of the size that you are proposing, cannot be achieved without absolutely devastating the Medicare Program and placing new burdens on Social Security recipients.

No wonder you are nervous about revealing what you intend to do. But let me tell you, my friends on the other side of the aisle, here is a hint of what they have up their sleeves. Medical insurance, part B, that covers doctors payments, which is by the way financially solvent and does not need any cuts to maintain its solvency, the Republicans are planning to double the deductible that beneficiaries pay before Medicare reimburses them for their doctors bills. After doubling it, that is not enough, they are going to index it so that their payments do not keep up, but their co-pays keep up with inflation, and they go up every year, just to remind these seniors how tough they are when they raise the cost of Medicare every year for the next 7 years and on into the future. They plan to increase the premiums that Medicare enrollees must pay. And if that is not enough, they make the patients pay a bigger share of laboratory tests, home health care services, skilled nursing facilities, all those things that the seniors are going to need.

Here is the bottom line. Medicare patients will pay more upfront for their coverage, and if they get sick they are going to pay even more than that. No wonder you are not anxious to tell us what is hidden in that budget. These Medicare cuts will hurt. They will hurt beneficiaries, they will hurt the entire health care system, and ultimately hurt the economy. You knew I would get to it.

Our economy and society as a whole will be devastated. Hard-working Americans who paid Medicare taxes for years will find themselves without medical insurance they had been counting on. Confidence in that portion of Social Security will be undermined, and rightly so.

If you arbitrarily change a contract, renege on a deal, pull back on a promise to seniors that was made back in

1965, that we promised these workers, they will know you are renegeing, they will know you are chintzy, they will know what your contract is. The health care system will suffer, especially in rural areas and inner cities. Hospitals will go bankrupt, rural health clinics and community health care centers will be forced to close, and medical care will be rationed and quality will decline. The overall economy will be harmed as those proposals slash Medicare and do nothing about rising health care costs, as the President has asked us to do.

We cannot continue to spend an ever increasing share of our national income, and that is an economic term, on health care. But cutting health insurance for seniors and the poor without reforming the system is unfair and unwise. And making these cuts in order to finance tax breaks for the wealthy just compounds the folly and exacerbates the existing divisions.

One more thing, just a word of advice. You are going to fix this by changing the CPI, aren't you? You are counting on that adjusting. Well, we have got a suggestion. If you really want to be tricky, and I see the good doctor sitting there, all we have to do is raise normal from 98.6 to 103 and we will save billions in Medicare. How would you like that? That makes about as much sense as the rest of this budget.

So I urge you to defeat the budget, save the seniors from the destruction of Medicare, and get on about the business of seeing this country build and grow as it has over the past several years.

Mr. SAXTON. Mr. Chairman, I yield 3½ minutes to the gentleman from Egan, IL, population 42 [Mr. MANZULLO].

Mr. MANZULLO. Mr. Chairman, this Republican budget is the first step toward balancing the budget and putting our Nation back on the path towards fiscal responsibility. We will reduce or eliminate programs that may sound nice on paper, but in reality throw away billions of hard-earned taxpayers' dollars every year. And we may eliminate some worthy programs for which there is simply no money, but without which this Nation can function.

We are approaching a national debt of \$5 trillion, and each year we go into debt \$200 billion more. This means \$200 billion a year is added to the national debt. Today the tax rate for local, State, and Federal taxes is 50 percent. That means that a family with both husband and wife working, one spouse is working solely for taxes.

According to the Clinton administration's Office of Management and Budget, if we do not make dramatic changes in this country's fiscal policy, every child born after 1993 will pay between 84 and 94 percent of his or her income for local, State, and Federal taxes. That means out of an annual income of \$30,000, a child will be left with only \$1,800 to \$2,100 after taxes each year on

which to live. This is hardly the legacy we want to leave our children.

The findings of the Bipartisan Commission on Entitlements and Tax Reform show that absent policy changes, entitlement spending and interest on the national debt alone will consume all Federal revenues by the year 2012. That means no money for defense, no money for education, no money for roads and bridges, no money for law enforcement.

The Republicans propose a common sense solution to the deficit problem. Slow the growth of spending to about 2.2 percent a year so that revenues catch up with spending levels, which should occur by 2002. By reducing the deficit, the Nation will benefit in reduced interest rates, more employment, and a stronger economic climate.

The Medicare trustees, including those appointed by President Clinton, say that the Medicare Trust Fund will be out of money in 7 years. This means if something is not done to preserve Medicare by the year 2002, there will be no money to pay for seniors' medical expenses. To preserve and protect Medicare, the Republican budget puts it on a road towards fiscal responsibility and puts us on a glide path towards a balanced budget.

Mr. Chairman, I urge my colleagues to vote for the Republican budget.

Mr. STARK. Mr. Chairman, I yield 3 minutes to the gentleman from Indiana [Mr. VISCLOSKEY].

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

Mr. VISCLOSKEY. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise today in support of the Democratic coalition substitute budget resolution, and in opposition to the Republican proposal.

I believe that the time has come to balance the budget. This is what my constituents want because they know that the economic futures of their children and grandchildren depend on it. They want us to balance the budget in a way that is both fair and effective, and this is what the Democratic substitute would do.

The Democratic substitute is fair because it asks everyone, regardless of age or circumstance in life, to share the sacrifice for the benefit of the common good. Unlike the Republican plan, it does not transfer funding for social programs, that benefit the old and poor, to subsidize tax cuts for the rich.

Further, the Democratic coalition substitute will work. I am an original cosponsor of this measure because it takes a rational and responsible approach to balancing the budget. Not only does it restore sane spending priorities by adding back funding for education, health, and economic development programs, it also achieves a budget surplus in 2002 that is \$500 million higher than that proposed in Mr. KASICH'S plan. Less pain with more

gain—Why? Because this alternative resolution reaffirms the logic of achieving a balanced budget one step at a time. This means holding off on enacting expensive tax cuts, which require slashing vital programs, until we are well on our way to ensuring a healthy national economy that can be enjoyed by generations to come.

I have serious concerns about the approach taken by the Republican budget resolution. For example, the proposed two-step reconciliation process would delay the consideration of painful spending cuts, until after politically popular tax cuts have been given away. If the Republican majority is truly serious about including tax cuts in their proposal, they should make sure they have the money to pay for these cuts up front, not after the fact. It seems the new Republican majority has forgotten the old Republican rallying cry—“Cut Spending First.” Balancing the budget is like curing a cold, the longer you put off swallowing bad-tasting medicine, the longer it takes to return to good health.

In addition, the Republican budget backloads deficit reduction until after the year 2000, when the spending cuts kick in and interest rates decline. In fact, nearly two-thirds of the deficit reduction in the Republican plan occurs in the final 3 years. This is an approach that was tested in the early 1980's under President Reagan and failed. When it came time to make the difficult cuts, they did not materialize. Remember, the 1980's was the decade when the debt tripled under Republican control of the White House. Therefore, as far as the effectiveness of the approach to deficit reduction is concerned, I would say, “Been there, done that, let's not do it again.”

Finally, I am pleased that the coalition substitute includes enforcement language. In January, I supported a constitutional amendment to balance the budget for the first time because I finally lost faith that the President and the Congress have the resolve to balance the budget without a constitutional mandate. While this initiative failed, I still believe that we need to hold our feet to the fire and enforce our budgetary decisions.

Earlier this year, I introduced the Balanced Budget Enforcement Act of 1995, H.R. 1516, along with our colleagues, Representatives STENHOLM, DOOLEY, BARRETT, MINGE, and POSHARD. This legislation, which I cosponsored in the 102d and 103d Congresses when introduced by our former colleagues, Leon Panetta and Tim Penny, respectively, would enact tough, new measures to reform the budget process and eliminate the Federal budget deficit by the year 2002. It would do so by setting spending caps and using across-the-board cuts if the targets, set and evaluated by a non-partisan Board of Estimates, aren't met. Yesterday, I asked the Rules Committee to allow me to offer sense-of-Congress language endorsing the ap-

proach embodied in H.R. 1516 as an amendment to the budget resolution. Unfortunately, this request was denied. In any event, I believe that this legislation needs to become central to debate on budget process reform later this year.

In closing, Mr. Chairman, I believe that balancing the budget is our responsibility as Members of Congress. I have always supported a balanced budget, and the responsibility to achieve this is not one that I take lightly. Over the years, I have frequently taken the political road less traveled in the name of deficit reduction. When I am in northwest Indiana, I tell my constituents that I am opposed to cutting their taxes because it would undermine serious efforts to reduce the deficit. In March, I was one of only six Democrats to support the rescissions bill, H.R. 1158, because I believe we need to start making tough spending decisions now.

Mr. STARK. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Minnesota [Mr. PETERSON].

(Mr. PETERSON of Minnesota asked and was given permission to revise and extend his remarks.)

Mr. PETERSON of Minnesota. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, as a fiscal conservative who believes that it is critical that we put our fiscal house in order, I cannot tell you how much fun it is to participate in this debate today on how we should be balancing the budget instead of debating whether or not we should be balancing the budget.

I want to congratulate the other side and the gentleman from Ohio, Chairman KASICH, for helping to make this debate possible and for bringing a budget to the House floor which tackles many of the tough choices that we have to face. I also want to congratulate the gentleman from New York [Mr. SOLOMON] and the gentleman from Wisconsin [Mr. NEUMANN] for the proposal to balance the budget in 5 years.

Unfortunately, I cannot support the committee resolution as it is before us today. This resolution allows us to postpone and possibly even avoid the tough choices that we must make.

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It calls for a very unusual process that allows us to make the politically popular and easy choices before we even consider the real spending cuts that are necessary to balance the budget. Even if we do not duck these tough choices, as this resolution allows us to do, the overwhelming majority of the spending cuts called for in this resolution will occur in the last 2 years.

I hope that the committee is right in its assumptions, but I am afraid that the savings that are supposed to occur in the last 2 years will not materialize and we will be left with a deficit that continues to drag down our economy.

Fortunately, Mr. Chairman, the House will have an opportunity to sup-

port a sensible and fiscally responsible alternative to the committee resolution when the coalition budget is offered as a substitute tomorrow. The coalition put together this alternative because the coalition members have long been committed to the goal of balancing the budget, but we believe that it must be done in a way that makes sense and will work.

The budget that we produced is a realistic proposal that does make sense. It achieves a balanced budget by the year 2002. It borrows \$160 billion less than the committee resolution without making unreasonable cuts in vital programs. Unlike the committee resolution which back loads the deficit reduction in the last 2 years, the coalition budget cuts spending first and provides for a reasonable, level glide towards a balanced budget in the year 2002.

Mr. Chairman, if my colleagues have any reservations about the budget resolution before us today, I urge them to review the coalition budget carefully. I am confident that if they have done that, they will agree with me that the coalition budget is the most sensible alternative before the House and deserve the support of all Members.

Mr. STARK. Mr. Chairman, I yield 2 minutes to the gentleman from Vermont [Mr. SANDERS].

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

Mr. SANDERS. Mr. Chairman, I rise in very strong opposition to the proposal presented by the Republican leadership. At a time when this country has a very large deficit and a \$4.7 trillion national debt, it is vulgar. It is crass to be giving huge tax breaks to the wealthiest people in this country and to the largest corporations.

It is unacceptable that half the tax breaks in this proposal go to people making \$100,000 a year or more and that the wealthiest 1 percent will receive more in tax breaks than the bottom 60 percent. It is pathetic that at a time when the richest 1 percent of the population own more wealth than the bottom 90 percent and when the upper 4 percent of earners make more money than do the bottom 50 percent of earners, that taxpayers making over \$200,000 a year receive a tax break of \$11,000 while those making less than \$30,000 receive a tax cut of \$124. And the rich get richer, and everyone else gets poorer.

Mr. Chairman, it is especially outrageous to be talking about tax increases for the rich when we all know that it was the huge tax breaks for the richest 1 percent in the 1980's that was a major cause of the explosion of the deficit during that period. As a result of tax breaks given to the wealthiest 1 percent, the Treasury Department lost over \$1.5 trillion between 1981 and 1992, 1.5 trillion in tax breaks to the richest 1 percent during the 1980's. And guess what in the 1990's? They are coming

back for more tax breaks for the very same people. Shame.

Mr. Chairman, I rise in very strong opposition to this budget proposal presented by the Republican leadership.

At a time when this country has a very large deficit and a \$4.7 trillion national debt, it is vulgar and it is crass to be giving huge tax breaks to the wealthiest people in this country and to the largest corporations.

It is unacceptable that half the tax breaks in this proposal go to people making \$100,000 a year or more, and that the wealthiest 1 percent will receive more in tax breaks than the bottom 60 percent. It is pathetic that at a time when the richest 1 percent own more wealth than do the bottom 90 percent, and when the upper 4 percent of earners make more money than do the bottom 51 percent—that taxpayers making over \$200,000 a year receive a tax break of more than \$11,000, while those making less than \$30,000 would receive a tax cut of \$124. And the rich get richer and everyone else gets poorer.

Mr. Chairman, it is especially outrageous to be talking about any tax increase for the rich when we all know that it was huge tax breaks for the richest 1 percent in the 1980's that was a major cause of the explosion of the deficit during that period. As a result of tax breaks given to the wealthiest 1 percent, the Treasury Department lost over \$1.5 trillion between 1981 and 1992—which is approximately half of the national debt that was accumulated during that period. Given the fact that the tax breaks provided to the wealthiest 1 percent is largely responsible for the deficit, why in God's name would we give them more tax breaks now.

Mr. Chairman, this Republican budget cuts taxes for the rich and the largest corporations, spends \$92 billion more on the military over 7 years, and then makes devastating cuts for the middle class, for working people, for the elderly, for students, and for the poor.

Senior Citizens: At a time when many of our seniors are finding it extremely difficult to pay for their health care needs the Republican House budget calls for, over a 7-year period, a \$282 billion cut in Medicare and a \$184 billion cut in Medicaid. The American Association of Retired Person [AARP] estimates that this proposal means that the average Medicare beneficiary would pay over \$3,500 more out-of-pocket over the next 7 years. Further, Social Security will be cut by \$24 billion from 1999 to 2002 due to a six-tenths of 1 percent reduction in the COLA formulation. Also, the LIHEAP fuel assistance program will be eliminated, and there will be a major cut-back in senior citizen housing. Such excellent senior programs as the Foster Grandparents Program, and RSVP will also be eliminated.

Education: While college costs are soaring, and many middle class families are experiencing declining incomes, the budget reduces student loans by \$33 billion. According to the administration, the Republican plan to eliminate Government-paid interest on student loans while the student is in school would cost 4 million undergraduates more than \$3,000 each during the course of a 4-year college career.

Further, the Republican budget would eliminate or drastically reduce funding for such important educational programs including Goals 2000, the TRIO Program, title I, School-To-Work, student incentive grants, Head Start and Safe and Drug-Free Schools—among oth-

ers. There is little question that not only will these cuts be harmful to education, but they will result in higher state and local taxes.

Veterans: The bill passed by the House Budget Committee would, over a 7-year period, reduce veterans programs by \$8.3 billion. The Senate Budget Committee proposal would reduce veterans benefits by \$15.1 billion. Among other cuts would be an increase in the prescription drug copayment from \$2 to \$8. The House bill would also reduce the COLA on veterans compensation. It would also eliminate the Veterans Employment Program under the Job Partnership Training Act, the Disabled Veterans Outreach program, the Local Veterans Employment Representative Program, and the homeless veterans reintegration project.

Workers: At a time when millions of American workers have lost their jobs because many American companies are downsizing, or moving to Mexico, this budget not only cuts back significantly on job training programs, but it eliminates unemployment insurance extended benefits. That means that unemployed workers would not get assistance after 13 weeks.

The poor: While poverty is increasing and the United States continues to have the highest rate of childhood poverty in the industrialized world, the Republican proposal cuts back on food stamps, child nutrition programs, childcare, affordable housing, WIC, and assistance to the homeless.

Culture: At a time when television is filled with more and more violence and junk, this budget eliminates funding for the Corporation for Public Broadcasting. It also eliminates funding for the National Endowment for the Arts which has been so effective in providing seed money for many excellent projects.

Should the United States move toward a balanced budget and address its \$4.7 trillion national debt? Yes. Should we, at the same time, be giving huge tax breaks to the top 4 percent of earners who make more money than do the bottom 50 percent? No. Should we balance the budget on the backs of the middle-class and working people who are already hurting, and who are experiencing a decline in their standard of living? Absolutely not.

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

Mr. Chairman, could the gentleman from Minnesota [Mr. PETERSON] explain to me the difference between the budget program that you are suggesting and the one that the Republicans are proposing?

Mr. PETERSON of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. STARK. I yield to the gentleman from Minnesota.

Mr. PETERSON of Minnesota. Yes, I can. What we do is we basically start with the Domenici budget but what we do is we eliminate the tax cut. We take that money and reallocate it to Medicare. We add \$109 billion back to Medicare. We add \$54 billion back to the Medicaid from the Kasich budget. We add back \$5.6 billion in agriculture cuts. We restore the student loan cuts. We add \$35 billion into the education area and, I believe, \$11 billion into the area of health research.

Mr. STARK. You take that tax cut for the very rich and invest it in the bedrock of the American economy, in

students and farmers and in the growing economy of our country.

Mr. PETERSON of Minnesota. That is exactly right.

Mr. STARK. Mr. Chairman, that sounds very good to me.

Mr. PETERSON of Minnesota. Mr. Chairman, if the gentleman will continue to yield, I think that is the right way to go.

Mr. SAXTON. Mr. Chairman, I yield 3½ minutes to the gentleman from Pontiac, IL [Mr. EWING], a member of the Committee on the Budget.

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

Mr. EWING. Mr. Chairman, I rise in support of the budget resolution.

Mr. Chairman, there is something in this budget for everyone to dislike. That is probably what makes it an excellent budget. For instance, I come from rural America, from agricultural land. For instance, the budget will cut \$9 billion over 5 years from agricultural commodity programs alone. This comes on top of major reductions in agricultural expenditures over the last several years.

These cuts will be painful. They will be painful for producers, for American farmers, for agribusiness people, for those who share an interest and an investment in the great industrial agricultural-industrial business of this country, as we struggle to compete with heavily subsidized European agriculture.

But once again, those of us from farm country are willing to step up to the block and help reduce the deficit. The difference is this time the cuts that have been made will not go to additional Government spending, as they were in past administrations. They will go to deficit reduction. If every other program in the Federal budget had been cut, as agriculture has over the last few years by the Democratic controlled Congress, we would not be here today debating how to balance the budget. But that is history.

I am glad that this budget finally forces all segments of this Government to meet their responsibility in balancing the budget. For the first time we are going to start controlling Government expenditures and guarantee that the deficit will be zero by the year 2002.

This is real fiscal responsibility, the kind of Government management that the American people called for in the last election, not what the last speakers have been talking about, social spending increases. It is about time we tackled the issue. For the first time the budget reverses the tax and spend policy of the other side of the aisle. There is no telling how fast our economy can grow when we turn it loose and quit strangling it.

What are some of the things that will come out of a balanced budget? Well, let us first of all talk about tax relief. Tax relief is not just for the wealthy. I am certainly not wealthy. I do not expect one dime of tax relief, but there

will be a lot of tax relief for American families. That is better than the Government taking the money from them and spending it for them. And you are opposed to giving the families of American tax relief. I really cannot believe that.

Chairman Greenspan has said, what would come out of a balanced budget? Probably a 2-percent reduction in the interest rate. Well, I tell you, if you know anything about business or the economy, you know that is going to create jobs.

I would rather give American agriculture a 2-percent cut in interest rates than a bigger subsidy, and job creation.

Mr. STARK. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from New York [Mr. OWENS].

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

Mr. OWENS. Mr. Chairman, the caring majority budget of the congressional black caucus and the House progressive caucus is concerned about the jobs necessary to keep our economy a robust economy. Our priorities are clear: education, job training and job creation. And in the budget that we have prepared, which is a balanced budget, we provide for jobs, education and job training.

The budget boldly sets forth investments in the activities which will keep our nation prosperous at home and competitive in the global arena. And we do this by providing, first of all, a tax cut for hard-working Americans.

Our tax cut does go to all families. It does not favor the rich and the privileged. We invest more than \$27 billion also over a 7-year period in education and job training by increasing function 500 by 25 percent. We protect major job creating functions. Other functions such as transportation, public works, commerce and health care are protected despite the pressure to make huge cuts.

We ensure that current services are continued for both Medicaid and Medicare. Medicaid and Medicare are fully maintained. We supported the President's position that Medicare and Medicaid should not be touched until we have a comprehensive health reform program.

We oppose all of the attempts to erode Social Security, including the extensions which will continue the COLA and have no cuts in the COLA. We advocate a more sane defense budget, a defense budget which offers a peace dividend to the taxpayers. These taxpayers have diligently supported the burden of massive modern military costs for years and years. Now we have no more Evil Empire. The Soviet Union is gone. Why do we have to continue to shoulder a massive military burden?

So our biggest cut is in the area of defense. Our biggest cut is where the money is. We maintain that although defense industries do create jobs, study after study has shown that you can create two jobs for every defense job that

is created. With the dollars you spend, you can create two nondefense jobs.

So if you wanted to create jobs, you can create many more by spending them in other places, including, by the way, health care. Health care provides an enormous amount of jobs although the business of health care is not to provide jobs; it is to take care of people, but health care is a labor intensive industry and it does provide jobs.

In order for us to accomplish all of this and still have a balanced budget and have a balanced budget with minimum pain on families and individuals, we have focused on the closing of corporate tax loopholes. We have attempted to end the lopsided tax burden which has been forced upon wage earners via the personal income tax. Corporations used to shoulder as much as 39 percent of the responsibility for Federal revenue. Now the corporations only shoulder a mere 11.2 percent of the burden, and we are saying that we would like in this budget we propose to increase it to a modest 15.9 percent of the total tax burden.

By the way, individuals shoulder 44 percent of the total tax burden. We would like to change that and in the process of changing that, you will generate. That is the policy key to a balanced budget. If you must have a balanced budget, and we do not think you need to balance the budget by the year 2002, but if you wanted to move toward balanced budgets, then the way to do it is to correct the imbalance.

I have a chart here which shows that in 1943, 39.8 percent of the revenue burden was carried by corporate income taxes. In 1982, that dropped all the way down to 8 percent, from 39.8 percent all the way down to 8 percent in 1982.

□ 1615

During the Reagan years, from 1982 all the way to the end of his Presidency, it hovered around 8 and 9 percent of the total tax burden. It did not begin to back up until later on.

If Members want to balance the budget, let us let the American people in on the great secret. They as individuals, the American people as individuals and as families, are bearing a greater and greater percentage of the tax burden, while corporations have been allowed to get off with more and more. Therefore, we are closing tax loopholes. Who is there who would not want to stop multinational corporations from taking advantage of our tax system? We want to end the multinational corporation swindle, and we want to close other loopholes. We can balance the budget without cutting Medicare, Medicaid, and without inflicting undue pain on numerous Americans.

Mr. SAXTON. Mr. Chairman, I yield 3½ minutes to the distinguished gentleman from Texas [Mr. THORNBERRY].

Mr. THORNBERRY. Mr. Chairman, there are, of course, many important issues we could debate with regard to this budget, including whether we will continue to saddle our children with

debt, and whether an increase in the amount of money in a program, both totally and per beneficiary, is still going to be called a cut in Washington, DC.

Another important issue is the size of government, and how much government, both in taxing and spending, takes out of the economy. This is not just abstract political theory, but it is very practical about what really works to improve the lives of regular folks. It affects every person in this country.

We can see now the administration sees an economic slowdown coming and is ready to point the finger of blame at somebody else. As Stephen Moore pointed out in his book "government: America's Number One Growth Industry," the problem is very clear. He said:

The reason that America finds itself on an economic downward spiral is that today, Washington, DC is taxing, spending, borrowing, mandating, decreeing, and regulating America to death. The private sector—businesses, entrepreneurs, investors, workers, and families—is slowly suffocating under the weight of a relentlessly expanding government.

Mr. Chairman, the resolution reported out by the Committee on the Budget and the Neumann budget are the first things in a very long time in this House that begin to deal with each of those things that Moore identifies. It deals with the taxing, spending, borrowing, mandating, decreeing, the regulating that is consuming so much of our national wealth.

If we look at the numbers, government at all levels consumes more than ever before. One study found about 42 percent of our national income is spent by government these days. Other facts about government are equally astonishing. Government at all levels spends about \$24,000 for every household in America. With the \$2.5 trillion that local, State, and Federal governments spend this year, you could buy all the farmland in the United States, plus all the assets of the Fortune 100 companies. There are more people working for the Government than are working for all the manufacturing industries combined.

The danger, I think, Mr. Chairman, is that we are on the verge of becoming what Margaret Thatcher called a nanny State, where the government takes too much from us to do too much for us. Even President Kennedy in 1962, in his address before the Economics Club of New York, said "The growth of the American economy in the 20th century demonstrates for all to see the power of freedom and the efficiency of free institutions." Yet those are the very things that have been under assault year after year as a result of the policies of this Government.

I think that for the first time in a long time, we are beginning to take power and responsibility away from Government, and give more power and more responsibility back to individuals. That is what is absolutely essential, in my view. We must also reduce

the size of Government. The President is fond of pointing out how he is making drastic reductions in Federal employment, but if we look at the numbers and take out one department, the Department of Defense, we will find out that even President Clinton's target is some 40 percent more than the Federal work force at the time of President Kennedy.

Mr. Chairman, I think it is absolutely necessary that we stop adding debt to our children. It is also necessary that while we are straightening out the national budget, we straighten out the family budget as well.

Mr. STARK. Mr. Chairman, I yield 2 minutes to the gentlewoman from Connecticut [Mrs. KENNELLY].

Mrs. KENNELLY. Mr. Chairman, the Republican budget says two things to the American public: Don't get sick and don't get old.

The Republican budget would cut Medicare by \$280 billion over 7 years. To those who say this does not represent a real cut, I suggest they argue those semantics with senior citizens who will have to pay \$1,000 more in extra Medicare premiums, deductibles, and copayments under the budget. I advise them to make that argument when seniors can not find a doctor to treat them because Medicare pays providers less and less. I will ask them to explain to my constituents why a Medicare cut three times bigger than any reduction ever enacted in the history of program does not represent real pain for senior citizens.

Let us not hide the facts. The Medicare cuts in the budget could decimate the only universal, portable health coverage we have in this country. When you combine these cuts with steep reductions in Medicaid's coverage for nursing homes, the budget offers seniors a bitter pill to swallow.

Some have said that these cuts are needed to save Medicare. America knows better. The same budget that cuts Medicare by \$280 would also enact \$345 billion in tax breaks for the wealthy. This is not a fair trade for our Nation's seniors.

Mr. Chairman, I have taken the tough votes to keep Medicare solvent and strong. In 1993, I voted to extend the solvency of Medicare by 3 years, and last year I voted in committee to extend the trust funds an additional 8 years. Both times not even one of my friends from the other side of the aisle joined with me in protecting Medicare.

I remain committed to ensuring the solvency of Medicare, but let's do this the right way. Senior citizens should not be forced to accept Medicare cuts to enact tax breaks for the wealthy.

Mr. SAXTON. Mr. Chairman, I yield 3 minutes to the gentleman from South Carolina [Mr. SANFORD].

Mr. SANFORD. Mr. Chairman, I was going to discuss the short-term outlook for the U.S. economy. Unfortunately, time will not permit much detail, but I would also like to address Laura D'Andrea Tyson's recent state-

ment that budget cuts pose significant downside risks to our economy.

I think this shows an antiquated notion that the more Government spends, the better off our economy. This does not seem consistent with what we have seen over the last 30 years. It also does not recognize what Government fundamentally does: Government redistributes wealth, it does not create it.

There are three real threats in the near term to our economy. First would be the possibility that Congress does not act seriously on the budget deficit that is facing us; second, that Japan resolves the run-up of its currency to our detriment; and third, that a trade war ensues between America and Japan. Let us explore all three for just a few moments.

First, our Nation's budget deficit is the biggest threat to our economy. I think that for several reasons. First, if we were to look on relative terms, the ratio of public debt to gross domestic product that our Nation is facing right now is the highest that our Nation has ever faced. Second, a child born in America today will end up paying \$187,000 in interest costs over the course of their lifetime, simply as their share of past Federal spending.

Third, it is simple math. The standard of living is directly driven by productivity, which is driven by investment, which is driven by savings. The larger the Government share of the economy, the smaller the personal savings will be, and there will be less money for investment.

The second near-term threat would be the international value of our currency. I think there are two grave dangers on this front. One is that almost anything that Japan does in the near term to correct its over-valued currency will hurt our economy.

At 75 yen to the dollar, Japan's gross domestic product [GDP] equals America's GDP. That clearly does not make sense. It is unsustainable, and will change. The only question is when.

Second, the risk of losing reserve currency status. If the Asian central banks were to use gold as a reserve asset instead of the dollar, or simply to decrease their dollar holdings, I think it would have very damaging consequences for the American economy.

Finally, I think the third risk facing us is the possibility of a trade war with Japan. I think we ultimately would be the ones most affected by this, because any escalation of global tariffs would especially hurt the largest trader in the world, which is the United States.

Specifically, I do not think that Japan is the problem. The problem facing our economy is a tax system that rewards consumption over savings and investment.

Mr. STARK. Mr. Chairman, I yield 1½ minutes to the gentleman from Minnesota [Mr. MINGE].

Mr. MINGE. Mr. Chairman, I think all of us in this Chamber and across the country agree that the American deficit has reached critical and, of course,

historic proportions, and that the No. 1 task before this body is to determine the course of action that is necessary to bring us out of the deficit and address the debt that still lingers, and to do so forthrightly.

One of the tragedies we have faced in this country is that we have even masked the true size of the debt and deficit. We have used the Social Security cash flow surplus for that purpose. We need to have a budget that actually discloses the true size of the deficit, which would currently be approximately another \$70 billion. Then we need to decide what course of action will indeed bring us out of this tragic situation.

I think that it may be idealistic, Pollyannaistic, to think we can get together and do this on a bipartisan basis, but we ought to. The American people are not looking for partisan answers. The American people are not asking what is the Democrat plan, what is the Republican plan, what is the President's plan. They are asking "What is a plan that will work for us? What is a plan that will allow us to continue to grow our economy, to invest in our children, to invest in education, and eliminate this millstone around the necks of our economy and those of us as individuals?"

I submit that a plan of this type has been submitted by the Democratic coalition.

Mr. STARK. Mr. Chairman, I yield myself the balance of my time.

The CHAIRMAN. The gentleman from California [Mr. STARK], is recognized for 2½ minutes.

Mr. TAYLOR of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. STARK. I yield to the gentleman from Mississippi, and perhaps I could engage my distinguished ranking senior vice chairman in this colloquy for the minute or two remaining on our side.

Mr. TAYLOR of Mississippi. Mr. Chairman, let me begin by saying that I am very much in agreement with the fact that we have to balance the budget and balance it soon. I really resent, however, speaker after speaker coming to the podium telling people what a terrible Nation we have. This Nation saved the world from Hitler. This Nation saved the world from the imperial Japanese. This Nation saved the world from communism. This Nation saved the world, and all of it has a cost.

The gentleman from New Jersey [Mr. SAXTON], in his statements, said we would be much better off if we privatize everything. I am not in total disagreement that we ought to privatize some things. However, is it not realistic that the biggest expense to this Nation is the combined Medicare-Medicaid? The next biggest expense is national defense. The third largest expense is interest on the national debt.

I would ask the gentleman from New Jersey, which of those things would he privatize, because we have just gobbled up almost 70 percent of the budget.

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

Mr. STARK. I yield to the gentleman from New Jersey to respond.

Mr. SAXTON. First of all, Mr. Chairman, it was the gentleman's assumption, or maybe he heard me say we would privatize everything. I do not recall saying that. I do not think I did. Obviously, I would not privatize national defense, nor does our budget pretend to do so. We do not privatize Medicare or Medicaid. As a matter of fact, it continues to grow under our program, as a very important part of our budget and our program. In fact, it grows from an average benefit of \$4,600 per recipient to \$6,300 per recipient.

□ 1630

Mr. STARK. The gentleman is close to being correct as he usually is.

Mr. SAXTON. We really do not propose to do the things that the gentleman has suggested.

Mr. STARK. Reclaiming my time, the gentleman is close to being accurate as he usually is on economic matters, but when it comes to discussing the privatization of Medicare, he is wrong.

The secret document wants to offer vouchers which will make it difficult for your parents and mine and the average elderly to purchase health care. It is a step toward privatization, perhaps dressed in some kind of economic clothes that neither of us understand if that is the case.

I want to thank the gentleman from Mississippi for bringing out that privatization is not the end all and be all of economic growth.

I would like to ask the distinguished gentleman from New York if the budget that is generally described as the Black Caucus budget is not a product of the same group that year after year has brought us a budget that has tried to be sensible about defense, has held back tax cuts to the very rich while concerning itself with children, with education, with investment and research for health care, with the things that have made this country great, indeed, the things that create wealth in this country only through Government.

If you could tell me where Lockheed or Martin Marietta gets any money to create wealth except through Uncle Sam, I think I miss my guess.

I ask the gentleman from New York [Mr. OWENS], is your budget balanced in the long run and if so how long?

Mr. OWENS. Mr. Chairman, if the gentleman will yield, our budget is balanced—

The CHAIRMAN. All time for the gentleman from California [Mr. STARK] has expired. The gentleman from New Jersey [Mr. SAXTON] has 2 minutes left.

Mr. SAXTON. Mr. Chairman, I yield the final 2 minutes of our time to the gentleman from Iowa [Mr. GANSKE], the doctor, who would like to discuss the subject that the gentleman from Mississippi [Mr. TAYLOR] brought up, Medicare and the Republican proposal to make it grow.

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

Mr. GANSKE. Mr. Speaker, there will be much talk about the Republican budget cutting Medicare and how Republicans do not care about Medicare recipients.

Well, I am a Republican and a physician and I care deeply about providing quality care for the elderly and about balancing the budget.

The Medicare trust fund will be broke in the year 2002. Here is the trustees' report. Let me read from page 13. "The Medicare program is clearly unsustainable in its present form."

Page 14. The trustees say, "We strongly recommend that the crisis presented by the financial condition of the Medicare Trust Funds be urgently addressed."

What is the option the Democrats are proposing? Should we let the system go bankrupt in 2002? If we do that, we will have to increase the Medicare tax from 2.9 to 9 percent. If we don't control over 10 percent annual increases in Medicare growth, it does not take a neurosurgeon to figure out that in 30 years we will be spending the entire Federal budget on health care.

As a member of the Subcommittee on Health and Environment of the Committee on Commerce, I look forward to working with my Democratic and Republican colleagues. It will take some short-term solutions and some long-term fundamental changes, but we need to look at this. But the facts of this report and the compounding of interest on our national debt mean that if we diet now, we will be healthier tomorrow. If we continue the status quo, we will have a heart attack tomorrow. Let me quote President Clinton.

President Clinton has said:

Today, Medicaid and Medicare are going up at three times the rate of inflation. We propose to let it go up at two times the rate of inflation. That is not a Medicare or Medicaid cut. So, you know, 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 that is not what is going on. We are going to have increases in Medicare and Medicaid.

Mr. Chairman, I care about my Medicare patients, and I want to make sure they have Medicare.

The CHAIRMAN. All time yielded to the Joint Economic Committee has expired.

The gentleman from Ohio [Mr. KASICH] has 120 minutes of debate time remaining. The gentleman from Minnesota [Mr. SABO] has 119 minutes 40 seconds remaining.

The Chair recognizes the gentleman from Ohio [Mr. KASICH].

Mr. KASICH. Mr. Chairman, I yield myself 7 minutes.

Mr. Chairman, we want to kind of give Members a little background on how we put this together. As I pointed out earlier in the debate, we are going to go from \$9.4 trillion spent over the last 7 years to \$11.9 trillion. As you can

tell, that is an increase in spending over the last 7 years, and if, in fact, we had stayed a course to the \$13 trillion, folks, we would be very, very pessimistic about the long-term economic health of this country.

One of the things that we tried to do is to slow the growth of entitlement programs. Many people watching on TV, and trying to figure out what is this all about, keep hearing about cuts in all these entitlements.

What you have to understand is in Washington if something does not go up as fast as somebody thinks it ought to go up, it is a cut.

I want to tell you an interesting, illustrative story about an interview I had with a reporter. The reporter said, "Well, Mr. KASICH, how do you define a cut and how do you define an increase?"

I said, "Well, let me put it to you in these terms, and you ought to take some notes on this. If, in fact, I get more money this year than I got last year, that is an increase, and if I get less money this year than I got last year, we are going to call that a cut, and if I get the same amount of money this year as I got last year, let's call that a freeze."

Now, I said, that is the way it works back in Westerville. A cut means less, an increase means more, and a freeze is a freeze.

In entitlement spending, we are going to go from \$4.5 to \$6.4 trillion. Folks, you can see the blocks. It is an increase.

Medicare is going to go from about \$890 billion to \$1.6 trillion. That is an increase.

What we have attempted to do in this budget is to slow the increase in many of these entitlement programs. In other words, when you take all the entitlement programs of the Federal Government over the next 7 years, we will have to design entitlement programs that will serve the public by spending almost \$6.5 trillion.

When I go home and ask people, "Do you think we can design the entitlement programs to spend \$6.5 trillion?" they say, "Well, yeah, but why are you spending \$6.5 trillion? Why are you spending so much?"

Down here in Washington if you say you are spending \$6.5 trillion, they say you are cutting somebody.

People tell me on buses, on airplanes, in the gymnasium, "JOHN, why can't we get the language right? Why can't we describe this appropriately?"

Mr. Chairman, what we are doing in these entitlement programs, except for agriculture, is that we are going to spend more, far more than what we spent over the last 7 years, but we have to do it because we have people in need and we are trying to redesign the programs.

In the case of Medicare, which we will discuss later, we are saving it. If we grow Medicare at the rate that it is currently going, it goes bankrupt. Medicare will go bankrupt. So what we are

attempting to do is to study the experience in the private sector. Many companies were going bankrupt. They could not control their health care costs.

What we have done is, we have said that we are going to slow the growth in Medicare because if we do not, it will go bankrupt in 7 years. In fact, we will be able to go, under our plan, from \$4,800 per recipient to \$6,400 per recipient over the next 7 years. They call this a cut. \$4,800 to \$6,400, they say you are cutting spending.

The big chart shows that we are going to go from \$924 billion to almost \$1.6 trillion. They want to grow it to \$1.8 trillion, which will bankrupt the system, and by us going from \$924 billion to \$1.5 trillion, they call that a cut.

If you are out in America and you are scratching your head about these numbers, you have a right to, because we are not cutting entitlements. We are growing entitlements at a somewhat slower rate.

In the area of discretionary spending, those are the nonentitlement programs. By the way, if we can control those entitlements, we will not be robbing from children's futures in this country.

Let me tell you about some of our programs here on the discretionary side: One hundred and sixty-three separate job training programs; 23 separate programs to prevent child abuse; 8 separate programs dealing with child care; 7 separate child nutrition programs; 42 separate programs to give health professionals education; 300 separate economic development agencies; 71 departments and agencies duplicating the function of Commerce. That is why we eliminate the Commerce Department. Nine agencies promoting trade.

All this excess, all this duplication and bureaucracy and excess, and guess what? You have to pay for it. It is not right that you are paying for those programs.

What we do is, we consolidate, we eliminate, we send some back to the States, we privatize others. What we do is, we slow the total growth in spending in this country to an increase of about \$2 trillion.

Mr. Chairman, the simple fact of the matter is that by consolidating all those programs, by slowing the growth of entitlement programs, it is a modest program, ladies and gentlemen, we will save America. Just that simple.

If we do not do it, if we continue to grow at the current rate and let all the bureaucracy continue and let the entitlements shoot out through the roof, we are taking from the children, denying them a future.

I think we can live with this. You want to know something? So do the American people. That is why Members of Congress are getting such support for the plan that we present, and at this point we are going to give a little more detail to lay this out for you.

Mr. SABO. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from California [Mr. WAXMAN].

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

Mr. WAXMAN. Mr. Chairman, I appreciate the opportunity to address the House on the impact of this budget in the health area, particularly when it comes to Medicaid and Medicare.

Mr. Chairman, I want to point out to the previous speaker and others who these Medicare recipients are. They are not rich people. Over three-fourths of them have incomes less than \$25,000. They are people who are dependent on their Social Security checks. Thirty percent of older Americans rely on Social Security for some 80 percent of their incomes. A majority of older Americans rely on Social Security for at least half of their income.

If this Republican budget is adopted, the typical Medicare beneficiary is going to see almost 50 percent of their Social Security cost-of-living increases eaten up by increased Medicare cost sharing and premiums by the year 2002. Two million Americans who are on the Medicare Program would lose their whole cost of living increase under Social Security simply to pay their additional Medicare costs as a result of this budget.

Are my Republican colleagues going to say to their constituents, that is not really a cut in their Social Security check? Are they going to argue then that even though the cost of living has gone up and their Social Security check has not, that they are not worse off?

There is something else about the Medicare beneficiaries that our Republican colleagues seem to forget. They are people who need a lot of health care. That is particularly true the older they get. When they get old and when they get sick, insurance companies do not seem to want them.

The fastest growing group of Medicare beneficiaries are people over 85 years of age, the disabled, and people with end stage renal disease. No wonder Medicare expenditures are growing. It costs money to be sick.

They also seem to forget that people on Medicare pay a lot for their health care right now. The average elderly household pays 12 percent of its income for health care right now, and that is over 3 times as much as younger families pay. They pay Medicare premiums and deductibles, Medigap premiums. They pay for prescription drugs which are not covered under Medicare, and they spend about \$2,750 out of pocket right now. Yet this budget will require them to pay more.

□ 1645

A Medicare beneficiary will have to pay nearly \$1,000 dollars more out of pocket for their Medicare services in 2002 and over the life of this budget. Medicare beneficiaries are going to help balance the budget by coughing up

some \$3,500 in extra dollars to pay for their Medicare services.

This budget is very bad news for these people. I urge its rejection.

Mr. SABO. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Michigan [Ms. LYNN RIVERS], a distinguished member of our committee.

Ms. RIVERS. Mr. Chairman, throughout the course of the discussion today we have seen many attempts to explain away the concerns that are being raised about the cuts in Medicare and programs for children and students. We have seen a variety of facts and figures produced to explain why these issues really should not count. And we have been accused of using demagogery to make our point.

We have also heard over and over again about only in Washington can this happen or that happen and what the American people will support.

I decided that it was important not to speak as someone from Washington, but to let the American people speak themselves. This is a portion of the mail I have received on one of the cuts currently in the proposal which would eliminate home heating subsidies for older people and low-income people. This is what some folks in my district had to say about that.

One woman said,

I feel sorry for all older people. Its too bad that we have to live so long.

Another person writes that they will not be able to pay for their necessities.

For God's sake, please don't stop this. I am disabled senior citizen of 73. I only make \$462 in Social Security and \$16 a month in SSI. Seems like people on Capitol Hill really don't care about us poor people. They are trying to put us into homelessness or make us commit suicide.

A woman writes,

The money I receive for my home heating credit helps me buy my pills for my heart and then I won't skip them. I can take my pills every day.

Another person writes,

I have to cut back even further on my \$546 monthly income. I'm 91 and use more heat than others. I just had a severe heart attack.

Another woman writes,

People like myself, senior citizens, will suffer greatly. The winters in Michigan are very hard on disabled, old and the sick.

She is 97.

One senior writes,

Being seniors you have to stay warm with less heat. As you get older, it gets colder.

Another person writes,

We will have another drop in our living standard and the bottom is coming up fast. Please do not eliminate these services.

Another person writes,

I will be facing another severe hardship on top of the present one. Can you imagine my wife and I getting \$695 a month and paying \$335 to our HAP alone. Buying our medicine and as little food as possible to survive and we cannot afford any luxuries whatsoever and are unable to pay our utility and other necessary bills. We did work hard all our lives and helped pay into the system. So please help us help ourselves. Just help us to survive the rest of our lives.

Last, someone writes,

We come very short on our money during the winter. Our only source of income is my husband's Social Security disability. I think the Republicans have gone too far to help the rich.

Mr. Chairman, I would have to agree.

Mr. SABO. Mr. Chairman, I yield 4 minutes to the distinguished gentlewoman from Colorado [Mrs. SCHROEDER].

Mrs. SCHROEDER. Mr. Chairman, I thank the gentleman for yielding time to me, and I thank the gentleman from Minnesota who has provided such leadership on our side on this.

This is about promises made and promises broken, and I think that we really have to look at the very core of what we are talking about. It must be confusing to people, because people are trying to make out like we are not for balancing the budget. Yes, we are. We worried about the deficit. We started this whole deficit reduction last year all by ourselves.

But the question is how do you balance the budget, and who do you cut in getting to balance that budget.

I want to ask you to show me one American family where they come to the table to put together their budget and they decide that they are going to cut the kids and they are going to cut the elderly and they are going to cut the infirm so they can give more money from the family budget to those who are doing really well already. As I said, that is socialism for the rich. That is the dysfunctional family. That is not American values, and yet, that is what we are doing in this budget that is in front of us.

I brought Stephanie Clark along. She is from Denver. Stephanie Clark is very excited. Because of student loans she is finally graduating this year from CU Denver and she had hoped to be able to go on to Americorps. Guess what? Americorps is going away, and student loans are going to be severely impacted.

This is our future. These are the people who want to learn how to fish; they do not want to be given a fish, but they need help to get there.

As we look at this budget and we see that we cannot get a commitment on cutting back a lot of the benefits that business had, even the \$25 billion that they have in the budget to take it out of the tax pennies for the rich, guess what, the committee is saying they will not do it.

As we look at all of the other things that are in there that are not being touched, because there are big, powerful people protecting those pet rocks, the people we are going after are the Stephanie Clarks of Denver, we are going after the elderly on Medicare who thought they had a Contract With America already. And we are going after the most vulnerable.

I keep coming back to the same old thing. You do not attack your most vulnerable. Either we are a community or a bunch of isolated individuals,

which I hope we are not, or we are a community of a country that reaches out and tries to help each other through some sort of shared ethic. That is what it is about.

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

Mrs. SCHROEDER. Of course I yield to the gentleman from California.

Mr. WAXMAN. I thank the gentlewoman for her statement which talks about Medicare. But there is Medicare and Medicaid and our poorest of the poor are on the Medicaid Program. In fact most of the people on Medicaid are children, but most of the money goes to the elderly in nursing homes. That program is going to be devastated, it is going to be devastated, it is going to be blockgranted and cut in the amount that will go to the States.

But I just recall hearing from Edna Ferris, who talked to us at a conference on Monday. She talked about how they struggled with her husband who had Alzheimer's, she tried to keep him home as long as she could. When she could not manage it anymore, she looked to the Medicaid Program to help pay for the nursing home costs, which can be \$35,000 a year, and more, and she did not have that money. So she went on Medicaid and the Medicaid Program kept her from being impoverished, allowed her to keep some of their money so she could live at home. If she had no Medicaid to protect her, all of her resources would have gone to that nursing-home care, and maybe her husband would not have been able to get in the nursing home because they are not going to take somebody for free.

So these programs help the most vulnerable in our population, and we should not forget that.

Mrs. SCHROEDER. The gentleman is absolutely correct. I just did a talk radio show where I talked to a woman who had adopted three medically dependent children and desperately needed Medicaid to help her, and I pointed out that was cheaper than institutionalization.

Mr. KASICH. Mr. Chairman, I yield 4 minutes to the gentleman from New York [Mr. LAZIO], a distinguished member of the Committee on the Budget.

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

Mr. LAZIO of New York. I yield to the gentleman from Arizona.

Mr. KOLBE. Mr. Chairman, I thank the gentleman for yielding.

We have been looking at pictures here, and I just want to show this picture here. This is Ari Cowan. His father is one of our budget staff people. Ari is a 3-year-old. This to me is what this is all about. This is the young generation we are talking about saving America for and being sure that they have a balanced budget.

And just before we resumed this part of the debate I was back in the back talking to the pages, and I think of the young people like Abby Moon from Ohio and Vanessa Ruggles, Nick Ryan,

Tammy Brewer, Nancy Brim from my own hometown, this is the young generation that we are talking about. This is what we are talking about saving America for. Let us not forget that.

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

Mr. LAZIO of New York. I yield to the distinguished gentleman from Connecticut.

Mr. SHAYS. Mr. Chairman, I thank the gentleman for yielding.

The distinguished gentleman from California talked about Medicare. We want to save Medicare. We do not want it to go bankrupt. It starts to go bankrupt next year, and in 7 years it is bankrupt, and the Congressional Budget Office said in the next 3 years after we spend more on Medicare than they do, because their fund runs out, Medicare Part A. This is the Democratic plan to solve and resolve the Medicare trust fund problem. It is a blank sheet. That is their plan.

And the gentlewoman from Colorado talks about she wants to balance the budget. She voted against the balanced budget amendment. My only question is if she wants to balance the budget, when, and how.

Mr. LAZIO of New York. The gentleman is correct, that my colleagues on the other side, whom I respect and in many cases admire, have had plenty of opportunities to move toward a balanced budget. They had an opportunity to vote for a balanced budget amendment and voted against it because they said there were not enough specifics. Then they were given the specifics and they said these were the wrong specifics. Then I began to be lectured as a dad who has two small children, two preschool children, Molly and Kelsey. I do not have a picture of my children here. Maybe I should have brought one, but you know this blank easel next to me should be for all of the children we are trying to save here today.

These are two of the most important days that I think I will have in my service in Congress, and I believe deeply in what I am doing here. I believe deeply because I want to be able to go back and tuck my kids in bed at night and say to them they are going to have a better future, we are not going to pass the buck, we are not going to punt, we are not going to get involved in political demagoguery. We are going to do the right thing. Republicans know it and Democrats know it. The debt is out of control. It erodes the ability for the next generation to have hope. It erodes their ability to have a sense of opportunity. We are doing something about it right now.

I really invite my colleagues on the other side who are bent on name-calling and lecturing about compassion to reevaluate their sense of compassion. What compassion is there when we are spending today billions of dollars that the next generation has got to pay back. What compassion is it when we cannot provide an opportunity for the next generation, when they cannot go

to school and they cannot find a job after they go to school because they are so burdened with debt that there are no jobs left.

So, I really beseech my colleagues on the other side, who I respect, do not lecture us about compassion, because I think it is misplaced.

Mr. Chairman, I rise today as a proud member of the House Budget Committee, but more importantly, I rise as the proud father of two young daughters, Molly and Kelsey. More than anything else in the world, I want to ensure that my two daughters have the opportunities that past generations of Americans have enjoyed and that they are not burdened by the shortsightedness of this body.

For reasons that my children, who are 2 and 3 years old, are still too young to realize, our actions today will have a profound effect on their future. America has always been known as the land of hope and opportunity. This is what I ask for my children and therefore ask my colleagues to think toward the future when they cast their votes on the budgets before the House.

As members of this body we have a moral imperative to pass this resolution and balance the budget. Without it our children will face uncertain futures in which they will face unimaginable obstacles. The late Senator J. William Fullbright once said, "A nation's budget is full of moral implications; it tells what a society cares about and what it does not care about; it tells what its values are." With this vote, we send a strong moral message that the status quo is unacceptable, a \$4.8 trillion debt is unacceptable, annual deficits close to \$200 billion are unacceptable, and it is unacceptable for Congress to continue running from these problems without consideration for America's future. This budget represents hope, opportunity, and a positive vision for the future.

The budget we reported from the Budget Committee last week represents an historic change in the direction our country is headed. It moves us from the path of increasing debt and inefficient, big centralized government toward a government that is smaller, more decentralized and efficient and a country that will be more productive, with a higher rate of net savings and a higher standard of living. It is a budget that outlines a positive future for our country, a future filled with hope and opportunity. We cannot continue on our current spending binge.

The public debt now totals almost \$4.8 trillion—about \$19,000 for every man, woman and child in the United States. A large part of our taxes go to the interest payments on this debt, \$235 billion—\$643 million per day—this year alone. Interest payments on the Federal debt are behind only Social Security and National Defense as the third largest single expenditure in this budget. By 1997, Americans could be paying more for the debt than for defense.

Without the spending changes in this budget, the national debt is projected to reach almost \$7.5 trillion by the year 2005, with interest payments of \$412 billion. Unless we control spending now, servicing the national debt will crowd out all other priorities in the Federal budget.

Last fall the American people made a choice and gave Republicans a majority in Congress. They did so because they did not want the status quo, they wanted responsible,

positive change. Most of all, they wanted Congress to quit ducking the tough issues and to take action. This budget fulfills our promise to provide that positive, responsible change.

Unfortunately, when the President submitted his budget this year, he punted, ducking all the tough choices.

My friends on the other side of the aisle who opposed the constitutional amendment to balance the budget said they agreed with the goal, but they did not want to change the Constitution to force balanced budget. Faced with a budget that will be balanced, these same Democrats say they do not like it. It is now clear that Democrats who opposed the balanced budget amendment really opposed balanced budgets period.

Out budget tackles the tough issues head on. Our budget problems will not go away. In fact, each year we avoid making tough choices, they get even more difficult.

While the committee's budget is tough, it also is fair. Overall, Federal spending will continue to increase, but the rate of growth will slow to allow revenues to catch up. Every part of the country is affected. No group or program is unaffected. It affects our urban areas, as well as our rural areas.

The critics will say the public will not accept it. Those critics are wrong. The American people are prepared for change as long as they know it was fairly and thoughtfully arrived at by their elected representatives. They are willing to put up with these changes because they know in the long run the changes are necessary to ensure the American dream—that each generation will do better than their parents, that America will remain the land of hope and opportunity.

This budget plan will make this country stronger for our generation, and for generations to come. A balanced budget will produce lower interest rates, higher productivity, improved purchasing power, reduced inflation, and accelerated long-term growth. With this proposal, we are setting the stage for a higher standard of living for all of our children and our children's children.

Total government taxes per household, measured in 1990 dollars, were \$18,500 in 1994, nearly three times their level in 1950. Federal taxes as a share of median income have risen from 5 percent in 1950 to 15 percent in 1970 to 24.5 percent in 1995. If taxes today were at the same level as they were in 1970, the average family would keep \$4,000 a year more of their take-home pay.

Americans are paying for the debt in other ways. Government borrowing competes with the private sector in the credit markets, forcing interest rates higher. Interest rates would be 2 percentage points lower if the budget were balanced. That means a 30-year mortgage on a \$150,000 home costs \$74,000 more today over the life of the loan than it would if the budget were balanced. Auto and consumer loans also would be more affordable.

Balancing the budget and the accompanying 2 percent interest rate reduction would create 4.25 million more jobs over the next 10 years, and increase per capita income by 16.1 percent. The Congressional Budget Office says a balanced budget would redirect resources from consumption to investment, increasing the Nation's capital stock and national wealth.

Federal Reserve Chairman Alan Greenspan testified to the Budget Committee in March that the economic benefits of a balanced

budget would be startling. "I think that productivity would accelerate," Greenspan said, "the inflation rate would be subdued . . . the general state of financial markets would be far more solid, and the underlying outlook would be generally improved for long-term economic growth. Real incomes . . . would significantly improve, long-term interest rates would fall significantly, and they [most Americans] would look forward to their children doing better than they."

The committee's budget is a gateway to a future filled with hope and opportunity. It presents a new vision of government. It begins to move authority out of Washington and will help empower every individual American. It gives the relief for America's families. It protects Social Security. It saves Medicare from bankruptcy, spends 80 billion more—almost 4 percent more while increasing per beneficiary Medicare spending from the current \$4,700 to \$6,400 per year.

By adopting the committee's budget today, we will have kept our word to the American people and met the challenge they placed before us. When I put my daughters to bed tomorrow night I will know that we have done the morally right thing and helped pave the way for prosperity for them and for all future generations.

Mr. SABO. Mr. Chairman, I yield 3 minutes and 30 seconds to the distinguished gentlewoman from New York [Mrs. LOWEY].

(Mrs. LOWEY asked and was given permission to revise and extend her remarks.)

Mrs. LOWEY. Mr. Chairman, I just hung up the phone on Minnie Wilensky from Queens County. She cannot even watch this debate because she cannot afford cable. You can talk about big numbers and little numbers and how we have to raise it and cut it. All she knows is that her copayments are going to go up and her premiums are going to go up and she will not get a cost-of-living increase in Social Security. And Minnie Wilensky, who is making constant choices about whether she buys the chicken or whether she cannot buy the chicken, because she lives on \$11,000 a year, I just want to tell you the story because it is not a number in your statistics. Minnie lives in Queens County and she knows it is going to cost her more and she is going to pay more for the choice of doctor and more premiums and more deductibles, and that is what she knows.

Day after day we have heard how the Republicans have kept their promises to the American people. One after another the Republicans told us that promises made are promises kept. Well, Mr. Chairman, today we learn that Republican promises made are Republican promises broken, a promise broken to a person like Minnie Wilensky from Queens County. Now, Speaker GINGRICH and the Republican majority promised that they would not cut her Social Security benefits, but they are going to cut her COLA. They promised not to cut her Medicare, but they are going to raise her fees that she is going to have to pay. What is the truth? What does

the new budget say? The Republican budget does cut \$24 billion from Social Security. Seniors who have worked hard their whole lives will lose hundreds of dollars in Social Security benefits. Social Security is a contract. The Republican majority has been saying that for years. They said they would not touch it. Well, they have, they have broken that contract into pieces. They are proposing the largest Medicare cut in history, close to \$300 billion.

The bill will cost individual seniors over \$1,000 more a year for Medicare benefits by the year 2002. How will this affect real people like Minnie Wilensky? She has a heart condition. She has glaucoma. She and so many other seniors in my district cannot afford what they are already paying in prescription copayments and deductibles. How are they possibly going to afford these increases?

As I mentioned, she lives on \$11,600 a year. She was telling me, "I am grateful for what I have got, but I have to make choices. If I have to buy more medicine, I cannot buy the chicken. If I have to buy more in a grocery store, I have to constantly make those choices."

□ 1700

How can she possibly afford these increases? And she is also worried about her generation; she is worried about her grandchildren, not only her own generation. She worries that her grandchildren will not be able to afford to go to college. She told me that with the average increase of \$5,000 which is proposed in this budget, they are not going to be able to go to college.

Mr. Chairman, the Republican budget breaks faith with the millions of American seniors, like Minnie Wilensky, who depend on Medicare and Social Security. This is how the Republicans kept their promise, cutting Medicare, cutting Social Security, cutting education.

Mr. KASICH. Mr. Chairman, I yield such time as he may consume to the gentleman from Mississippi [Mr. PARKER].

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

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

Mr. PARKER. I yield to the gentleman from Ohio.

Mr. HOKE. Mr. Chairman, I just wanted to say to the gentlewoman from New York, where did Minnie get this information about there is not going to be as much Medicare, their money is going to be cut, she is going to have to pay more? Where on Earth? Did you tell her this personally?

The other thing I would like to say, since you did not yield me any time, I will not yield you any now, but the other thing I wanted to say is simply this: You are complaining about a cut in Social Security that does not exist, and yet in 1993, you voted for the Clin-

ton tax bill that actually did, in fact, cut Social Security by \$26 billion. You cannot have it the both ways.

I thank the gentleman.

Mr. PARKER. Mr. Chairman, it will come as no surprise to anybody in this body that I rise to express my unbending and total support for the Kasich budget resolution reported by the House Committee on the Budget.

There is not a person in this body who does not have at the very core of their being the best interests of this Nation at heart. There is not a Member of this body on either side of the aisle who does not want this Nation to grow and to prosper and to achieve what it has always achieved, and that is being a world leader and standing for what is right.

The real question that we have is not whether we want what is best for this country, but how we can best achieve those goals. For a long time we have spent our time talking about programs and how much each of us cares about people. Politically, we all attack each other blindly.

For instance, in the past, it was not true when some Republicans attacked Democrats saying they were not patriotic for their stand on one issue or the other. It is equally untrue when Democrats point to Republicans and say they do not care. They do care. I think we all care.

But how do we get to that point where fiscal responsibility brings this Nation back into the mainstream? It would have been unheard of even a year ago for anyone to say that we would be moving toward a balanced budget by the year 2002.

I am in my fourth term and I had thought it would never happen. I had reached the point of believing it just could not happen. I think the key has been to have a date certain because it forces the issue. We are now in a situation where we must move to a date certain—2002—and the debate has shifted from not whether the budget should be in balance but how and what priorities should be established to get the budget in balance. That is a major shift in the thought processes that occur on Capitol Hill.

I want to express my appreciation to JOHN KASICH, chairman of the House Budget Committee, and all of the Republican members who invited me to work with them in developing this budget. There was a tremendous amount of give-and-take. And I believe we have developed a product that makes sense and puts us on that road. Granted, we have the Senate which has a different version. We have different versions here in the House. But I firmly believe that the path we are taking as members of the Budget Committee in passing out this piece of legislation is the correct path.

Now there are those that say, "Well, the cuts are so horrendous—draconian in nature." Please understand that the amount of money the Federal Government spends will continue to rise. Each

year it will continue to increase. The Federal Government will spend more money next year than it will this year. It will spend more in 2002 than it has ever spent before. What we are trying to do is slow down the rate of growth.

I know that a lot of discussion has taken place on programs such as Medicare. But the system is going broke. Something must be done to change the direction of Medicare or it will not be there. And it is important for the American people to understand that everyone must participate.

One of the major arguments that I had on the committee with other members, those on the Republican side, is that they wanted to exempt Social Security. I have a problem with that. I believe that senior citizens care about this country as much as we do, and I believe that they be given the opportunity to participate—that everyone should be treated the same. But, the Republicans won that argument. Social Security is untouched in this budget.

I am not suggesting elimination or the cutting of Social Security. What I want them to do is to participate in an equal way in which everyone is treated the same. That is fairness. I believe that instead of us trying to scare people and put them in a position of being afraid that the money they have come to depend on will be cut out, that they need to look at this process from the standpoint of purchasing power and the economic stability of our Nation.

When Alan Greenspan came to our committee, he made the statement that not since World War I has our economy ever experienced the pluses of a balanced budget, that we have never experienced what the positive aspects can be for this Nation if we are at a balanced budget. We need to look to the future. We need to look and see exactly what the pluses are going to be for everybody. And it is just like my friend PETE GEREN has said, it is like finding the cure for cancer—but nobody wants to talk about the cure. All they want to do is talk about the chemotherapy you have to go through in order to get to wholeness.

Well, there is pain in this budget. No one with any common sense in this country has ever felt or ever said that we can resolve our financial situation and get back into a surplus without pain. We did not get into it overnight, and we are not going to get out of it overnight. And we all have to accept some responsibility for that. This is the first step on that road.

Many people have said they have a problem as far as the tax decrease. But 2 years ago, we had a tax increase that I voted against. I did not feel that we should go in that direction. I felt that we should cut spending first. I believe that we need to roll it back. The bill 2 years ago was a tax increase of \$246 billion over 5 years. The tax cut that we have in this package is \$281 billion over 7 years. I believe this tax cut will relieve some of the pain during readjustment. But more than that I believe

that this budget puts in place a system where we are on the glide slope to a balanced budget, and that we can make a difference.

In the words of the ultimate Republican Abraham Lincoln, "There are few things wholly evil or wholly good. Almost everything, especially of Government policy, is an inseparable compound of the two, so that our best judgment of the preponderance between them is continually demanded."

Alan Greenspan said that all the talk about the next generation not having a better standard of living than the previous generation will be gone if we are on a line to a balanced budget. If successful, we will unleash the power of our economy, the most powerful now, the most powerful that has ever been in the history of the world. An economy that can do phenomenal astounding things. We have to release the restrictions placed on us by the deficit and the debt. If you look at fairness, everyone participates. It is a fair budget. It is a hard budget. But it has to be hard in order to make it work.

For a long time, there have been many of us who have been pushing for us to get out fiscal house in order. The amazing thing about it is that if we had done this 10 years ago, it would have been so much easier. We could have made the necessary changes—we did not do it. Many people blame Ronald Reagan and the early 1980's. That is, to some degree, true. There were problems back then—things were not handled right by either the Republicans or Democrats. But I think we need to go back further than that, back to the mid 1960's when we put entitlement programs on automatic pilot and Congress abdicated its responsibility.

Compound interest is a fascinating thing when we put all these entitlement programs on automatic pilot, we abdicated our responsibility. What happened was we just sat back and our debt reached a trillion dollars by the time we reached the 1980's. And when you start dealing with figures like that, you see growth that is devastating. Now we are approaching \$5 trillion in debt.

We cannot sustain the debt that we have and the growth in deficit that we have. It cannot be sustained. And from a generational standpoint, when you look at our kids and our grandchildren, in order to maintain the programs that are in place, if the status quo exists, they are going to be paying from 75 to 84 percent of their salaries to the Federal Government just to maintain the programs that are there.

It has not worked. The status quo is destroying us. And just like when many Republicans believed we must throw more and more money at Defense, that wasn't the answer. We wasted a lot of money. The same is true of throwing more and more money at social programs, where a lot of them don't do any good. It is not working. We must change.

All of us care. All of us want to do what's right. All of us love this Nation. But I believe the real choice is whether we really want a balanced budget. Do we really want it? Are we willing to pay the price to get to that point? You will vote for any bill that you want. But, in the final analysis, the bill that has been reported out of the Budget Committee, is going to be the bill that is going to make it or not.

I believe it is going to make it this week. And if you really believe in a balanced budget, if you really believe that we must change the course of this Nation, if you really believe that we need fiscal responsibility to come back in and be an integral part of our decisionmaking, if you really believe we need to take the first step to let the American people know we are serious about this problem, then you must vote for this.

I know all the political arguments. I know a lot of people are going to be calling. I know that a lot of people are going to be upset. In fact, I think everyone is going to be upset before it is all over with. But it is about time. It is about time that everyone in this country got upset. It is about time that they realize we need to do something. It is about time they decided that they need to participate. The time has come. And I am very happy to be able to vote for this budget.

I am glad that I have been permitted to be here on this historic week, to participate in this process where we can actually make a difference—a true difference for this country where I can look at my children and say I had a part in changing the direction of this country. And I did not worry about the political ramifications and I did not worry about my political future—I did what I felt was necessary.

That is what I want each of you to do. I want you to search your heart and do what you feel is right. If you disagree, then disagree; you have every right to disagree. But if you are like me and you feel that the time is come to change the course of this Nation, I ask you to join me and proudly vote for this budget.

Earlier I quoted President Lincoln, let me close with these words from John F. Kennedy:

... Democracy means much more than popular government and majority rule, much more than a system of political techniques to flatter or deceive powerful blocs of voters. . . . The true democracy, living and growing and inspiring, puts its faith in the people—faith that the people will not simply elect men who will represent their views ably and faithfully, but also elect men who will exercise their conscientious judgment—faith that the people will not condemn those whose devotion to principle leads them to unpopular courses, but will reward courage, respect honor and ultimately recognize right.

I ask each of you to please join with me. Let us pass the committee budget—it is the right thing to do.

□ 1715

Mr. SABO. Mr. Chairman, I yield 20 seconds to the gentlewoman from New York [Mrs. LOWEY].

Mrs. LOWEY. Mr. Chairman, I just think it is important for me to respond to the gentleman from Ohio who asked me how Minnie Wilensky from Queens County knew about the increase in the deductible, the increase and the copayment, and I think it is very important that we be honest in this debate. I say to the gentleman, page 5, page 18 of your budget, Mr. KASICH, talks about—

The CHAIRMAN. The time of the gentlewoman from New York [Mrs. LOWEY] has expired.

Mr. SABO. Mr. Chairman, I yield 3 minutes to the gentlewoman from California [Ms. WATERS].

Ms. WATERS. Mr. Chairman, the senior citizens in my district are in fundamental opposition to the Republican budget, and I rise to support them.

All is not well in America today. The wages of working people are stagnant. Corporations downsize or flee our shores altogether in search of cheap labor. Fewer workers have pensions to look forward to in old age and employers seek to squeeze employee health benefits.

Tragically, this budget does not address those fundamental problems. Instead, it would cut taxes for the rich, and—amazingly—it would pay for those tax cuts by cutting Medicare.

This Republican budget is an assault on the Medicare Program. We have a compact with our senior citizens. Between Social Security and Medicare, this country has reduced elderly poverty, tended to the sick, and assisted in long-term care for our mothers, our fathers, and our grandparents. With this budget, Mr. Chairman, all this could come to an end.

To our shock, this Republican budget would destroy years of trust between the Federal Government and seniors. The \$283 billion in Medicare cuts would have several different consequences. Many costs that are currently paid by the Medicare Program would probably be shifted to Medicare beneficiaries in the form of higher premiums, deductions, and coinsurance payments, such as the proposed 20 percent home health coinsurance.

Let me share the story of my friend and constituent, Mrs. Pat Eastman. Mrs. Eastman is a World War II veteran. She is 82 years old and lives alone. Mrs. Eastman has numerous medical problems. While she is a veteran, she does not qualify for medical service through the VA because she is not 50 percent service-connected disabled. Mrs. Eastman has to pay someone to transport her back and forth to the VA for outpatient care. She has to pay a copayment for her medications. Recently, Mrs. Eastman was hospitalized for severe infections from E. coli bacteria.

Since her discharge from the hospital, Mrs. Eastman has had to rely on the services of a visiting home nurse who comes to her home three times a week. Without these home health services, paid for by Medicare, Mrs. Eastman would have had to remain in the hospital or be transferred to a skilled nursing facility.

Mrs. Eastman has a long history of service to the Los Angeles community as well. She was a vote registrar. She sat on street corners and helped register people to vote. She continues to be a member of our California senior legislature. Pat Eastman has devoted her life to making her community and her country better.

It is estimated that approximately 3.8 million Medicare beneficiaries will use home health services, in 1996. Under current law, these services are covered by Medicare. If Republicans have their way, Mrs. Eastman and the other Medicare beneficiaries will have to pay an additional \$900 out-of-pocket for home health services; this amount will rise to \$1,200 in 2002. This 20-percent coinsurance will not save money or reduce Medicare costs. It will simply drive many Medicare beneficiaries into nursing homes because they will not be able to afford the home health services that would enable them to remain at home.

At age 82, after all the hoopla surrounding the 50th anniversary of V-E Day, this heroic World War II veteran should not be abandoned.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Ohio [Mr. TRAFICANT].

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

Mr. TRAFICANT. Mr. Chairman, these budgets are going to cut seniors, workers, farmers, pensions, economic development, community development, roads, bridges, highways, wastewater treatment plants, sewer projects, all in America. These budgets will still provide billions and billions of dollars for the defense of Japan, Germany, Europe, even money for Russia. There is not one penny, one penny in cuts, for either Israel or Egypt, not one penny. We have a budget in America, my colleagues, that will not touch Israel, will not touch Egypt, takes care of Japan and Germany, but no one in America is free from the ax.

I will have no part of it. I am going to vote "no" on every one of these budgets because to me they are not an American budget, and, by God, where is the Democrat Party?

Mr. Chairman, I say to my colleagues, "I don't blame the Republicans. I commend you for some discipline. But what you're disciplining is the American people. We shouldn't be closing bases in America. Close the bases overseas. We got troops falling out of chairs over there without arm rests. Bring them home. Let them cash their check in America."

I am not voting for any of this. None of this is worth my vote, and I think the Democrat Party better start working out a budget before we are a minority party for a damn long time.

Mr. SABO. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Texas [Mr. BENTSEN].

Mr. BENTSEN. Mr. Chairman, let me start out by saying that my perspective on this is a little bit different than a lot of the other Members here.

Earlier today, when I was back in my office working on this, I had a chance to watch some of the debate, and I heard some of the Members on the other side of the aisle come back and say, "Well, you voted to raise taxes that amount in your district time and time again." As one of the new Members here, obviously I was not here during the last bill, but let me go back to 1981, when I was a college student and we started down this road by spending too much money, not cutting spending, and cutting taxes primarily for the wealthy, and not being willing to pay for it. Yes, we ran up a \$4 trillion debt, and that is not fair to the American people, but this budget is not fair either. We should balance the budget but not do it this way.

This is not fair. Just like 1981, Mr. Chairman, we are going to cut taxes for the wealthy, but now we are going to pay for it by cutting Medicare and Medicaid, and in particular cutting Medicare which people have paid for. We are going to change the rules on them. Many seniors are going to see themselves paying higher deductibles, higher premiums, higher co-payments. Over 2½ million Texans will pay more than \$4,000 over the next few years for the same benefit. If that is not a cut, it certainly is a bad deal.

Seniors will definitely lose their choice under the Republican plan, the choice to choose their doctor. I do not think that is what they want. The Republican budget will also cut the Medicaid program by 184 billion over 7 years. This is a 30-percent cut that will not just hurt the poor, but it will hurt the children.

We heard a lot of talk about the children. My friend, the gentleman from New York [Mr. LAZIO], talked about his two children. I, too, have two young children who are preschoolers. Last Christmas my youngest daughter got sick. I rushed her to Texas Children's Hospital at 11 o'clock at night to see a doctor in an emergency room which is full of children from all walks of life in the Houston area. Texas Children's Hospital, which is the premier children's institution in the Southwest, funds 48 percent of their budget for Medicaid funds to pay for disproportionate care for neonatal costs, and this budget would cut it and would cut it across the board.

So we talk about the children and what we are doing to protect them, but we are going to cut the children under this budget, and we are going to cut it and use the money to pay for tax cuts for the wealthiest, and that is simply imprudent, and it is wrong.

This budget will not just cut seniors, but it will also cut the research that we do at our hospitals. How can we

have a better health care system if we are willing to stop the research we do? How can we say we are going to provide better health care for Americans when we do not want to provide the dollars so we have residents so we can create more doctors? We have talked about the need for more primary care doctors, but we are not going to get them under this budget because we are going to cut the funding for it. That makes no sense whatsoever.

Let us balance the budget, yes. But let us do it fairly. This budget is not fair. It does not address the problems fairly. There is a tax cut for the wealthy which we cannot afford, and it makes the middle class pay for it.

Mr. SABO. Mr. Chairman, I yield 3 minutes to the gentlewoman from California [Ms. ROYBAL-ALLARD].

Ms. ROYBAL-ALLARD. Mr. Chairman, I rise to denounce the Republican plan to pay for tax cuts for the wealthy by destroying Medicaid: our country's ultimate health care safety net.

To fund their \$340 billion tax cut for the wealthiest Americans, Republicans intend to slash the Medicaid benefits of 32 million Americans, 65 percent of whom are children and the elderly.

Tragically, their proposals ignore the human costs.

Republicans say they are increasing the Medicaid budget by 4 percent. What they do not say is that this meager increase is insufficient to offset the rapid growth of the elderly, the young, and the alarming rise of health care costs.

Under their proposal, the youngest Americans will suffer grievously.

During 1988 to 1991, poor children receiving Medicaid coverage increased from 54.3 to 63.6 percent. This trend is projected to continue upward into the 21st century.

At present, Medicaid offsets the loss of private health coverage during economic downturns, giving millions of children coverage when parents are laid off.

The Republicans budget proposal, however, makes no allowances for coverage during economic decline. Therefore, when parents lose their jobs children will suffer without health coverage.

Without sufficient Medicaid funding, more than 3.7 million senior citizens currently receiving health services from Medicaid will also suffer.

In my district families like Forest and Ruth Haver are concerned about their health care future.

The Havers, in their eighties, living on a fixed income, are worried that the cuts will make them unable to afford the health problems which have left Ruth homebound.

Steve, their only child and a local fire captain, is willing to do all he can financially.

He also worries whether that will be enough if his parents' benefits are cut.

The Medicaid safety net is vital to the health of older women, for it is women who bear the brunt of Republican cuts. Consider that: Women are 75

percent of all nursing home residents aged 65 and older and are more likely than men to have chronic disabling conditions; and, that women 75 or older have an average annual income of only \$9,170—one-third the annual cost of most nursing homes.

To cap Medicaid spending at 4 percent, Republicans will leave millions of children, low-income elderly, and particularly women, without critical health services.

We must not sacrifice our Nation's children, seniors, and families to benefit the wealthy. I urge the defeat of the Republican budget resolution.

□ 1730

The CHAIRMAN. The Chair's math was in error. At the present time the gentleman from Minnesota [Mr. SABO] has 95 minutes remaining, and the gentleman from Ohio [Mr. KASICH] has 93.5 minutes remaining.

Mr. SABO. Mr. Chairman, I yield 3 minutes to the distinguished gentlewoman from Florida [Mrs. MEEK], a member of the Committee on the Budget.

(Mrs. MEEK of Florida asked and was given permission to revise and extend her remarks.)

Mrs. MEEK of Florida. Mr. Chairman, I am new to the Committee on the Budget. I commend the integrity and demonstrated brilliance of our chairman, Mr. KASICH. I commend the coolness and calmness under duress of my ranking member, Mr. SABO. I do not care, I am calling this entire thing the Kasich manifesto. He is behind all of this. He is a brilliant man, but he has not been to some of the places I have been, Mr. Chairman. He has not had those experiences.

I have heard today about misplaced compassion. There is no such thing as misplaced compassion. He met a couple in the hall that thanked him for trying to balance the budget. But he has not heard from the old lady in North Miami who said to me not "Thank you, CARRIE MEEK," but "Why? Why is it that the budget has to be balanced on our backs?" I said, "Well, I voted against the balanced budget amendment because I felt it would be balanced on your backs."

Then as I talked to a young student who came here in a wheelchair to say to me "I need help," and he asked me also, why? I ask Mr. KASICH, why? Why do we have to balance the budget on the backs of these people?

I hear all the numbers. I hear all the rebuttals. I see all the charts. But it is one thing that they do not answer: Why is the budget being cut the way it is?

Yes, we will work toward a balanced budget. But does it have to be done on the backs of poor people for the benefit of the rich? I want to say to each one of you, you cannot block grant your responsibility. You can block grant a lot of other things, but you cannot block grant your responsibility. You cannot block grant a method of providing

quality care for the poor and the elderly population.

You have poor folks back home. You also have elderly people back home who cannot pay for the care they are going to need in the nursing homes. These are your mothers, these are your fathers, these are your disabled children. So you cannot balance that through a block grant program.

I feel that this is a concern which Congress has to keep. You cannot abdicate that responsibility. You cannot pass it off to the States. This is your responsibility, to take care of the people who are being taken care of through Medicaid. There is no other way.

I want you to say no to this budget, because what this budget does is it forgets about certain beneficiaries, laboratory services and x ray services, immunization, prenatal and nursing home care. You are thinking you can block grant Medicaid. You cannot do it. You want to save \$5 billion over the next 7 years or so. Over \$180 billion in cuts have to be absorbed by the States. I want to say to you, Mr. Chairman, and the admirable Mr. KASICH, it cannot be done.

Mr. KASICH. Mr. Chairman, I yield 3 minutes to the distinguished gentlewoman from North Carolina [Mrs. MYRICK] a former mayor and a member of the Committee on the Budget.

Mrs. MYRICK. Mr. Chairman, we hear a lot about what is wrong with this budget, and I would like to talk a little bit about what is right with this budget.

Mr. Chairman, we feel that we have a moral responsibility to leave this world better than when we found it, and part of this is taking on that responsibility for our children's future and looking at what we are going to leave them. In putting together this budget, it was not just quickly put together. There is much thought that has gone into this. It has gone by line by line and program by program, agency by agency, and said is it necessary? Is there a better way to do it? Is it worth spending our children's future?

I came here because of 6 grandchildren. In addition, I look after a 92-year-old elderly lady who has no family who is in a nursing home. So I am very familiar with what people are going through. We are handling that in our own family right now.

But we are doing a lot of things that are necessary in my district, and people are telling me it is necessary, we want you to do it. And I want to talk a little bit about some of the things the changes that need to be done.

We are cutting foreign aid by \$29 billion and eliminating a lot of wasteful programs. We are keeping our promise not to touch Social Security. There are not going to be any changes in Social Security coming up. We are block granting job training, because there are 163 different job training programs right now. It is very confusing. They do not all work. So we are finding how all

this can work together and saying let us take the duplication out and really make it reach the people who need the job training.

We are eliminating some departments, Education, Commerce, and Energy, because there is a lot of wasteful bureaucratic structure there. There are over 71 duplicative programs in commerce throughout Government. That is ridiculous. It is a waste of money.

We also are terminating and privatizing 284 programs, 13 agencies, and 69 commissions. Sure, there are good changes, but it is a better way to spend our tax dollars. Privatizing is the way to go. We are privatizing General Services, Public Broadcasting, other things that can carry their weight only the open market, and looking for a better way to deliver the services.

We are stopping a lot of the Federal subsidies to business and industries, things they do not need Government help on. They do it themselves.

So the bottom line is, we are looking at this responsibly. We care about what is going to happen. We care about where our children and our grandchildren are going to end up. And we want to make Government work better, and let the people at home make their decisions and let them keep the money in their own pocket. They can spend it better than the Federal Government can.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the gentleman from Alabama [Mr. BEVILL].

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

Mr. BEVILL. Mr. Chairman, the Committee on the Budget proposal to slash Medicare will put thousands of Alabama senior citizens in jeopardy. Many of them already have to choose between paying for food and paying for medicine. This dilemma will only get worse.

The Committee on the Budget has proposed to carve huge holes in the safety net which many elderly people depend on. Those who are teetering on the edge are more likely to fall through the cracks under this proposal.

Ruby Swann, of Glencoe, AL, broke her leg a year ago and had to have a knee replacement this year. She is a widow, 76 years old, who lives on her Social Security. She told me people like her are just scared to death over this proposal, and I believe her.

Jessie Box, a 78-year-old widow from Etowah County, depends on her Social Security. She suffers with arthritis. She had a similar experience. These women are not alone, and under the House Committee on the Budget's proposal, the average Alabama beneficiary will pay about \$3,561 more out-of-pocket over the next 7 years. Those who use home health care will pay an estimated \$900 more for their services in 1996.

I have voted for every deficit reduction bill in recent history here in the House. But I will not vote for this bill,

produced by the majority party, which will put the financial burden on those who can least afford it, our senior citizens. It is just not right, and my colleagues know it.

Mr. Chairman, I am strongly opposed to this, and I urge my colleagues to defeat this budget measure.

Mr. KASICH. Mr. Chairman, I yield 30 seconds to the gentleman from Connecticut [Mr. SHAYS].

Mr. SHAYS. I would just like to point out to the gentleman that in Alabama, the amount of money it gets is \$3 billion under our plan. By the year 2002 it will get \$4.3 billion. I point out to the gentleman from Alabama that the per beneficiary amount is \$4,800. Under our plan it goes to \$6,361.

Mr. Chairman, only in this town do you call an increase in spending cut.

Mr. KASICH. Mr. Chairman, I yield 3 minutes to the very distinguished gentleman from Texas Mr. PETE GEREN.

(Mr. PETE GEREN of Texas asked and was given permission to revise and extend his remarks.)

Mr. PETE GEREN of Texas. Mr. Chairman, I thank my friend for yielding.

The low point in my service as a Member of Congress was March 17, 1994, when the balanced budget amendment went down by 18 votes. A dozen Members who cosponsored the balanced budget amendment were persuaded at the last minute to vote against it, and they did, and they brought it down.

It hit me that day that if a dozen Members were willing to suffer the embarrassment of voting against a bill that they had their name on, that they cosponsored, that forces behind deficit spending were so powerful that they would always win. The future would always lose. Political reality was that the status quo, the deficit, would always win. The arguments might change, but the results were always the same.

It hit me that day that what the cynics had always said was true, that everybody says they want a balanced budget, but no one is willing to do what it takes to get there. Everyone wants to go to heaven, nobody wants to die.

I concluded that we in Congress are doing nothing more than rearranging the deck chairs on the *Titanic*, and I wondered what we were doing here.

With those facts, it was simple and depressing arithmetic: The United States was going to go broke. Not now, not today, but later, and with certainty. Now little more than a year later we are going to pass a balanced budget. The cynics were wrong. We can do it. We will do it. The debate is not if, the debate is how.

My colleagues, this is a great day. I do not care if your greatest concern is education, transportation, defense, childhood nutrition, health care in general, Medicare specifically, the path we have been on is going to destroy it. There will not be less Medicare, there will be none. Eventually the debt on

and the interest on it will destroy everything worthwhile that Government can do. That is simple arithmetic, and a year ago that seemed inevitable. Tomorrow we change course.

Who wins? All Americans. It is not the greedy versus the generous, men versus women, rich versus poor, young versus old, have versus have-nots. As some of my colleagues would characterize it, everybody wins. A balanced budget means a brighter today and it means a brighter tomorrow.

Is the coalition plan perfect? No. Is the Kasich plan perfect? No. There are differences in the two, but they agree on the most important point: They balance the budget. A year ago a balanced budget was a pipe dream. Tomorrow, thanks to some courageous Members, it is a reality.

Some of my colleagues attacked these balanced budget provisions as mean-spirited and cruel. As compared to what? Mr. Chairman, the present course is cruel. The status quo is cruel. To beggar the future, to condemn future generations to financial ruin, is cruel, it is wrong.

Balancing the budget is tough, harder than I ever imagined it would be. But it is not cruel, it is good, it is fair, it is the right thing to do, and tomorrow we will do it.

Mr. SABO. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. FILNER].

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

Mr. FILNER. Mr. Chairman, I rise in strong opposition to the Republican budget resolution.

Mr. Chairman, I rise in strong opposition to the Republican budget resolution for fiscal year 1996.

I am filled both with awe and with sadness today. I am indeed awed by the tenacity, the discipline, and the enthusiasm of my colleagues on the other side of the aisle. Their zeal and determination in their quest for a balanced budget must be admired.

But I am also saddened. Would that they were a bit more compassionate, less greedy, more even-handed, less protective of special interests in their budget.

Let us take a closer look at this budget they are proposing.

Cuts for students from preschool through college, cuts for veterans, cuts for seniors, cuts for arts and culture, cuts for farmers, cuts for the working poor, cuts for middle-income Americans. Cuts for everyone except the wealthy and special interests.

Take one example: It seems that veterans—yes, our Nations' veterans—have been singled out for cuts beyond those proposed for other major national programs. I fail to understand how we can repay the very people who fought for our country with massive cuts to the medical care and benefits they were promised. Veterans Secretary Jesse Brown estimates that this budget will eliminate treatment for 1 million veterans a year and will require the closure of almost 40 hospitals. And, maybe saddest of all, it will cut programs to help homeless veterans get back into jobs and productive lives.

Another example: Of the programs targeted for elimination, over half are in education—from the smallest Cabinet Department which receives only 2 percent of the Federal budget. In fact, the Department of Education itself is scheduled for elimination under this proposal. Do we care about our children? Don't we know that a good education is the key to a good life?

Several million students will lose access to educational opportunities beyond high school due to reductions in Federal scholarship and grant programs. And with the elimination of the in-school interest exemption, the debt burden for students with loans could rise 20 to 50 percent.

This resolution attempts to control Medicare spending when it is widely acknowledged that Medicare can only be fixed in the context of overall health care reform. If this budget resolution becomes law, the result will be higher premiums, higher co-pays, and higher deductibles for senior citizens under Medicare. Already, many seniors are choosing between food and medicine, heat and in-home nursing care. In addition, reducing the Federal Government's COLA formula is a back-door way of cutting Social Security benefits.

Lower and middle-income Americans seem not to count in this budget. By contrast, the wealthiest Americans and corporations not only are spared the wrath but are rewarded with tax cuts.

We do not have to cut programs that are the heart of what our country stands for in order to balance the budget. I recently introduced legislation to close a glaring loophole for a few giant mutual life insurance companies. Do you know that these companies have been paying no tax on earnings from business activity since approximately 1986? My bill, cosponsored by Congresswoman HELEN CHENOWETH, would reduce the deficit and, at the same time, require no new funding, attack no one's programs, and raise no new taxes.

What it does is close a \$2 billion loophole—that is \$2 billion per year. Closing this loophole would require only that these companies pay their fair share—and, at the same time, the Nation's small insurance companies would be helped by our efforts and would receive significant tax relief.

I cannot in good conscience vote to slash money from the earned-income tax credit which says that if you work, you should not have to live in poverty. I cannot in good conscience vote to slash low-income heating subsidies, Head Start, college loans, veterans' health care—when \$2 billion corporate loopholes exist.

If we pass this budget, we will be trading one deficit for another—we will produce a deficit of compassion, a deficit of spirit. As a country, we are losing our soul.

We will be telling our children, you don't matter. We will be telling our seniors, you don't matter. We will be telling students and veterans, you don't matter. We will be telling hard-working, middle-class Americans, you don't matter.

I would say to my fellow colleagues that we all do matter. I urge you to vote against this budget resolution.

Mr. SABO. Mr. Chairman, I yield 3 minutes to the gentleman from Florida [Mr. PETERSON].

Mr. PETERSON of Florida. Mr. Chairman, I was 1 of the 72 Democrats

who supported the balanced budget amendment earlier this year. Then, as now, I firmly believed that we must put our fiscal house in order. We must control spending. We must reduce the deficit. If we do not, quite simply the quality of life of all citizens, rich, poor, it matters not, we are all in this together, we all lose.

Let me say again, unequivocally, that to preserve the American dream, we must balance the budget. But, as with all things, there is a right way and a wrong way. Today I rise in support of the alternative budget supported by my colleague from Texas, Mr. STENHOLM, and the gentleman from Utah, Mr. ORTON.

□ 1745

A level-headed approach to deficit reduction, it requires sacrifices from everyone. Our friends on the other side have couched their arguments essentially without detail, looking only toward the end product, which is the balanced budget.

Well, now that we agree on the end, let us look at the means. The Democratic alternative balances the budget and reduces the national debt \$160 billion lower than the Republican plan. In the process of balancing the budget, however, we restore funding to guaranteed student loans, areas of education, health research, and economic development.

So we can all agree on the benefits on deficit reduction for future generations. The Republican plan, however, would take and place that same generation at risk by cutting student loans, underfunding Head Start, abolishing the Department of Education, and cutting funding for immunization and child care.

Under the Democratic plan, everyone is asked to sacrifice, but we also recognize the need to invest in America and in our future.

The real choice tomorrow will not be between balancing the budget or continuing deficit spending. The choice will be how do we want to balance the budget.

I say we have a responsibility to act responsibly and to support the alternative budget proposed by the gentleman from Texas [Mr. STENHOLM] and the gentleman from Utah [Mr. ORTON].

Mr. KASICH. Mr. Chairman, I yield 2 minutes and 30 seconds to the distinguished gentleman from Cleveland, OH [Mr. HOKE], a member of the Committee on the Budget.

Mr. HOKE. Mr. Chairman, I thank the gentleman for yielding time to me.

We are going to spend \$11.5 to \$12 trillion over the next 5 years. I have never seen from the other side a glass more half empty than in the characterizations that we have heard about it. It is just, it is stunning. Let us talk about some of the positives.

Church bells should peal from all over this Nation tomorrow as we do something that has not been done in 26 years. This is a cause for a celebration.

What does it mean? It means that our streets are going to be safer. It means that there are going to be greater opportunities for our children. It means that there will be more jobs. We are saving Medicare. We are preserving the blessings of liberty to ours and to our posterity. This is a time to celebrate.

I was asked by the chairman of this distinguished committee to head up the international affairs function working group, and I want to report to this House and to the American people that we have done exactly what they wanted to do. We have done with foreign aid exactly what the American people have called on us to do for a long time, and that is to make some significant, significant realignments with respect to what we are doing.

We are talking about a reduction of \$29 billion over 7 years from programs that are in the international functions. It means about a 22 to 23 percent reduction in spending in that area.

Let us talk specifically about some of the things that we are doing. We are reducing subsidies for the Export-Import Bank and for the Trade and Development Agency, and we are privatizing the Overseas Private Investment Corporation, that is OPIC. That is commonly known to many people as corporate subsidies or also known as corporate welfare.

We are ceasing supporting the International Development Agency, IDA. We are reforming the Multinational Development Bank. We are eliminating the United States Information Agency's cultural and educational exchanges, and we are terminating the overseas nonmilitary broadcasting.

We are also reforming and we are restructuring the State Department by absorbing ACDA, the Arms Control and Disarmament Agency and the Agency for International Development. We are completely revamping. In fact what we are doing with the State Department, we are doing exactly what the President's advisors had said to do, and then backed away from it the very last minute.

We are making the changes that America wants and we are doing it not just for this Congress but for the future generations, for the children.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the gentlewoman from Texas [Ms. JACKSON-LEE].

Ms. JACKSON-LEE. Mr. Chairman, I thank the gentleman for yielding time to me and very ably leading the Committee on the Budget. My remarks will warrant no applause and certainly arouse not much interest other than simply some boredom. Because I come simply to tell the truth about Medicare, part A and part B.

When you get your form in the mail and senior citizens look at it, they see part A and part B. The hospital insurance program, part A, pays for in-patient hospital care and other related care for those age 65 and older and for the long-term disabled.

Hospital insurance is financed primarily by payroll taxes with the taxes

paid by current workers and their employers used mainly to benefit current beneficiaries. Income not currently needed to pay benefits and related expenses is held in the HI Trust Fund. So those working today pay for those needing today.

Why is it in trouble? Interestingly enough, it is in trouble for a good reason. They are increasing the number of elderly, our elderly population is growing. What do the Republicans want to do? Cap the program at 5 percent growth when the number of beneficiaries are growing in proportion. What kind of a reasoned brainstorm is that?

In 1994, 32 million seniors and 4 million disabled cost \$104.5 billion, only \$95.3 billion was put in of 141 million workers. The real issue is that what the medical trustees have suggested is the reason we have some sort of short range financial inadequacy is because seniors are growing, elderly populations are growing. Let us fix Medicare, not cut it.

My constituent, Viola Smith, 71 years old, Houston resident, arthritic Medicare recipient has said, Please, do all that you can to stop the harsh cuts of the Medicare program. I will not make it without my benefits.

Folks, this is smoke and mirrors. The reason why we are talking about financial instability is because our senior population is growing. If you cut \$283 billion with a growing senior population, what sense does it make?

I am here simply to tell the truth. Let us fix Medicare and let us not break it.

Mr. SABO. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Michigan [Mr. DINGELL].

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

Mr. DINGELL. Mr. Chairman, we are confronting here an interesting exercise in which relatively few choices exist with regard to the Members of this body. The measure before us, the base measure, is fiscally irresponsible in the extreme. It places the responsibility for drawing down the deficit squarely on the backs of the most vulnerable portions of our society: children, veterans, senior citizens.

Here are some of the cuts that are proposed: \$280 billion reduction in Medicare. This will require senior citizens to pay an additional \$1,060 in out-of-pocket expenses in the year 2002.

Earlier today a Member on the other side of the aisle asked how anyone could characterize Medicare cuts as being draconian. I would simply quote that the distinguished current chairman of the Committee on Commerce charged that these cuts in the last session were draconian. These reductions are, those reductions were two-thirds below those suggested today.

The resolution targets seniors by cutting senior citizens COLAs by \$24 billion between fiscal year 1999 and the year 2002. This will reduce the average

senior's benefits each year by about \$240. The resolution before us also reduces Medicaid by about \$184 billion. These changes will limit access to health care for many older Americans and threaten their financial security. They will also result in seniors being ejected from nursing homes.

It is clear that the Nation has to reduce the budget deficit. It is a threat to our long-term economic strength. However, attacking the most vulnerable, dealing with those who have concerns and who indeed are our future is unwise. Reducing the educational opportunities of our youngsters is perhaps one of the most foolish kinds of raids on good investment practices and good economic policies this country can make.

The benefits, however, that will be accrued from this proposal are those few in this country who already have plenty. Better than half the benefits in the \$350 billion tax cut package that are before us in this legislation or will later come will go to Americans earning more than \$100,000 a year.

During today's debate, my colleagues on the other side of the aisle have frequently asserted that the buildup of the national debt over the last 14 years is the fault of the Democrats. Nothing is further from the truth. An examination will show that my Republican colleagues and indeed Presidents Bush and Reagan submitted and supported budgets wildly out of balance, and they made inaccurate assumptions and included asterisks to indicate that there might be some savings appearing at some future time.

The Democratic Congress has cut every one of those budgets save one. Indeed the Congress saved some \$49 billion that was suggested for expenditure by the prior administrations.

I urge my colleagues to reject this outrage.

Mr. Chairman, I rise today in opposition to House Concurrent Resolution 67, the budget resolution for fiscal year 1996.

This measure is fiscally irresponsible in the extreme. It places the responsibility for drawing down the deficit squarely on the backs of the most vulnerable in this Nation—children, veterans and seniors.

The harsh cuts that have been proposed include:

A \$280 billion reduction in Medicare. This will require seniors to pay an additional \$1,060 in out-of-pocket expenses in 2002.

Earlier today a Member on the other side of the aisle asked "How anyone could characterize the Medicare cuts being proposed as draconian?" I would remind him that the distinguished chairman of the Commerce Committee, the committee charged with making these cuts, characterized the Medicare savings included in the 1993 budget as draconian. These reductions were a full two-thirds below those being considered today.

The resolution also targets seniors by cutting Social Security COLAs by \$24 billion between fiscal year 1999 and fiscal year 2002. This will decrease the average yearly benefit by \$240.

The resolution before us also reduces Medicaid by \$184 billion.

These changes will limit the access to health care for many older Americans and threaten their financial security. They will also result in seniors being knocked out of nursing homes.

We clearly must work to reduce the deficit which poses a threat to our long-term economic strength. However, as we work to prevent future generations from being saddled with enormous debt burdens, it is imperative that we proceed in a responsible and fair manner. The budget resolution that the majority has introduced clearly does not meet this standard.

As I mentioned the cuts in this resolution fall hardest on those who most deserve our support. Yet, the benefits are localized to the lucky few in this Nation who already have plenty. Better than half of the benefits of the \$350 billion tax cut package that has been included go to Americans earning more than \$100,000 a year.

During today's debate, my colleagues on the other side of the aisle have frequently asserted that the buildup in the national debt over the last 14 years is the fault of the Democrats. I believe an examination of recent history shows that the memories of my Republican colleagues, with respect to this matter, are very convenient.

For 12 years, Presidents Reagan and Bush submitted budget proposals with rosy economic scenarios, inaccurate assumptions and asterisks instead of savings. While both called for a balanced budget, both submitted budgets grossly out of balance and left it to Congress to cut their requests. Congress did so in every year save one. In fact, the Congress appropriated almost \$30 billion less than both Presidents requested.

Now we are hearing that the administration is not committed to deficit reduction. This strikes me as peculiar indeed in light of the fact that our President, unlike his predecessors, had done more than just talk about deficit reduction.

Two years ago when the President came forward with a very successful budget plan, a Republican alternative was nowhere to be found. Instead we heard fearful cries that the Clinton budget would lead to near term economic calamity.

Our distinguished speaker asserted that the budget plan would lead to a recession and actually increase the deficit.

And, our majority leader classified it as job-killer in the short run.

Despite the unwillingness of a single Republican to vote for the plan, it was passed and signed into law. The successes it has contributed to speak for themselves. Better than \$700 billion in deficit reduction; the creation of close to 7 million jobs; and a tax cut for 20 million low-income working families. Yet, only the richest 2 percent have been asked to pay more in taxes.

Now we are being asked to consider a package that takes a completely different approach. An approach, which I might add mirrors the failed supply-side economic policies of the Reagan and Bush years.

It targets those who have been hurt most by trickle down policies—the low-income and middle-class families of this Nation. Over the past 15 years this group has seen their annual incomes stagnate and in many cases decline. The wealthy however have enjoyed unprecedented gains.

Mr. Chairman, this Voodoo Economics II budget plan does not represent a constructive and sound proposal for bringing the deficit down further. I urge my colleagues to vote against the resolution.

Mr. KASICH. Mr. Chairman, I yield 30 seconds to the gentleman from Connecticut [Mr. SHAYS].

Mr. SHAYS. Mr. Chairman, only in Washington is an increase in spending a cut. In Michigan, to the gentleman that just spoke, we are going to spend 44 percent more in Medicare, the per beneficiary is going to go from \$4,600 to \$6,100. The gentlewoman before talked about it being a cut when we are increasing Medicare in Texas 53 percent. The per beneficiary is going to go from \$5,000 to \$6,600 per beneficiary.

Only in Washington is an increase in spending a cut.

Mr. KASICH. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Washington [Ms. DUNN].

(Ms. DUNN of Washington asked and was given permission to revise and extend her remarks.)

Ms. DUNN of Washington. Mr. Chairman, I rise in favor of the Kasich budget.

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the distinguished gentlewoman from the State of New Jersey [Mrs. ROUKEMA].

(Mrs. ROUKEMA asked and was given permission to revise and extend her remarks.)

Mrs. ROUKEMA. Mr. Chairman, I rise in, qualified, support of House Concurrent Resolution 67, the Budget Committee's version of a fiscal year 1996 budget resolution in this historic debate we are holding today.

For the first time in more than a generation, the House of Representatives is debating a series of budget resolutions that all share a common trait: the Federal Government's budget will be balanced by the year 2002.

The goal of a balanced budget is not an abstract exercise that some economists or "green-eyed shade types" thought-up in their ivory tower.

It is an essential economic tool to get the savings and capital investment we desperately need for research and development, and new plant and equipment to rebuild the American economy; keep us competitive in the global economy and create the good jobs at good wages we need for this generation and those to come.

Obviously, the various budget plans we will consider this week have different funding priorities—but that is exactly what the democratic process is all about, and it is a tribute to the diligence of many Members of Congress that we have several different paths we can choose from in order to reach the goal of a balanced Federal budget.

Earlier this year, as I have repeatedly in the past, I voted in support of a balanced budget amendment to the Constitution. I did so because I believe that our country's long-term economic health demands that the Federal Government's fiscal house be put in order.

While the balanced budget amendment was narrowly defeated in the Senate, the need for Congress to do the right thing, and enact legislation that brings the budget into balance, remains as strong today as it was then.

President Clinton's own budget plan, which was released only 4 months ago, projects \$200 billion annual budget deficits as far into the future as the eye can see.

This, despite his own successful efforts in 1993 to enact a \$500 billion deficit reduction package on top of the \$500 billion deficit reduction package that President Bush negotiated in 1990.

An objective analysis of this situation can lead to only one conclusion: our current budget is fundamentally and completely out-of-whack.

Our interest payments on the public debt, currently exceed \$200 billion a year, and are projected to increase to a mind-boggling \$310 billion within the next 4 years.

If nothing is done, our country is headed for a fiscal disaster.

At the same time, in order to avoid this calamity, balancing the budget will require everyone in the United States to share some of the sacrifice associated with reducing the Federal Government's projected increases in spending by roughly \$1 trillion over the next 7 years.

While I recognize that the opponents of House Concurrent Resolution 67 can point to this detail or that detail as unacceptable, but the fact remains that the Budget Committee's plan does not give anyone a "free ride" as we struggle toward a balanced budget.

The defense budget will have to take its fair share of the necessary spending reductions. No department can be exempt.

The domestic discretionary budget, which provides funds for most Federal education, housing, environmental, and health programs, will have to make due with \$190 billion less over the next 7 years than originally anticipated.

The non-health care entitlement programs, such as Federal employees' pensions, crop subsidies, and welfare programs to name just a few, are facing \$220 billion less in funding than originally assumed.

And Medicare and Medicaid, the Federal health care programs for the elderly and low-income respectively, will be asked to make due with \$470 billion in less spending than current budget trends allow for.

Without question, this area of savings raises the most concern, and I must state my healthy skepticism about how much can, or should, be accomplished in the near-term.

Some of the recommendations that have been discussed in recent weeks will be subject to intense analysis by this Member of Congress as the House Ways and Means Committee wrestles with the reconciliation instructions it will receive from this document.

But, absent some significant reform what will happen to the Medicare and Medicaid Programs?

Well, for the second year in a row, the trustees for the Medicare Program have concluded that the program will go bankrupt in 7 years if nothing is changed.

Clearly, strong action and bold leadership is needed to ensure that our elderly will be able to receive necessary medical treatment through the Medicare Program, and that Medicare will be there for many hard-working families who will become eligible for Medicare in the next 10 or 20 years.

I, for one, support the establishment of a bi-partisan blue ribbon Medicare commission—modeled after the very successful Greenspan Commission on Social Security in the mid-1980s—to make recommendations for preserving and protecting this vital program, which the Congress should enact confident that there is not any hidden political agenda to the recommendations.

All too often, members have implied that there can be short-term "quick fixes" to the program's current structure. There are no easy, quick fixes here.

In talking about preserving and protecting Medicare's long-term solvency, let us do it right with the least amount of partisan wrangling as possible.

While the Budget Committee's plan does call for some dramatic changes to these programs, we must keep in mind that the alternative is completely unacceptable: a bankrupted Medicare Program that does not help the elderly and is not there for anyone else either.

With respect to the ongoing efforts to provide middle class families with some tax relief, I supported H.R. 1215 earlier this year because it contained many elements, such as expanded individual retirement accounts, capital gains tax relief, expanded capital investment deductions for small businesses, of a "Save and Invest in America Agenda", which I have long advocated.

Indeed, I was one of a small group of Republicans that petitioned our leadership to defer any tax reductions until we had certified that the budget was, in fact, going to be balanced. Unfortunately, these preconditions are not included in the Budget Committee's plan.

It is for this reason that I strongly prefer the budget plan drafted by the Budget Committee chairman in the other body, Senator PETE DOMENICI.

However, we must be mindful that the House Budget Committee's changes in the Tax Code do result in lower Federal revenues in the short-term, which in turn requires that the Congress cut spending further in order to offset these losses.

Currently, the Budget Committee plan provides for \$350 in additional spending cuts over 7 years to compensate for the tax relief package.

Perhaps when the conference committee meets to reconcile the House and Senate budget resolutions, they can reach a compromise that provides needed "Save and Invest in America" tax changes without requiring almost \$400 billion in additional spending cuts to compensate for them.

Nevertheless, I will vote in support of House passage for this measure because it is important to keep this process moving forward, notwithstanding these concerns.

In conclusion, Mr. Chairman, approving the Budget Committee's proposal represents the first step in our annual budget process. The 13 regular appropriations bills, combined with an omnibus budget reconciliation package, will be where the nitty-gritty details of this budget plan are hashed-out.

That process will not be without difficulty, but as we prepare to enact legislation that balances the Federal budget we should not kid ourselves into thinking that it will be easy to do. At the same time, we should acknowledge the terrible cost to our Nation if we do nothing.

Balancing the Federal budget is essential to protect our Nation's long-term financial health, and to ensure that the country our children and grandchildren inherit is as great as the one our parents gave us.

Mr. KASICH. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. GALLEGLY].

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

Mr. GALLEGLY. Mr. Chairman, I stand in strong support of this budget.

Mr. SABO. Mr. Chairman, I yield 3 minutes to the gentleman from New Jersey [Mr. MENENDEZ].

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

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Mr. MENENDEZ. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, why are the Republicans proposing a cut of \$282 billion to Medicare?

They tell us it is to save Medicare from bankruptcy. But nobody has asked why the plan to save Medicare is in the budget. Could we not save Medicare with another bill?

In fact, they tried it yesterday. Their solution was to vote on a bill that would ask the Medicare trustees to come up with a plan to save Medicare from bankruptcy. But if they are asking the trustees to come up with a plan, what is it that we are voting on today? Do they have a plan, or do they not?

It turns out that one of the trustees has already given an estimate of how much spending would have to be reduced in order to save Medicare from bankruptcy. Asked during testimony before the Senate Budget Committee how much it would take to make the fund solvent by 2002, public trustee Stanford G. Ross answered that it would take about \$130 billion in cuts.

So again, why are the Republicans proposing a cut of \$282 billion to Medicare?

What are their plans for the other \$150 billion?

The answer is, they are giving it away through tax cuts to the wealthy.

Once again, they are cutting an extra \$150 billion from Medicare to pay for tax cuts for the wealthy. This while some Republicans are busy telling seniors that Medicare isn't sacred, and that they should tighten their belts.

Mr. Chairman, my mother knows just what it means to have to tighten her belt. She has worked all her life, for years and years in a factory in New Jersey. Today, Medicare pays for her health care. What do such huge numbers in the Republican budget mean to her? Lower coverage, higher copayments, and higher out-of-pocket expenses overall. On average, over \$1,000 a year more from her pocket.

My mother is lucky. If increased health care costs make it impossible to make ends meet, she has a family she can turn to for help.

But what happens to those seniors who do not? Do they just tighten their belts a little more?

Who are tightening their belts with this plan, Mr. Chairman? How does a capital gains tax cut tighten anyone's belt? The top 12 percent of earners in this country are going to share in over 75 percent of the benefits from that tax cut, thanks to the extra \$150 billion seniors are forking over. That is what this budget is all about; seniors tightening their belts, while Wall Street wonders take their swollen checks to the bank.

Mr. Chairman, let me say to my Republican colleagues, they cannot tell my mother or any other senior citizen in New Jersey or in the Nation that this is not going to cost them one single dime more from their pocket. It is going to cost them very significantly, no matter what they read.

As it relates to the other thing they keep referring to, the 1993 deficit reduction vote, let me say that in my district, that meant over 50,000 families in my district got a tax cut, so they should keep reading their figures, but be honest to the seniors in this country. It is going to cost them more, and they are cutting in a manner that is disproportionate and unfair to people who have worked a lifetime. Vote against this budget.

Mr. KOLBE. Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. SMITH], a distinguished member of the Committee on the Budget and chairman of one of our task forces.

Mr. SMITH of Texas. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I think it is relevant to note that my colleague who just spoke voted for the Clinton tax hike of 1993, and it cost his district \$431 million. I think it is also regrettable he voted against the balanced budget amendment.

Mr. Chairman, on the Committee on the Budget's way to balancing the budget in 7 years, and increasing the amount that Medicare beneficiaries are going to receive by 33 percent, we have also made Congress and Government tighten its belt first. For example, we have eliminated 3 unnecessary Cabinet departments, we have stopped 284 big Government programs, we have eliminated 69 wasteful commissions, and eliminated 13 agencies, as well. We have also eliminated the favorable pen-

sion treatment Members of Congress and congressional staff used to receive. We make permanent the one-third cut in congressional committee staff. We kept our promise. We made permanent a 15-percent cut in White House staff. We helped the President keep his promise.

Mr. Chairman, we also discarded needless bureaucracy. For example, we ended 69 unnecessary big Government commissions, including the Fasteners Advisory Commission, the Dance Advisory Panel, and we also reduced all Government agency overhead and indirect cost.

Mr. Chairman, the House has a historic opportunity we have not had in a quarter century. For the first time in 25 years, we can give our children a better future, restore the American dream, and end the slide in living standards. Finally, after too many unkept promises, too many tax increases, too many false starts, and too little will to do the right thing, Congress will keep its word. This week we have a real life proposal that restrains the growth in Government's budget to increase the size of the family's budget.

Since 1969, the last time our Federal budget was balanced, this Government has run up a \$4.7 trillion debt. Our annual deficits of \$176 billion plus raise interest rates by an average of 2 percent. That means our deficit costs the typical homeowner tens of thousands of dollars. It also slows growth, closes small businesses, and destroys jobs.

In 1950 the Government took \$1 out of every \$20 earned by the American family. Today it takes \$1 out of every \$4 our family has earned. The combination of local, State, and Federal taxes now consumes 40 percent of the typical family's income, an all-time record high. That is wrong. Remember, it is not the Government's money to take, it is the family's money to keep.

A lot of scare tactics and demagoguery are being used today. Some on the other side of the aisle have tried to frighten seniors, students, and others. These naysayers turn American against American, grandparent against grandchild, employer against employee, and retiree against worker, but the American people know better. The people who do the work, pay the taxes, raise the children, and care for the grandchildren will not be divided, one against another. It is not the worker versus the boss, or the young against the old, it is the working and earning class against the taxing and spending class.

This past November the working and earning class spoke loudly and clearly.

Mr. SABO. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Massachusetts [Mr. OLVER], a member of the committee.

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

Mr. OLVER. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, Republicans are cutting Medicare for 35 million American

elder citizens and giving tax breaks to the wealthiest Americans and the most privileged Americans. This budget resolution includes, on the one hand, \$280 billion in cuts in Medicare for elders, and on the other hand, \$340 billion in tax cuts, mostly going to the richest Americans.

The cold numbers are almost too large to understand, but I met with Ruth Jackson on Monday. She lives in Holyoke, MA. She is 77 years old. She has diabetes. Her eyesight is too poor to be able to give her own insulin shots.

She has arthritis. she moves around poorly, with a walker. She lives in the smallest public housing unit available, and this grandmother is the rock on which two of her grandchildren, a grandson in fifth grade and a granddaughter in fifth grade, depend in their broken family. One of them actually lives with her every day. She lives on Social Security and has nothing else. She has a visiting nurse who comes in and provides her 7 days a week for 15 minutes or half an hour an insulin shot. She has 2 to 4 hours a day of personal care.

Mr. Chairman, this Republican resolution increases her Medicare costs by about \$4,000, and cuts her home health care. She cannot live independently. She cannot be the stable base for her grandchildren if she is forced into a nursing home. There are millions of Americans 72, 77, 85, mostly surviving women who are like Ruth Jackson, one way or the other. They lose their personal care, housing, home heating, drugs under this resolution.

Mr. Chairman, the Republicans promised to give big tax cuts for the wealthiest Americans and the most privileged Americans, so they are keeping a promise that every American working person knows, that the rich are going to get richer under this deal. In fact, we all, deep in our hearts, understand that these Republican policies do in fact make the rich richer.

However, are we Americans willing to take hundreds of billions of dollars from our elders on Medicare, our most vulnerable and poorest elder citizens, our unemployed and our very poorest, whose only medical care comes from Medicaid, so that those richest Americans can have a tax cut, and therefore be a great deal richer? I hope not. I hope we will vote against this resolution, and vote for the coalition resolution in its place.

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

Mr. KOLBE. I yield 30 seconds to the gentleman from Connecticut [Mr. SHAYS].

Mr. SHAYS. Mr. Chairman, I would like to point out to the gentleman that we are spending more money on Medicare. In Massachusetts, we will be spending 40 percent more in the next 7 years on Medicare. The amount per beneficiary is going to go up from \$5,900 to \$7,814. Only in Washington, only in Washington, when you spend

more money, do people call it a cut. We are going to improve this system.

Mr. SABO. Mr. Chairman, I yield myself 3 minutes so I can ask the gentleman from Connecticut a question.

The CHAIRMAN. The gentleman from Minnesota [Mr. SABO] is recognized for 3 minutes.

Mr. SABO. Mr. Chairman, I am just curious. Clearly these Medicare cuts, whatever they are, in the gentleman's resolution are going to pay for a substantial tax cut, but I am just curious, he has not given me my Minnesota number. Give me my Minnesota number. Then I would like to hear the Connecticut number.

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

Mr. SABO. I yield to the gentleman from Connecticut.

Mr. SHAYS. Mr. Chairman, let me just ask the gentleman, does he not understand when you are spending more money, you are spending more money?

Mr. SABO. I fully understand what the gentleman is saying.

Mr. SHAYS. I just need to know that that is the case.

Mr. SABO. I would just simply say to the gentleman, Mr. Chairman, I am amazed to hear how simple and easy it is going to be to modify the Medicare Program.

I am just curious, what is the number for Minnesota?

Mr. SHAYS. If the gentleman will continue to yield, in Minnesota the gentleman has an amount of money for Medicare now of \$2 billion 429.

Mr. SABO. What is the per recipient number?

Mr. SHAYS. It will go up \$3 billion 400. It will go up 40 percent.

Mr. SABO. Just so the gentleman knows my question, what is the per recipient number in Minnesota?

Mr. SHAYS. The per recipient number in Minnesota, given that they are getting 40 percent more in the next 7 years, it is presently \$3,840. It goes up to \$5,000 per beneficiary.

Mr. SABO. Mr. Chairman, I would ask the gentleman, what is the number in Connecticut?

Mr. SHAYS. If the gentleman will yield further, in Connecticut we are given from the Federal Government in Medicare \$2.5 billion, and it goes up to \$3.6 billion. That is a 40 percent increase. We are equal. Per beneficiary it is \$5,135, and that will go up to \$6,782 per beneficiary, per beneficiary.

Mr. SABO. Mr. Chairman, I am just curious how the gentleman from Connecticut is going to deal with this significant difference in cost between the State of Minnesota and the State of Connecticut. We provide good quality health care, substantially less, and what I hear is the recipients, the reimbursement in Connecticut is substantially higher than it is in Minnesota.

Mr. SHAYS. I want to make sure I understand the gentleman. The gentleman says in Minnesota he provides good health care. I think we do in Connecticut, as well. In both instances, we

are getting 40 percent more in the next 7 years.

Mr. SABO. The gentleman from Connecticut is receiving, as I heard, over \$1,000 more per recipient.

Mr. KOLBE. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Ohio [Mr. REGULA], chairman of the Subcommittee on the Interior of the Committee on Appropriations.

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

Mr. REGULA. Mr. Chairman, let me preface my remarks by saying that I applaud the hard work that has gone into producing this budget resolution, a resolution that puts us on a path to a balanced budget. I want to particularly recognize my colleague from Ohio, the chairman of the Budget Committee, Mr. KASICH, for his unwavering dedication to the balanced budget objective. He has never lost sight of the finish line and while I may not personally agree with all of the assumptions in this resolution I plan to support this budget because I too believe the goal of a balanced budget must be paramount. I would like to discuss one of the aspects of the proposed budget resolution that concerns me and that is the assumption that the functions of the Department of Energy should be phased out. Many of these functions are important to the future of this Nation. It is our responsibility to do these in the most cost-effective way possible.

The argument for phasing out the Department is based on the assumption that it was solely created to deal with an energy crisis the country experienced in the 1970's. The crisis no longer exists and therefore the rationale for the functions of the Department no longer exists.

It is unwise, for us as a nation, to be so complacent as to assume that another energy crisis is not only not a probability, but not even a possibility. Just 4 short years ago—in the action Desert Storm—we put over 400,000 American men and women into harms way to protect the availability of energy resources that we are once again taking for granted.

Much of the work the Department or its successor organizations is doing, in partnership with American industries, is the very reason we can hope to avoid a future energy crisis and, I would argue, that the money spent on those research, development, and demonstration projects is far more cost effective than putting American lives at risk to protect Persian Gulf oilfields.

A recent op-ed piece written by former President Reagan's Energy Secretary, Don Hodel, "Forebodings of Another Oil Shortage," put it starkly:

America is sleepwalking into a disaster. Within the next two years, we will experience another oil shock.

According to the former secretary the threat of this crisis once again comes from the unstable Persian Gulf which currently supplies 44 percent of

United States oil imports. The recent DOE annual energy outlook projects this figure rising to more than 65 percent by the year 2010. Saudi Arabia alone supplied almost 19 percent of the United States import market last year and provided over 25 percent as recently as 1992. The stability in that region is once again in question.

In February of this year the President concurred with the Department of Commerce's finding that the Nation's growing reliance on imports of crude oil and refined petroleum products threaten the Nation's security. In 1993 U.S. oil imports surpassed the 1977—a time of crisis—record level by 1.8 percent. The warning signs are clear and yet today we are sending signals that either we do not believe a crisis is a possibility or that energy is not a critical commodity.

My second point relates to the actual programs and mission of the Department or its successors and their impact on our international posture in terms of maintaining and improving our global competitiveness and our goal of continuing to grow the economy. To be truly strong, the American economy must be efficient, clean and fueled by stable and affordable supplies of energy. Assuring this supply and improving efficiencies and environmental performance of our energy resources is one of the important missions of our energy policy. Many of the energy programs are cost shared partnerships with U.S. industries that hold the key to achieving these goals.

Just last week I received a letter from one of the participants in just such a partnership. The company, a small one located in Cleveland, OH is attempting to develop and commercialize a process for the recovery of usable materials from salt cake, a waste produced by the aluminum industry. Commercialization of this technology would not only reduce the operating costs in the aluminum industry through reduced energy expenditures, but it would also eliminate the 550,000 tons of salt cake that are presently being landfilled in the U.S. each year. This small company is cost sharing in excess of 70 percent of the total project cost with the Department. As the President of this company concluded in his letter to me, this research is "critical to the development of new technologies by American companies such as ours."

Despite the fact that each of us is heavily reliant on energy in our daily lives, it is one of those luxuries that is easy to ignore as long as it is plentiful and reasonably priced. In the not too distant past, energy was an afterthought in economic planning. Today, energy is a principal factor in any business strategy and American businesses today are cognizant of the importance of energy in their bottom line and are constantly working to reduce energy costs to maintain or improve their competitiveness.

Transportation is one good example. It is a key industry and a key component in our overall energy equation accounting for 27 percent of our total energy consumption and 66 percent of the total petroleum use. Moreover, 97 percent of the transportation sector's energy demands are satisfied by petroleum. Clearly to reduce our dependence on oil imports it is imperative that we change the transportation sector's energy demand patterns. The programs funded in my subcommittee's jurisdiction, in partnership with DOE are addressing that issue. These programs are projected to reduce oil imports by 2.3 million barrels a day by the year 2000 cresting a savings for drivers and a trade deficit reduction of \$47 million per year.

Energy use is an environmental issue as well. The production and use of energy cause more environmental damage than any other human activity in the world today. Without significant changes in energy sources and consumption patterns, the problem will worsen. Without cleaner energy sources and technologies, worsening environmental problems can be expected to lead to regulatory actions that can severely hamper economic growth.

I have repeatedly said during my subcommittee's hearings that what the November election was about was not abolishing government, but making it work more efficiently and more effectively. I am persuaded that many Departments and Agencies a healthy dose of streamlining and downsizing and I am equally persuaded that they are getting the message. For example the Secretary or DOE recently announced a proposed \$14 billion contribution to deficit reduction over the next 5 years. I applaud these initiatives and I am committed to working with the Agencies such as DOE or its successors to make those promised savings a reality.

I believe there are core, fundamental missions in the field of Energy. With respect to the programs I am most familiar with those missions involve promoting, in partnership with U.S. industries, fundamental science and technology advances which will help keep us competitive in a global economy and which provide the long-term basis for economic growth, job creation and improved quality of life; and enhancing our energy security by helping safeguard against energy supply disruptions and their associated threats to the United States.

These missions can be accomplished in streamlined Departments, and Agencies but may be lost in a costly realignment that could be necessitated by their complete dismantlement. Energy is the lifeblood of a strong expanding economy that is essential if we are to be successful in balancing the budget.

Public-private partnerships can do much to reduce the cost of government while maintaining our technological leadership and making our programs very cost effective.

Mr. KOLBE. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Kansas [Mr. BROWNBACK], a very hardworking member of the committee.

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

Mr. BROWNBACK. Mr. Chairman, I would just like to make a couple of quick comments and then talk briefly about the agency elimination that we have been talking about in the overall budget package.

Mr. Chairman, I hear a lot of comments about, well, we are cutting taxes and that is wrong, we should not be cutting taxes, that the American people need to pay all this money into the Government.

I make the simple point, and I ask the American people that are watching and listening, do you know how long today you work to pay the taxes at all levels, Federal, State, local, all levels combined?

The answer is, you work until May 5. You just passed Tax Freedom Day that you work. I think if you get back a little bit of that, that is your money, and you are working hard enough and long enough for the Government.

The other thing I hear a lot is people saying, well, we are not spending enough on Government programs. Indeed, many of these programs are very good programs, very worthwhile programs. But I simply point out that around the turn of the century, the Federal Government as a percentage of this economy was roughly 3 percent of this economy. That is what it was. It was 3 percent. Now it is 23 percent of this overall economy.

Overall I would like to point out, we are eliminating in our budget package three Cabinet level agencies, or propose, Departments of Commerce, Energy, and Education. We are following a process and a procedure here.

This is not just a thing of, OK, we are going to go in and eliminate them completely and they are out of there, they are gone. We are thinking this through and asking the questions of how can we do this better? How can the American people get these services? We are going through a process of asking, can we localize these services, send it back to the State and local units of government?

Do we privatize? Are these services that can be done better in the private sector? Can we be more efficient by doing it there? Can we consolidate, within other Federal agencies and programs, services that are currently done somewhere else? We have 17 agencies doing trade promotion. Do we need that many of them? Can we consolidate?

What can we eliminate? What services and programs have done their job and it is time to move on, particularly at a time that we state clearly and unequivocally to the American people, we are broke.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Florida [Mr. JOHNSTON].

Mr. JOHNSTON of Florida. Mr. Chairman, I would like to talk about Medicaid. I have a homemade chart up here dealing with where we are today, with where we will be in 7 years under the Republican program. I have entitled it "Unfunded Mandates."

The bottom line here is where the Republicans go today at \$120 billion up to \$150 billion. The next line, though, is growth plus inflation. We go up here, so we start out at 4 percent behind.

Let me draw another line here. This line here is Texas, New York, Florida, Arizona, and the growth States. The average growth State is between 10 and 13 percent. When you have block grants to these States to take care of Medicaid patients, this is a gross unfunded mandate. You are sticking the States worse than anything we have ever done.

Most people think Medicaid is for the indigent. Over half of the payments for Medicaid go to senior citizens for nursing homes, and when you are in these States in the South, this is an exploding figure.

The gentleman from Connecticut [Mr. SHAYS] can get up and give us any number he wants to, but that number will not anywhere match the figure that these growth States are going to have to pay from today until 2002. I think it is grossly unfair. I think it is a demagogical denial here of what you are doing to these States that have exploding populations, and they are going to go bankrupt before you ever talk about the Federal Government.

Mr. KASICH. Mr. Chairman, I yield 3 minutes to the gentleman from Florida [Mr. MILLER], a distinguished member of the Committee on the Budget and the Committee on Appropriations.

Mr. MILLER of Florida. Mr. Chairman, we have heard nothing but distortions and scare tactics coming from the Democrats about Medicare, but I am not surprised. The sad fact is they have no ideas of their own and no plan to restore Medicare to solvency. They have nothing left to do but misrepresent Republican plans to save Medicare from bankruptcy. That is bad news for America's seniors.

According to today's Washington Post, the Clinton White House and the congressional Democrats have made a conscious political decision to defend the status quo, to delay change and distort the facts. Like Nero was watching Rome, the Democrats are fiddling, polling, and politicking while the Medicare trust fund burns. That is just sad and it is dead flat wrong.

Here is the bottom line. The Republican budget resolution restores Medicare, saving the trust fund from bankruptcy. In 2002, Medicare spending will be \$1,600 higher for each beneficiary under the Republican plan. Under the Democratic budget, in 2002 the Medicare fund goes bankrupt, zero, it is broke.

Don't be confused by the Democrats' distortions. Restoring Medicare has nothing to do with the tax provisions in the contract. Yes, we return a small portion of each working American's hard-earned tax dollars to the family budget, but with or without the tax cuts, Medicare will go bankrupt if we follow the Democrats' status quo plan.

That is not DAN MILLER speaking or NEWT GINGRICH speaking, this is the public trustees of the Medicare Program, including members of the President's own Cabinet.

Here is what the trustees say: "The Medicare Program is clearly unsustainable in its present form. It is now clear that Medicare reform needs to be addressed urgently."

One more time: There are two choices. Under the Republican budget resolution, in 2002 the Medicare spending will be \$1,600 higher for each beneficiary, restoring the Medicare trust fund to solvency. Under the Clinton Democrat budget, in 2002 the Medicare trust fund goes bankrupt.

Let's save Medicare. Support the Republican budget resolution.

Ms. SLAUGHTER. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from North Dakota [Mr. POMEROY].

Mr. POMEROY. Mr. Chairman, why are the Republicans proposing to slash Medicare and Medicaid to pay for tax cuts benefiting America's most privileged?

Throughout the afternoon, we have seen abject efforts of denial of the cuts by the gentleman from Connecticut [Mr. SHAYS], the task force Chair, jumping up and citing increased funding and saying only in Washington could this be determined a cut. I have never heard a more blatant distortion on the floor of this House.

The fact of the matter is that the funding does not keep up with the increasing costs in health care. Let me cite a figure that might be of interest to the gentleman from Connecticut himself, because under the cuts proposed, in Connecticut each senior citizen will pay more out of pocket, \$3,885 cumulatively through 2002, under the plan advanced. That to the seniors of Connecticut I would suggest is a real, real cut, one that hits right in the pocketbook. The Medicaid figures are even worse.

In the Republican cuts for Medicaid in the out years, they allow a 4 percent adjustment in Medicaid funding. There will be a 3-percent growth in enrollment in Medicaid, which means they allow the cost of medicine to go up 1 percent per year.

What do we know about Medicaid and medical inflation? It is rising at an amount dramatically higher than that, and it is going to rip benefits away from the children and the disabled and the elderly that depend on Medicaid funding.

This chart reveals what a vicious hit it will be to kids. An additional 6.7 million kids will lose their coverage under

the Medicaid proposals advanced in the Republican budget. That to the gentleman I would suggest is a very real, a very meaningful cut to children.

For senior citizens it is equally devastating. Seniors receiving long-term care in nursing homes across this country will find the costs of their care rising much faster than the Medicaid payments to fund them. In fact, if you look over 5 years, an additional 1.7 million senior citizens requiring long-term care assistance will be deprived of Medicaid coverage under their plan. Those are real cuts.

You may in budget chicanery try to gloss over what you are doing to people, but let me tell you, you are taking coverage away from children and you are taking coverage away from senior citizens in nursing homes, and you are doing it primarily to pay for tax cuts for the rich.

Mr. Chairman, at this point in time I yield to the gentleman from Connecticut, if he would like to ask me any questions about North Dakota. Does the gentleman from Connecticut care to respond?

Mr. SHAYS. Mr. Chairman, I will be happy to use some of the gentleman's time to correct some of his comments.

Mr. POMEROY. If the gentleman does not have a question about North Dakota, I will reclaim my time.

The gentleman's own seniors in Connecticut will lose \$3,800 under their proposal, a fact he ought to be aware of.

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Michigan [Mr. SMITH].

Mr. SMITH of Michigan. Mr. Chairman, this budget is not just about the Federal Government's fiscal strategy, the way we keep our books. It is about America's future. It is about creating job growth and opportunities for our kids and our grandkids, about making our communities a better place to live and work and raise our families. Certainly it is about our future prosperity and our future safety.

Mr. Chairman, 2 years ago in 1993, this House, this Chamber, passed a large tax increase, approximately \$248 billion over the 5 years of the budget. The decision from our conference was, should we give some of that tax increase back, and should we do it in a way that is going to stimulate job growth? We did that. One of the elements was my neutral cost recovery bill, that allows businesses to deduct the cost of the tools and equipment they buy as a business expense.

Let me tell Members what economists say is going to result from that kind of Tax Code change. They say the GDP of this country will increase almost \$3 trillion, it will increase 3 million jobs with an average salary increase of \$3,540.

Mr. Chairman, as we look at how we are cutting this budget, everybody is going to realize some pain. I hear so much talk about criticizing the cuts. It is so much easier to tear down a house

than it is to build a house. We are trying to build that house in a budget that is going to help future generations. I would hope all Members would contribute in a positive way to how they think we can improve this budget, not simply criticize every element of every cut, Mr. Chairman, as we look at transportation, as we look at the infrastructure we have built over the years.

Ms. SLAUGHTER. Mr. Chairman, I yield 2 minutes to the gentlewoman from California [Ms. WOOLSEY].

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

Ms. WOOLSEY. Mr. Chairman, earlier this year, I visited school lunch programs in my district, and learned something which the authors of this budget obviously have not thought about. Because child after child said to me, "Congresswoman WOOLSEY, I can't concentrate when I'm hungry." "I can't learn when I'm hungry."

Obviously, first-and-second graders know better than the authors of this budget that, if you enter the classroom hungry, you will not be ready to learn.

During one of my visits, a teacher in Marin County—one of the most affluent counties in America—told me that, recently, she had a class lesson asking her 1st grade students what their top three wishes were, and why, the top wish of two-thirds of her students was for more food for their family, because they were hungry.

Well, get ready to have trouble concentrating and learning, and get ready to be hungry, because this budget cuts \$19 billion from nutrition programs in order to pay for a tax break for wealthy special interests.

Members on the other side argue that taking \$19 billion away from child nutrition programs is not a big deal, in fact, they claim they are not even cutting child nutrition programs, but simply reducing the rate of increase. We hear Republicans say over and over again that "only in Washington do people call a reduction in the rate of increase a cut."

Well, the children in Marin County, who wish for food for their families, would see it differently. They would say that only in Washington do people call "taking school lunches away from children a "reduction in the rate of increase."

I urge my colleagues to vote against this budget resolution.

□ 1830

Mr. KASICH. Mr. Chairman, I yield 2½ minutes to the gentleman from Michigan [Mr. HOEKSTRA].

Mr. HOEKSTRA. Mr. Chairman, I thank the distinguished chairman for yielding me this time.

I have been sitting here now for a couple of hours and I was waiting and wondering when the school lunch debate was going to come up. And you are absolutely right that only in Washington would we describe a 4½-percent increase each year for the next 5 years

as a cut. It is unbelievable. We are increasing funding for the school lunch programs and we are calling it a cut.

But I think it is important as we take a look at what we are actually doing here. We are doing something that is important for the future of our children. This House has used this card for the last 25 years to build up a \$4.7 trillion deficit for each of our kids. That is totally inappropriate. We need to get spending under control, and we are doing it. We put together a plan to get a balanced budget within 7 years. It is the right thing to do; it is the thing that we have to do for our kids.

What we are trying to do in this plan is we want to get the Federal Government away from so many things that happen in the private sector. It is not important to have a Federal bureaucrat between a child and their school lunch. It is not important to have a Federal bureaucrat between a landlord and their tenant. It is not important to have a Federal bureaucrat between a customer and a vendor. That is not the right place for the Federal Government to be. Those things happen very effectively and efficiently in the private sector. We reach out and we help those that need help, but we do not need to have Federal bureaucrats in all of these places, it is not the right way to go, it is not the right direction.

What we are doing in many of these areas is we are fixing programs that are broke. Job training, we are going at an area where, yes, we have to educate and train people.

This Congress has put together 153 different training programs, 153 different Federal bureaucracies of Federal bureaucrats between an individual who needs skills and an education process. It is absolutely ludicrous to have 153 programs. We are going to put that into four block grants. It is going to be efficient and much more effective than the system that we have today.

Mr. SABO. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from California [Mr. BROWN].

(Mr. BROWN of California asked and was given permission to revise and extend his remarks.)

Mr. BROWN of California. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, the proponents of this budget plan argue fervently that its end result—a balanced budget by the year 2002—will produce economic prosperity and better living standards for all Americans. It will not. What the plan will do is simply substitute for the budget deficit an investment deficit that will guarantee the long-term decay of our economy and our society.

I am most familiar with the impact of the Republican budget plan on the civilian research programs under the Science Committee's jurisdiction. The Republican plan would force those R&D programs to decline by almost \$25 billion over the next 5 years. To put that number into perspective, public investment in civilian R&D programs in our committee's jurisdiction would fall 25 percent in absolute terms, or 35 percent in real dollars, in just a few years.

I have included along with my statement a budget table showing the effect of this budget plan on committee R&D programs.

The Budget Committee report accompanying this bill makes it very clear how these cuts should be absorbed. They would have us eliminate most civilian applied research and technology development and demonstration work at every Federal department and agency. Many worthwhile science programs would suffer huge cuts or be terminated and, inevitably, Federal research labs would also have to close.

The Republicans reason that massive public disinvestment in R&D is good for the country because the private

sector will pick up the slack and make these investments on its own, provided they get the deregulation and the tax breaks the Republicans have promised. This reasoning is naive and foolish. Deregulation and tax relief have not succeeded in raising private R&D investment in the past, and there is no evidence that it will work in the future.

In fact, even with an R&D tax credit in place, the private sector has been reducing its long-term R&D investment over the last 10 years in response to global competition. A recent survey of corporate R&D investment conducted by the Industrial Research Institute shows that U.S. corporations have reduced their long-term R&D from 20 percent to 8 percent of their R&D spending in the last 10 years. The remaining 92 percent of their R&D spending goes to short-term applied research with immediate commercial application.

The private sector is reducing their long-term R&D investment. If the Government also withdraws support for long-term R&D, as this budget implies, the consequences will be devastating and irreversible. The R&D infrastructure of the United States will be devastated. The result will be fewer scientists and engineers, less innovation and declining competitiveness in world markets. I, for one, do not believe the American people want to throw away their future simply for shortsighted political considerations.

Mr. Chairman, time and again today, my colleagues have warned us that we must not pass on a legacy of debt to our children and grandchildren. I agree, but we are also obliged to undertake those essential investments in new knowledge and better educated human resources that will guarantee them a bright future. This budget fails to do that and breaks faith with future generations.

The chart referred to follows:

KASICH-WALKER BUDGET ASSUMPTIONS—CIVILIAN R&D PROGRAMS IN THE JURISDICTION OF THE HOUSE SCIENCE COMMITTEE
[Budget authority (BA) in millions of dollars]

Budget Function	Subcmte	Agency	Budget Assumptions	FY96-00 Change in BA ¹
250	Space	NASA	Cut Human Space Flight	-3,064
			Cut Science, Aeronautics, & Technology	-4,790
			Increase Mission Support	117
			Increase Inspector General	2
250	Basic Research	NSF	Eliminate social R&D	-583
			Cut academic infrastructure investment	-750
			Cut major research equipment investment	-479
			Cut S&E; Headquarters relocation	-75
			Cut education and human resources	-30
250	Energy & Envir	DOE	Prioritize General Science Activities	-270
270	Energy & Envir	DOE	Reduce Energy Supply R&D	-4,743
			Reduce Fossil Energy R&D	-1,595
			Reduce Energy Conservation Research	-1,960
			Eliminate clean coal technology program	-864
300	Energy & Envir	NOAA	Reduce Ops, Res, & Facilities	-1,369
300	Energy & Envir	EPA	Terminate environmental technology program	-325
			Reduce Office of R&D budget	-100
370	Technology	DOC	NIST—Increase intramural R&D	149
			NIST—Eliminate extramural R&D (ATP, MEP)	-2,625
			NIST—Increase construction funding	32
			Eliminate Technology Administration	-47
400	Technology	DOT	Eliminate Intelligent Vehicle R&D program	na
			Eliminate High Speed Rail R&D program	-100
400	Space	DOT	Rescind funds for NASA Wind Tunnel	-400
800	Basic Research	OTA	Eliminate OTA	-104
Total, Science Committee				-23,973

¹ FY1996 through FY2000 cumulative change in new BA relative to FY1995 budget freeze.
Source: House Budget Committee. Democratic staff of the House Science Committee.

COMMITTEE ON SCIENCE—SUBCOMMITTEE ALLOCATIONS

[Dollars in millions]

Subcommittee	Actual FY 95	Pres. FY 96	Walker FY 96	Walker FY 97	Walker FY 98	Walker FY 99	Walker FY 00
Space	\$14,470	\$14,267	\$13,395	\$13,130	\$12,543	\$12,043	\$11,578
Basic Research	\$3,325	\$3,414	\$1,180	\$3,199	\$3,232	\$3,270	\$3,331
Technology	\$1,421	\$1,717	\$2,645	\$350	\$360	\$371	\$382
Energy/Envir.	\$8,018	\$8,579	\$6,200	\$5,841	\$5,645	\$5,464	\$5,312
Totals	\$27,233	\$27,977	\$23,620	\$22,520	\$21,780	\$21,148	\$20,603
Walker vs. FY95 (percent)			-13.3	-17.3	-20.0	-22.3	-24.3
Walker vs. Clinton FY96 (percent)			-15.6	-19.5	-22.2	-24.4	-26.4
Walker vs. Baseline ³ (percent)			-15.8	-22.1	-26.8	-31.0	-34.7

¹ Includes \$26 million in authorized FEMA earthquake programs.

² Includes \$302 million in authorized FAA R&D.

³ Baseline assumes 3 percent annual inflation from 1995-2000.

Source: Chairman, House Committee on Science.

Mr. SABO. Mr. Chairman, I yield 30 seconds to the gentlewoman from Florida [Mrs. MEEK].

Mrs. MEEK of Florida. Mr. Chairman, this budget recommends that we eliminate the Department of Commerce. It just does not make sense in that we need to develop jobs in this country. If we are ever going to get to the point where we can develop jobs, we need the Department of Commerce. During the last 2 years the Department helped Americans secure \$24.6 billion of foreign contracts, and for every dollar spent on the entire budgets of the Department it has returned \$6 to the American economy. That is developing jobs, Mr. Chairman.

Mr. KASICH. Mr. Chairman, I yield myself 15 seconds.

Mr. Chairman, the reason why we are calling for the elimination of the Commerce Department is its functions are performed in 71 other entities of the Government, and we think it makes more sense to consolidate that, save the bureaucracy, and give taxpayers some of their money back.

Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. WALKER], the distinguished chairman of the Committee on Science.

Mr. WALKER. Mr. Chairman, I thank the gentleman for yielding me the time.

I was interested in the discussion we just had on the cuts in the science budgets, and I think it is very important to understand what has happened over the last few years in the name of science. Much of what we have had in the science research budgets of this country have been in a State where many of them have been nothing but corporate welfare, and what we have done is done things in the name of R&D, in the name of science, and then found out that where they were going to was to the richest corporations in the country.

What we have attempted to do is prioritize science in this budget. We have attempted to protect the basic fundamental research of this country, and we have done so in the budget. In fact, basic research actually has a nominal increase over the 7-year period from \$7.092 billion this year to \$7.101 billion in 1996. This includes places like the National Science Foundation and a lot of programs in NASA and the Department of Energy.

But where we have the direct industrial and commercial subsidies, we eliminate those. What we are saying is let us have real research and development in this country; let us not subsidize our biggest corporations and call it R&D. And the fact is if you take a look at the chart, the corporate welfare sections of the budget are where we take the biggest hit.

Out of the total budget over the next several years, we are going to spend over \$111 billion in the science areas. Out of \$111 billion we ought to be able to get some quality science. The problem is we have not been getting quality science in too many instances. What we have been getting is big companies coming in and ripping off taxpayers' money in the name of things they wanted to do anyway. We cut that out. We just say no more. We are going to eliminate corporate welfare and concentrate on those things that the Federal Government can do best for the economy, the basic science and fundamental research.

So if you take a look at that, what you find is over the next several years we will go from \$26 billion we are spending each year on some of these programs down nominally to about \$23.7 billion. Two-thirds of the cuts, that is about 9.1 percent, about two-thirds of that entire cut comes out of corporate welfare cuts.

If the country wants to have real science I think that is exactly right, but the country does not want to do research and development and then find out that they did not get real research and development, and this is the example of exactly where we think we should go. We have prioritized science toward basic fundamental science.

Sure, we are going to have some applied science; we are going to do some developmental work and demonstration work. There is actually a line on which we can do the kind of research that this country needs. But we ought not be funding things that companies otherwise would do on their own.

And so this budget I think is a lean budget, but it is one that makes sense for science. It prioritizes science toward those kinds of things that science ought to be doing.

The Government is best at doing basic research, and that is where this budget puts its emphasis.

Mr. SABO. Mr. Chairman, I yield such time as he may consume to my

good friend and colleague, the gentleman from Minnesota [Mr. VENTO].

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

Mr. VENTO. Mr. Chairman, I rise in opposition to the Republican budget resolution.

Mr. Chairman, I rise in strong opposition to the Republican budget proposal we have before us today. This is a measure which seeks to pay for the Republicans' tax cuts for wealthy individuals on the backs of those in need, children and the elderly, at the expense of sound education, health and welfare benefits. We need to be concerned about the deficits, both the fiscal and human deficits, not just the bottom line.

I am deeply concerned about our budget deficit and throughout my career, I have supported numerous efforts aimed at streamlining the Federal Government, reducing spending, eliminating waste and responsibly increasing revenues in an equitable way. Over the past 2 years, we have made steady progress in cutting the deficit with nearly \$600 billion in deficit reduction over a 5-year schedule beginning in 1993. We passed the deficit reduction bill last year without a single Republican vote.

While I support reducing the deficit through cuts in some programs, the Republican budget proposal centers on cutting off programs which invest in the American people, while providing tax benefits to corporations and wealthy individuals. In 7 years, in the framework of this bill, or House Concurrent Resolution the deficit is due, \$300 billion. That is the GOP way to solve the deficit. First things first, tax breaks for the wealthy Americans, political promises made and kept 75 percent of the benefit to corporations and investors in the final GOP tax policy. One of the most important investments our country can make is in education. But other policies receive short shrift. Every dollar for education is an investment in our people in the future of this country and our national economy. The Republican approach for the education of the people of our Nation is mind-boggling. Their blueprint for the future not only abolishes the Department of Education, which would leave the U.S. as one of the few industrialized countries in the world without a national department or ministry of education, but proposes to make atrocious cuts which counter any pretense of deliberate consideration of public policy. This budget proposal calls for the elimination of about 130 Education department programs, including Goals: 2000 school reform programs, Chapter 1 Compensatory Education Concentration grants—which provide funding for areas with high levels of low-achieving children—and bilingual and immigrant education programs.

The proposal will eliminate funds used to make schools across the country safer and drug free and will dramatically increase costs for working families by charging all students interest on their loans while they are in school. These actions are not just thoughtless, they are policies ignorant of the problems and needs of American people today and tomorrow. At a time when jobs demand more preparation, cutting education funding is indeed a losing proposition. We need to support education as a budget priority and this bill before the House has it backward. We need smart people and smart hardware to face the future needs of our Nation. That won't happen with a negative and indifferent national policy.

This proposed budget pulls the rug out from under state and local governments, shifting responsibility away from the Federal Government for welfare and child nutrition and by advocating deep cuts in community development, notably the Community Development Block Grant. The Republican answer is that cost burdens should be shifted to State and local governments and the non-profit sector, which are already operating on overload today. In other words, a trickle-down tax increase pushed upon the States.

A provision of the budget resolution which deeply concerns me is the proposal to zero out the funding for the Low-Income Home Energy Assistance Program, otherwise known as LIHEAP. As a Member from Minnesota, a State that works and strives to meet people's needs with a warm heart. Minnesota is one of the coldest States in the Nation, I am alarmed by the potential impact of this ill-advised action. In 1994, approximately 6.1 million households received aid to help cover heating costs nationwide. Nearly half of these households contain elderly or handicapped persons—often on fixed incomes—and about 80 percent earn less than \$10,000 a year. Where are these people to turn when they no longer can afford to heat their homes? This pattern is repeated because of the tenuous situation that many poor face today.

The Republicans are cutting funds for programs which provide basic housing for Americans in dire need of assistance. They will reduce housing assistance for the elderly, for persons with disabilities, and for other low and moderate income families, they would eliminate funding for most preservation activities, and reduce funding for the operations and modernization of public housing. All of these proposals mean it will be more difficult for people to find decent safe affordable housing, in this time when affordable housing is dwindling, and the demand is growing. These proposals serve notice that the unique programs that are designed to take the necessary step for our most vulnerable citizens and to help working people help themselves, today are serving as targets for political potshots.

On the environmental front, in addition to cutting funds for sewage treatment, safe drinking water facilities, soil and water conservation programs and hazardous waste cleanup, the Republican budget blueprint advocates allowing oil and gas exploration and drilling on the Arctic National Wildlife Refuge as a way to increase revenues. The Arctic Refuge coastal plain is a priceless and irreplaceable treasure. The fate of the coastal plain and its value to present and future generations as an undisturbed, fully-functioning ecosystem have been the subject of a complex and highly contested

debate for more than a decade. The resolution of this debate must not be obscurely fore-ordained through a backdoor effort in the Federal budget process. It deserves full consideration in the glaring light of public scrutiny.

One of the biggest ironies in the budget resolution is the treatment of Medicare. In the absence of any real health care reforms, Republicans suggest simply slashing Medicare by \$288 billion over the next 7 years. This is a 27 percent cut. This will mean fewer benefits, higher out-of-pocket costs for seniors, and less choice of doctors. For my home State, Minnesota, it has been projected that the Republican budget proposal will cost each senior an additional \$3,557 over the 7-year period from 1996 to 2002. Nearly 83 percent of Medicare benefits go to seniors with incomes of \$25,000 or less, and the proposed reductions would have a devastating effect on these people. Likewise, Medicaid funding, the only major Federal source of funding for long-term care, is cut 30 percent by the year 2002. Together Medicare and Medicaid cuts account for nearly a third of all savings in the bill. The GOP puts this in place without a clue of how this cut will be attained. Health care/Medicare doesn't exist in a vacuum. The GOP was quick to demagog health care reform in 1993–1994. Now they seek no reform, only a Medicare cut that will result in a second-rate health care program for older Americans.

In the last Congress, the Republicans refused to support meaningful comprehensive health care reform, saying there was no crisis in health care so why make changes? Today they have conveniently discovered the Medicare Trustees Annual Report and tell us there is a crisis. Actually the 1995 suggests an improvement over 1994. The GOP Congress is going to solve this health care crisis by cutting benefits to seniors and reimbursements to health care providers while providing a generous tax cut to wealthy Americans and a funding increase for defense. This is not the approach that will protect Medicare and the elderly and help rationalize and regularize the health care system.

The Medicare cuts are supposed to save the program from a projected revenue shortfall in 2002. However, the cut they want to take from Medicare to offset the loss of revenue resulting from the Republicans' tax cuts for wealthier Americans, is \$353 billion over the next 7 years. Despite the political rhetoric, the main beneficiaries of these tax changes are the wealthiest members of our society and corporate America, with the wealthiest 1.1 million Americans receiving a \$20,000 tax break. Further, the budget proposal includes a tax increase which could total as much as \$42 billion, including \$17 billion in personal tax increases which result from the 0.6 percent adjustment in the Consumer Price Index. The indexing of income tax rates and brackets are reduced to middle income Americans, not mind you in the tax package but hidden in this budget package, and Social Security benefits are cut with the same COLA sleight of hand. In fact \$24 billion in just 3 years is picked from the pockets of Social Security recipients.

Even as student loans, housing, and Medicare are being cut, the Republican budget would increase budget authority for defense to \$288 billion and defense outlays to over \$280 billion by 2002—billions more than President Clinton has requested. These large spending increases for the Pentagon are questionable

not only because we no longer face the threat of the cold war, but also because the Pentagon has admitted its finances are in complete disarray. In fact, the annual financial statements of 28 of the Pentagon's 36 departments are so riddled with flaws and inaccuracies that the GAO has declared them completely worthless. The Pentagon's own Deputy Inspector General recently stated that the Department of Defense pays private contractors \$500 million dollars it does not owe them every year, and DOD cannot account for \$15 billion it has spent over the past decade. Republicans apparently have no qualms about pouring billions more taxpayer dollars into a black hole at the Pentagon, even as they cut funds for cost-effective social programs which result in economic benefits in the future. I fail to understand why in this time of fiscal stringency that the Pentagon receives \$60–\$70 billion more.

Mr. Chairman, forging our economic priorities into the next century has been a focal point of the ongoing debate. I have grave concerns about the direction that this budget is taking. We ought to be offering hope by acknowledging the reality that the Federal Government must remain a partner for supporting the basic needs of our citizens, not abandonment. However, what I am seeing is an erosion in support for working families and an eradication of support for those who cannot make ends meet in order to give folks making \$200,000 or more a tax break. Republican priorities do not signify political courage, as they would have us believe, but political pandering. Republican priorities are focused on change at the bottom line, producing enough money for the Republican tax breaks for well off Americans, not empowering families. I urge my colleagues to oppose this distorted GOP resolution. And when the political reality meets the public outrage the tax breaks will stand and the tax cuts and programs and actions will falter; the secret plan to cut Medicare, a better kept secret than the Dead Sea scrolls, will evaporate in the public outrage at denying much-needed justified programs and responsibilities.

Mr. SABO. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from West Virginia [Mr. MOLLOHAN].

Mr. MOLLOHAN. Mr. Chairman, I thank the distinguished gentleman from Minnesota for yielding time to me.

Mr. Chairman, I rise in strong opposition to the fiscal year 1996 Republican budget resolution. Before we vote today, I believe it is vitally important for the American people to understand just what this budget resolution really does, whose interests it really serves, and whose it abandons, whose taxes are cut on the one hand, and whose benefits are cut and eliminated on the other.

Simply stated, this resolution proposes a major reallocation of resources among the people of America. If you are a middle- or lower-income American, can lose big under this resolution. If you are a high-income American, you win big under this resolution.

First, the resolution would slash spending for discretionary programs by \$635 billion over the next 7 years, cut Medicare by \$288 billion, and reduce

Medicaid by \$187 billion. That takes money out of the pockets of average Americans.

And second, as if to add insult to injury, money taken out of the pockets of middle- and lower-income Americans is immediately used to pay for a tax cut for the wealthiest Americans.

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Mr. Chairman, when put in this perspective, it should become clear that the proposal we are voting on today would literally take from the poor to give to the rich.

Let us talk about the spending cuts contained in the plan. The question is how seriously should they be taken? How seriously should we take those spending cuts? And the answer is very serious. Many vital programs will be eliminated if this budget resolution, the one we are voting on here today or tomorrow, is enacted, and many others will be cut as much as 40 and 50 percent.

Imagine the average American family for a moment, if you will, husband and wife, both working struggling to make ends meet, two or three children. How will they be affected by the cuts proposed in this resolution? Well, if the children in this family are receiving nutritional subsidies at school, they will see large cuts due to this resolution. For college-age children in the family, this resolution proposes to increase costs for a 4-year college loan by \$5,000. If the father or mother relies on mass transit to get to and from work, this resolution will, at the least, cause the fare to go up, and in rural areas across America, certainly in my State and, I imagine, many others, may even eliminate mass transit service. If either parent should be laid off or lose his or her job, this resolution greatly reduces the resources available for additional job training, and if there is an elderly grandparent, this resolution will make cuts, real cuts, to programs which fund long-term care.

Believe me, Mr. Chairman, I could go on and on. And so while the Republican proposal may not impose a tax increase on middle-class America, it certainly eliminates many of the resources the average American family currently relies on and has available to it.

And where do those resources go? To pay for a tax cut for the wealthiest Americans, Americans who do not need to take out loans to go to college, who do not depend on mass transit to go to work, who do not have children who rely on school lunches for their daily nutritional needs.

If fact, the tax cut which is proposed under this resolution will cost the American people close to \$400 billion over 7 years, \$700 billion over 10 years, and 51 percent of that tax cut goes to Americans making over \$100,000 a year.

Mr. Chairman, where do those resources go? To pay for a tax cut for the wealthiest Americans. Americans who don't need to take out loans to go to college, who don't depend on mass transit to go to work, who don't have

children who rely on school lunches for their daily nutritional needs.

In fact, the tax cut which is provided for under this resolution will cost the American people close to \$400 billion over the next 7 years—\$700 billion over the next 10 years. Fifty-one percent of the tax cuts in this Republican proposal will benefit those Americans making over \$100,000 a year—with more than 20 percent going to the top 1 percent of families making over \$350,000 a year.

Well, this completes the picture—a major shift in resources from the middle and lower income folks to wealthy America.

So each and every American must decide if this resolution—this Republican agenda—is in his/her own best interest. Someone will benefit from this proposal—it is just important to know who that someone is.

I urge my colleagues to vote “no” on this resolution.

Mr. KASICH. Mr. Chairman, I yield such time as he may consume to the gentleman from Colorado [Mr. ALLARD].

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

Mr. ALLARD. Mr. Chairman, as a member of the Budget Committee I can say we worked tirelessly to produce a budget that is fair and equitable.

The result is a balanced budget in 2002—just as we promised.

To those who oppose this plan I say, what is your alternative?

Contrary to what many opponents would like to have you believe, the Republican budget is a very Senior friendly budget.

First, as we promised, Social Security is off the table. No cuts at all to Social Security.

This is the only area of the budget we exempt from cuts.

And with Medicare, we simply slow the growth to 5 percent a year.

This means we will increase Medicare spending over 7 years, from \$4,700 per beneficiary today to \$6,300 per beneficiary in 2002. This preserves the solvency of Medicare.

Now lets look at the rest of the budget. We freeze defense, and make clear that defense spending will continue to undergo the kind of scrutiny of other aspects of the budget.

Third, we reduce all discretionary spending, including foreign aid.

We abolish three Cabinet agencies: Commerce, Energy, and Education.

This plan also eliminates 283 programs, 14 agencies, and 68 commissions.

Overall this budget simply slows the growth in spending to just over 2 percent a year. The difference is that under current forecasts we grow over 5 percent a year.

Now, what does all this mean to American families. It means a higher standard of living.

It means families will pay less for their home mortgage because of lower interest rates. It means more families will be able to afford college for their children.

This week's Time magazine has an excellent article on this topic.

It explains how balancing the budget can help revive the American Dream.

The article talks about how lower deficits mean lower interest rates, and therefore more job creation by U.S. business.

The article provides one very specific example of a young couple who are considering a new home.

Under a mortgage rate of 8 percent, they would pay \$734 a month on a \$100,000 mortgage. If interest rates are 1 percent lower, this payment is cut to \$665.

This would save \$28,000 over the life of the mortgage. This would be enough to put one of their future children through a year of college.

Similarly, I have been using the example of farmers, because there are reductions in agriculture subsidies in this budget.

However, it is estimated that a 1.5-percent reduction in interest rates would save the farm sector over \$10 billion in interest payments on their debate over 5 years. This more than offsets the reduction.

These are examples of what it means to balance the budget. This is not just an exercise in accounting. It really matters. It will make a difference in the lives of every American.

It will particularly, make a difference in the lives of our children and grandchildren. I urge my colleagues to join me in supporting the first balanced budget in 33 years.

Mr. Chairman, recently, I received a letter from a young father in Denver. He wrote on behalf of his 1-week-old daughter and asked that I address my response to her. His letter spoke of the massive debt she is inheriting. He spoke of how our generation is spending now, and hoping that later she, and the rest of our children and grandchildren will pay the bills.

DEAR MR. ALLARD: Last week my daughter was born to my wife and I. As I understand it, she is now responsible for at least a \$20,000 share of our national debt. As the recent commemoration of the fiftieth anniversary of D-Day demonstrates, our nation has long been mindful and thankful of the sacrifices born by past generations. Sacrifices which preserved and made possible the liberties and benefits of today. My daughter, in contrast, faces the opposite.

Instead she must sacrifice in the future, to pay for the liberties and benefits of the past generation. I ask you this question because she will look to me for the answer: Which benefits enjoyed by past generations should she keep in mind as she toils to pay their costs? What entitlements, what projects enjoyed by your generation will make her sacrifice noble and worth it all? What should I tell her? What would you tell her?

In 2002, this child will be 7 years old. I hope by then we can guarantee her a balanced budget and secure future. Tomorrow this House will decide the answer.

Mr. Chairman, I rise in strong support of this historic budget document.

Throughout the process I had the privilege of heading up the Natural Resources—Science Task Force. I was joined in this effort by SAM BROWNBACK, and BOB WALKER.

This task force included Agriculture, Interior, Energy, and science programs. Obviously, many of the issues impact the West, including my constituents in Colorado.

This is a good budget for the West. Sure, we make a contribution to the reductions, but that is fair. I meet with constituents almost every weekend. They want a balanced budget and they are willing to do their part.

This is a balanced budget. Urban and rural areas are both called on to contribute.

The payoff will be substantial.

This budget produces a balanced budget in 2002—just as we promised.

This will be the first balanced budget in 33 years. That's right, 1969 was the last year the Federal Government balanced its books.

Let me go over the highlights of our working group's proposals:

AGRICULTURE

We phase down farm subsidies, this is already a declining baseline.

To offset we reduce regulation, this will be done in the Farm bill and elsewhere, we are also reducing the tax burden on farmers with the capital gains tax cut and estate tax relief.

I think it is very important to note that farmers will benefit greatly from a decline in interest rates that will result from this balanced budget.

It is estimated that a 1.5-percent reduction in interest rates means that farmers will save over \$10 billion in interest payments on their debt over the next 5 years. This more than offsets any reduction in subsidies.

ENERGY

Both the Energy Department and the Commerce Department are eliminated.

The power marketing Administrations are privatized, but they are sold only to the preference power customers, giving more power to our constituents and protecting against any rate increase.

The naval petroleum reserves at Elk Hills are also sold, this is the 10th largest oil field in the country and there is no reason for the Federal Government to own it.

Research functions are privatized, and all nuclear cleanup activities will continue at current levels.

INTERIOR

There will be a moratorium on new Federal land purchases. We own enough land already. In many States out West, more than one-third of the land is owned by the Federal Government.

This map shows why we don't need to have the Federal Government buying more land.

As you can see, vast portions of the West are already owned by the Federal Government. All of the area colored in is owned by the Government.

These are a few examples of the highlights of our budget.

Make no mistake, we call on every aspect of the Federal budget to contribute to the savings in this budget. The only exception is Social Security, which we do not touch at all.

I ask my colleagues to support this historic budget.

MAY 9, 1995.

Memo

To: Arnie Christenson

Re: the balanced budget amendment and interest savings to farmers.

Attached is a very rough estimate of the impact of 1.5 percent reduction in interest rates on farmers costs.

In 1993, Farmers had \$141.9 Billion in Outstanding Debt.

If we assume interest rates of 8 and 7 percent for long term and short term respectively then:

Net Savings from a 1.5 percent reduction: \$2.13 billion or a 5 year very conservative estimate of savings of \$10.65.

It is interesting to note the Agriculture Committee is debating over whether to save \$12 billion or \$9 billion or \$5 billion.

If we don't balance the Federal budget then:

Interest rates won't go down by 1.5 percent and farmers will spend an additional \$10.65 in interest cost over 5 years.

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from South Carolina [Mr.

INGLIS], a member of the Committee on the Budget.

Mr. INGLIS of South Carolina. Mr. Chairman, I find it very interesting the gentleman from West Virginia just talked about how it is going to cost the American people to give a tax cut. I really do not understand that statement. I wonder if he would like to describe it for us.

It is going to cost the American people to give them a tax cut? He says it is going to cost some hundreds of billions of dollars, but actually it is the other way around.

When the gentleman from West Virginia voted for the Clinton tax increase in 1993, he increased taxes in the State of West Virginia by \$356 million, \$356 million in increased taxes the people of West Virginia will pay as a result of the gentleman's vote in favor of the Clinton tax increase. That costs the American people money. That is a tax increase.

Mr. MOLLOHAN. Mr. Chairman, would the gentleman yield?

Mr. INGLIS of South Carolina. I yield to the gentleman from West Virginia.

Mr. MOLLOHAN. Does the gentleman agree or disagree that over 51 percent of the tax cut in the Republican proposal will benefit those Americans making over \$100,000 a year?

Mr. INGLIS of South Carolina. No. I do not agree.

Mr. MOLLOHAN. You do not agree that 51 percent of the tax cuts in the budget proposal benefit those persons making over \$100,000 a year?

Mr. INGLIS of South Carolina. No; no, I do not.

Mr. MOLLOHAN. You disagree with that? Do you agree that more than 20 percent is going to the top 1 percent of American families?

Mr. INGLIS of South Carolina. Reclaiming my time, let me answer the gentleman. I really cannot figure out how you refer to our tax cut as a cost to the American people. We are allowing the American people to keep their money.

Mr. KASICH. Mr. Chairman, regular order.

The CHAIRMAN. Regular order has been demanded.

The Chair recognizes the gentleman from South Carolina.

Mr. INGLIS of South Carolina. It is a very important point. It is a very important difference between the philosophies that are represented here. The gentleman from West Virginia just described a tax cut as costing the American people money. This is a unique concept. In other words, he assumes that 100 percent of the American paycheck belongs to him, and the people who used to run this place, they assumed that he owns the paychecks of the people in the fourth District. I assume quite the opposite.

I would point out to you that in quite contradistinction to your approach, we believe the American people own their paychecks. And we should own only

such sums as we need to run the government.

Mr. KASICH. Mr. Chairman, I yield myself 15 seconds to just point out the chart in the front shows that those people below \$75,000 get 74 percent of the family tax credit. The figures, frankly, speak for themselves.

Mr. Chairman, I yield such time as she may consume to the gentlewoman from Connecticut [Mrs. JOHNSON].

(Mrs. JOHNSON of Connecticut asked and was given permission to revise and extend her remarks.)

Mrs. JOHNSON of Connecticut. Mr. Chairman, I submit my remarks at this point. I rise in strong support of reaching a balanced budget by the year 2002, under the solid work of the Committee on the Budget and the leadership of the gentleman from Ohio [Mr. KASICH].

Mr. Chairman, I rise to congratulate the Budget Committee for its fine work in putting together a budget resolution that for the first time in many years puts us on a path toward balancing the budget. I am pleased to support this resolution, because I believe it is imperative that Congress regain control over our spending practices and leave our children an economically strong America.

The process that we undertake today will not be easy. Indeed, the cuts that are going to be necessary to bring our budget into balance will be painful in some instances. And while I do not agree with every line item in the Budget Committee's resolution, and will fight hard in the weeks ahead to shape appropriations bills that meet our targets, I support it as a fair and honest document from which the House can start its deliberations on spending.

In 1993, gross interest payments equalled \$293 billion, greater than the total outlays of the Federal Government in 1974. If we continue current policies into the next century, we will be forced to enact fully \$500 billion in deficit reduction each year just to restrain the deficit to 3 percent of gross domestic product.

For too long, this Congress has chosen to continue the status quo, pushing this Nation further and further into debt and forcing the results of overspending today on the generations of tomorrow. The budget was last balanced in 1969, an entire generation ago. As representatives of the American people, we have no choice but to start on the course of fiscal responsibility. And that is what this budget resolution before us today sets out to do.

There are two areas on which I would like to focus my remarks today: Medicare and the Commerce Department.

I cannot stress how important it is to reform our Medicare system. This budget resolution addresses head-on the impending Medicare crisis facing senior constituents. We must take steps now to shore up Medicare financing and benefits to keep our Medicare promise to today's beneficiaries—seniors—who will need these health benefits 10 years from now.

Our friends on the other side of the aisle tell you that we are "cutting Medicare, slashing the benefits." This is simply not true. We will

increase Medicare spending over the next 7 years by 45 percent. We will spend \$1,500 more on each beneficiary 7 years from now. How can anyone call this a cut?

But keeping Medicare merely solvent is not all we must do. We will make Medicare work smarter, and serve seniors better, just as employers have been successful in bringing down costs and increasing quality and consumer satisfaction.

And we will let seniors choose how to use their Medicare dollars to join plans that cover prevention, that cover prescription drugs or home care, that provide benefits and individual senior desires.

This budget proposal for Medicare represents a tremendous challenge, but, it gives us a great opportunity as well.

Second, while I support the budget resolution's cuts in spending growth, I oppose eliminating support for U.S. exports, and the thousands of American jobs they create every year. Proposals in this budget to eliminate and cut trade and export enhancement programs, while well-intended, are shortsighted and ignore our dependence on U.S. exports as the fastest growing component of GDP, growing 2½ times faster than the overall economy. The continued globalization of business, and the global shift toward market-oriented economies will create substantial new opportunities for U.S. goods and services abroad. To access these markets, it is imperative that the United States maintain or create a Cabinet-level agency dedicated to coordinating these vital export and import finance and promotion programs. Eliminating the functions of the Commerce Department will certainly not enhance job growth in this fast-growing area of our economy, though many of the savings proposed in Commerce are thoughtful and meritorious.

Again, Mr. Chairman, I rise in support of House Congressional Resolution 67 and urge my colleagues to do the same.

Mr. KASICH. Mr. Chairman, I yield 3 minutes to the very distinguished gentleman from Kentucky [Mr. BUNNING], a member of both the Committee on the Budget and the Committee on Ways and Means.

(Mr. BUNNING of Kentucky asked and was given consideration to revise and extend his remarks.)

Mr. BUNNING. Mr. Chairman, I thank the gentleman for yielding me this time.

I rise in strong support of the Republican budget resolution and urge my colleagues to support it as well.

We promised that we would produce a proposal that would lead to a balanced budget by the year 2002, and we did it. We promised the American people that we would produce a budget that provided them with much-needed tax relief, and we did it. And, finally, we promised that we would produce a budget that protects Social Security trust fund moneys and protects Social Security benefits, and we did it.

And as chairman of the Social Security Subcommittee, I am proud to say we are not going to touch those funds. Our budget fully preserves and protects Social Security.

Our budget assumes absolutely no changes, no changes of any kind in the

Social Security program, no COLA cuts, no benefit cuts, no tax increases.

Unfortunately, there are those who prefer the status quo and who are willing to resort to all sorts of fear-mongering and false statements designed to frighten our senior citizens. They used these tactics to help kill, at least temporarily, the balanced budget amendment in the Senate. They suggest that a balanced budget amendment would result in cuts in the Social Security benefits.

Our budget resolution today proves them exactly wrong. We can, and we will, balance the budget without damaging Social Security.

In fact, the majority proposal today would actually strengthen Social Security. As it stands now, the greatest single threat to the long-term solvency of the Social Security system is the continued runaway Federal spending. A balanced budget is the greatest guarantee possible that the promise of Social Security will be kept.

A balanced budget is the best long-term protection that we can offer for the Social Security trust funds, and our budget will put us on a realistic path to a balanced budget.

If you want to vote to preserve and strengthen Social Security, you can vote for the majority budget and feel very comfortable that you are doing the right thing. So do the right thing and support the majority's budget proposal.

Mr. SABO. Mr. Chairman, I yield such time as the may consume to the gentleman from Ohio [Mr. STOKES].

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

Mr. STOKES. Mr. Chairman, I rise in opposition to the Republican resolution.

Mr. Chairman, the \$1.4 trillion budget plan, which the Republicans claim will reduce the deficit, represents a major assault on American families. Under their plan, our colleagues on the other side of the aisle have demonstrated a callous disregard for the most vulnerable in our society. The Republicans have launched an attack on those in the dawn of life—our children; those in the twilight of life—the elderly; and those who are in the shadow of life—the sick, the needy, and the handicapped.

The Republican budget threatens the quality of life for the vast majority of Americans. My congressional district and similar communities across the Nation cannot absorb budget cuts that take meals from our children; and health care and heating assistance from our elderly. We cannot enact a budget that forces hard-working families to choose between paying a mortgage or purchasing health care coverage for their children.

Mr. Chairman, Americans are tuned in to this important budget debate. I have received letters from directors of hospitals, community health care centers, and others. They offer concrete evidence regarding the enormous toll the Republican budget would take on our communities.

Just recently, I heard from two organizations in my congressional district regarding the

budget cuts. These institutions are highly respected and noted for their service to the community. Mr. Richard B. Hogg who serves as senior vice president for financial management at Mount Sinai Hospital, shared with me his concern that the hospital's ability to continue to provide essential services will be severely threatened. Mr. Hogg states in his letter, " * * * to drastically cut the social and health care needs to those most in need is unconscionable."

The director of nursing at Health Hill Hospital, Loretta C. Pierce, expressed her concern regarding cuts to the Medicaid Program, and, in particular, the damage it poses to children's health. She writes, "Medicaid is more than a health care program for poor people * * * it is insurance for children with very special health care needs * * * even if their families have low or moderate incomes."

I want to commend Mount Sinai and Health Hill Hospitals for taking a leadership role in addressing these important issues. As a strong health advocate, I share their concern that the Republican budget cuts pose a threat to the health of our Nation.

Mr. Chairman, I rise today in strong opposition to House Concurrent Resolution 67, the budget resolution for fiscal year 1996. The Republicans' budget plan as proposed is outrageous and extremely harmful to America's families and working citizens.

If enacted, the \$1.4 trillion budget will drastically slash everything from child nutrition services to assisted housing, to health care, to education. No one is safe. Everyone will suffer under this budget proposal.

Those most in need would be hardest hit, including nearly cuts to assisted housing for homeless, poor, disabled, and elderly Americans. In addition to abolishing the Department of Education, the Republican budget would also eliminate funding for TRIO and Howard University, one of the Nation's leading institutions of higher education. Funding would be severely slashed for financial aid, programs for the disadvantaged, and other elementary and secondary education initiatives.

Mr. Chairman, our Nation's most vulnerable citizens must not be forced to carry the weight of the Republicans' \$360 billion tax cut for the wealthy on their backs. There is no compassion in this budget measure, and in fact, the drastic cuts in quality of life programs defy common sense.

The bill would cut Medicare by \$288 billion and Medicaid by \$187 billion. The cuts in these two health care programs alone would account for about one-third of the total reduction in spending. If the Medicare cuts become law, seniors would see 40 to 50 percent of their cost-of-living adjustment consumed by increases in their health care costs.

Mr. Chairman, I know the people of my district cannot carry this burden. The Republican budget would weaken the foundation of our economy and place our children's future at risk. House Concurrent Resolution 67 is blatantly irresponsible. On behalf of our Nation's children, working families, and the elderly, this bill must be defeated. I ask my colleagues to join me in voting against House Concurrent Resolution 67.

Mr. SABO. Mr. Chairman, I yield 4 minutes to the gentleman from Texas [Mr. STENHOLM].

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

Mr. STENHOLM. Mr. Chairman, I am happy to rise today in a moment that I did not think would ever come, that we would be debating not whether to balance the budget, but how to do it. I commend the chairman of the Committee on the Budget, the gentleman from Ohio [Mr. KASICH], my ex-chairman, the gentleman from Minnesota [Mr. SABO], and others who have demonstrated quite an amount of sincerity in their different approaches.

My chief regret today is that, I say to the gentleman from Ohio [Mr. KASICH], I have not been able to stand shoulder to shoulder with you in the argument today as we have in the past. But we have some sincere differences with the budget that you present today.

I sincerely believe that the cuts that you have proposed, cuts in the rate of increase that you have proposed in the Medicare and Medicaid area, are too severe for my rural district. I believe that sincerely. I believe that you believe that is not. But I think it is a big problem.

But that is not what I choose to talk about today. What I choose to talk about today is the misrepresentation that is occurring at home in my district, that is occurring by the so-called Americans for a Balanced Budget, who are circulating radio advertisements and other statements in which they say Congressmen who claim to support a balanced budget amendment and vote against the Kasich plan will lose all claim to the title of being pro-balanced budget, and also saying in this news release that the Democrats in Congress have not even offered a budget of their own.

Well, ladies and gentlemen, that is not a true statement. The Congressional Black Caucus has offered a budget, and the coalition has offered a budget that the gentleman from Missouri [Mr. GEPHARDT] will be proposing tomorrow.

Misrepresentation is occurring on all sides, and that should not be happening.

I wonder why our coalition budget is not credible when we cut spending \$18.2 billion more in the first 2 years, in which you have to vote those cuts before you run for reelection. Why are we not credible?

I wish that you in your budget had done more up front than what you have done. We do. We propose the spending cuts now, not later.

It was interesting, when we debated in the Committee on the Budget, we were saying early on 7-year budget, you said you could not do it. You had to do it in a 5-year budget. Now we are saying we are going to do it in a 7-year budget, but you take \$18 billion more spending in the first 2 years when we can not assume it.

I really worry about this one: Having been here in 1981, when we voted tax cuts, promising spending cuts that we never got to, here we go again. We are doing two reconciliations. We are going

to reconcile the tax cuts. We are going to have the first reconciliation with the tax cuts and the so-called easier spending cuts, which there is no such thing. We are going to do that one first. Then we are going to postpone the tough spending cuts for September. We have been down that road before.

And the budget that we propose that will be voted on tomorrow, I submit to you, is more credible in another way, because we will have at the end of our 7 years in the coalition budget \$160 billion less debt for those children and grandchildren that we have been talking about. Why does that make us less credible than you?

Let us conduct the debate in such a manner in which we recognize there is a difference of priorities. We will argue ours tomorrow. We think we have a better set, and we believe the American people also agree that we should cut spending first and then cut taxes after we have shown that we have got 218 votes, 51 votes, in the House and Senate, to do that which we say we are going to do.

Mr. KOLBE. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Virginia [Mr. WOLF], a member of the Committee on Appropriations.

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

Mr. WOLF. Mr. Chairman, I rise in strong support of the budget. I think it is fair.

Let me take my hat off and pay special commendation to the gentleman from Ohio [Mr. KASICH], to his staff, and to the members of the Committee on the Budget.

In the Book of Esther in the Old Testament, they said Esther was sent just for a time just like this. Perhaps JOHN and the others on the Committee on the Budget have been sent for a time like this.

I have given the speech over and over in the last several years about my five children and how important it was to balance the budget. I have heard Members on both sides give the same speech.

I believe that the Kasich budget is fair. Clearly, we have to remember the poor, and I believe that we will remember the poor. But, clearly, this is the time, and if we do not do it now, will it be any easier, as the gentleman from Texas [Mr. STENHOLM] talked, next year or the year after? Clearly, it will not be.

We can argue about where we cut within the parameters of the budget, but, frankly, we cannot argue should we balance the budget, because we clearly should.

□ 1900

In closing, one of the leading newspapers in my district the 10th District of Virginia, the Winchester Star, recently editorialized on the balanced budget effort with these words:

And so at this time, perhaps it is best for us to draw upon the wisdom of pamphleteer

Thomas Paine, who penned these immortal words in the darkest hours of the Revolution: "These are the times that try men's souls. The summer soldier and the sunshine patriot will, in this crisis, shrink from the service of his country; but he that stands it now, deserves the love and thanks of man and woman."

For the GOP, which has presented the first balanced budget plan in a quarter-century, this is definitely no time for "summer soldiers." For a monumental battle, with significant ramifications for the future, will soon be enjoined.

I strongly urge Members on both sides to put aside our differences and, whatever we do, to make sure when we leave tomorrow night we have passed the balanced budget, not only for our generation but, more important, for future generations.

Mr. Chairman, I rise in support of the fiscal year 1996 budget resolution. I first want to congratulate Budget Committee Chairman JOHN KASICH for his yeoman work to bring the House to this point in its history today. This is truly a historic day. The people's house is poised to secure the financial future of this Nation and I want to be on record in support of leading this Nation to a balanced budget by the year 2002.

I recognize that there are differences of opinion on the direction we should take and the budget numbers we should use in reaching the goal of a balanced budget. But there should be no difference of opinion on the need for this Nation's financial house to be solvent; on the need to secure a prosperous future for our children, their children, and generations of Americans to come.

I believe this blueprint for a balanced federal budget by the year 2002 will help secure that future and in so doing protect elderly citizens, protect middle class Americans, and protect future generations.

There are many politically expedient statements being made today on what this budget does and does not do and about whom this budget hurts and helps. We have heard the statements that this budget callously targets the vulnerable and less fortunate in our society, that this budget cuts programs that benefit the poor and elderly to pay for tax cuts for the rich. My colleagues, that broken record some in this House keep spinning is becoming tired and worn rhetoric. I certainly would not be supporting any effort to balance the budget on the backs of the most needy of our citizens. Indeed, none of us would.

The American people are tired of the carping and sniping and rhetoric. They want action. They want this House to work together in a bipartisan way to reduce the Federal deficit, stop the hemorrhaging national debt, and balance this Nation's budget.

One of the leading newspapers in the 10th District of Virginia, The Winchester Star, recently editorialized on the balanced budget effort with these words:

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For the GOP, which has presented the first balanced budget plan in a quarter-century,

this is definitely no time for 'summer soldiers.' For a monumental battle, with significant ramifications for the future, will soon be enjoined.

Mr. Chairman, I call on all our colleagues to not shrink from their responsibilities to the citizens of this Nation, to not be summer soldiers. I ask every member of this House to join in this historic opportunity to put this Nation on the right fiscal track and secure the financial future of America.

Mr. KOLBE. Mr. Chairman, I yield 2 minutes to the gentleman from Oklahoma [Mr. LARGENT], a very distinguished freshman member of the Committee on the Budget.

Mr. LARGENT. Mr. Chairman, I would like to, first of all, commend the chairman of the Committee on the Budget. Some folks may not know that he has a reputation of throwing nickels around like manhole covers, and to the American taxpayers I say, "You should be pleased that a gentleman with such a reputation is the guardian of the Federal purse strings."

I also want to remind Members in this body and American taxpayers once again that over 300 Members in this Chamber voted for a balanced budget. 66 Senators voted for a balanced budget. 81 percent of all Americans believe that the Federal Government should balance their books.

Mr. Chairman, I think the attitude and the mood of the American citizens was best reflected by a farmer in central Oklahoma that I had a chance to visit with in January. When I asked him the question, "Should the Federal Government have to balance its books," he very pointedly and very briefly replied.

He said, "Well, I have to, and so should the Federal Government," and I could not agree any more.

I say to the gentleman from Ohio, "Chairman KASICH, I would say to you that the greatest compliment that is paid to this budget document that you have laid down before us to bring us to a zero by the year 2002, an historic document, that the greatest compliment that has been paid to it has been the breath of rhetorical blabber about this particular budget because everybody is going to feel the pain. There is something there for everybody, and I think in that respect that it earns a great deal of credibility that we all have to earn."

As my dad told me, that it was belt-tightening time, believe me it is time to tighten the belt on the bloated belly of the Federal Government.

Finally, I just would like to quote a few statistics, and I am ever mindful of the fact that it was in Washington, DC, that the saying originated that figures lie and liars figure, and so I am careful when I throw around figures myself. But I would remind all of my colleagues that the tax cuts that are found within the Contract With America, that 70 percent of the taxpayers that will benefit from the capital gains tax cut are citizens who earned \$50,000 or less, 70 percent of the people who

benefit from capital gains earn less than \$50,000, and families with children that earn \$25,000 or less will totally wipe out any tax bill to the Federal Government.

Also, I would remind my colleagues that the chart that was up here earlier, that 74 percent of the beneficiaries of the family tax cut earn less, less than \$75,000, and let me say to my colleagues, "You don't need a CPA to figure it out."

Mr. SABO. Mr. Chairman, I yield 2½ minutes to the distinguished gentlewoman from New York [Ms. SLAUGHTER], an active member of our Committee on the Budget.

Ms. SLAUGHTER. Mr. Chairman, this is Ruth Lowenguth. She lives in my district, is a constituent of mine. She is 83 years old.

Now, I know she does not like it, but we are hearty people in Rochester, and she is also testament to our extraordinary health care system there. But Ruth, like 80 percent of the Medicare home care health users, will be living on a fixed income of less than \$15,000 a year. Three-quarters of the people in that category are over age 75, and two-thirds of them are elderly women.

Now, Mrs. Lowenguth has a small pension and a modest Social Security check, and she pays all health costs that are not covered by Medicare. That is only about half of the health care expenses. If she had to pay 20 percent more to get home health care, it would be an additional \$1,200 a year for her. She cannot spend that money then on housing, or food, or prescription drugs, or other necessities. It is \$1,200 that she and millions of other women on fixed incomes just cannot afford.

Why are they faced with this threat? Because Republicans want to cut Medicare to give a tax break to the very wealthy.

Another thing that is very concerning to me, Mr. Chairman, is the amount of money that I think we may be losing from women's health care, an initiative that is long overdue, and it is only 4 years old. We have been able to provide quite a bit of money that was never there before. Actually, it looks like quite a bit compared to zero for breast cancer research, and we have systematically tried to put more and more in. We cannot turn back on that commitment now because breast cancer kills one American woman every 12 minutes; more than 40,000 of them will die this year.

Mr. Chairman, all women are at risk of getting breast cancer. More than 70 percent have no known risk factor, and the incidence has doubled in the last 30 years, so much more research is needed. But it is not likely to happen. A 5-percent cut in funding for the National Institutes of Health would mean that research on breast cancer, ovarian cancer, cervical cancer, and a host of other diseases will be competing for scarce dollars, and we could lose ground on very important progress.

For the first time, mortality rates are declining among breast cancer. If

this program stalls from lack of funding, what will my Republican colleagues say to the women who will be diagnosed during the 1990's?

Mr. Chairman, I urge all of my colleagues to think of the mothers, women, sisters, all their relatives back in their district, and think about this and vote "no."

Mr. KOLBE. Mr. Chairman, I yield 30 seconds to the gentleman from Connecticut [Mr. SHAYS].

Mr. SHAYS. Mr. Chairman, I point out to the gracious gentlewoman from New York [Ms. SLAUGHTER] that Medicare spending in the great State of New York is now \$14 billion. It is going to rise to \$19 billion in the next 7 years, a 36-percent increase. The per-beneficiary cost is going to go from \$5,312 to over \$7,000 per beneficiary.

Mr. KOLBE. Mr. Chairman, I yield myself 30 seconds before yielding to the gentleman from New Hampshire.

Mr. Chairman, the gentlewoman just talked about the cuts in research in breast cancer and other kinds of NIH research. I think it is important to note that NIH has more than doubled in the last 10 years. The cut we are talking about is less than—only 5 percent, and it is impossible that every one of the programs she listed could be in jeopardy when we are talking about a 5-percent cut.

Mr. Chairman, we are making sure that the kind of research that we have been doing will be ongoing.

Mr. Chairman, I yield 2 minutes to the distinguished freshman gentleman from New Hampshire [Mr. BASS].

Mr. BASS. Mr. Chairman, I rise in strong support of the Kasich budget.

Mr. Chairman, I have been sitting here for the last 4½ hours listening to this debate, and I took up my pen and pencil and calculated that we have run up an additional debt of \$168.89 million since this debate began. That is debt that will be paid by every existing taxpayer and every taxpayer who will come ahead of us. This is unacceptable.

Mr. Chairman, on November 8, the American people said that they had had enough of a Congress that holds its head high in arrogance and tells the people of America what they need and what they want and steals money out of their pockets and the pockets of their children to pay for programs, and then today we sit here talking about not whether we have a balanced budget, but how to balance the budget, and we hear the old guard, the keepers of the bureaucracy, the protectors of the old order, talk about the programs that they want to preserve, the programs that they want to protect, the programs that they know have not worked, the programs that have built bureaucracies in this country year after year after year.

I am a new Member of Congress, and I have stood by for the last 4 or 5 years and watched these chronic deficits rise year after year. What business do we think we have as Congressmen running these deficits for no reason? There is

no war. There is no economic emergency. Even in the 1970's we were given excuses by the President and the majority at that time. It is time, and the American people have told us, to balance this budget and do it now, and that is what the Kasich budget does.

My colleagues, let history judge this Congress and its achievements, not on the hard choices that we all have to make, but by what our actions do for our children and our children's children.

Mr. SABO. Mr. Chairman, I yield myself 15 seconds.

Simple fact:

Over 76 percent of the dollar benefit of the capital gains tax change in the Republican proposal goes to people with incomes over \$100,000 a year.

Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. DOGGETT].

Mr. DOGGETT. Mr. Chairman, why have the Republicans cut Medicare as they are doing here in this budget? Of course, it is to finance a tax break for the privileged few.

Now, June Cox is a woman in any district. I met with her and about 200 older Austin citizens last Saturday. They are concerned about seeing the budget balanced as much as anybody in this room, but they do not think we have to balance it with a sick tax on our seniors, and there is something else that I had hoped I would not have to show in the course of this debate. It is another picture, and I would like my colleagues to focus on it. This is it.

I say to my colleagues, If you'll look real closely at it, you will see through this time of the debate every single thing that our Republican colleagues have told us about, specifically what it is they're going to do in imposing new out-of-pocket costs on America's seniors. That is to say, if you look closely, you won't see the doubling of the deductible. That bothers Jean Cox, and, if you look closely, you won't see the new out-of-pocket expenses when Jean Cox's doctor tells her she has to go to the lab, and, if you look closely, you won't see the new out-of-pocket expenses that Jean Cox will have if she needs specialized nursing care. No, you won't even see the increase in the deductible, because only in Washington would someone have the audacity to come and tell the senior citizens of America that they're doing more, that they're spending trillions and millions and billions of dollars more to help them out. But they stop to think about it from the perspective of the senior citizen. Jean Cox doesn't have a lot of understanding about trillions and billions of dollars, but, you know, to her and those 200 people I talked to in Austin, \$20 extra a month is a lot of money. Doubling the deductible is a lot of money, and that is why, when they go through their reams have charts and when they take all the luminaries and all the number-crunchers of the Republican Party and they put them altogether, they haven't come out with a

chart that shows anything other than this.

Mr. Chairman, I challenge them. I say, come forward with your plan. Where is the plan. Where is the information for the American people as to what you're going to do to their out-of-pocket expenses in Texas, or Connecticut, or anyplace else, because we haven't heard one word. Ms. Cox and others who are watching, we haven't heard one word about what's going to happen to the out-of-pocket expenses of these seniors, and it's about time we hear something about it.

My colleagues, the basic difference, as we approach this debate, is that we Democrats believe that Medicare is reliant on a trust fund, not a slush fund, to pay for tax breaks for the rich.

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. The Chair would admonish Members to address their remarks to the Chair rather than to the TV audience or anyone else, as is required by the rules.

Mr. KOLBE. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Connecticut [Mr. SHAYS].

Mr. SHAYS. Mr. Chairman, I was sitting in the Committee on the Budget when the gentleman from Texas spoke about a secret plan, and I began to look at this blank sheet, and I thought, well, this blank sheet is the President's balanced budget plan, and I thought, no, no, that is not what it is. It is his plan to save Medicare. It is blank. It goes bankrupt in 7 years. And we are going to save it, even if the gentleman from Texas does not want us to.

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Now, the challenge that we have is that the gentleman makes up numbers. He says we are going to do all these things. What he does not realize is no, what we are going to do is allow beneficiaries choice, which they do not have now. We are going to allow the private sector to give them rebates, which they do not have now. Some beneficiaries will actually get money from Medicare because the private sector will be able to offer it to them.

We think it is incredible that we have allowed Medicare and Medicaid to rise at 10 percent when the private sector is rising at 4 percent. We would like to get Medicare and Medicaid into the 21st century and be able to provide choice. In Texas, Medicare is going to go up 50 percent. Only in Washington is an increase in spending called a cut.

Mr. KOLBE. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Pennsylvania [Mr. WALKER], vice chairman of the committee.

Mr. WALKER. Mr. Chairman, we have heard a lot of talk out here about tax cuts for the rich. Let us get the facts on the table. The fact is that 70 percent of all the taxpayers who are going to benefit from the capital gains tax cuts will have incomes of less than \$50,000. Families with children earning less than \$25,000 a year will have their entire Federal income tax liability

eliminated by the \$500 per child tax credit. Families of incomes of \$30,000 will have 48 percent, or nearly half, of their Federal income tax liability ended. Seventy-four percent of the beneficiaries of the \$500 per child tax credit will be families with incomes below \$75,000.

There is a big difference between Republicans and Democrats. Democrats believe that if you make \$25,000 a year, you are rich, and you ought to have your taxes increased. If you make \$30,000 a year, you are rich, and you ought to have your taxes increased. That is what Democrats believe. When they talk about the rich here on the floor, they are talking about people making \$25,000 and \$30,000 a year, who they believe ought to be tax poor. We think they ought to have their taxes eliminated.

Mr. SABO. Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from Guam [Mr. UNDERWOOD].

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

Mr. UNDERWOOD. Mr. Chairman, I rise in strong opposition to the budget resolution.

Mr. Chairman, I rise in opposition to H. Con. Res. 67, the budget resolution, not because deep budget cuts have to be made, but because these budget cuts are being used to finance tax cuts for the wealthy on the backs of school children and the elderly.

Of all things to use to balance the budget, gutting educational programs and elderly health care should be the last thing this Nation should do.

The reversal of the national effort to improve our schools through Goals 2000, Improving America's Schools, School-to-Work, and other Department of Education programs in this budget would have serious consequences in school districts all across America. And I know that it would adversely affect efforts on Guam to raise the standards of our own schools. What happened to all those politicians who used to complain that Johnny can't read? Under this budget, poor Johnny still can't read, Johnny can't get a decent school lunch, Johnny will not be prepared to get a job, and Johnny's mom won't be able to pay her medical bills.

And if your name is Juan, the cuts are particularly egregious. The elimination of all bilingual education programs is especially mean-spirited. I, for one, do not believe this to be a budget cut, it is social engineering at its worst—and this, from conservatives who would decry any social engineering at all. It is trying to legislate that all schoolchildren who need help in language skills would be denied help because they are different, and their families are different. It is legislating that all kids should have been born speaking English, and its just too bad if they were unfortunate enough to have been born into a family that has preserved its own cultural heritage.

I also oppose the efforts to cut Medicare benefits for the elderly in order to balance a budget based on tax cuts for the wealthy. All the denial cannot erase the basic fact that this is exactly what this budget does.

Mr. Chairman, we all realize that tough decisions must be made. We just do not agree

that the toughest part of balancing the budget would fall to the most vulnerable Americans, the schoolchildren and the elderly of this country. The lawyers and the wealthy are over represented in this Congress, but who will stand up for the children and the elderly?

Mr. SABO. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Oregon [Mr. WYDEN].

Mr. WYDEN. Mr. Chairman, I rise in opposition to the budget that my colleagues on the other side of the aisle, the Republican side, are offering.

Now, a few minutes ago, the gentleman from Oklahoma said that it is time for America to tighten its belt. Now, surely there are many Americans who can tighten their belt, but I am here to talk for a moment about my constituent, Mrs. Arlene Farwell, who if she is asked to tighten here belt any more is going to find it pretty tough to breathe.

She is a senior, she is retired, she is disabled. Because of a bureaucratic snafu, she is paying more than \$80 a month for her Medicare part B. And if the deductibles and the copayments and the premiums go up any more, she simply is going to have nowhere to turn. She put it really very well for me today when she said, "There is just too much month left at the end of the money."

So I say to my colleagues, Medicare badly needs reform, and all Members understand that. But there is a right way to do it and a wrong way to do it. And I would submit that cutting Medicare spending, as the Republican budget does, by 15 percent, without saying how you are going to do it and still protecting Mrs. Farwell, is the wrong way to go.

Now, many of my colleagues on the Republican side have some interesting theories about managed care. The irony is over a 20 year period, we have made many of those theories work. In Portland, OR, we have the highest percentage of managed care now in the country among seniors in our area. It is close to 50 percent. But you cannot turn the system around on a dime.

What is going to happen to the seniors of our country, and I have seen this again and again since my days as co-director of the Gray Panthers, when you theorize about Medicare, as the Republicans do, what happens in reality is the seniors get more copayments, more deductibles, more premiums, while everybody waits to see if the great theories are ever going to pan out.

So I offer to my colleagues on the other side of the aisle that if rescuing part A of the Medicare trust fund is really what you seek to do, let us honor the Speaker's pledge to deal with this outside the budget. If that is the principal concern of my colleagues on this side of the aisle, let us work together on a bipartisan basis to deal with this, as Speaker GINGRICH suggested, outside the budget.

I think there are many Members on both sides of the aisle who would like

to take that route rather than the route my colleagues on the Republican side propose, which is to reduce Medicare spending 15 percent, try to turn this system around on a dime, and still protect seniors.

I would also offer to my colleagues, and we heard some testimony on this yesterday in the Subcommittee on Oversight and Investigation, that if you try to turn the system around on a dime and make the savings you are talking about overnight, what is going to happen is you are going to create juicy new opportunities for fraud and abuse.

If you do not believe that is going to happen, go talk to the people of south Florida, because when they tried to go to managed care overnight, when they tried some of the ideas that the Republicans are talking about advocating now, what happened was the sleazy rip-off artists, who are already exploiting the program, and we certainly agree on that, saw a great new opportunity, and instead of producing savings, we saw more waste, fraud and abuse. If you look at south Florida, you will see how it happened.

Mr. KOLBE. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, I want to respond to something the gentleman from Oregon said. The fact of the matter is that we tried to do exactly what the gentleman was talking about. We tried it on the floor yesterday, to get some recommendations to this body as to how we should solve the problem, and by a vote that unfortunately was a majority, but it was not enough to get the two-thirds on the suspension, this body rejected the idea we should ask the trustees who have the fiduciary responsibility for the trust fund to give us some recommendations about how we save it.

Mr. Chairman, I yield two minutes to the gentleman from California [Mr. RADANOVICH], a distinguished freshman member of the Committee on the Budget.

Mr. RADANOVICH. Mr. Chairman, in the election in 1994 the American public sent a strong message to Congress, and that was they wanted a smaller, less intrusive Federal Government.

Mr. Chairman, the 1996 budget resolution is a manifestation of that mandate. The Federal Government has gotten too large, and we have made it smaller and less intrusive by transferring power from Washington to the State and local level. We have also privatized many functions of Federal Government that frankly should never have been started here in the first place.

I believe the American people are willing and able to rise to this new level of expectation. The American public is not stupid. I think it is arrogant to assume that the people of this country are not capable of taking responsibility for themselves, for their families, and for their communities.

Mr. FAZIO of California. Mr. Chairman, I yield 3 minutes to the gentlewoman from Missouri [Ms. MCCARTHY].

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

Ms. MCCARTHY. Mr. Chairman, why are Republicans cutting Medicare to pay for tax breaks for the privileged few? That's the question my constituents like Joan and Dale Hunt are asking. Republicans started by taking school lunches from children, and now they are going after our senior's Medicare. I am committed to balancing our budget by downsizing government, and by streamlining and eliminating Federal programs which have outlived their usefulness. I have not committed to balancing the budget by slashing funding in Medicare by \$283 billion and Medicaid by \$184 billion. We have a moral obligation with our seniors. Seniors who have worked hard all their lives, and through their sacrifice and toil, have made this the greatest Nation in the world now are finding out to their amazement that Republican promises to protect their entitlement were empty promises—and simply a ploy to provide a \$353 billion dollar giveaway to the wealthy.

For our seniors, medical care out-of-pocket expenditures have ballooned to 21 percent of their disposable income. These two constituents, Joan and Dale Hunt of Raytown, have visited with me and have expressed their concerns with the Republican's proposed cuts in Medicare. The Hunts, in their early 70's, remain active in their church and continue to volunteer to make our community better. Dale was a meat-cutter at our local Kroger grocery store for 45 years, and Joan worked at numerous jobs to raise their son and to make ends meet. Last year they had \$4,300 in out-of-pocket medical expenses. These two seniors, who have worked hard all their lives and played by the rules are realizing that their very subsistence is at stake. They have a very limited discretionary income and have been unable to buy needed medical supplies. The Hunts live on a fixed income and have put off buying hearing aids and glasses for Dale and needed dental work for Joan. They have instead fixed their furnace. Now with the Republican budget proposals the Hunts will pay \$3,500 more for out-of-pocket expenses over the next 7 years. \$3,500 dollars may not seem like very much. For the Hunts, glasses, hearing aids and dental work will again have to be put off, their budget will be faced with additional cuts; will they be able to fix their furnace the next time it breaks, and will they be able to buy the necessary medicines, or the necessary food to keep them healthy?

I am committed to making the difficult choices necessary to balance the Federal budget, but I will not be party to a balanced budget formula which gives tax breaks to those most advantaged, while slashing the programs of our parents—the seniors. Take your

tax breaks off the table and we will work together to leave a legacy to our children we can be proud of, and not a legacy which impoverishes the elderly. I will not forget the Hunts whose love has endured. Joan has given up the notion of replacing her lost wedding band, and the Hunts have given up traveling to be with their son and grandchildren—they are luxuries they can no longer afford. We must not give up on the Hunts, and 36 million seniors like the Hunts who live on a day by day basis to meet their basic needs of food, medicine, and shelter. Is this the American Dream promised by the Republicans? If hope is a number in the GOP budget math, I must declare that in my district, reality springs eternal—we can't make it on hope alone. Keep your promise and give up your tax breaks for the wealthy.

Mr. KOLBE. Mr. Chairman, I yield 1 minute to the gentleman from Connecticut [Mr. SHAYS].

Mr. SHAYS. Mr. Chairman, I thank the gentleman. I, with all sincerity, thank the gentlewoman from Missouri. It is important we keep our promises. I am looking at quote after quote where she says we need to balance the Federal budget, and that is what we are doing. This is our opportunity.

In Missouri, we give \$3.7 billion to Missouri in Medicare funding. It is going to go up to \$5.2 billion. It is an increase of 39 percent. The per beneficiary of individuals in Missouri get \$4,493. That is going to go up to nearly \$6,000, an increase per beneficiary. Cutting school lunch, it is going to go up 4.5 percent. It is an increase.

Only in Washington will the gentlewoman say that an increase in spending in Medicare, an increase in spending in school lunch, is a cut. Only in Washington.

Mr. KOLBE. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Kansas [Mr. TIAHRT].

Mr. TIAHRT. Mr. Chairman, I did not realize this was poster day on the Potomac or I would have had these blown up. These are the most important constituents that one could have. These are my three children. This is Jessica and John and Luke, and it is their future that we are talking about today and the nurture of millions of other children and grandchildren in this country.

My daughter is 14. If we cannot balance the budget by 2002 and it takes us as long to get out of this debt as it did to get in it, she is going to be 53 years old. We have literally passed on the problems of this generation to the next.

Are we committed to balancing the budget? We are on this side of the aisle. We have a plan to eliminate the Department of Energy as a Cabinet-level position. This is a historical event because we have never eliminated a Cabinet-level department in the history of this country.

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But it is time to trade in this 1970's tax guzzler. And how did Secretary O'Leary and President Clinton respond? They said they are going to cut 14.1 billion over the next 5 years, but yet next year's budget has an increase of \$337 million.

Even Vice President GORE, in his reinventing government group, has said that the largest part of the Department of Energy, the environmental management group, is missing 20 percent of their milestones. They are 40 percent inefficient. And he said that it is going to cost taxpayers \$70 billion over the next 30 years if we do not do something about it.

Mr. Chairman, this must stop. We need to balance the budget. We need to honor our children's future. We need to turn the lights out at the Department of Energy.

Mr. FAZIO of California. Mr. Chairman, I yield 3½ minutes to the gentleman from Maine [Mr. BALDACCI].

Mr. BALDACCI. Mr. Chairman, I yield to the gentlewoman from Missouri [Ms. MCCARTHY].

Ms. MCCARTHY. Mr. Chairman, I would like to point out that in the figures on Missouri which were discussed just briefly, the loss to Missouri in revenue would be \$5.2 billion. That averages out to \$3,004 per senior on their Medicaid cuts, Medicare cuts.

Mr. Chairman, I thank the gentleman for yielding to me. I thought this document from the Committee on the Budget would be helpful in clarifying the loss to my State and the loss to individual seniors.

Mr. BALDACCI. Mr. Chairman, there are approximately 199,000 Medicare recipients in the State of Maine; 21,000 of those recipients in Maine are at or below the poverty level. The question is not to balance the budget. The question is to balance the budget and offer \$300 billion in tax breaks.

When you stop and think of the lady in Old Town, ME, that confronted me and said she could not afford her prescription drugs and she was forced to cut the tablets in half because she could not afford it, asking her to double the out-of-pocket expenses to have a \$300 billion tax cut; talking to the elderly couple in Lewiston, ME, who are getting divorced because they cannot afford their prescription drugs, so they qualify for the Medicaid Program, which is being cut; telling that to these people beyond the charts that are being offered, those are the real people who these figures are impacting.

And then talking to the elderly in my State who are in nursing homes who because of new cost-effective regulations are being analyzed and at the age of 92 being told to leave nursing homes and to go into group homes, that is really what is going on out there.

I think when people get to be the age of 65, that we want to be very careful with how we handle their health care. Those are the people that have the

Contract With America. Sixty years ago when Franklin Delano Roosevelt established those contracts of Social Security and then Medicare and Medicaid later on, those are the compacts that have given our seniors a lift up out of poverty so that they can live their life in dignity. Those are the people who really society will be judged by.

Mr. KOLBE. Mr. Chairman, I yield myself 30 seconds.

I would just like to point out to the gentleman from Maine that, when we talk about these cuts on senior citizens, he is right, of course, because the Republican budget proposal with all the tax cuts that we have provided will provide \$154 million to the senior citizens only of the State of Maine in tax reductions. That is savings by changing the earnings test for senior citizens and of course the reduction in the income tax on Social Security benefits.

Mr. Chairman, I yield 2 minutes to the gentleman from Washington [Mr. METCALF].

Mr. METCALF. Mr. Chairman, we do have to balance the budget, and this plan that we have is a start toward balancing the budget by the year 2000 or 2002. Today, \$1,000 per person, men, women, and children, \$1,000 per person per year is spent in paying the interest on the debt. Imagine what your family would do with \$1,000 per person.

In 1997, the interest on the debt will pass, it will pass defense. It will then be the largest single expenditure in the Federal budget. Paying perpetual interest on a permanent debt is an absolutely ridiculous way to use tax money.

I think that the way we should look at each expenditure is in this light: Is this expenditure important enough to borrow the money, because we do not have money anymore, we have debt; is it important enough to borrow the money and then force our children and grandchildren to reduce their standard of living enough to pay the interest on the debt for the rest of their natural lives? If it is that important, if each spending item is that important, then we should do it. And if it is not that important, we should have the courage and the ability to just say this is something we will not afford until after the budget is balanced.

Mr. FAZIO of California. Mr. Chairman, I yield 3½ minutes to the gentlewoman from North Carolina [Mrs. CLAYTON].

(Mrs. CLAYTON asked and was given permission to revise and extend her remarks.)

Mrs. CLAYTON. Mr. Chairman, I yield to the gentleman from Maine [Mr. BALDACCI].

Mr. BALDACCI. Mr. Chairman, as far as the tax cuts that are being provided, I was told by the majority staff on the Committee on Government Reform and Oversight that, if the unfunded mandate legislation was in fact effective, the tax cut would be the first issue that would go through that because in

my State it is going to cost \$370 million over that 10-year period in loss of revenues to my State, if the unfunded mandate legislation was in effect at the time that these tax cuts are being talked about.

Mrs. CLAYTON. Mr. Chairman, I also want to add that the billions that the majority wish to spend on the wealthy through a tax break is more than enough to spend for the Medicare Program. So indeed, if we had a problem, a part of that problem is being exacerbated by the additional cost that we have are having for the expense.

I want to bring to your attention people who do not understand big dollars tax breaks. This is a lady by the name of Carlene Neese. She is in North Carolina. She is the wife of an Alzheimer's patient who knows what it means to have assistance in her care. In fact, what she has is the home health program which comes once a week and additional help with that particular patient. As her husband gets to the end of his dreaded disease, she knows that that pain will be greater because she will have to bear that. She herself has no income. And without increased income, she would be paying more for her health care.

However, I want you to know, Mrs. Neese is not alone. She is typical of many people in my State. She is alone in the suffering that she must share. In fact, I had a mother of a 75-year-old Alzheimer's patient who wrote to say, You should just imagine what it is to spoon feed my mother and have her to take at least 2 minutes to chew that food to understand what that pain means and to know what it means, that stress on my family, that many of my family needs are going unmet.

I had a 75-year-old widow of an Army person who has served this Nation well, 75 years old. She said, I thank God that I have the ability to work. In the job she is working in now, she has worked there for the last 15 years. Really what she says, I hope that when I retire I will have enough resources to take care of myself without being a burden to my family.

I tell you, the majority plan does not allow for her to have that assurance. In fact, she is working extra time.

In fact, the question has to be raised, why is the majority giving such a big tax break while making the poor suffer? If you are to give such a big tax break, why do you not make it even? We want a balanced budget, but we need to balance our priorities. There are thousands and thousands of people who will pay extra because of this plan.

In my rural county, there are 13 hospitals that if this plan goes up, they will be paying big bucks.

Mr. Chairman, this is the wrong way to go. Balancing the budget is one thing, but balancing our priorities is right.

Mr. Chairman, the billions the majority wants to spend on a tax cut for the wealthy could fully pay for the reductions they want to make in the Medicare program.

Why is the majority willing to sacrifice senior citizens to satisfy affluent citizens?

More importantly, what will this policy of helping the rich and hurting the less well off really mean for America?

The answer is—we don't know, and they don't know. We don't know and they don't know because the majority is yet to tell us—in detail—how the \$283 billion reduction in Medicare spending, over the next 7 years, will occur.

But, we can make some reasonable assumptions based upon prior action.

We know that the reductions the majority proposes in Medicare and Medicaid are bigger than reductions in these programs at any other time in history.

We know that every hospital in the United States that serve Medicare patients—including the 13 hospitals that serve 28 rural counties in my congressional district—will lose money; big time; up to \$1,300 for every Medicare patient served, over 5 years.

We know that, under the plan of the majority budget, senior citizens will pay \$1,060 more for their health care costs by the year 2002.

Most can barely afford health care now. Many will have to choose between heat and health, a warm coat or a trip to the doctor—and some may even have to choose between eating and health.

More than 8 out of every 10 seniors who receive Medicare benefits have incomes of \$25,000 or less.

Mr. Chairman, we know that Carlene Neese, a 77-year-old woman from North Carolina, is the primary caregiver for her husband, who has suffered from Alzheimer's disease since 1986. He also has a Foley catheter.

We know that the home care the Neese family gets once a week to change the catheter, and the aide who comes out three times a week, is threatened by the majority's budget plan.

As Mr. Neese enters the end stages of his dreaded illness, the strain on Mrs. Neese will be obvious and perhaps overwhelming.

Mrs. Neese's dilemma is repeated again and again, throughout my congressional district.

There is a 75-year-old mother, also suffering from Alzheimer's disease.

Her daughter writes to me in her effort to secure some help with the care of her mother, "Imagine me giving Mom a spoonful of food and having her take 15 minutes to swallow."

The daughter goes on, "Other family commitments are putting a great strain on my household. Hurried meals, neglected laundry and [ignored] housekeeping," are typical in this family.

And then there is Beulah McDonald of Kinston, NC.

She is 72 years old. Her husband served this Nation in the military for two decades.

Ms. McDonald told me, "I have to work."

She gets a little Social Security and a small stipend from her husband's military retirement.

Now that she is over 65, with the limited amount she now gets from Medicare, and the deduction from the private insurance she must pay for—this 72-year-old woman, who has worked in her present job for 15 years—told me, "When I retire, I don't know how I will make it."

Beulah McDonald, who has done everything right in her life said finally, "Thank God, I am healthy enough to work."

With this budget plan, the majority is sacrificing senior citizens to satisfy affluent citizens.

They go too far.

The billions they want to spend on the wealthy could more than pay for the cuts they want to make in Medicare.

Mr. Chairman, let's balance the budget, but, let's balance our priorities first.

Mr. KOLBE. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Pennsylvania [Mr. FOX], a freshman Member.

Mr. FOX of Pennsylvania. Mr. Chairman, I want to note for the RECORD that for the citizens of North Carolina who are senior citizens, \$805 million of tax reductions will take place as a result of what this Congress has already instituted.

I think we should note now for those who are listening from their offices or here on the floor that we already have in the 104th Congress made great strides for our senior citizens. First, we have lowered the senior citizens tax burdens by repealing over a 5-year period the Clinton tax increase on Social Security retirees.

Second, we have eliminated the penalties for working seniors. We have raised the \$11,280 Social Security earnings limit to \$30,000 over 5 years. Beyond that, we have also ensured access to long-term health care insurance by easing the financial drain on seniors and their families by making private long-term care insurance more readily available and allowing accelerated death benefits to be paid tax free. In addition, we have caring for parents at home by providing \$500 tax credit to families who care for a dependent elderly at home.

Social Security we know in this Congress is off the table. We have said that and that is the case. Medicare will go bankrupt by 2002, if we do nothing. Therefore, we feel that Medicare must be preserved, protected, and improved.

What you will hear from the other side of the aisle is some false charges. False charge No. 1, you are cutting Medicare to pay for tax cuts for the rich. Wrong. The facts are clear. The Medicare trust fund is going bankrupt. You can pull out all the tax cuts from the Republican budget and Medicare still goes bankrupt in 2002. The Medicare trust fund is financed by payroll taxes and the Clinton administration itself has said that the trust funds will go bankrupt. The Republican budget will save Medicare from bankruptcy.

False charge No. 2, your plan for Medicare for the seniors will pay much, much more for fewer and fewer services under our plan. Wrong. A 40-percent increase in Medicare spending is not a slash. The Republican plan allows for a \$1,600 per recipient increase in spending.

Therefore, I say vote for the budget.

Mr. FAZIO of California. Mr. Chairman, I yield 2½ minutes to the gentlewoman from Arkansas [Mrs. LINCOLN].

(Mrs. LINCOLN asked and was given permission to revise and extend her remarks.)

Mrs. LINCOLN. Mr. Chairman, I yield to the gentlewoman from North Carolina [Mrs. CLAYTON].

Mrs. CLAYTON. Mr. Chairman, I would like to make a correction and insert, according to the figures that we have on the budget side of the minority, the average senior citizen's income and cost of care over a 7-year period would be \$3,000 and my State would have to pay an additional \$6 billion over that same period of time. So your figures are certainly in contrast to mine, I want to add for the RECORD, so we have a balance of what the truth is here.

Mrs. LINCOLN. Mr. Chairman, I rise today to express my strong support for the Stenholm-Orton substitute to the budget resolution for fiscal year 1996 and I applaud our colleagues for their hard work. I am a strong supporter of a balanced budget and I applaud the progress that we make today toward eliminating the deficit. However, we must ensure fairness and equity in achieving a balanced budget. The American public is ready to tighten its belt as long as we all shoulder part of the load fairly. The coalition alternative budget is based on equity.

Our budget substitute would ease the burden on rural Americans. Our proposal restores \$114 billion in Medicare spending, as well as \$50 billion in Medicaid spending. Farmers would receive \$12.9 billion more over the next 7 years under the Stenholm-Orton budget. We maintain our commitment to our country's future by restoring \$35 billion in funding to education and training programs, and \$18.7 billion in guaranteed student loans. We ease the burden on rural economic development. We also include the alternative welfare reform plan offered earlier this year by myself and others. And, most importantly, we would still achieve a balanced budget in 7 years with lower interest payments than under the leadership proposal.

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The Republican leadership's bill reserves the greatest amount of spending cuts for the last two years, that is what we leave for our children and our children's children, while the Stenholm-Orton substitute spreads out those cuts more evenly over the entire 7 years. This means lower national debt, and therefore less burden, on the future of America.

We also avoid the risk that future congresses might not be willing to make the tough cuts. I am a strong supporter of tax relief, but in order to achieve it, the committee bill has come down too hard on agriculture, education, job training, and Medicare, among other things. We first need to ensure the future of our children, and then give tax relief to ourselves.

Mr. Chairman, I urge my colleagues to support the Stenholm-Orton substitute, because it provides the most fair and equitable solution to achieve a balanced budget.

Mr. KOLBE. Mr. Chairman, I yield myself 1 minute, just to respond to the comments that were just made.

First, Mr. Chairman, we are hearing from one side that we do not have any plan at all. A blank piece of paper was held up. We do not have any plan, we cannot see what the Republicans are talking about on Medicare. Now we hear the specific figures of what the Medicare cuts are going to mean in terms of additional costs.

Which way is it? Do we know the specific dollars or do we not? Which way is it? I would point out the gentlewoman from Arkansas has been talking about the alternative budget proposal that they are going to have, but it does not include any of the tax relief for senior citizens; and for the State of Arkansas, our tax cuts would mean \$257 million less taxes for senior citizens in the State of Arkansas.

Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. WELDON].

(Mr. WELDON of Pennsylvania asked and was given permission to revise and extend his remarks.)

Mr. WELDON of Pennsylvania. Mr. Chairman, we have heard some case studies of families. I have one family we have not heard about yet that I would like to discuss. I would like to talk about Rosie Watson of Lake Providence, LA.

Rosie is a 45-year-old mother, common-law mother of seven kids. She has been able to get her doctor to declare that she is too stressed out to work, so she receives \$343 a month in income from the taxpayers. Her husband, who weighs over 300 pounds, has been able to get his doctor to declare that he is unable to work, so he gets \$343 a month.

They have seven kids. Rosie spent 17 years in getting all of her kids qualified as not working up to their age level in school. Guess what? The taxpayers are footing a check each month for all seven kids in an amount over \$400.

Mr. Chairman, this one family gets \$46,716 a year under their system, a system they do not want to change, that we are going to reform. Why have we not heard about that family, or the tens of thousands of families all across America who are abusing the taxpayers in this country?

Rosie was interviewed by the Baltimore Sun, who did this exposé. The reporter said "What do you do with the money?" She said, "I can tell you, each month I take \$120 and give it to four of my kids," and her quote is "Being the age they is, and being out with their little girlfriends, they need that money to spend on them."

I do not have constituents in my district who can give their teenage kids \$30 a month, let alone from the taxpayers. The Members want to keep the system intact? Our budget changes Supplemental Security Income and stop this abuse. Where are the examples on the other side, of the families

who are ripping off the taxpayers? Where are the examples of what they have done to try to change the system for the past 40 years?

I can tell the Members, as the youngest of nine kids with an 84-year-old mother on Social Security and Medicare, I do not want to hurt her one bit. As a 7-year public school teacher who spent more time overseeing school lunches than anybody on the other side, I do not want the School Lunch Program cut, but stop the rhetoric when we are trying to solve the problem and be fair with the way we deal with people.

Once again, I ask my colleagues on the other side, where are the tens of thousands of stories about the Rosie Watsons ripping off \$47,000 a year in taxpayers' money, who the Baltimore Sun has said will never get off the system? That is what we are trying to change, and we are going to do it, with or without your cooperation.

Mr. Chairman, I include for the RECORD the article from the Tampa Tribune to which I referred earlier:

[From the Tampa Tribune, Feb. 13, 1995]

HERE'S A GRAND LITTLE STORY TO STIR YOUR BLOOD ON A MONDAY MORNING

How does an unemployed family in Lake Providence, LA, qualify for \$46,716 a year in tax-free cash from the federal government?

The Baltimore Sun, in a special report, details one woman's crusade to win disability benefits and gives a rare insight into a welfare system infuriatingly out of control.

Rosie Watson, the Sun reports, gets \$343.50 a month in disability payments because a judge found her too stressed-out to work. Her common-law husband, at 386 pounds, was ruled too fat to work, so he gets \$343.50 a month too.

Their seven children ages 13 to 22, have all failed to demonstrate "age-appropriate behavior," so each of them qualifies for payments of \$458 a month. What the welfare world calls "crazy checks."

The Sun's description of Watson's persistent efforts over many years to convince social workers and judges that various members of her family are incapable of supporting themselves reveals serious flaws in the welfare system, flaws that account for the nation's increasingly hostile opinion of it.

"I got nothing to hide," the woman told the Sun, and allowed reporters to visit her in her modest home, even opened her Social Security records to them. The inescapable conclusion is that the problems lie with the system, not with people like Watson who, like good attorneys, endeavor to make their best case.

Watson's quest began in 1975 when she tried and failed to convince Social Security officials she couldn't work.

In 1978 she told officials that her second child, at age 4, was a threat to other children and should receive financial aid. They didn't buy it, but she kept up, applying again and again until, in 1984, Social Security officials agreed that he had behavior problems. A few years later she received a \$10,000 check after it was decided he should have been declared disabled four years earlier.

In all, the family has received \$37,000 in retroactive payments, part of \$1.4 billion in retroactive checks mailed after the Supreme Court in 1990 gave children increased rights to disability payments.

After 15 years of relentless applications, Rosie Watson has had all her children put on

disability payments. The youngest child, now 13, attends elementary school, where the principal complains that the quest for "crazy checks" is undermining academic standards. The children don't want to fail but perform poorly to please their parents, he says.

Not true, says Watson.

"I ain't never told any of them to act crazy and get some money," she said. "Social Security will send you to their own doctor. They're not fooled because those doctors read your mind. They know what you can do and not do."

The Sun discovered that one doctor found a Watson boy had "strong anti-social features in his personality and is volatile and explosive." And, "he said he does not want work."

Apparently, unless government rules are changed, he will never have to get a job.

Here is the Sun's description of what Mother Watson does with the 3,893 worth of monthly checks:

"As soon as she extracts the nine checks from the [post office] box, she cashes them. She gives the full amount to Sam, 21, and Cary, 22, the father of two children who have moved out of the house since being awarded benefits. The remainder is used for the other children and household expenses.

"Most of the money goes for the children to 'see that they have what's needed,' the woman says. "With what's left, I pay bills and buy food."

"One need is \$120 allowances for George, David, 17, Willie, 18, and Danny, 19.

"Being the age they is and being out there with their little girlfriends, they need the money," she says.

The checks are sent because of a disability but there is no requirement that the money be spent to try to overcome that disability, the Sun reports. The family's medical needs are taken care of through Medicaid, the value of which the newspaper did not attempt to calculate.

The reporters had a little trouble determining exactly what Rosie Watson's disability is.

In 1974 she said she couldn't work because of high blood pressure, heart trouble and bad nerves, and was rejected. In 1975 she reported it was anemia, dizziness, nerves and bad kidneys, and was rejected. In 1976 she blamed low blood pressure and heart problems, was rejected and gave up for a while.

In 1964 she applied again complaining of stomach problems, epilepsy and sinus trouble. In 1985 the list included "female problems," and an examining doctor concluded: "This is a 34-year-old black female who had seven children under 12 years of age, and alcoholic husband and no money, who complains of insomnia, crying spells, depression."

She appealed that rejection to a judge who determined her unable to cope with the "stresses of any type of competitive employment," and the checks began to flow. Two years later, a judge ruled her husband disabled because he was obese.

The newspaper concludes that the Watson family likely will remain on welfare permanently, with the children moving directly onto the adult rolls.

What did Congress intend when it created such a program that rewards failure more richly than the competitive market can reward hard work?

What it got was places like Lake Providence, where "crazy checks" have become important parts of the town's culture and economy.

Mr. FAZIO of California. Mr. Chairman, I yield 3½ minutes to the gentleman from Michigan [Mr. LEVIN].

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

Mrs. LINCOLN. Mr. Chairman, will the gentleman yield?

Mr. LEVIN. I am glad to yield to the gentleman from Arkansas.

Mrs. LINCOLN. Mr. Chairman, to my friend on the other side, I think it is important to point out, especially for those watching, the tax break goes to the 13 percent of the top bracket of those in Arkansas. Most notably in my district, with an average income of less than \$12,000, roughly, it is not quite a lot. Basically the gentleman is taking from those middle income and lower incomes in the Medicare divisions, where I have above 10 percent of the national average in the elderly.

I thank the gentleman.

Mr. LEVIN. Mr. Chairman, I would say to the gentleman from Pennsylvania, he should read the bill that the Democrats put together on welfare reform. We address the problems in SSI directly. We believe in reform. The issue is whether we want to be blind about it, and strike out wildly, or know what we are doing.

The problem with the Republican budget is this. I think for legislators there is a responsibility. If you propose, you should disclose, and you do not. You have this figure for Medicare, and do not tell the public what will be the consequences. In that sense, it is deceitful. Being bold and not abiding by the facts is foolishness, and it sells short America.

Mr. Chairman, in terms of Medicare, if we assume beneficiaries will pay 50 percent of these cuts, we end up with a cut or a cost for every senior of over \$2,500 in Michigan. In Connecticut, it is \$3,800. In Arizona, it is \$3,300 is the average out-of-pocket impact. If we say that there is not going to be any impact on beneficiaries, read the communication of the gentleman from Connecticut [Mr. SHAYS] which lays out the options. It is not in the budget resolution. It talks about the impact on Seniors, and what kind of impact there might be in terms of deductibles, and in terms of copay.

Mr. Chairman, I want to go beyond, for a moment, the impact on seniors, and talk about the impact on health care generally, because again, you propose but you do not disclose. The letter of the gentleman from Connecticut [Mr. SHAYS] says one of the ways to make up this huge, huge cut in Medicare is to cut direct and indirect medical education in disproportionate share.

These are not only urban hospitals, these are suburban hospitals. The proposal here is to cut, or at least this is the suggestion, one of the 3 options, \$6 billion in direct costs, \$21 billion in indirect costs, and \$28 billion in disproportionate share.

For the hospitals in the area I represent, the district and beyond it, for the University of Michigan, it is a major cut. For the Detroit Medical Center it is a major cut. For the suburban Beaumont Hospital, it is a major cut. This will affect health care across the board.

Be honest, tell people that it is not just a large number, but health care is going to be impacted for seniors, and also for the hospitals for whom Medicare has been a proxy in terms of residency programs and disproportionate shares.

There has been a lot of talk about the boldness, but boldness without honesty is recklessness. That is the trouble with this budget, it does not tell the public what is likely to happen. That is why I oppose the Republican majority proposal.

Mr. Chairman, we can do better. We must reform Medicare. We must make some changes, but we have to, as we leap, let America look into what will be the meaning of it. I therefore oppose the majority proposal.

Mr. KOLBE. Mr. Chairman, I yield 1 minute to the gentleman from Connecticut [Mr. SHAYS].

Mr. SHAYS. The mystery is over. Finally we have someone explaining how they made up their numbers. I am happy to know how the gentleman made up his numbers. He basically said if spending is going to decrease from 10 percent to an increase of 5 percent, he said beneficiaries are going to pay half of it, and providers are going to pay the other half.

The gentleman makes one astonishing assumption: his astonishing assumption is that the increase in spending for Medicare patients and Medicaid patients has to be 10 percent. Why does the gentleman make that assumption? Why do we make the assumption that Medicare and Medicaid can continue to go at 10 percent, when the private sector is going at 4 percent? We make it a very real assumption.

We are going to give beneficiaries new services. We are going to allow the private sector to offer a whole host of them. Beneficiaries are going to see their costs not increase to 10 percent. They will not have to pay these absurd increases that this side of the aisle has suggested.

Mr. KOLBE. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from New Jersey [Mr. MARTINI], a freshman Member.

Mr. MARTINI. Mr. Chairman, over the last several days, and in anticipation of this historic vote, I have asked myself repeatedly, after all the debate is said and done, and I am sure those listening to this debate will ask the same thing, what is it that we are trying to do here in the House?

The answer, quite simply, is in voting for a balanced budget, we are bringing some discipline to a body which for too long has ignored the fundamental principle of fiscal responsibility. We are trying to bring accountability to a budget process run amok with neglect and abuse.

After years of overspending and piling up debt on the backs of our children, the budget we will vote on tomorrow will finally put us on a track toward erasing the Federal deficit and preserving the American dream for future generations.

Mr. Chairman, recently an auto mechanic in my district came up to me and reminded me of a television commercial of years ago, a very effective and albeit a very applicable commercial to this situation that we are debating here today. He recalled the image of the mechanic standing in the garage in his greasy coveralls, holding an oil filter, and warning all of us that we can take some remedial measures now at a very small cost, or pay him a much larger sum later at a far greater sacrifice.

Millions of Americans learned that simple lesson and the importance of that lesson early on when it comes to caring for their car engines. Similarly, the engine of government cannot long sustain years of neglect and abuse without, like the engine of your car, coming to a grinding halt.

Mr. Chairman, if we do as prior congresses have done all too long and avoid these much needed remedial steps, we will shortly be faced with a fiscal crisis of unsolvable proportions, with all the grave consequences related thereto.

Congress, I say, can no longer avoid its responsibilities. Our Nation faces a challenge, and this body has been elected to meet that challenge. We must, I say, vote for a balanced budget tomorrow.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the very distinguished gentleman from California [Mr. KIM].

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

Mr. KIM. Mr. Chairman, I have been listening to my colleagues on the other side of the aisle talk about how this budget proposal will hurt our children. They want us to believe that government subsidies are the only way our children will succeed in life.

Let me share with the Members a little bit about my story. When I came to this country, I was dirt poor. I did not know about the government subsidy programs, welfare, student loans, AFDC. Instead, I did it on my own. I worked full-time, and I went to college, with three children. It was not easy. It took hard work and sacrifice, but it can be done. I repeat, in America, it can be done without government subsidy. You can get a decent education without the government subsidy, I can tell you that.

Let us be realistic. Limiting the growth of Federal spending to 3 percent a year is not the end of the world. We are not eliminating all subsidy programs, for heaven's sakes. All we are doing is slowing down the growth of the out of control government spending. In fact, Federal spending will still grow by \$400 billion over 7 years under our plan anyway.

□ 2020

Let us end this overblown rhetoric on this issue. Yes, we will be asking a few individuals to rely on themselves instead of the government, but overall,

most worthwhile Federal programs will continue to grow under the Republican budget plan.

And in the process, maybe we can restore the tradition of self-reliance in this country.

Mr. SABO. Mr. Chairman, I yield 6 minutes to the distinguished gentleman from California [Mr. FAZIO].

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

Mr. FAZIO of California. I am delighted to yield to my friend, the gentleman from Michigan.

Mr. LEVIN. Mr. Chairman, I want to say to my good friend from Connecticut [Mr. SHAYS], I think there is an understanding that there has to be consideration of where Medicare is going, but what bothers me is your message is, and I have heard the Speaker say it to seniors, you are going to get more by our providing less money, and it is not true.

The document that the gentleman from Ohio [Mr. KASICH] put together, and you do not find in the budget resolution, provides for expanded Medicare coinsurance. It would cost seniors \$44 billion over 7 years. And the direct medical and indirect medical education costs, this is what it would mean, and I will just take a second for hospitals in Michigan in my area, for Beaumont it would mean three-fifths would be cut per year, for the Detroit Medical Center about the same, \$17 million, and there would be a like cut for the Ann Arbor Medical Center.

So tell the facts, tell the truth to the American public.

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

Mr. FAZIO of California. I am more than happy to yield to my friend, the gentleman from Connecticut, if he wishes to engage in debate.

Mr. SHAYS. Mr. Chairman, let me just say to the gentleman from Michigan I have tremendous respect for him and I know his question is very sincere. It is really an issue of whether you believe Medicare and Medicaid spending should and will continue to grow at 10 percent.

No, we do not think that we are going to improve service by providing less. We believe we can provide less by improving service.

Mr. LEVIN. Let me just respond.

Mr. FAZIO of California. I am happy to yield to the gentleman from Michigan.

Mr. LEVIN. If I may respond, do not just talk about 10 percent. Tell people what it means if you go less. Acknowledge in your letter that there would be cuts in indirect, direct medical education, a disproportionate share that comes to \$50 billion or more for hospitals in suburban and urban areas, and tell the seniors that there may well be an increase in their coinsurance of \$44 billion over 7 years. Do not just say you are cutting from 10 to 7. Tell people what it means to them, to them.

Mr. FAZIO of California. Billions, and trillions, and we talk about words

that are jargon in the medical-industrial complex.

What I would really like to do is talk about the Hopkins family in my district. Mrs. Hopkins is 69 years old. She and her husband have been married for 40 years. He works part time at a McDonald's in order to make their Social Security payment go a little further. He has been doing that now for 5 years.

He worked for a small business that does not provide him any pension. He is now solely dependent on his work in his later years and his Social Security. That is all that they have to live on.

The good news is at the moment they do not have any copayments under Medicare, and they certainly could not afford them. They have a rental cost in the amount of \$490 a month. They can barely pay that as it is. If they were to have to pay another \$2,000, \$1,000 for each of them on their Medicare, it would put them not in a precarious economic state, it would ruin them.

These are people who have worked all of their lives and do not deserve that kind of treatment. Mrs. Hopkins has a heart condition. She has asthma. She has arthritis. She has to pay for her own medicine. That is about \$200 a month. She and her husband can barely afford that as it is, but they do not have a choice. Nobody else is going to pick up their prescription costs; they have to have their medication.

Mrs. Hopkins was telling me the other day she was required to go to the hospital. She is pleased that the ambulance and the hospital were paid for, but she said they asked me to pick up another \$130 for 20 pills, and she does not know where she is going to come up with that money. Does she cut the food? She cannot cut her rent; she has to pay her electric bill. They have not bought clothing in a long time. That is not a place to go for extra money.

She said yesterday to me, "Leave our Medicare alone. We could not make it without Medicare. My last trip to the hospital just about broke us."

So Mr. Chairman, I have to ask how can we in good conscience lower the standard of living for people who are already struggling at the same time providing tax breaks which go, in my opinion, largely to people in our society who have had the best of the last 15 years, the top 20 percent who are doing well?

The gentleman from Oklahoma said do not worry America, we are spreading the pain. Well, I understand that there is a lot of pain being spread around. What I am frustrated about is the fact that there is not much spreading around of the gain.

This is all part of a totality here. As the gentlewoman from North Carolina said, if we did not have the tax cuts in this budget resolution, we would not need to be cutting the Hopkins' Medicare benefits. We can reform Medicare, we can take a comprehensive approach and help everyone whose costs have been going up in the health care field,

but we are taking I think an approach which is unfair, which gives new meaning to the word mean-spirited. We had a gentleman from California send us a note on the Internet. He said the Republicans are giving new meaning to the word mean-spirited and they are doing it in the old-fashioned way, they are earning it.

Well, ladies and gentlemen, I hope people will think twice before they decide to vote for this budget resolution, because, in fact, it is the least fair I have seen in 16 years in this Congress.

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

Let us spend just a second here talking about what we are trying to do with Medicare, and as I explained earlier to the people in the Chamber, we are going to go from \$924 billion in spending over the last 7 years to almost \$1.6 trillion. Now some people in the Congress would like us to spend \$1.8 trillion. If we do that of course the system goes bankrupt and there will not be benefits for anybody.

In the private sector they were growing at enormous rates and guess what happened, guess what was happening to American businesses? They were going bankrupt, they were becoming less competitive. So guess what they did. They decided to use innovations, they decided to use creativity. And what were they able to achieve? They were able to achieve an increase in medical costs, yes, costs were still going up, but from double digits down to single digits, and what did they do in the process, they kept their companies from going bankrupt, they improved the quality of medical care for their employees, and they have high customer satisfaction. That is what happened.

Now where are we? We are growing at 10½ percent on Medicare. The program is going bankrupt. So what do we choose to do? We choose to go from \$924 billion to almost \$1.6 trillion in Medicare funding. And how are we going to have a Medicare Program at \$1.6 trillion over the next 7 years? Well, we are going to study the private sector that has guaranteed choice, high quality, and high customer satisfaction. And guess what, we will keep the program from going bankrupt. And under our plan, of course, we will go from \$4,800 behind each Medicare recipient to \$6,400 behind each Medicare recipient, and guess what? We will maintain choice, we will have high quality, and we will save the system from going bankrupt.

Now those people that want to run around and talk about bankrupting the system, they are not just going to bankrupt the system of Medicare, they are going to bankrupt America.

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

Mr. KASICH. I yield to the gentleman from Connecticut.

Mr. SHAYS. I would like to ask the gentleman, when it goes bankrupt, how are you able to pay the beneficiaries?

Mr. KASICH. Well, you cannot pay the beneficiaries anything, but if you want to scare people, you go out and throw all of these numbers around.

I am going to tell you the facts. If we do not get the program under control, it goes bankrupt. Not only does that program go bankrupt, but so does it threaten the long-term financial stability of this Nation. We have no right, we have no right to pile debt, red ink on the backs of our children. That is why we are going to do the responsible thing.

Mr. SABO. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. FAZIO].

Mr. FAZIO of California. I just wanted to ask the chairman of the committee, the Hippocratic Oath says when you are providing health care, do no harm first. Can the gentleman tell me why we decided to give the 13 percent of our elderly who are at the top of the income strata a tax break earlier this year, and encompass that in this budget by directly undermining the Medicare trust fund before we even began to talk about the crisis that seems to be suddenly consuming the majority?

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

Mr. FAZIO of California. I yield to the gentleman from Ohio.

Mr. KASICH. The gentleman was so quick to punish people when he raised taxes on them. What we are attempting to do is to cancel out the huge tax increases and the big Government programs that you had.

And let me say to the gentleman we have a number of provisions in here that are designed to give people a better life, families a better life, Social Security recipients more earning power.

Mr. FAZIO of California. The gentleman has not really responded to my point. The point is you are undermining the Medicare trust fund and you are doing it in a way that advantages the very wealthiest seniors and asking all of the rest to pay another \$1,000 a year.

Mr. SABO. Mr. Chairman, I yield 4 minutes to the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, let me simply say there are four reasons to vote against this bill.

The first is that it simply is not going to balance the budget. I have been here before. I remember in 1981 when we had a wizard by the name of Stockman. Now we have a different wizard, but the results are going to be the same.

Mr. Stockman told the Congress just follow Reagan's lead, you can have it all, baby, you can cut the taxes, you can double military spending, and you will still balance the budget in 4 years, and you know what, they only missed by a couple hundred billion dollars.

So then we had Gramm-Rudman No. 1, Gramm—Rudman No. 2, Gramm-

Rudman No. 3, all multiyear promises, going to balance the budget, baby. And guess what happened? They missed three more times.

Now we are in here with the fifth multiyear promise. And do not take my word for it, read the Wall Street Journal, that well-known left-wing newspaper. And what do they talk about? They talk about the fact that this package is back-loaded, small tax cuts to begin, huge tax cuts in the out years. I guarantee you, you are not going to see a balanced budget if we swallow this prescription. You are going to see mountains of debt.

The second reason to vote against it, you have savage cuts to domestic programs. Do you really know what is going to happen to the National Institutes of Health and the people who rely on it for medical research when you cut it by 5 percent and then freeze it for 5 years? You erode the purchasing power of medical research by 25 percent.

What good is that going to do folks on Medicare and Medicaid, or any other citizen in this country who is looking to try to escape some of the most devastating illnesses in the world?

The third reason to vote against this is simply because you do have these devastating cuts in Medicare and Medicaid. Do you really believe the American public wants to see you make these kind of reductions so you can give big, fat tax cuts for people making between \$75,000 and \$200,000 a year? I do not think so.

I would simply say this to the gentleman from Ohio, yes, you have to repair the Medicare trust fund. And yes, in the context of health care reform you can talk about reductions that go at waste and fraud, but I tell you, if anybody thinks you can cut this much out of Medicare and Medicaid without seriously damaging seniors, you are smoking something that ain't legal. You just cannot do it.

The fourth point I would simply make is that all of these budget changes are going to make this country worse in terms of the equitable distribution of income growth. This chart shows that from 1950 to 1978 income growth in this country was shared across the income spectrum. Whether you were in the poorest fifth or richest fifth, you did pretty well.

□ 2015

Everybody's income went up. Here is what has happened since then. Unless you belong in the top 20 percent of this society, you have barely kept up, and if you are in the middle and below, you have lost ground dramatically.

These budget cuts, these cuts in Medicare, these cuts in Medicaid, these tax cuts that give two-thirds of the tax benefits to people making more than \$70,000, and 1 percent of the benefits to people making less than \$20,000, will make that gap worse. That is typical

Republican prescription in this country. People have come to expect the republican Party to support prescriptions that largely benefit the wealthy.

I hope that the Democratic Party will not follow suit, and I hope that well-meaning people on the Republican side will join us as well in opposing a plan which makes this situation much worse.

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. HERGER].

Mr. HERGER. Mr. Chairman, as a small business owner and a father of nine children, I am concerned about the future of this Nation. For too long, Washington has mortgaged the dreams of our future generations.

For example, a child born today already owes \$187,000 in interest payments on the \$4.8 trillion national debt.

However, Mr. Chairman, today is the dawn of a new day in Washington. This is truly a historic occasion. For the first time in 26 years, this Congress is on the verge of enacting a plan to balance the Federal budget.

Mr. Chairman, this budget is about beginning to pay off our debts and restoring the American dream. It is about renewing hope for the next generation and about restoring prosperity to our communities and the economy.

Mr. Chairman, last fall we made a promise to the American people to bring the budget to balance. In this budget, we keep that promise.

Mr. Chairman, unlike my Democrat colleagues on the other side of the aisle, this is not an arcane meat ax budget. Last November, the American people asked us to streamline government and make it more efficient, and that is exactly what we are doing. Where we can, we send programs back to the States and local governments. We also attempt to eliminate redundant programs.

Under this budget, spending continues to grow, only it will grow at a slower rate. For example, over the next 7 years this budget pledges to spend an additional \$1.2 trillion.

I urge my colleagues to vote "yes" on this budget.

Mr. KASICH. Mr. Chairman, I yield 3 minutes to the gentleman from Arizona [Mr. KOLBE].

Mr. KOLBE. Mr. Chairman, I thank the gentleman for yielding.

During the course of the debate this evening, we have heard from several speakers who talked about how we are going to make it impossible for people to go to school because we are going to cut off the in-school interest subsidy. That has been raised on several occasions.

Well, I think it is just worth noting here what we are talking about in terms of both the additional cost that a student will incur as a result of this interest subsidy not being given to them during the time they are in school versus how much that individual can expect to earn as a result of getting a college education.

Now, the chart that you have here shows these two figures. This is on average the amount, total amount, that a student will pay in addition, because we are simply saying you are not going to pay the interest while you are in school, we are just going to add it on and you will pay it when you graduate from school, and that will add a total, over the course of paying off that loan, on average \$2,562. Some will pay more, some will pay less, but that is the average figure that they will pay. Over the course of a loan, it works out to somewhere around \$35 to \$40 a month, maybe a Big Mac a day or something like that, during the course of the month, not even that much, actually, on a Big Mac.

Here is what the student is going to earn as a result, additional; this is the added earnings that a college student can expect in the course of their lifetime by having a college degree, a 4-year, a bachelors degree, \$525,000.

Do I think that it is unfair to ask the college student that is going to earn \$525,000 to pay when they graduate that \$2,562 additional interest rather than saying to the person who is out there, the young mother or the single parent who is working, scraping to keep her kids, take care of clothes, feed her kids, to the individual, is it fair to say that the student should be subsidized and that it should be paid for by the mother who is out there working, by the factory worker who is out there trying to keep his family together, by the senior citizen who is out there scraping to pay their taxes so that this individual who is not going to pay this while they are in school but is going to pay it out of their future earnings, do we think it is unfair that they should pay that amount against the \$525,000 additional earnings that they are going to have because they have a college degree? I do not think so. And I do not think the American people think that.

It is curious the people over on the other side on the one hand want to give them a subsidy while they are in school so they can make lots of money, and then they want to tax them to death as soon as they finish college so they can be taxed to death, get them into those higher brackets and make them pay more.

Well, it is fair they should pay this subsidy after they graduate, because they are going to have higher earnings.

Mr. SABO. Mr. Chairman, I yield myself 30 seconds.

I would only suggest to my friend, the gentleman from Arizona, that when that person graduates from college and begins a teaching job, the salary is not very high, or if they are a social worker or if they are a preacher going to a rural community in this country, endless college graduates, they do not have that big chart of yours when they finish college. Eventually, we may deal with that income differential through progressive income tax, but when they leave college, that person is not having that.

Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. EVANS].

Mr. EVANS. Mr. Chairman, Medicare is a lifeline for 37 million Americans, providing them the health care they need that enables them to live longer without bankrupting them.

Prior to its enactment, seniors often went without help, causing medical complications that could have been prevented and additional costs that could have been avoided.

Now, the medical care 37 million Americans depend upon is in jeopardy due to the Republican budget plan that cut billions in Medicare to pay for tax cuts for millionaires. This Republican budget would fulfill a contract with the wealthy, but at the expense of breaking a contract with the elderly. This Republican budget plan would end seniors' choice in selecting their own hospitals and their own doctors.

This Republican plan would hurt working families who will have to cover the costs that their parents cannot for their medical bills. This Republican budget plan threatens to close more hospitals, particularly in rural and small towns across the country.

America is the world's richest country. We can afford to take care of health care for those who have made this country great.

I urge my colleagues to vote against the Republican budget plan.

Mr. KASICH. Mr. Chairman, I yield 1 minute to the gentleman from Connecticut [Mr. SHAYS].

Mr. SHAYS. Mr. Chairman, I thank the gentleman for yielding.

My friend from Illinois may not realize that under the Republican plan, Illinois will get \$2.7 billion of additional dollars in the next 7 years. Their per beneficiary for Medicare is now \$4,500. It will go to \$6,000 per beneficiary, per beneficiary.

We are not cutting choice for seniors. We are going to change the system, allow them to keep what they have, if they want, but we really believe they are going to choose to be in programs that will provide them rebates and give them other opportunities, and in our plan we hope that we can allow seniors to police their bills and get 10 percent of whatever they find is a mistake.

We are going to open the options. We are not going to cut. Only in Washington, only in Washington is an increase in spending a cut.

Mr. KASICH. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. NUSSLE].

Mr. NUSSLE. Mr. Chairman, well, I thank my good friend, the chairman of the Committee on the Budget, for yielding.

You know, folks, we have had about 4 hours of debate now, and we need a little bit of a break. We need to take a break from all the rhetoric and have a little bit of fun.

The folks listening and the folks here in the Chamber, we are going to have a little budget quiz at about halftime. I

have got some questions for you for the 1996 budget debate quiz.

Question No. 1, here we go, let us start. You do not need a No. 2 pencil, just follow along, listen carefully, and then mark your answers.

The 1996 budget quiz: I will present a 5-year plan to balance the budget. Who said that? Is it A, Representative MARK NEUMANN, the budget we will be debating tomorrow, is it B, Senator PHIL GRAMM, candidate for President, fine Senator from Texas? No. It was, C, President Bill Clinton said, "I will present a 5-year plan to balance the budget." Anybody get that one right? It is a trick question, a trick question.

Here is question No. 2. Mark your answers. We think the task of balancing the budget is one that we have to actually take responsibility for ourselves and just do it. Who said that? Was it our fine chairman, JOHN KASICH from Ohio? It sounds like him, does it not? Is it B, Senator PETE DOMENICI, from the Senate Budget Committee? Maybe. No, wrong again. It was C, Vice President AL GORE said, "We think it is our responsibility to balance the budget." Have they taken responsibility? Does not sound like it to me.

Go on to the third one. Question No. 3, when we have a Medicare Program that will grow at 11 percent and a Medicaid Program that will grow at 16 percent next year, when neither the population nor the morbidity statistics affecting those population groups are growing anywhere like that, we know we can get savings. Who thought that we could get savings from the Medicare and Medicaid Programs? Was it the AARP? Probably not. Was it the American Hospital Association? That sounds like them. No, it was C, the First Lady, Hillary Rodham Clinton, as she testified before the Senate Committee on Finance. You did not get that one either? I can tell.

Well, we will go on to the final question. This is a tough one. Listen carefully to this. Today, Medicaid and Medicare are growing up at three times the rate of inflation. We propose to let it go up at two times the rate of inflation. That is not a Medicaid or Medicare cut. So when you hear all of this business about cuts, let me caution you that that is not what is going on.

Well, you probably heard a little bit about that today in the debate. So who do you think said that? Was it JOHN KASICH? Sounds like KASICH. Sounds a lot like KASICH. I have heard you say that, JOHN.

Is it B, Senator PETE DOMENICI? No, it was again, C, our President, Bill Clinton, who knew full well that allowing it to grow at a slower rate than what it currently is growing now is not a cut.

So as you listen to the rest of the debate, keep in mind our little 1996 budget debate quiz.

Mr. SABO. Mr. Chairman, I yield myself 1 minute simply to respond to the latest gentleman and his quiz.

The fact is the Republican proposal cuts Medicaid expenditures by substan-

tially more than caseload and inflation. The cut is substantially deeper.

The same is true of Medicare. It is down less than 4 percent, 1 year, with over a 1 percent caseload, a much deeper cut than the President was suggesting in his answer to that question in the little game by the gentleman from Iowa [Mr. NUSSLE].

Mr. Chairman, I yield 2½ minutes to the gentleman from Maryland [Mr. WYNN].

Mr. WYNN. Mr. Chairman, I would like to thank the ranking Member.

As for me, the only thing I can say about that little quiz was tricks are for kids.

□ 2030

First, Mr. Chairman, I would like to reiterate the burning question in today's debate. Why are the Republicans cutting Medicare to give a tax break to the wealthy? First, my colleagues, let us be honest. This debate is not about whether we need a balanced budget to protect our children's future. The Black Caucus can offer a balanced budget from the progressive point of view by closing tax loopholes. On the conservative side, the Democratic Coalition offered frontloaded budget cuts to also get to a balanced budget. What they have in common, however, is that neither of these Democratic approaches gut Medicare to give a tax break to the wealthy.

Here are the facts. There are 37 million Medicare recipients 65 years or older. Their average income is \$20,000 a year. The Republican plan cuts \$283 billion from Medicare and will cost each Medicare recipient an additional \$1,000 by the year 2002. This means larger copayments, higher deductibles, and the loss of choice of doctors. Meanwhile, on their side of the ledger in the Republican plan, 1.1 million Americans, wealthy Americans, will get over \$20,000 in tax cuts. These people make over \$200,000 a year. They will get a tax cut totaling \$3.345 billion.

When we talk about Medicare cuts, the Republicans are quick to say, "Wait a minute. This isn't a cut. Seniors will actually get more money in the year 2002." Yes, but the problem is that more people will be eligible for Medicare, and the increased costs of services will mean that what they are providing is not enough to solve the problem. It is like throwing a 20-foot rope to a man who is drowning 30 feet from shore. It is not good enough to say, well the rope is longer than the 15-foot rope we threw to that other guy who was drowning.

It is also not good enough to say, well, somehow services will be cheaper, and people will be able to get them and have better choices because they never explain any of that. They just come before us with these miraculous cures.

Finally, Mr. Chairman, the Republicans tell us we have to do all this because the Medicare system is going to be insolvent. Well, last year we said, "If you want to reform Medicare, you

need a comprehensive approach." They were not interested. Today we could go a long way toward solving the Medicare problem if we did not have to give a tax break for the wealthy.

Mr. KASICH. Mr. Chairman, I yield 3 minutes to the very distinguished gentleman from Arizona [Mr. SHADEGG], a member of the committee.

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

Mr. SHADEGG. Mr. Chairman, I think the debate today has been fascinating. It illustrates just how far out of touch all of this has become. The American people are screaming for change. They are fed up with a Federal Government that is too fat, and too bloated, and too out of control, and what we hear on the other side of the aisle is a litany of defense of the status quo: This program cannot be cut, that program cannot be cut, no change. They like things just as they are. Well, that is not what the American people asked for in the election on November 8, and that is not what we came here to deliver.

I just listened to my distinguished colleague from the other side who said that the Medicare Program in our plan cuts further than it ought to. Well, I would like to ask the question:

"Precisely what are the proposed changes in the Medicare plan under your balanced budget proposal?"

"Oh, you don't have a balanced budget proposal. I see; you have the Clinton proposal, which is grow. You have a proposal which says, 'Although the Medicare system will be bankrupt in less than 6 years, what we are going to do about it is play Chicken Little, or something of that sort, and bury our head in the sand and do nothing'."

Mr. Chairman, the American people deserve better than that. We have a Federal Government which is totally out of touch with the people it governs.

Let me cite some statistics for what we did and why we did it. The 1963 to 1993 comparison is what I would like to talk about. Since 1963, Mr. Chairman, the average weekly wages of a blue collar worker in America are up 398 percent. Average wages, blue collar worker, up 398 percent. The Consumer Price Index is up 458 percent. Let me contrast those numbers with the Federal Government. Federal Government receipts are up 1,024 percent. Federal Government expenditures are up 1,241 percent. The deficit, the problem that they would just as soon ignore, the deficit since 1963 is up a staggering, and listen to this number, 6,102 percent. I got to ask what would the deficit have had to increase for our friends on the other side to say we need to make some change? I don't know what it is; I am still waiting for their balanced budget plan.

Mr. Chairman, when the average worker's wages are up about 400 percent, but Government is up in its receipts 1,000 percent, its expenditures 1,200 percent, and its deficit 6,000 percent, it is time to act. It is time to act

responsibly. It is time to bring the Government's budget into balance, and that is what this Republican budget does.

When I was in Prescott, AZ, at the field hearing and in Billings, MT, the American people said they were willing to participate as long as it was fair. This measure is fair. I urge its support.

Mr. SABO. Mr. Chairman, I yield 2 minutes to my good friend, the gentleman from Pennsylvania [Mr. FATTAH].

Mr. FATTAH. Mr. Chairman, I think the real issue here is not the concern, as the gentleman from Ohio [Mr. KASICH] suggested, of fiscal bankruptcy, but moral bankruptcy. The ranking member comes from an area of the country in which Hubert Humphrey came from, and he said that the test of a civilized society is how we treated those who are young and those who are old. I cannot understand all of this applause and, rah-rah. We cut education and Medicare programs.

The gentleman from Virginia [Mr. WOLF] quoted a little scripture. I guess one could say, "We'll forgive you because you know not what you do," but I think the gentleman does understand exactly what he is doing because with this same blade that he is cutting Medicare he is cutting taxes for the rich, and so I think that that would probably not be appropriate.

I serve on the board of Penn State University on the Subcommittee for the Hershey Medical School. I spent 10 years on the board of Temple, in our hospital in Philadelphia. Millions and millions of dollars of unreimbursed care, disproportionate share issues.

Mr. Chairman, I would invite Americans: "Don't listen to the rhetoric on the Republican side or the Democratic side. Call your neighborhood hospital. Call your doctor. You'll find out. Ask them what these cuts are really going to mean because, when you see somebody jump up and down, make all of these comments—KASICH, who says he is for a 6-year, 6-term, limit, is here in his 7 term, is telling us this is not going to hurt. I think the truth is clear, and people need to just reach out and touch, call their hospital, call their doctor, and ask them whether this is really going because it is."

In the final analysis, Mr. Chairman, the real concern for all of America has to be whether we are going to bankrupt ourselves as a country morally, if we are just going to allow seniors to fall by the wayside and not have the kind of care they are going to need.

Mr. KASICH. Mr. Chairman, I yield 3 minutes to the gentleman from Arizona [Mr. KOLBE].

Mr. KOLBE. Mr. Chairman, we are coming toward the close of this debate on general debate on the budget tonight, and I think it is time for us to just bring it back and do a little bit of focusing. We have had a lot of things said about various things. But I think a very clear, fundamental, philosophical difference has been demonstrated

here tonight, and what I hear over and over again is from the Democratic side of the aisle, that the tax dollars the people pay belong to the Government. They are the Government's. They are this Congress' to use, to decide how they should be dispensed, about how they should be disbursed, about how people should use, what services people get.

I think Republicans have a different philosophy. The tax dollars belong to the people.

I am reminded again of what I said earlier this evening, that guy down at the UPS office, at their distribution center, who said, "Please go back there and tell them it's my money they're spending," and I think that is something we need to keep in mind.

Mr. Chairman, we believe that the taxes belong to the people and that we should take only what is essential, only what is essential for the services that people must have, and we should leave the rest with Americans. Most of all, Mr. Chairman, we should leave them with a balanced budget because what we have been doing for a generation and more, for my generation and more, is we have been borrowing from our children and from our grandchildren. We have been borrowing from the future to pay for the kind of spending, the spending desires, that we have, but we are not willing to pay for today.

So, Mr. Chairman, we say, "Don't take the taxes of people, and don't spend from the next generation. Balance the budget." That, my colleagues, is what we have here tonight. At the end of 7 years we have a budget that will be zero in deficit, and we have not seen that for a long time, since 1969. That is a long time since we have had a balanced budget, and I think it is high time that this Congress got its act together and balanced that budget, not for us, but for the future generations, for the future generations who will have to bear this increasingly heavy burden because we cannot control our appetite for spending.

Yes, the principles of this budget are relatively simple, the details are very difficult, and I will acknowledge that, and I will acknowledge that we will have differences over where that ought to be, but we ought to be willing to agree that we should get to a balanced budget, and what we do not have here tonight is any proposal coming from the Democratic leadership that gets us to a balanced budget. We do not have any proposal from the President of the United States to get us to a balanced budget. Much as that quiz said, and he said at the beginning of his term of office that he would do, that he would have a plan for a 5-year balanced budget; we do not see it.

Mr. SABO. Mr. Chairman, I yield such time as he may consume to the gentleman from Kentucky [Mr. WARD].

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

Mr. WARD. Mr. Chairman, I rise in opposition to the budget resolution.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. ENGEL].

Mr. ENGEL. Mr. Chairman, just before the gentleman from Iowa [Mr. NUSSLE] spoke, and in 1991 he came here to the floor of the House with a bag on his head, and now he has showed he is a very good stand-up comic, but unfortunately the Republican plan is not very comical. In fact it is downright tragic, and the fact of the matter is that Medicare and Medicaid cuts count for nearly one-third of the savings in this bill. The bottom line is not how much money each State gets and the fact they might be an increase or a decrease. The bottom line is by the year 2002, Mr. Chairman, seniors in the United States will be getting less health care coverage and will be paying more in 2002. That is a fact. The fact of the matter is that any kind of increase does not make up for the fact that there will be more seniors in the program and does not make up for the rate of inflation.

So who is kidding who? A 25-percent cut in the Medicare Program by the year 2002 means to the seniors in America fewer benefits, much higher out-of-pocket costs for seniors and less choice of doctors, forcing seniors into HMO's.

Mr. Chairman, my mother who lives in south Florida is a good case in point, is petrified about having to be forced into an HMO. She lives off meager Social Security. There has been no pension since my dad died, and there have been millions and millions of senior citizens just like her, people who spent \$300 and more a month on prescription drugs and get no help from the Medicare Program. What are these people supposed to do by the year 2002? Choose between food or choose between staying alive with medication?

The fact of the matter is that we are reducing this program, and seniors will have worse health care in this country.

And Social Security? The Republicans are cutting Social Security by \$24 billion between 1999 and 2002 due to the cost of living changes.

So this is not very funny. This is life and death to most people.

□ 2045

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. LAZIO].

Mr. LAZIO of New York. Mr. Chairman, I almost feel like I need to apologize to my colleagues for being so emotional when I spoke earlier in the day, but I speak from the heart because I think this is very much about my children and children across my community and across America. I want Members to take a look, both Republicans and Democrats, at two of my children, Molly and Kelsey, one 3 and one is almost 2.

I know many Members on both sides of the aisle have children and grandchildren and may differ on the ultimate issue. But I so believe in this budget, this mission of getting to a balanced budget, that I reluctantly invoke

their name and introduce them to you. They are probably asleep right now while we are arguing about their future, but that is exactly what is at stake, whether we are going to make the tough calls to protect them and others across America like them.

I would like to quote Alan Greenspan, who has been appointed by both Republicans and Democrats and is respected by both sides of the aisle. The Federal Reserve Chairman said in testimony:

I think that under a balanced budget, productivity would accelerate, the inflation rate would be subdued, the general state of financial markets would be far more solid, and the underlying outlook would be generally improved for long-term economic growth. Real incomes would significantly improve, long-term interest rates would fall significantly, and most Americans would look forward to their children doing better than they.

What better moral message do we have for America than that we are going to give our kids the opportunity to do better than we are doing today.

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

Mr. SABO. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from the District of Columbia [Ms. NORTON].

Ms. NORTON. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, there are no fun and games in this budget for my constituents.

There is one sure way to understand the foolish, heartless, meat-ax document that passes for a budget resolution before us today. Folks who would begin by cutting their grandmothers' Medicare to fund tax cuts for the rich, would cut anyone, anytime, and anywhere.

Well, almost anyone. The Republicans have spared the rich, and they have spared defense. But they have sent a search and destroy mission out to get literally everyone else—especially the elderly and the poor—but also, most assuredly working people, middle-income families, students, kids, and Federal employees.

The Republican budget resolution reads like a Who's Who of the Most Needy and the Most Deserving. Take your pick. Does it make any sense in today's world to wipe out educational programs and summer jobs for disadvantaged children? How should African-Americans regard zeroing out Howard University, the flagship university of Black America? How can working Americans accept as champions Republicans who propose to completely eliminate additional unemployment benefits and training assistance to workers who lose their jobs—including the hundreds of thousands of NAFTA job-losers. And here's another of the many zeros in this budget—a zero for operating assistance for mass transit—hit the cities, suburbs and the environment at the same time.

Tell me what sense it makes to throw people off of welfare and at the same

time cut \$21 billion from Earned Income Tax Credit for working poor families? Who gains by freezing Head Start, making for a 26 percent loss? How many needy students will forego college because they have to pay \$5,000 in interest on their loans while still in school?

This sampling, courtesy of the GOP, is not a cruel joke. Nobody laughed on Monday at my Seniors' Legislative Day. The figures told the story. Hurt everybody, but hurt seniors the most. Intentionally? Not exactly. Just go where the money is.

There are only hard ways out of our untenable deficit. You can't fix Medicare and Medicaid simply by cutting them. You can fix them only by fixing the sick system of which they are a part. Otherwise the system will simply shift the costs to other Americans.

The shift that is going to hurt Americans most is the earthquake shift of necessary costs from the Federal Government to States and localities. Much that the budget resolution eliminates still has to be done. The Federal Government with the broadest tax base may still find relief. But, watch for inevitable sales and property tax increases for States and localities.

Call it what you want. A cut by any other name is still a cut. When you fund Medicare and school lunches at less than the cost of inflation, that is a cut. When you fund foster care and housing for the elderly at less than the rapidly growing number of eligibles, that is a cut.

The Republicans are in a runaway truck with a driver drunk on cuts at the wheel. We must do something before this budget crashes, leaving human debris in its wake.

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Chairman, we can be proud of this balanced budget effort. It takes us in the right direction. Last year the American people told us that the government is too big and it spends too much, and we have responded to that in this balanced budget document. Today, as we brought it forward, we heard a lot about tax cuts for the rich. The fact is that our capital gains tax cuts will give 70 percent of the benefits to families who make under \$50,000. The fact is our child tax credit will totally eliminate taxes for people who make \$25,000, and will cut by 48 percent the taxes that are paid by people making \$30,000. Those are the rich that we hear about from the other side. It is \$25,000 and \$30,000 a year families who they regard as rich. Our Medicare program actually increases every year under our plan.

But the real choice is this: If you are a 65 year old person that is retiring this year and you expect to live 10 more years, and you can certainly expect to do that, in the last 3 years under their plan you will have no Medicare, because it will be bankrupt. Under our plan it will continue to increase every year.

The great British statesman Benjamin Disraeli one time said that men and nations move from bondage to faith, from faith to courage, from courage to freedom, from freedom to abundance, from abundance to complacency, from complacency to dependency, and from dependency back to bondage.

Our opponents today advocated the status quo. Theirs is a prescription for complacency and dependency. Our prescription begins with faith, hope if you will, but it is plan that leads us to freedom and abundance. The question before the House tonight and the question before the House tomorrow is whether we will have the courage to go the route of faith, courage, freedom, and abundance, for the sake of this generation, and all future generations.

Mr. SABO. Mr. Chairman, I yield 2 minutes to my friend, the gentleman from Virginia [Mr. PAYNE].

Mr. PAYNE of Virginia. Mr. Chairman, I support a balanced budget, and I support balancing the budget by the year 2002. The deficit has sapped this Nation's productive capacity, hindered job growth, and mortgaged our future.

The Republican resolution gets us to a balanced budget by 2002, but it takes a sharp detour on the long and difficult road to get there. That detour comes in the form of a 7-year \$285 billion tax cut.

It is a tax cut that most Americans don't want, and that most economists don't think we need. It must be financed by deep spending reduction in programs that promote growth and serve the most vulnerable citizens among us.

Fortunately, we will have a choice tomorrow. A budget put forth by the Democratic Coalition, which I support, is direct. There are no detours and no backloaded spending cuts. It is a budget that contains plenty of tough choices and deep reductions in spending.

But it does not provide for any ill-conceived tax cuts. And because it doesn't, it is vastly different from the Republican budget.

Because there are no tax cuts, the Coalition's budget spends \$112 billion more for Medicare than does the Republican budget; \$6 billion more for Head Start, job training, and other education programs' \$6 billion more for Community Development Block Grants, the Economic Development Administration, and other programs that promote economic growth and good jobs in our rural communities; and \$11 billion more for child health care and immunization, rural health care, and research funding at NIH.

The Coalition's budget also preserves the Guaranteed Student Loan Program in its present form, which assures that thousands of young Americans will realize the dream of a college education.

And because the Coalition's budget doesn't take us down the road of immediate tax cuts, it not only balances the budget, but it also projects a total national debt that is \$160 billion lower

than under the Republican budget in the year 2002.

The choice is clear. For a budget that is balanced more fairly, with greater investment in education and good jobs for a better future for this country, I urge my colleagues—Democratic and Republicans—to vote for the Coalition Substitute and against the Republican budget.

The CHAIRMAN. The time remaining is 3¼ minutes for the gentleman from Minnesota [Mr. SABO], and 6½ minutes for the gentleman from Ohio [Mr. KASICH]. The gentleman from Ohio [Mr. KASICH] has the right to close the general debate.

Mr. KASICH. Mr. Chairman, I yield 3 minutes to the gentleman from Connecticut [Mr. SHAYS].

Mr. SHAYS. Mr. Chairman, this is not fun and games, this is very serious business, and for any of us, on both sides of the aisle, we know that and do not need to be reminded of it. We are talking about saving this country, and we have different alternatives for doing that.

Mr. Chairman, I just hope we do not waste this opportunity. As I said in the beginning, I have waited 20 years for the opportunity to help this country get its financial house in order. This is our moment, and this is the moment we have to seize. We need to get our financial house in order for our children and our children's children. We need to slow the growth in spending.

Now, when we talk about Medicare, because it has come up continually and we continually hear Members talk about cuts in Medicare, the previous Member who spoke, the gentlewoman from the District of Columbia, talked about cuts in Medicare. And yet in our plan it goes up 45 percent in the next 7 years.

The gentleman before that from New York talked about cuts in Medicare, and yet it goes up 35 percent. The per beneficiary costs are going to go from \$5,312 to \$7,000. We are taking into consideration the increase in beneficiaries and we are providing more money.

In general, our plan goes from \$178 to \$259 billion. I keep saying it, because anywhere else this is an increase, but in Washington, among some on that side, it is a cut.

When we talk about what we are spending in Medicare, in the last 7 years we spent \$925 billion. In the next 7 years we are going to spend \$1.6 trillion on Medicare. In this city an increase in spending is called a cut. Only here.

The per beneficiary expenditure for all beneficiaries is going to go up from \$48,000 to \$63,000 per beneficiary. We are taking into consideration beneficiaries. Yes, it is not going to go up 10 percent, it is going to go up 5 percent. The reason it is going to go up 5 percent is the fund is projected to be exhausted in the year 2001 if it goes up 10 percent. If it goes up at 10 percent, it is exhausted, and if it is exhausted, we run out of money. If we run out of money, we can-

not pay beneficiaries. In our plan CBO points out in the year 2002, 2003, and 2004, we provide more money for beneficiaries in Medicare than letting the plan go bankrupt. That is obvious, if it goes bankrupt. We want to change that.

The bottom line to this debate is we believe that Medicare recipients deserve choice. We believe they deserve the opportunity to have the same kind of plans their children and their children's children have. We believe if they want to join a plan that gives them a \$1,000 rebate, who should they not be able to join that kind of plan? If they are given a plan that allows them to be part of an HMO and save money, why should they not be allowed? Under our present system, we do not allow it. If we think spending is going to go up at 10 percent, then you can say it is a cut. We know it is going to go up 5.

Mr. SABO. Mr. Chairman, I yield 1¾ minutes to the distinguished gentleman from California [Mr. TUCKER].

Mr. TUCKER. Mr. Chairman, the House Republican budget promises to balance the Federal budget by the year 2002. They say that this is the will of the American people. But at what cost must we do this and on whose backs? Mr. Chairman, I ask, is the Republican approach consistent with the will of the American people?

The House Republican budget promises to cut Medicare funding by \$283 billion, education funding by \$18.7 billion, and reduce the Social Security COLA in 1999 by 0.6 percent, so that they can balance the Federal budget and provide a huge tax cut to the rich. The Republicans' logic, they say, is that a huge tax break for the wealthiest Americans will be good for the country and allow savings to invariably trickle down to the rest of the Americans who live in the real world.

Now, where have we heard that one before? That is what got us into this budgetary imbalance in the first place. Well, thank God for the common sense of the American people. Thank God that they are not penny-wise and pound-foolish.

The Washington Post this week reported that 60 percent of the American people find that the Republican budget is objectionable, and 85 percent of Americans find that they are opposed to cuts in Medicare.

Mr. Chairman, I must say that the Republicans on November 8 thought that they had a mandate, but the American people have clarified that mandate. Hands off Medicare, Social Security, and education. Balance the budget, yes; but not on the backs of the least among us. I urge my colleagues to respond to the will of the American people and vote "no" on this budgetary boondoggle.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. SABO] for the balance of his time, 1½ minutes.

Mr. SABO. Let me thank the Chair for his excellent job in presiding today.

Mr. Chairman, I yield 1½ minutes to the gentlewoman from California [Ms. PELOSI].

Ms. PELOSI. Mr. Chairman, I thank the ranking member of the Committee on the Budget for yielding and for his leadership in representing the values of our great country on the Committee on the Budget.

Mr. Chairman, why are we cutting Medicare benefits in order to give a tax break to corporations and to the wealthiest Americans? Three and a half million senior citizens on Medicare in California want to know. One of them is Enola Maxwell, my constituent. Enola Maxwell is 75 years old. She has worked for 20 years as the executive director of the Potrero Hill Neighborhood House, serving the needs of senior citizens, inner-city youth, and providing job training for adults.

Enola wants to know, because recently she had a heart attack, and she said when you get older and this horrible thing happens to you, like a heart attack, you realize what a wonderful benefit Medicare is.

□ 2100

Medicare paid for Enola's convalescent care. Enola asks, why do the Republicans want to break their promise to millions of seniors like her. Why indeed? They have to do that, they have to do that in order to make the \$300 billion off of seniors in order to pay for their \$300 billion tax break for the wealthiest Americans; 37 million senior citizens will lose \$900 a year in order to provide a \$20,000 tax break for Americans in the highest bracket.

This simply is not fair. The winners in this deal are the corporations and the wealthiest Americans. The losers are the senior citizens. Vote no on the Republican budget.

Mr. KASICH. Mr. Chairman, I yield myself the balance of my time.

The CHAIRMAN. The gentleman from Ohio [Mr. KASICH] is recognized for 3½ minutes.

Mr. KASICH. Mr. Chairman, I yield to the gentleman from Connecticut [Mr. SHAYS].

Mr. SHAYS. Mr. Chairman, I know the gracious gentlewoman from California talked about cutting spending in California. I would just like to point out to her, they get \$21 billion now and they will get \$31 billion under the Republican plan in the next seven years. That is a 46 percent increase in Medicare. The per beneficiary goes up from \$5,800 to \$7,688. Only in Washington is an increase like this called a cut.

Mr. KASICH. Mr. Chairman, we come to the end of the debate tonight. I have to tell Members that we have been receiving phone calls from people trying to tell us how we can argue against those that have argued for the status quo. We hear you, America. We know you want us to do it.

The Committee on the Budget traveled across this great country. And do you know what people said? "Just do

it." Just like that athletic commercial, just do it. And if you will do it, we will reward you.

I know it has been said that as we traveled around the country that people said, well, we do not need the tax cuts; we need to balance the budget first. A lot of people in the press say, We gotcha, that is what they told you.

No, that is not what they told us. What they told us was, we want to put America first. And if we have to give something up, including some tax relief from this big Government of ours, we are willing to do it. But the great news is, America, we can do both. Just like we told you we would, we can do both.

We can preserve, we can protect, we can improve, we can save Medicare from bankruptcy. We can slow the growth of entitlement programs and design much better programs for trillions of dollars of increase. We are going to get rid of needless bureaucracy.

I want to tell you why I keep going back to this lady in Chicago that I saw one day. I bought a hot dog, and they have got great hot dogs in Chicago. I am watching this lady clean the tables. And I bet she got up very, very early to go to work to make a little extra money for her family. And when we take money from that lady, when we take money from any of the working people of this country, it better be for the real thing. And what we are about doing is reinventing Government, downsizing the Federal Government, giving control and power and influence back to people where they live because they feel now and they know now they can do better than turning to the bureaucrat in Washington to solve their problems.

So tonight we are going to go home. We are going to think about this debate, the majority, the minority. We have had on our side two tremendous speakers from the Democrat party, the gentleman from Mississippi, Mr. PARKER, and the gentleman from Texas, Mr. PETE GEREN. Mr. PETE GEREN was as animated as I have ever seen him about the joy that he is experiencing about the fact that we are about to change history.

Tonight when we go to bed, forget about being Republicans and Democrats, think about making history, think about saving the future, think about the next generation and we will do the right thing.

Mr. BEREUTER. Mr. Chairman, this Member would like to express his support for the House Budget Committee-approved budget proposal. Congress must act now to adopt a plan to balance our Federal budget. If a balanced budget is not adopted, and current policy is maintained, our Nation's children will be left with a country that is fiscally bankrupt. A balanced budget will ensure that the next generation will inherit a future that is full of opportunity.

This Member shares the goals of the budget committee to eliminate the budget deficit by the year 2002. The budget proposal offers a

road map to achieve this goal by providing illustrative savings recommendations to the Appropriations Committee and the various authorizing committees, demonstrating that the budget can be balanced. While this Member notes that these recommendations included in the budget proposal are nonbinding, the overall spending allocations are in fact real funding levels which must be adhered to by the Appropriations Committee.

This budget proposal offers a common sense approach that allows spending to continue to grow, yet at a slower rate. In fact, Federal spending grows about 3 percent annually under this budget proposal, rising from \$1.588 trillion in fiscal year 1996 to \$1.817 trillion in fiscal year 2002.

In addition, this Member would like to commend the House Budget Committee for recommending the termination of many wasteful Federal programs. However, this Member would like to state his concern regarding several of the programs suggested for termination or reduction. These suggestions should be reconsidered during the deliberations that will take place between now and the start of the new fiscal year. This Member's concerns with the recommendation of the House Budget Committee are as follows:

Sharp reductions in agricultural commodity support programs;

Sharp reductions in export promotion, credit and insurance programs. During the GATT subsidy phase-down period, this amounts to something close to a unilateral disarmament for our export base;

Elimination of such programs as the community development block grant, HOME, and the Indian Housing Loan Guarantee Program;

The elimination of several rural health programs;

Deep reductions in vocational education programs;

Termination of State student incentive grants;

Sale of the Western Area Power Administration;

Elimination of section 2 and section 3(b) impact aid programs;

Complete phase-out of Corporation for Public Broadcasting;

Total phasing out of the entire Amtrak operating budget.

In linking these concerns I would emphasize that alternative reductions in other programs and agencies would be supported by this Member to meet the budget targets. Having listed these objectives or concerns to the illustrative or suggested House Budget Committee recommendations, this Member is pleased to note that the rule contains clarifying language regarding reductions in agriculture programs. Included is a commitment to reexamine agricultural policy in 1999 and 2000 if there are certain negative consequences as a result of these reductions.

Mr. Chairman, the House Budget Committee proposal departs from the failed status quo: It offers bold leadership for a balanced budget by the year 2002. This proposal is an important step in the effort to secure a bright and prosperous future for our Nation's children.

Mr. SERRANO. Mr. Chairman, I rise in strong opposition to House Concurrent Resolution 67, the Republican leadership budget resolution for fiscal year 1996.

I believe the Members of this House are unanimous in agreeing that we must bring the

Federal deficit under control. While there are differences over whether the budget must be in absolute balance or whether deficits, and surpluses, have a role in stabilizing the economy, getting the deficit down is a universal goal. We must reduce the amount of debt we leave to our children.

But there are legitimate questions about how fast to go, how steep a glideslope is fair or wise. The Rules Committee's requirement that all amendments produce a balanced budget by fiscal year 2002 limits the proposals this House may consider to those that slam the brakes on Federal spending. The result will be economic whiplash. The Republicans' budget, which must cut Federal spending deeply enough to finance tax cuts for corporations and the wealthy, would aggravate the whiplash; balancing the budget in 5 years as in the Solomon-Neumann substitute, would break the neck.

The most basic function of a compassionate society—of all its institutions, from its churches and charities to its national government—is to protect and nurture the most vulnerable of its people. It is unconscionable to force a balanced budget when it causes so much pain to so many in our population.

The only alternative to the Republicans' budget that is the slightest bit compassionate is the budget for the caring majority, to be offered by Mr. PAYNE and Mr. OWENS, but even that had to be developed within the artificial restraint of balancing the budget by fiscal year 2002.

Mr. Chairman, the priorities in the Republicans' budget are as wrong-headed as the rest of their program this year.

We have talked about many of their misplaced priorities during House consideration of the Contract With America, when the House passed their bills to slash the social safety net, especially for our children, to disarm our crime-fighters, to turn environmental policy over to the polluters, and to give tax cuts to corporations and the wealthy, among other things.

Then came the House-passed rescissions bill, cutting funds for training and employment, especially summer jobs for youth; for home energy assistance for the elderly and the poor; for disease prevention; for a whole range of education programs; and for basic housing assistance.

The Republicans' budget assumes all these cuts and changes and goes after the elderly as well. There would be cuts in Medicare spending that will require higher deductibles and copayments, less care, less choice of doctors. Medicaid would be a non-entitlement block grant, threatening both the programs that help keep the elderly and disabled in their own homes and the support that provides for their long-term care without impoverishing their entire families. And in a few years, the Republicans assume the Consumer Price Index will be adjusted, which will cut Social Security COLA's and increase indexed taxes.

There is a basic disconnect in the thinking behind the Republicans' budget. We must, they say, balance the budget to ensure our children's future. But what sort of future will they have if we cut spending for maternal and child health; freeze Head Start; cut day care; kill reforms and withdraw resources from elementary and secondary education—especially from disadvantaged and immigrant children; end Federal funding of libraries—the most

basic unit of do-it-yourself, by-your-bootstraps self-improvement; make higher education more expensive if not put it entirely out of reach; shrink job-training programs? What kind of a future is this for our children?

Mr. Chairman, we have had hours of debate on this budget resolution and I think the issues are clear. I wish the arguments from our side would lead the Republicans to support a more compassionate Federal budget, but I know the votes aren't with us. But I urge my colleagues to think very hard about what this budget means. I will certainly oppose it and hope many of my colleagues will do the same.

Mr. PORTER. Mr. Chairman, today we are voting on one thing, a number that represents total outlays for fiscal year 1996. While the budget resolution in front of us is 79 pages long and charts a fiscal course for 7 years, the only binding element is the 602(a) number for next fiscal year.

The time for action on reducing our nation's deficit is now, and I commend our Budget Chairman and my friend, JOHN KASICH, for his leadership in producing a budget resolution that sets us on a glide path to a balanced budget by 2002. Without question, the deficit problem has reached crisis stage, and I believe that overall, Mr. KASICH's number is a realistic one which will impose the painful but not unbearable fiscal restraint we need if we are ever to regain a measure of control over our economic destiny.

However, there is a good deal behind the number that I do not agree with or support.

I do not agree with the tax cut passed by the House and assumed in this budget resolution. This tax cut will make it \$354 billion harder to reach our goal of balancing the budget and simply comes at the wrong time. While I agree with some carefully targeted tax relief for business which will help the economy grow and provide necessary jobs such as reductions in capital gains, enacting a sweeping package of tax cuts such as this has the potential of overstimulating the economy and risking even higher interest rates. The Dominici budget resolution shows us how much more difficult the tax cuts make balancing the budget. Senator DOMINICI's plan, which does not assume tax cuts, not only balances the budget in 7 years but saves \$200 billion in outlays which could be put toward a tax cut after the budget is balanced.

I believe that biomedical research must be one of Congress's highest priorities in allocating scarce federal funding. Federally supported biomedical research creates high-skill jobs, helps retain our country's worldwide leadership in biomedical research, and supports the biotechnology industry which generates economic growth and a positive balance of trade for our country.

In this respect, it is an investment that is quintessentially, Republican.

Research provides great hope for effectively treating, curing and eventually preventing disease and thereby saving our country billions of dollars in annual health care costs. The development of the polio vaccine alone, one of thousands of discoveries supported by NIH funding—in terms of health care savings—has more than paid for our country's five decades of investment in Federal biomedical research. For these reasons, the cuts for NIH designated in the budget package are, to me, extremely ill-advised.

Defense spending, in my opinion, is not sufficiently sharing in the burden of reducing our

Federal deficit. While I believe that providing for our national defense and strengthening our troop readiness is essential, increasing the budget authority by \$120 billion and the budget outlays by \$75 billion cannot be justified in these times of fiscal restraint. We need to rid our defense budget of cold war relics which are no longer militarily relevant, such as the *Seawolf* submarine, and focus on meritorious defense initiatives that will provide for troop readiness and add to the quality of life for our military.

In addition, America's ability to influence the world and provide necessary leadership is at its zenith, and further cutting foreign assistance at this stage is the wrong answer. We have already reduced foreign assistance by one-third over the last 5 years. Further reductions in this area, which is less than 1 percent of our total budget, will undermine our leadership for American values of democracy, human rights and free market economies at the exact time when their advancement is most possible.

I think it would be particularly shortsighted for Congress to eliminate the Board for International Broadcasting and the Voice of America. These two agencies are among the best vehicles for enhancing our values worldwide. Radio Free Asia, a part of the BIB, sends a message of freedom and truth to people in repressive societies and helps these nations transition into free market democracies.

Finally, I support the elimination of departments' agencies, and programs that will assist the Government in becoming more efficient, however, I do not want to do so simply as a symbol. There should be real savings and efficiencies generated in this process.

While my differences with the resolution details are substantial, I think that JOHN KASICH and the Budget Committee deserve credit for having the courage to put us on track to getting our economic house in order.

Mr. KANJORSKI. Mr. Chairman, I rise today to express my strong opposition to the budget resolution before the Congress today. This is no time to be providing tax cuts to wealthy individuals and corporations while hurting the elderly, the children, and the working families of America.

We have heard for so long now the rhetoric of the Republican majority promote the false notion that their mission to dismantle the Federal Government is based on a mandate of the American people. My constituents, however, do not want to dismantle the Federal Government—they want smaller government that works better and is more efficient. The American people want wasteful functions and programs eliminated, they want programs that work to be left alone, and they want fairness and equity in the allocation of limited Federal resources.

The former Democratic majority had been working to meet this mandate for at least the 4 years prior to last November's elections. It passed historic deficit reduction legislation in 1990 and 1993 that set a course for a stable budget and massive deficit reduction. In 1990, the Democratic majority broke the partisan logjam that prevented unified deficit reduction action on the part of a Democratic Congress and Republican President. In 1993, despite not one Republican vote, the Democratic majority passed legislation that has brought our deficit down to its lowest level as a percent of the economy since 1979.

These successes, however, were understandably not enough for a public weary of politicians and the status quo. The American people said in last year's elections they want change faster than Democrats provided. It is my belief, therefore, that the new Republican majority had a tremendous opportunity to help enact much important and needed change.

Mr. Chairman, it now appears that such an opportunity is lost. It is lost because the Republican Majority not only targeted the wrong people and programs in their budget, but because the party is mired in an ideology that promotes getting rid of critical Federal programs and which demands tax cuts for the wealthy. This ideology is driving the Republican budget decisions to cut Medicare and Medicaid for the elderly, cut education for our children, cut job training for our workers, cut economic development for needy communities, and provide new tax loopholes to multinational corporations and individual millionaires and billionaires.

In this budget resolution, Republicans have chosen to target middle-class America without at least also targeting the hundreds of billions of dollars lost to this country from corporate welfare and tax loopholes which benefit the wealthy. Both liberal and conservative interest groups have recently put forth detailed and comprehensive studies of corporate welfare that should be eliminated. But most proposals have been completely ignored by this budget resolution.

Tax loopholes and corporate welfare are not the only things left untouched. The resolution also leaves in place wasteful defense spending and international programs like the National Endowment for Democracy that have clearly outlived their usefulness in the post-cold war era.

The Republican majority is saying in this budget it wants a balanced budget by the year 2002 and provide tax cuts to the wealthy, to fulfill a campaign promise no matter what the cost. Republicans claim that they are not cutting Medicare and Medicaid, but they are saving a total of \$475 billion in the two programs over 7 years. That amount of money can be saved only through program cuts. It is just that kind of doublespeak that has fostered the high level of cynicism and distrust of our Government.

The cost of this budget resolution is certainly tremendous. Cuts in Medicare and Medicaid could increase out-of-pocket costs to the elderly by as much as \$1,000 per year. Business would be forced to cut health insurance to workers because of higher premiums from cost-shifting by medical care providers. More working families will be forced to drop health insurance altogether.

For hospitals who have a disproportionate amount of Medicare and Medicaid patients, many will be forced to close. In my district, there are a number of hospitals where the percentage of patients served by Medicare and Medicaid exceeds 60 percent. A full 61 percent of Palmerton Hospital patients, 69 percent of patients at Mercy Hospital in Nanticoke, and a staggering 84 percent of Shamokin Area Community Hospital patients are served by these programs. I do not think it is realistic to believe we can impose a 25 percent cut on these hospitals and have them still remain viable.

Many hospitals will be forced to shift costs to persons who have insurance because of

these cuts. As a result, more small businesses will be forced to cut, or eliminate insurance altogether for employees. More and more working families will be forced to choose between buying insurance and paying rent. I already have more than 53,000 persons in my district without health insurance coverage. How many more of my constituents will lose health care coverage because of short-sighted Federal policies and inaction on health care reform?

Sadly, even with the largest budget cuts coming in the Medicare Program under the Republican plan we do not even know in what direction they want to take the program. Under normal budget processes, it would be the job of the Committee on Ways and Means to decide precisely how to make the necessary changes to the program to achieve savings. Yet the Republican leadership is trying to pass legislation that would require someone else to do their dirty work. They are trying to pass the buck to a group of unelected Medicare Trustees who never, until this Republican Congress, was thought to have the responsibility to make decisions on preserving the solvency of the Medicare trust fund.

In another critically important budget area, Republicans are proposing to eliminate most of the meager amounts this country spends directly on economic development. The budget proposes to eliminate two agencies that play a critical role in economic development—the Economic Development Administration [EDA] and the Appalachian Regional Commission [ARC]. We spend less on these two agencies combined than we do on one B-2 bomber.

What have these two agencies done recently for northeastern Pennsylvania? The EDA has provided money to help build new buildings in Nanticoke, Wilkes-Barre, and Hazleton, that serve as essential anchors for economic development and revival in these struggling towns. Substantial EDA assistance is in the pipeline for expansion of an industrial park in Luzerne County.

The EDA and the ARC help northeastern Pennsylvania and other regions of the country that are struggling to attract scarce private economic development assistance. Without this type of public assistance, smaller areas will either have to raise money themselves, which many cannot, or seek assistance from States, where budgets are already stretched thin. If we eliminate the EDA and the ARC, along with cutting community development block grants and local housing assistance, small economic markets will be at an even greater disadvantage tomorrow than they are today.

Instead of saving economic development funds from cuts, Republicans provide more tax cuts and loopholes to the wealthy. Billions of dollars in new tax writeoffs are being offered to rich corporations. People making more than \$100,000 a year are being provided the opportunity to invest in tax-free retirement accounts and receive massive tax reductions on capital gains from the sale of stocks and bonds. In all, the wealthiest Americans will receive a tax break of \$20,000 under the Republican tax proposals, while the average tax break for middle-income families will be only \$555.

Mr. Chairman, that meager \$555 will be offset by higher health insurance premiums resulting from Medicare cuts, higher nursing

home costs resulting from Medicaid cuts, and higher property taxes resulting from cuts in education and economic development. Middle-income families are going to be net losers under this Republican budget resolution.

Mr. Chairman, this budget resolution is bad, plain and simple. I would urge the Republican majority to go back to the drawing board, forget campaign promises and tax cuts for the wealthy, and try and work with the President and Democratic minority to fashion a good deficit reduction budget resolution. I am confident that working together we can accomplish much more than we can working apart. We must forget partisan politics and get down to the business of doing what is best for our country.

Mr. COYNE. Mr. Chairman, I rise today in strong opposition to the House Republican Budget proposal that will cut Medicare by \$288 billion over 7 years while giving \$353 billion in tax breaks to America's wealthy.

The Republican proposed Medicare cuts will cost the average senior citizen in Pennsylvania \$1034 in higher out-of-pocket costs when these cuts are fully implemented. The total cost to Pennsylvania seniors will be \$3,570 over the next seven years. Low-income seniors struggling to pay the rent and put food on the table will be devastated by these increased costs.

Hitting seniors in Pennsylvania and across America with these huge increases in Medicare out-of-pocket expenses is simply mean-spirited. House Republicans are proposing Medicare cuts that are three times the size of any Medicare spending reduction ever before approved by Congress. These unjustified Medicare cuts far exceed what is needed to ensure the solvency of the Medicare hospital trust fund. Instead, House Republicans are driven to slash Medicare spending so that they can pay for \$353 billion in tax cuts.

Millions of seniors will pay over \$1000 in new out-of-pocket Medicare expenses while 1.1 million of America's wealthiest individuals will receive a \$20,000 tax break. The average income of a senior receiving Medicare is roughly \$17,000. By contrast, upper income Americans receiving this \$20,000 tax break have an average income of \$350,000. Republicans may cry that Democrats are engaging in class warfare by pointing out these facts but Americans need to know the truth about the Republican's misplaced priorities. It is the House Republicans in their budget plan that have chosen to wage warfare on America's seniors.

Raiding Medicare to pay for the Republican's Contract with America tax cut is an outrage. These unprecedented cuts in Medicare will threaten the quality of health care received by both seniors and working families as hospitals are forced to layoff health care providers and close facilities. These Medicare cuts will fall especially hard on the hospitals in the Pittsburgh area since this region ranks behind only Miami in having the largest percentage of seniors compared to the general population. Pittsburgh-area hospitals depended on Medicare to pay the medical bills for over 37 percent receiving in-patient care.

Mr. Chairman, America's contract to provide Social Security and Medicare to seniors and future retirees is far more important than any

political contract used by Republicans during the last election. This is not what Americans voted for last November. Medicare was established by Democrats in the 1960's as a trust fund and not a slush fund. The House must reject this mean-spirited attack on the health benefits of America's seniors.

Mr. DIAZ-BALART. Mr. Chairman, I rise in support of the Kasich budget resolution and would like to applaud Chairman KASICH for his tremendous efforts and the work of his committee in developing the Republican budget resolution for fiscal year 1996. I applaud the chairman for his efforts in the arduous task of balancing the Federal budget by 2002. We all have a difficult road ahead of us in attacking the enormous Federal deficit, and although I have some differences in how I would achieve this deficit reduction, I certainly agree that we need to be fiscally responsible.

For the RECORD, I would like to submit the attached editorial which appeared in the Tuesday, May 16 Miami Herald. I call your attention to the lessons learned in Latin America, where inflation tamers in countries such as Argentina, Brazil, and Peru continue to win election or reelection. These leaders took steps to avoid impending national bankruptcy. A steadily increasing Federal debt in the United States would not only be destructive, the destruction that it would cause would be our responsibility if we do not act now. The sacrifice that will be required now is minimal when we compare it with what would be required later if we do not act.

We are not talking about the actual cut-backs in the size of the public sector and the recessionary increases in taxes that Latin American-style shock therapies after meltdowns have entailed.

If we act now, we need only reduce the rate of growth of the Federal Government. We are at a fork in the road of our national destiny. If we embark upon the road sought by those who want to maintain the status quo, if we adopt the position of the ostrich and continue to hide our head in the sand, as the administration has done by not submitting a budget that is balanced at any time in the future, we will be doing an extraordinary disservice to our children and to their children.

Again, thank you, Mr. Chairman, and I urge a "yea" vote on the Kasich budget resolution.

[From the Miami Herald, May 16, 1995]

INFLATION-BUSTER WINS AGAIN

It used to be said of French voters that they kept their hearts on the left and their wallets on the right. The seesawing between heart and wallet tended to have a predictable outcome at election time: enough change to keep the romantic passion alive, but with the bottom line always firmly in control.

Argentine President Carlos Saul Menem's solid victory in Sunday's presidential elections confirms a significant Latin American variation on the French theme: Argentines' fearsome memories of inflation overrode their other concerns, including some traditional emotional hot-buttons. A late surge by challenger Jose Octavio Bordón not only failed to force a runoff, but actually shriveled as the election hour neared.

Throughout the hemisphere, it seems, inflation tamers keep winning elections and

re-elections. It's a remarkable departure from common wisdom, which until recently maintained that the extreme fiscal severity of anti-inflation "shock therapy" would induce a backlash of desperate social protest.

That assumption was wrong. Once severe fiscal measure are implemented, Latin Americans have endured their high, recessionary price-tag with remarkable fortitude.

Nowhere was this clearer than in Brazil's presidential election last year, where former finance minister Fernando Henrique Cardoso saw his poll ratings soar in proportion to the success of his anti-inflation *Plan Real*. His charismatic leftist rival could only watch in impotence as a once-handsome lead slipped away.

Inflation-taming has been so strongly endorsed by Latin American voters that it has even conferred a thick Teflon coating on the neo-liberals of the hard-money school. Both Peru's Alberto Fujimori and Mr. Menem have emerged relatively unscathed from embarrassing political accusations, largely because of their economic successes.

But post-inflation presidents are sure to face tougher terms. Having rewarded stability and fiscal discipline for a long, difficult spell, Latin American voters will soon take up once again their long-deferred hopes of growth, better income distribution, and honest government. The inflation-fighters' success thus far makes those hopes seem more realistic than before. Before long, though, it will become clear that politicians can keep voters hearts only by thickening their wallets.

The CHAIRMAN. All time for general debate has expired.

Mr. KOLBE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. FOX of Pennsylvania), having assumed the chair, Mr. SENSENBRENNER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution (H. Con. Res. 67) setting forth the congressional budget for the U.S. Government for the fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002, had come to no resolution thereon.

(Mr. SABO asked and was given permission to proceed out of order for 1 minute.)

LEGISLATIVE PROGRAM

Mr. SABO. Mr. Speaker, I have asked unanimous consent to proceed out of order for a minute so I might inquire about plans for tomorrow.

I yield to the gentleman from Ohio [Mr. KASICH].

Mr. KASICH. Mr. Speaker, I would say to the gentleman from Minnesota, I have been here for 13 years. I have always wanted to stand here and explain what the next day's schedule is, but I do not quite know what it is. We come in at 9 a.m.

Mr. SABO. Mr. Speaker, I yield to the gentleman from Arizona [Mr. KOLBE].

Mr. KOLBE. Mr. Speaker, it is the first time that the chairman of the Committee on the Budget has not had an answer.

I believe we come in at 9 a.m. We do recess immediately after morning business there for the former Members.

And then we will resume, I presume, around 10 a.m. And we will go immediately to the three amendments, the Gephardt amendment is first, followed by the Neumann-Solomon amendment, the Black Caucus amendment. And if, of course, the president's budget with a zero deficit is printed in the Congressional Record, it would be made in order as a fourth amendment.

Mr. SABO. So the Black Caucus is the last amendment; Solomon is second?

Mr. KOLBE. Mr. Speaker, if the gentleman will continue to yield, that is correct. And we do expect a journal vote tomorrow.

Mr. SABO. At 9 a.m.

Mr. KOLBE. At 9 a.m., 10 a.m. The journal vote at around 10 a.m.

Mr. SABO. As it relates to the Solomon amendment, do I get the half hour in opposition to the Solomon amendment?

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

Mr. SABO. I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Speaker, someone does.

Mr. SABO. Someone does.

Mr. SOLOMON. It probably will be the gentleman, Mr. Speaker.

GENERAL LEAVE

Mr. KOLBE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks on the concurrent budget resolution for fiscal year 1996, and to insert extraneous material thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

REPORT ON RESOLUTION WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 1158, EMERGENCY SUPPLEMENTAL APPROPRIATIONS FOR DISASTER ASSISTANCE AND RESCISSIONS, FISCAL YEAR 1995

Mr. SOLOMON, from the Committee on Rules, submitted a privileged report (Rept. No. 104-126) on the resolution (H. Res. 151) waiving points of order against the conference report to accompany the bill (H.R. 1158) making emergency supplemental appropriations for additional disaster assistance and making rescissions for the fiscal year ending September 30, 1995, and for other purposes, which was referred to the House Calendar and ordered to be printed.

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. FOX of Pennsylvania). Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Ms. ROS-LEHTINEN] is recognized for 5 minutes.

[Ms. ROS-LEHTINEN addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

CRIME AND PROPOSED BUDGET CUTS

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

Mr. STUPAK. Mr. Speaker, when U.S. Marshal Robert Forsyth of Augusta, GA was shot and killed in January 1794 while trying to serve court papers, he became the first peace officer in the United States to die in the line of duty. Since then about 13,500 police officers from all types of law enforcement fields have fallen in the line of duty.

My district in northern Michigan has been hard hit by the all-too-common tragedy of police officer slaying. In the Upper Peninsula, which has about 3 percent of Michigan's population, 18 police officers have died since the 1920's. In 1962, President Kennedy proclaimed that for 1 week in the month of May Americans would commemorate National Police Week. National Police Week honors the service related deaths of law enforcement officers.

As a former state trooper, as an Escanaba City police officer, this week has special meaning for me. And as a former police officer and now as a legislator, I am particularly concerned about recent Republican efforts to weaken legislation designed to reduce crime in America.

In 1994, Congress passed the toughest crime bill in this Nation's history. The President's crime bill has several very important elements designed to fight crime on our streets. Most importantly, the crime bill directs that additional police officers be put on the streets to fight crime, because there is no better crime fighting tool than police officers proactively patrolling our neighborhoods.

The President's plan to put 100,000 more police on America's streets represents the Federal Government's largest commitment ever to local law enforcement.

The President's COPS program is already working. Half of the Nation's law enforcement agencies from jurisdictions of all sizes throughout this country have already received grants to add 17,000 additional police officers. Unfortunately, the new Republican majority wants to turn back the clock by gutting the most effective element of last year's crime bill, the COPS program.

Not only do they want to scrap the President's plan to put 100,000 more police officers on the street, but they also intend to delete every single prevention program.

Additionally, the Republican budget measure that we debated here today