

We are talking about dignity of workers. We are talking about safety in the workplace. We are talking about a history in America of danger in the workplace that we do not want to see repeated again.

The fact is since OSHA was created in 1970, we have seen deaths on the job in America cut in half. In factories deaths on the job have been cut by more than half. In construction, deaths have been cut by 60 percent. Can OSHA be improved? Yes, it can. But for those who address this issue in terms of terminating the Federal responsibility and the Federal authority to help protect workers and their families in the workplace, I would say they are really going in the wrong direction.

I hope that the special order this evening, the stories that you have heard and I guess the information that we have shared with you, will help people to understand that the debate which goes on on the floor of this House of Representatives each day is a relevant and important debate to every working family in America. We hope that those on the Republican side of the aisle who take an extreme position of doing away with this Federal responsibility will stop and think twice about the legacy of pain and the legacy of death which we have seen in America's workplace, certainly something we never want to see repeated again.

BALANCING THE BUDGET

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Connecticut [Mr. SHAYS] is recognized for 60 minutes as the designee of the majority leader.

Mr. SHAYS. I thank the Speaker for giving me the opportunity to speak at this special order and to thank him for his willingness to stay. I know the hour is certainly a little late in the east part of the country.

My purpose for speaking tonight is to talk about really a monumental event that is taking place this week when the House of Representatives and hopefully the Senate will also be voting for the first time in 24 years to get our financial house in order and balance our Federal budget deficits.

There is a revolution taking place in this country, and I do not think people fully grasp it. With the Contract With America, I remember during the course of the campaign I would have editorial boards ask me how could I have signed this Contract With America. And I responded by asking a question. I said what do you think of the majority party's Contract With America, the 8 things they are going to do on the opening day of the session, the 10 things they are going to do in the first 100 days? And there was silence, because the majority party did not have a plan in the opening day or it did not know what it wanted to do in the first 100 days.

□ 2245

And I said to the editorial boards, is it not remarkable that you have a minority party, the Republican Party, that has come forward with a plan that does not criticize President Clinton, that does not criticize Democrats. It simply outlines what we intend to do if we are fortunate enough to get elected.

This past week, the House and the Senate have agreed to a plan that gets us to a balanced budget. And the differences between the House and the Senate were not all that different. And yet hearing in the press, you would have thought that they were very different. What we did is we made a determination that in 7 years, we wanted to slow the growth in spending so that it would ultimately intersect our revenues by the seventh year. And so that by the time we were going to have revenues at \$1.8 trillion, we would have our spending at \$1.8 trillion.

The red line that you see on this chart illustrates almost a parallel line between spending and revenue. They never meet because we always spend at deficits. So this was our objective, to get our financial house in order and to do it in 7 years.

The challenge in dealing with this effort was that I, as a Member of Congress, along with my colleagues, vote on about one-third of the budget. We vote on the pink part of the diagram, of this pie chart. We vote on what we call domestic discretionary spending. We vote on foreign aid. And we vote on defense spending through the Committee on Appropriations. Social Security, Medicare, Medicaid, and what we call entitlements, other entitlements, they just happen automatically. They are on automatic pilot. They do not get voted on every year. They are just part of the law.

So I do not vote on half of this budget. I vote on one-third, what is in the pink. And what is the yellow part is interest on the national debt. This year we are paying about \$235 billion interest on the national debt. That is money that could go for education or infrastructure, investment. It is going for interest because past Congresses have simply been willing to deficit spend.

And the whole effort was to not only just look at the red part of this budget, what comes out of the Appropriations Committee, but it was to look at our entitlements, excluding Social Security, because in our Contract With America, we said the one thing that we would not change was Social Security, the contract of retirement payments to our elderly. But we would look at Medicare and Medicaid to save these programs and preserve them and also to slow their growth. We would look to slow the growth of other entitlements. We would look to actually have absolute cuts in domestic spending and foreign aid and to not go higher on defense spending than we are going today. Then we hoped by doing that we would shrink what is the yellow and shrink our annual interest payments.

So this was our challenge, to try to deal with the entire budget.

Now, when people look at this and they say, what did we do? Domestic spending, we actually are cutting spending. We are going to spend less money next year in domestic spending. That is what runs the judicial branch, the legislative branch, the executive branch, all the departments in the executive branch that are not defense. And we are looking to actually have real cuts, absolute cuts there. Foreign aid, we are going to reduce the budget significantly. Defense spending, we are looking to hold the line. And the challenge there is that we are oversubscribed by \$150 billion in the next 7 years, because what Congress has done, regrettably, is it has pushed out the expenses of some of our procurement for our weapons systems and not had it show up in our 5-year budget because they pushed it to the sixth year. So we are oversubscribed in our defense spending.

So what do we have to do? We have to slow the growth of entitlements. We have to make real and absolute cuts in our domestic spending, and we want to bring interest down.

Now, people said, when you do that, you are cutting certain programs that we are not cutting. One of them was Medicaid. Medicaid is health care for the poor, and it is nursing care for the elderly, long-term care for the elderly.

This chart shows that we are actually going to be spending more money. In fact, subsequent to the agreement with the Senate, we are going to be spending more than you see here. But it goes from \$89 billion, in 1995, to \$121 billion. It increases over 30 percent in the next 7 years. We are going to be spending more. That is not a cut; that is an increase.

Now, the reason why some people call it a cut is they say they want to spend more and we are not spending to that level. We are going to be spending to \$121 billion. How does that become a cut in some people's language? Because, and this is only in Washington that this happens, at least I do not know of it happening in people's own family environment or in their work place, but in Washington, if it costs \$100 million to run a program and people say, it will cost \$105 million to run the program the next year and Congress appropriates \$103 million, in Washington that would be called a \$2 million cut, even though we are spending \$3 million more. In your home and in your workplace, you would be saying, if you spent \$100 million and you are spending \$103 million, that is a \$3 million increase in the next year. So we are going to be spending more on Medicaid.

In fact, under Medicaid, we are going to spend over \$324 billion more in the next 7 years than we did in the last 7. This line shows the increase in spending that takes place under Medicaid.

Only in Washington, when you spend \$324 billion more in the next 7 years

than you did in the past 7 years would some people call it a cut. It is not a cut. It is an increase. It is an increase that is quite substantive, quite significant.

Now, when it got to Medicare, we had heard the same argument that this Congress was going to be cutting Medicare. The first thing that needs to be pointed out very strongly is that Medicare is going to go bankrupt in 7 years, Medicare part A. That is the part that goes to pay hospital costs. You have Medicare part A, it is funded by taxpayers. They put a certain amount of all their income into the Medicare part A trust fund. Employers and employees put money in. If you are self-employed you have to put both sides in. And you put into this trust fund.

This trust fund, as noted in the blue line, starts to go down, it starts to go down next year. We have \$136 billion in the trust fund now. In 1966, next year, it will be \$135 billion. Then it goes to \$129, \$117, \$98, \$72, \$37, minus \$7 in the year 2002. It literally goes bankrupt. There will be no money in the trust fund. The only money that will come to the trust fund is the annual amount that will be put in by the taxpayer. It goes bankrupt, and we need to rescue this fund. We need to save it. Spending is that red line. And what we need to do is slow the growth of Medicare.

Now, Medicare is health care for the elderly and the disabled. And it is growing at 10 percent. And we need to preserve it. We need to protect it, and we need to save Medicare. The way we are going to save Medicare is not by taxing more. That is just not going to happen. We can affect the beneficiaries, those who receive the benefits; we can affect the providers, those who are giving services to the beneficiaries. Or we can change the system. And just like with Medicaid, Medicare, we are going to change the system.

We are going to allow people to have the same kind of program they have today with a slight increase for some, not all. If you are wealthy, I for one am going to be advocating that, if you make \$90,000 as a married couple, you should pay a little more on your premium and your copayment. I will be arguing that, if you were single and making \$70,000, you should be paying more than someone who is below that income level.

But there are other ways that we are going to change this program. We are going to strive to move people and encourage them to go from a fee-for-service into a whole host of different private plans that will provide a whole host of different choices. For instance, if you are a senior and you only want catastrophic care, you will be able to join a plan and you will get an actual rebate. You will get a refund.

We are going to allow people to have a savings account that will be tax-free. You can use it for health care needs tax-free. And if you do not have health care needs, you will be able to save it for your retirement.

We are going to allow individuals to join HMO's. The bottom line is that, at least from my perspective, we want seniors to be allowed to have the same health care that their children and their children's children have. And we want those who are poor or individuals on AFDC who get Medicaid, we want them to basically have the same health care that other Americans have.

We want in some cases to have managed care for those who want it. And in other cases, we want people to be able to have their own relationship with their doctor, if they are a Medicare patient and they choose to without breaking the law. We want Medicare and Medicaid patients to examine their bills and when they find mistakes, and there are mistakes, to get 10 percent of whatever they found in mistakes.

I happen to be the chairman of the Subcommittee on Human Resources and Intergovernmental Relations of the Committee on Government Reform and Oversight, and we oversee HHS. We are aware of billings that were for \$16.50 that actually were \$16,500. Or it is not unusual and it has happened that it has actually been in the hundreds of thousands when it was only a bill for \$10 or \$20.

Colossal mistakes. The State of Connecticut has determined that their hospitals have mistakes in 30 percent of their billings.

We want people to catch those mistakes. They are going to save the Government a lot of money. They are going to save the health care system a lot of money, and we would like them to benefit. But Medicare part A is going to go bankrupt if we do not slow the growth.

So what do we propose? We propose to allow Medicare to go up from \$178 billion to \$259 billion. That is a 45-percent increase. Now, only in Washington, when you spend 45 percent more in the seventh year than you spend today would some people call that a cut. That is a gigantic increase. It just does not happen to be as large as some people want.

In terms of the total dollars, what we spent in the last 7 years to what we spend today in the last 7 years, we spent \$925 billion. We are going to spend \$1.5 trillion. In fact now with the agreement with the Senate, it is going to go up even more than that. We are going to spend \$659 billion more over the next 7 years compared to the last 7 years. Only in Washington, when you spend \$659 billion more in the next 7 years over the last 7 years do some call it a cut. It is not a cut. It is an increase in spending and a quite significant one.

Some have said, you are going to spend more on Medicare, but what is going to happen to the per beneficiary? They are not going to get any more because there are more beneficiaries in the system. There are more people who need the care.

What this chart illustrates is that in 1995 we spent \$48,000 per beneficiary in Medicare, and in the year 2002, under

the House, it was \$61,361. And I will illustrate in a new chart that that number is going up now that we have our agreement with the Senate.

These next two charts illustrate the annual growth in spending that will take place if we do nothing. If we do nothing, Social Security will go up at 5.4 percent a year. If we do nothing, Medicare will go up at 10.1 percent a year and become bankrupt and run out of funds in the seventh year. If we do nothing, Medicaid is going to go up at 10.8 percent and other entitlements at 8.4 percent. Interest will go up nearly 6 percent. Defense spending will go up a percent a year. Foreign aid will go up over 2 percent a year. Domestic discretionary will go up 2.3 percent a year.

□ 2300

There is if we do nothing. What we are looking to do, Mr. Speaker, is to change the growth of these programs. What happens, and Members can compare the chart at the bottom now to the one at the top, we are going to allow Social Security to go up at 5.1 percent a year, Medicare is going to go up at 5.5 percent a year, not 10.1 percent, Medicaid is going to go up 4.5 percent a year, not 10.7 percent.

Other entitlements, which we have made significant changes on, that is welfare, it is food stamps, it is agricultural subsidies, we are controlling the growth of these programs so they will go up at 3.9 percent a year. All of the entitlements are going to go up. They are simply not going to go up as much as they would if we allowed or took no action.

Interest becomes quite significant. Instead of it going up at nearly 6 percent a year, because of the budget changes we are making, the total payment on interest will go up less than 1 percent.

In this chart, defense spending is going up a half a percent a year, but with the new agreement with the Senate, it will not go up basically at all during the next seven years. It will not decline, but it will not go up. Foreign aid will go down 5.4 percent each year, and domestic discretionary will go down 1.6 percent a year.

It is fair to say that Republicans are going to cut domestic spending. We are going to have not just real cuts, we are going to have absolute cuts in those programs. Foreign aid will go down. Defense spending will stay basically the same. Interest payments will go up slightly, and then we have true growth in Medicare and Medicaid and other entitlements.

What I would like to do now, Mr. Speaker, is just go through a number of charts, since the President has come in with his proposal on what we should do to balance the budget. Before I talk about what the President is actually doing, what Members see in this chart, the green line is the Congressional Budget Office. They are the ones that look at everything we do in Congress and make sure our numbers add up.

The White House has its Office of Management and Budget. They do the same thing.

Historically, the Congressional Budget Office and the Office of Management and Budget in the executive branch do not always agree on their economic forecasts, but they have consistently, the White House has consistently said to us that we need, that we need to make sure that we use one group to analyze our numbers. The organization that the White House has said we should use is the Congressional Budget Office. They are the ones who have said "Use the Congressional Budget Office when you use your numbers." That is what we are doing.

All our projections are based on what the Congressional Budget Office says in terms of their analysis of everything that we do in Congress. Regretfully, the Congressional Budget Office and the Office of Management and Budget are going in two different directions.

The Office of Management and Budget has basically said, OMB, that revenues will come in stronger than we think they will in the Congressional Budget Office, and expenses will not be as strong. They said if we take no action in the 7th year, the Office of Management and Budget, our deficit would be \$266 billion. The Congressional Budget Office said that if we take no action, our deficit will be \$454 billion.

The next chart illustrates what happens to the President's own projections when the Congressional Budget Office looks at it. Members may remember that the President chose not to come in with a budget to reduce our deficits. He basically said "Congress, you do it." We are doing it. We are happy to do it. We have waited a long time to have this opportunity to lead this country, so we said that we wanted to balance the budget in 7 years. The President was critical of that effort, and basically said that we did not need to be focused so much on reducing our annual deficits.

I need to make this point, because it is central. Not only are we trying to get our financial house in order, we are trying to change this government. We are trying to change this social corporate welfare mentality into an opportunity society. We are trying to change this caretaking government into a caring government.

We are trying to change an experience that we are seeing throughout this country of 12-year-olds having babies, of 14-year-olds selling drugs, of 15-year-olds killing each other, of 18-year-olds who cannot read their own diplomas, of 24-year-olds who have never, ever had a job, not necessarily because there are not any jobs, and 30-year-old grandparents. A society that exists with that type of thing happening cannot long endure.

Therefore, we are not just trying to get our financial house in order, we are trying to change our government in the process. We are trying to make it smaller, we are trying to make it more

efficient, we are trying to reduce the layers of bureaucracy within departments, where 11 people might have to make a decision on what action government should take, when in the private sector they try to get it down to two, three, or four layers.

What did the Congressional Budget Office say about the President's 10-year plan to balance the budget? Because Members may remember, a week or so ago the President said that we needed to balance our budget, not in 7 years, but in 10 years. In the process of doing that, there were some Republicans who were critical of his effort, more Democrats who were critical, but a number of Republicans welcomed the President stepping in and saying balancing the budget was important. I happen to think we should be balancing the budget in 5 years, not 7, so I certainly do not think 10 is good enough.

However, what was important is that the President recognized the need to balance the budget. He validated in that process the fact that we can do it with no tax increase. He validated the fact that we are not cutting Medicare and Medicaid, we are slowing the growth. Those are his words, and those are our words. That is exactly what we are doing. He even validated the fact that we can balance the budget and have a tax cut at the same time, because we are paying for the tax cut.

What did they say happens, the Congressional Budget Office? There are four lines in this chart. The current law is, if we do nothing, the national debt, the annual deficit will be \$454 billion under current law. In the seventh year, really the year 2002, and we are using the 7-year budget, and we are going to balance the budget in 7 years, if we do nothing, our annual deficit that year will be \$340 billion. Mr. Speaker, a deficit is not the debt. The deficit is the difference between revenues, revenues and expenses, and when you have expenses above revenues, you have this deficit.

They are saying that this deficit will be here, expenses will be here, revenues will be here, and we have \$340 billion of deficit. At the end of the year it is taken and added on top of the national debt, and the national debt just keeps getting bigger and bigger and bigger. Our national debt keeps going up every year, even if our deficits get smaller, because our deficits keep adding to the national debt.

They said under current law, the deficit will be \$340 billion. They then said under the President's own plan in February that the deficits keep going up. He did not give us a 7-year budget, he gave us a 5-year budget, but in the fifth year the deficit goes, in the fourth year, 256, the fifth year 276. It just keeps going up. This is the reason why we 2 years ago opposed the President's plan. We knew his annual deficits would keep going up and that he had not resolved that.

Mr. Speaker, what we did is we came in with a 7-year plan. Our 7-year plan is

the green line that touches zero in the seventh year. That is scored by CBO, and they point out, in fact, that we will have a \$1 billion surplus, not a lot of money compared to all those deficits, but what a change. Then what they did is they analyzed the President's new budget, and when they analyzed the President's new budget, it is the red line. Members will notice it is parallel. It stays around \$200 billion in deficits each year.

The President's new budget goes from \$175 billion to \$196 billion to 212. These are deficits. Then it goes to 199, to 213, to 220, to 211, 210, 207. It is just above that \$100 billion amount. It never becomes balanced. When the President said in the 10th year, scored by the Office of Management and Budget, yes, they say it becomes balanced, but when we use the Congressional Budget Office, the organization the President told us all of us should use, it never becomes balanced.

Mr. Speaker, let me just show a few more charts. I noticed my colleague, the gentleman from Michigan [PETE HOEKSTRA], has come to the Chamber. I would love to engage him in this dialogue, because he is really one of the key experts on this issue.

If I could just continue to go through these charts, I do not know if on the TV screen Members can see the difference between the two red lines and the two green lines. The red lines are the President's budget and the green lines are the House budget scored by OMB and scored by CBO, CBO being the congressional budget.

When we compare the President's budget to the House budget, it is interesting to note that the President said "I am going to balance it in 7 years." That is the one with the red lines and the dots. In the 10th year he says it is balanced. That is when his budget is scored by the Office of Management and Budget. It is balanced in 10 years.

□ 2310

When the Congressional Budget Office scores his budget, they say it never becomes balanced. It is basically that parallel line to the zero deficits.

When the Congressional Budget Office scores our budget, they say we are balanced in 7 years. But this is really, I think, an interesting point.

When the Office of Management and Budget takes a look at our budget, when they are forced to use their projection of revenues and expenses, they basically say, we will balance the budget now in 6 years and not 7.

What the President has done is he has compared his OMB scoring of 10 years to our CBO scoring of 7. He has either got to compare his OMB to our OMB or his CBO to our CBO. The bottom line is we are going to balance it in 7 years under CBO and scored by his office, we balance it in 6 years.

I have 4 more charts. I will run through them fairly quickly.

Medicaid Spending. The President said he is only going to slow the

growth of Medicaid by \$54 billion. That is the red line. He said, "But the House Republicans are going to cut the growth by \$187 billion."

The problem is he is comparing OMB scoring of his budget to CBO. If we compare OMB to OMB, if he has \$54 billion of cuts in the growth, then we are only \$119 scored by OMB. But, more importantly, if we are slowing the growth by \$187 billion, we have to score his number \$122 billion. He is not \$54 billion scored by CBO. He is \$122 billion. In other words, we need to compare the same scoring. When you do that, you realize that the President is cutting a lot more from the growth in spending than he wishes to claim.

The same analogy on Medicare. He says he is going to slow the growth of Medicare by \$127 billion, scored by OMB. But when the Congressional Budget Office scores what he does, they say he slows the growth by \$192 billion. When you compare the \$192 billion to our number of \$288 billion, they are a lot closer.

In fact, when you consider the per-beneficiary, and this is before we had our agreement with the Senate, the per-beneficiary goes from, the President, from \$4,700 to over \$7,000, and the House, \$4,800 to \$6,300.

This chart, the last chart, illustrates the per-beneficiary cost of Medicare. Now with the House and Senate agreement, you will realize that the President is slightly higher in per-beneficiaries but not all that much. The problem with the President is, in terms of his plan, he attempts to slow the growth of Medicare. He goes from \$4,700 to \$7,128 in the seventh year. We in our House and Senate agreement go from \$4,800 to \$6,667. We are less than \$400 apart.

The difference is we want to change the system. We want to save Medicare, we want to preserve it, but we want to change it. We want people to have the opportunity to have a whole host of different plans, whereas the President has not said how he will slow the growth of Medicare.

There are extraordinary things taking place down here. I do not think people fully grasp it. There is a revolution going on. I will conclude, and I would like to invite my colleague to add some comments. I will conclude by making this comment:

When we had our Contract With America, which my colleague, the gentleman from Michigan [Mr. HOEKSTRA], helped lead and helped create, created the idea, created the Capitol steps event and had a lot to do with what went in our contract, as my colleague knows, before the election, people said, well, this would cost Republican votes. We did not lose one Republican who ran who was an incumbent and we picked up a whole new number that gave us a majority.

Then people said, well, this was a contract but you used it to get elected but you wouldn't implement it. We implemented it in the first day and then the first 100 days.

Then people said, well, moderate Republicans would not get along with conservative Republicans. This is what the press was saying. We got along just fine, thank you, because we have waited 40 years for the opportunity to help lead this country and candidly to help save it.

Then they said, "Well, you're getting along all right in the House but you're not going to get along with the Senate." I happen to like the Senators. I think a lot of my colleagues like the Senators. We meet together and we talk about this shared problem of how we save this country.

Then they said, "Well, you voted for the balanced budget amendment but you're not going to vote to balance the budget." We are voting to balance the budget. In fact, I remember some saying, "You know, you boxed yourself in. Now you're going to have to do it." You know, in a way we did. In a way we did what Cortez did when he sailed to the new world. He sailed to the new world with this opportunity, as he saw it, to claim this land for Spain and for the old world, but what he did, he saw his sailors looking back to the east and longing to be back in the old world. So he burned the ships. In a sense that is what we have done as Republicans. There is no going back for us. We are not looking back at the old world. We are looking at this new world. We have burned our ships. If we don't get our financial house in order, my feeling is we don't deserve to come back. If we don't change this government, my sense is we don't deserve to come back.

I mean, that is what we are about. The old world is behind us, the new world is in front of us. I appreciate the patience of my colleague. I would love at this time to invite him to make some comments, because I know you have been at the very center of what I have been talking about.

Mr. HOEKSTRA. I thank my colleague for yielding.

Mr. Speaker, I could not help but watch this special order when the gentleman started about 30 minutes ago, and remembering my commitment that I would come down and join if he started before 11:00.

Mr. SHAYS. But I kept you waiting a long time, did I not?

Mr. HOEKSTRA. That is fine.

I think the words that you started your special order with were talking about the discussions that we really had 14, 15 months ago, talking about what kind of an agenda and what kind of platform are we going to run on as Republicans, in walking away from the easy answer which is saying, let's run a negative campaign, and talking about now, let's not worry about what the other side is doing, what the other side is saying, let's identify our agenda, what we want to do, the positive message that we believe we can carry to the American people because of the great faith that we have in our country, in the American people, in our ability to bring all of these people to-

gether to re-create and to renew this country. We ran on a positive agenda.

We then came in and, as my colleague recounted, we did what we said we were going to do. We are continuing to do it.

I went back and got this document, this is the CONGRESSIONAL RECORD for yesterday. It is pretty much a pro forma day. But the first document that was put in there was Permission to Have until Midnight Tonight to file the Conference Report on House Concurrent Resolution 67, the Concurrent Resolution on the Budget for Fiscal Year 1996. This is it. This is the document that a year ago, 6 months ago, 6 weeks ago, 6 days ago all the critics were saying we could not do, that first we could not as House Members on the Committee on the Budget get to a budget resolution that would balance the budget within 7 years. Then they said, "Well, yeah, you're right, the House could do it but you'll never get a similar-type document out of the Senate." The Senate came through in great form and they delivered a budget document that got the balance.

As happens, their document was different than ours, and the people came back and said, "Now there's no way you'll ever reconcile the differences between the two." We now have, and I believe on Thursday we will have the opportunity, hopefully in both the House and the Senate, to pass a budget resolution, the same budget resolution which gets us to a balanced budget by the year 2002.

□ 2320

So we have moved from a process of talking about change, having a positive message, to taking one more step to actually delivering positive change, and as we have had so many people come into the Budget Committee and testify, Alan Greenspan coming in and talking about what the importance is of having a balanced budget, not only to business and industry, but to families, people buying a mortgage. I believe a number Mr. Greenspan has quoted is we may see up to a 2-percent benefit on home mortgage and long-term interest rates and short-term interest rates.

Mr. SHAYS. I would love the gentleman to yield to me, because I remember when we were there, when Mr. Greenspan was before the Budget Committee and one of our colleagues said, "Are you not concerned that Congress will cut too much?" He responded in the way that only he does. He said, "You know, Mr. Congressman, I do not go to sleep at night fearful that when I wake up Congress will have cut too much."

Mr. HOEKSTRA. I do not think that has been a problem. The nice thing about going through this process is we have recognized, despite all of the rhetoric, and Mr. Greenspan knew this, to get a balanced budget we did not have to radically go through and cut spending; we had to slow the growth of the

Federal Government. And coming from the private sector, I would have taken these kinds of budgets and these kinds of cuts almost any time because the private sector is going through much more difficult and aggressive cost-cutting procedures than what we are doing. We are slowing the growth. We are still spending at a roughly 3-percent to 4-percent increase.

Mr. SHAYS. About a 3-percent increase. In fact when we looked at what we are spending now we spend about \$1.5 trillion. In the seventh year it will be \$1.8 trillion. That is an increase in spending by anybody's definition.

Mr. HOEKSTRA. That is right; and as we have taken a look we are increasing spending, we are going to have to reassess some priorities, because we are going to be moving money into high-priority programs, programs like Medicare, Medicaid, those types of programs, as we reform them we are still going to be increasing this per beneficiary from I do not know of the latest numbers, but I know in the House budget resolution we are looking at going from roughly \$4,700 or \$4,800 per beneficiary to over \$6,000 per beneficiary.

Mr. SHAYS. Actually with the Senate agreement, it is going to be about \$6,600.

Mr. HOEKSTRA. So we are significantly going to grow. We are expecting that we are going to have reform, so we are going to be able to deliver the same if not better health care to our seniors than what we are getting today.

So we have an opportunity to go through programs, yes, we are going to have to downsize and eliminate some programs. We are going to have an opportunity to go after waste, fraud and abuse more aggressively, but as we take those savings some of those will go toward deficit reduction, others of those dollars will go towards programs we have identified as having a high priority, and we are still going to be getting increased revenue. So we are going to be spending more money in 7 years than what we are today, and all we have to do is now manage ourselves and discipline ourselves over the next 7 years and we will get to a place where we wanted to be for a long period of time.

Mr. SHAYS. I was elected to the State House in Connecticut in 1974, and started by first year in 1975, and I continually watched Congress deficit spend, and in the State House I was not allowed to do that, thank goodness; we always had to have a balanced budget. And when I was elected 7 or 8 years ago, and as the gentleman was elected shortly after that, I mean we weighed in and said the most important thing obviously before we do all of the other things is to get our financial house in order. So I cannot emphasize how thrilling this week is for me. It is one reason why I wanted this special order. I basically waited 20 years for this opportunity, and now you and I are able to be part of an effort to get our finan-

cial house in order. As the gentleman pointed out, we are still going to allow spending to go up, we are just going to slow the growth.

I do not know if the gentleman has thought much about the challenge we had when we had the debate on the school lunch program and the incredible feeling I had when I went home one weekend and I saw the President in a school saying we were eliminating the school lunch program, apropos of your whole issue of whether we are spending more. I thought, what idiots.

Why would this Congress be doing this. I remember coming back and saying how could you of all things cut the school lunch program. And speaking to the appropriators, they said wait a second, we are taking it off as an entitlement. We are going to spend 4.5 percent more each year for the next 5 years, 4.5 percent more each year instead of 5.2 percent. Then they said, but we are going to also allow State and local governments to be more flexible with how they use it so they can target the funds better. I can remember the President saying we are going to eliminate school lunch for poor kids. Then I thought of my daughter, if I can just make this last point, I thought of my daughter who comes from a family who obviously makes a decent amount of income, and I realized that my daughter's lunch is subsidized, 17 cents in cash and 13 cents in commodity. Why would my daughter's school lunch be subsidized? Because we have a Federal program that subsidizes everyone.

Mr. HOEKSTRA. I am well aware of what went on with school lunch. It came out of the Committee on Economic and Educational Opportunities.

Mr. SHAYS. The gentleman's committee.

Mr. HOEKSTRA. My committee. I can only say I think our committee let our colleagues on the Republican side of the aisle down, because when we went through this, we had discussions about where are we taking the school lunch program. We said, No. 1, we are going to reform it, we are going to take the program from Washington and we are going to move the program to the States and the local school districts, so we are going to get Washington out of the way and out of this program. Why are people in Washington monitoring what kids are eating in Holland, MI, or Zeeland, MI, or anywhere in the country. It is a bureaucracy that does not need to be there.

So let us get rid of the bureaucracy, which will do a couple of things. It will free up more money for buying food and actually getting food to kids, and very different from all of the other block grants, this is one where we then went through and we said OK, we are going to increase spending. Other block grants, Governors have come back to us and said if you get rid of all of the rules and regulations, all of the red tape, we can deliver the same level of service at 90 percent of the dollars, 95 percent of the dollars, and we said well

in school lunch, it is too risky, we want to make sure that these kids are fed. We are going to give them a 4½ percent increase for each of the next 5 years. So we thought fine, we have gotten rid of the red tape, the rules and regulations, the bureaucracy. They are getting more money. This cannot be controversial.

Mr. SHAYS. It is a win-win, right?

Mr. HOEKSTRA. It is win-win. All of a sudden we come to the floor and we see people on TV, and it is the sky is falling, and you know, this is my second term, so this is my third year here, and you are kind of looking around and saying, "Whoa, what's happening to us here, we are giving them more money, we have gotten rid of this, and there are people that are going out and saying we are eliminating the program." Then you take a look at it and you say, "There are even people printing this as fact." It has taken a while, but there are other ways to get information out, and the truth eventually comes out, and the truth has come out on that program.

Mr. SHAYS. Basically it was an excellent opportunity for all of us to learn a lesson, and we talk about not being school-lunched again on other issues. It is the same way with Medicaid and Medicare. We are going to be spending more money and we are going to make sure that we are not being school-lunched on these two programs, that people truly understand what is happening.

Mr. HOEKSTRA. I know that as I went back for a whole series of town meetings in April when the school lunch debate was at its peak, you kind of go back and say, "Wow, I am really going to be prepared to address the issue, because I am going to get a lot of questions on it." It was very surprising, because even as I think much of the media had not covered the debate very accurately, it came up, and people understood the issue, and they understood it a lot better than what I thought they might. They had gone through the clutter and taken a look at what was really going on. The gentleman brought up his daughter. I had people actually coming to me and saying, "Can you explain to me exactly why the Federal Government is even doing a school lunch program?" We have moved a significant distance away from, "Whoa, you are cutting these programs out."

But the gentleman is absolutely right. We are going to spend a lot of time over the next 6 months because the process now is the authorization bills, the appropriations bills, that put a real life into this budget document.

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Because those are the bills that now actually carry out the budget document. Those are the ones that change our policies. They change our priorities. They focus dollars where we want them focused. They change the way that we actually start doing business.

And I think as you said earlier, they start changing the way that America works so that we can use these dollars in a much more constructive way.

We have recognized the problems that ineffective Washington spending has reaped on this country. The symptoms are here in Washington. They are around in our urban centers around the country. They are in our smaller communities, our rural communities.

We are going to go after those problems and we are going to move accountability and responsibility to where change can be affected most efficiently and most quickly, which is at the local level.

Mr. SHAYS. You know, during the course of your last comments, you pointed out that our budget resolution, which is really a plan and an agreement between the House and the Senate on how we are going to reach a new deficit by the seventh year, has to be implemented by the Appropriations Committee that will make decisions on defense spending and domestic spending; will have to be implemented by the Ways and Means Committee that makes decisions on taxes; Ways and Means and Energy Committee making decisions on entitlements.

So all of this, we are going to be doing a lot of wrestling in the next three or four months. And the key point as far as I am concerned is that the President needs to weigh in in a positive way. And I have made a determination, with a number of my colleagues, that I am not voting to increase the Federal debt ceiling. If the President is not going to weigh in on getting this budget balanced, our financial House in order, too often we have allowed the debt ceiling to climb, we are willing to shut down government.

Not essential services, but we are simply willing to shut down the government and call the question. And I wish it had happened 10 years ago. If it had happened 10 years ago, we would not be in the mess we are in today.

But as you point out, a lot of what we intend to do is to move this government from the Federal to the State and local level. And as I think about it, and I have to admit that I did not use to think this way. I used to think if people had different shoe sizes, the Federal Government would make sure that everybody had the right shoe size.

Instead, Washington tries to make one size fit all. So if people have a size 3, or some 18 or 16 or 15 or 10, they create and we create the shoes in the size of 9 and say: Everybody has got to wear them.

I would prefer Mississippi to have a system that fits them; Michigan to have a system that fits them; and for us in Connecticut to have a system that fits our needs and our concerns.

Mr. HOEKSTRA. I think of much of what we do in Michigan would work in Connecticut. We will export our solutions over to you.

Mr. SHAYS. I will jump in, because that is what you do with your gov-

ernor. Governor Engler has made a lot of exciting reforms and the reforms are coming from states like Michigan where you have seen welfare reform and other reforms that the Federal Government has been reluctant to take.

Mr. HOEKSTRA. Yes, the next 5 or 6 months will be tough. We have a lot of work to do, even though we now have a budget document. There are issues that you and I will disagree on.

I think the exciting thing about the process that we have gone through in the last 6 months, and that we look forward to in the next 6 months, is that we have a large group of Members who do have their sights on the same vision: Creating a better America; understanding the things that we need to do to get there; understanding the many different strategies. Differing on some of the projects, but recognizing that an ability to dialogue, an ability to work together in a partnership, both on this side of the aisle, across the aisle, to the Senate, hopefully to the President, back to grassroots America. That through that dialogue and through that partnership, and only through that dialogue and only through that partnership, will we reach the type of solutions that get us to our objective and get us there in a very positive and constructive way.

So we are going to have to work through lots of differences on projects, but we recognize that we have to work through those differences. We have to reach agreement. And that as we reach agreement, we, together, will reach the goals and the missions that we have outlined.

So I think it is going to be a tough 5 or 6 months. It is going to be a very satisfying 5 or 6 months, because at the end we will have made a difference. We have been working at it for a long period of time. And we are going to take some gigantic steps in 1995 and then we have 6 more years of work to do to make sure that we get to that zero, because we have to stay disciplined for that time.

I thank the gentleman for sharing this time with me.

Mr. SHAYS. I thank the gentleman. I agree so strongly with the gentlemen words, I would like them to be what is the last words and I yield back my time.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. YATES (at the request of Mr. GEPHARDT) for today, on account of illness.

Miss COLLINS of Michigan (at the request of Mr. GEPHARDT) on Tuesday and Wednesday, June 27 and 28, on account of illness.

Mr. MFUME (at the request of Mr. GEPHARDT) for today, on account of travel delays.

Mr. GUNDERSON (at the request of Mr. ARMEY) for today, on account of family illness.

Mr. CAMP (at the request of Mr. ARMEY) for today, on account of the birth of his son, Andrew David Camp.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. FARR) to revise and extend their remarks and include extraneous material:)

Mr. FARR, for 5 minutes, today.

Ms. JACKSON-LEE, for 5 minutes, today.

Mr. DEFAZIO, for 5 minutes, today.

Ms. KAPTUR, for 5 minutes, today.

(The following Members (at the request of Ms. ROS-LEHTINEN) to revise and extend their remarks and include extraneous material:)

Mr. FUNDERBURK, for 5 minutes each day, on June 29 and June 30.

Ms. SEASTRAND, for 5 minutes, on June 28.

Mr. FOLEY, for 5 minutes, today.

Mr. GOSS, for 5 minutes each day, today and on June 28.

Mr. RIGGS, for 5 minutes each day, today and on June 28, 29, and 30.

Mr. HOKE, for 5 minutes, today.

Mr. KINGSTON, for 5 minutes each day, today and on June 28, 29, and 30.

Mr. CHAMBLISS, for 5 minutes each day, today and on June 28, 29, and 30.

Mr. DORNAN, for 5 minutes each day, today and on June 28.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. FARR) and to include extraneous matter:)

Mr. MILLER.

Mr. UNDERWOOD.

Mr. HOYER.

Mr. MARKEY.

Mr. BEILENSON.

Mr. BERMAN in two instances.

Ms. SLAUGHTER.

Mrs. SCHROEDER.

Mr. NADLER.

Mr. GORDON.

Mr. BARCIA.

Mr. MORAN.

Mr. HAMILTON.

Mr. ENGEL.

Mr. FILNER.

Mr. TUCKER in two instances.

Ms. MCCARTHY.

Mr. TOWNS.

(The following Members (at the request of Ms. ROS-LEHTINEN) and to include extraneous matter:)

Mr. HUNTER.

Mr. FRANKS of New Jersey.

Mr. RADANOVICH.

Mr. EHRLICH.

Mr. FORBES.

Mr. BLILEY.

Mr. MARTINI.

Mr. YOUNG of Alaska.

Mr. TAYLOR.