

Mr. Speaker, the message is clear. The message from our fellow Americans is also clear. Americans throughout this country insist that the current Medicare plan that is in place be preserved as is. This is a message to each one of us as a Member of this body, disregarding party.

#### MEDICARE ALTERNATIVE HEARINGS

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

Mr. SCOTT. Mr. Speaker, all Americans should be concerned about the proposed massive cuts in the Medicare Program—not simply because they may affect current and future benefits under the program, but they will affect health care cost for all of us.

A large percentage of the \$270 billion reduction comes from cuts in payments to health care providers. All employers should be especially concerned about such massive reductions, because ultimately they will have to pay for them.

The problem is that the same number of people will get sick and require the same amount of care, regardless of how their care is paid for. Paying providers less for that care under the Medicare Program does nothing about costs other than to pass them on to Medicare beneficiaries and other paying patients. There is a big difference between controlling costs and simply not paying the bills.

Last year, we learned from our efforts to reform the health care delivery system in this country that it is like a balloon—if you squeeze it in one place, it pops out in another. Likewise when health care providers give care to patients who cannot or do not pay the full cost, those providers shift the cost of that care to patients who pay the going rate by charging them more to make up for the uncompensated care. We will see those higher costs in our insurance premiums and in higher copays, deductibles, and prices for medical procedures.

Higher health care costs will also mean more costly care as people avoid addressing minor problems to save money and those problems become emergencies or require acute care. Thus, we will all pay more and get less if the proposed Republican plan goes into effect.

Of course, there is one group who is not worried about the cost-shifting and the higher medical costs. That group is the upper 20 percent of high income taxpayers who will receive 80 percent of the \$250 billion dollar tax cut funded by the Republican plan to reduce Medicare.

While we all agree that we need a long-term fix of the Medicare financing plan, we do not have to put those dependent upon Medicare in jeopardy to do so, especially if the reason is to pay for a tax cut to benefit mostly wealthy individuals. We have made adjustments

in the program before to keep it viable; we can do that now for a lot less than \$270 billion if we do not have to make room in the budget for a \$250 billion tax cut.

The real solution to the Medicare financing issue is to fix it in the context of universal health care. Neither Medicare nor any other part of the health delivery system can be permanently fixed on a stand-alone basis. That is why hearings are needed to hear from experts, not just politicians, on what is needed and how long it will take to fix the program in a fiscally sound manner that does not impose unnecessary hardships on beneficiaries.

The current approach to fixing Medicare is a cure worse than the disease. Taking \$270 billion from beneficiaries to justify a \$250 billion tax cut to mostly benefit wealthy individuals is certainly not the way to do it.

#### WHY CUT \$270 BILLION FROM MEDICARE?

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

Mr. CLYBURN. Mr. Speaker, we have heard quite a bit of debate in recent weeks over Medicare and then \$270 billion cut that we are proposing to make in Medicare.

Of course every time I begin discussion of this with various people, I am asked time and time again to give the difference in what we are talking about as we talk about part A and part B.

I want to take just a moment, Mr. Speaker, to talk about those two separate parts, to explain the difference so that people out there listening will get an idea of what we are talking about, because it is very important for them to understand that all of this debate that we are undertaking here sometimes has very little to do with what really ails them.

Medicare has two separate parts, Medicare part A and Medicare part B. Medicare part A is the Medicare hospital insurance program which mostly covers inpatient hospital stays. Medicare part A is financed through the Medicare trust fund. Like Social Security, employers and workers pay into the Medicare trust fund while an individual is working through a dedicated payroll tax, a 1.45-percent tax paid by employers and a 1.45-percent tax paid by workers.

Medicare part B is the Medicare medical insurance program which covers such other medical services as doctor services, hospital outpatient services, clinical, laboratories, and durable medical equipment. Medicare part B is financed in a completely different way than Medicare part A. Medicare part B is financed through a combination of premiums paid by Medicare beneficiaries and general revenue.

As we listen to all this debate about insolvency, the American public must understand that it is only the Medicare

part A trust fund that faces an insolvency problem in the year 2002. However, we recently heard from the administrator of this program that the insolvency problem could be solved with a modification or a correction or a reform, if you would like to call it that, of \$89 billion. That would keep this program solvent through the year 2002.

We must then ask the question, if the administrator says that that is all that is required, why then are we pushing \$270 billion in modifications to this program?

I say, Mr. Speaker, that we are doing that simply to cover the cost of this \$240 billion tax cut that we are proposing to give to those who do not need it. In fact, the bulk of that tax cut will go to people who make over \$100,000 a year, most of whom that I talk to as I visit my district tell me they are not asking for a tax cut, they do not need a tax cut, and they do not want a tax cut.

So, then, why are we doing it?

There are two things being lost in all of this. One, of course, is Medicaid, a \$182 billion cut in Medicaid, programs for the poor.

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What is going to happen when we undertake that cut? Well, it means that a lot of people who today find themselves using services like stays-in-homes are going to find themselves without the ability to do that, and that means that many young couples, young families, are going to find themselves hard-pressed to take care of the elderly when the Government gets out of that business.

Mr. Speaker, I appreciate this time offered me, and I want to say that I hope, as we go forward with this debate, that we will continue to educate the American people as to the difference between part A and part B.

#### THE FIGHT FOR A FAIR DEAL FOR FARM PRODUCERS

The SPEAKER pro tempore (Mr. BUNN of Oregon). Under a previous order of the House, the gentleman from Georgia [Mr. BISHOP] is recognized for 5 minutes.

Mr. BISHOP. Mr. Speaker, when jurisdiction over farm commodity programs is transferred from the Agriculture Committee to the Budget and Rules Committees, it is an unprecedented attempt by the Republican leadership in this body to stifle the influence of Members who represent the interests of our farmers.

It is an abuse of power.

It is a slap in the face of America's farmers.

It should outrage everyone who is concerned about the future of rural communities.

There is one thing you can say about this development: It may be an abuse of power, and it is bipartisan abuse. It not only seeks to shut out the voice of

Democrats on the Agriculture Committee, like myself, it shuts out the voices of Republican Members who also oppose radical changes that would effectively destroy critically needed commodity programs.

Reforms are needed. We need to cut the costs of these programs. We need to make them more market oriented. Farmers understand this.

The area of Georgia I represent grows more peanuts than any place in the world. My colleague from the neighboring Eighth District and I have introduced a new peanut program that eliminates Government costs. It represents dramatic change. But, evidently, this is not enough. The majority leadership will evidently not be satisfied until commodity programs that give our farmers a more level playing field in the world marketplace are destroyed.

Members of the Agriculture committee represent agricultural areas. They have special expertise in the needs of farmers and agribusiness. Just like other committees dealing with other areas of the economy, they have always had a key role to play in shaping farm policy.

That role is now under attack.

Mr. Speaker, we will not be silenced.

Members who represent farm-belt areas will continue the fight for a fair deal for the country's farm producers.

#### THE FREEDOM TO FARM ACT

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

Mr. SMITH of Michigan. Mr. Speaker, several issues have come up, but I would like to start out with agriculture, what the Federal farm policy should be in this country and the advantages and disadvantages to the farmer and the consumer.

Since the early 1930's, we decided that by controlling production we could guarantee a stable supply of food in this country. However, what has happened in the last 30 years is the consumer interests, the White House, the consumer interests in Congress have started dictating farm program policy, and what has happened is we have driven more and more of the small family farmers out of agriculture. Here is how farm programs have worked: We tell the farmers if they will grow a certain amount of crop and slightly have a policy that encourages overproduction, we will give those farmers subsidy payments. So what we have done, in effect, is encourage slight overproduction, keeping the prices down, which has been good for agriculture in this country because it has become lean and mean.

But in the process, we have disadvantaged the small family farmer in the United States. That is why, and I as a farmer from Michigan, I am now suggesting that we move to the market economy to give the rewards to the

producers of this Nation so that the farmers and ranchers can make their own farm management decisions based on their best interpretation and understanding of what the market is demanding for those special crops.

By doing these, many of the economists that have been advising us on freedom to farm have said that farmers will end up better off as we make this transition to the marketplace.

Make sure, it is a difficult transition, that we have enticed farmers to become more and more dependent on farm subsidies during the last 40 years. So their cash flow, in many cases, depends on it.

What we have got to do as we make this transition to a market economy, and that is what the Freedom to Market Act does, is make the kind of transition that is going to keep American agriculture the strongest in the world.

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

Mr. SMITH of Michigan. I yield to the gentleman from Georgia.

Mr. KINGSTON. Mr. Speaker, now let me ask the gentleman about this freedom to farm bill because as I understand from a previous speaker tonight, that did not pass committee. Is it dead? Are you going to try to move it out of the Committee on Agriculture a second time? What is the status of that?

Mr. SMITH of Michigan. That now becomes, because of the failure for that committee to enact legislation consistent with the budget resolution, a new proposal will be offered by the chairman of the Committee on the Budget that achieves the same kind of budget reductions.

Let me tell you what has happened in the U.S. Congress, as I observe it, and that is Members traditionally members of the Committee on Economic and Educational Opportunities that wanted to spend more money on education, say, "I want to be on the Education Committee." Members that want more roads in their districts want to be on the Committee on Transportation and Infrastructure. We have got Members on the Committee on Agriculture that would like more money for their farmers.

If we are going to phase out agriculture in a smart way and not make that farmer continuously dependent on the Federal Government and, hopefully, end up with a larger income for that farmer, then we have got to move to a market economy.

Mr. KINGSTON. Well, I think that the gentleman is walking on the very delicate balance, as you said, between farm programs that work and moving toward an economy that is more free-market oriented, and I know that is a tough road for you.

I have some provincial concerns; cotton, peanut, and so forth, but I do think what is important is that our farmers are involved in this process and stay involved in this process as things start changing, because I know

the peanut farmers have come a long way in their work and the cotton folks are trying to work for something that is a suitable solution.

There are some concerns I have on the sugar program. As you know, America is a net importer of sugar, and even though the taxpayers are not paying the difference, the world cost of sugar is about 11 cents a ton, but the domestic price is 24 cents a ton. We have an 18-cent-per-ton price support.

Mr. SMITH of Michigan. Reclaiming my time, I think we are on the same track. The question is how do we achieve the same result in making the transition for farm programs. We have got to do it smartly, simply, because other countries are subsidizing so heavily.

#### ISSUES CONCERNING A BALANCED BUDGET

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Georgia [Mr. KINGSTON] is recognized for 50 minutes as designee of the majority leader.

Mr. KINGSTON. Mr. Speaker, tonight we wanted to talk about a number of issues that stand between this Congress, the American taxpayers, and a balanced budget. There is a smorgasbord of issues, of course, that fall in that category. We are going to be touching base on the Davis-Bacon Act and some of the student loan programs, this so-called Istook amendment, and Medicare reform.

I have with me, of course, the gentleman from Pennsylvania [Mr. FOX], and always on special orders sharing his wisdom with us, the gentleman from Michigan [Mr. SMITH], who has just given us a description of where we are in the ag program.

Let me ask you gentlemen, and I say to the gentleman from Pennsylvania [Mr. FOX] I am going to start with the gentleman from Michigan [Mr. SMITH] because he and I were freshmen together. We came here in 1992, along with a new President of the United States, trying to balance the budget and do everything we can. We did not, in the 103d Congress, get very far in that effort.

How do you think we have done so far? Do not pat yourself on the back. People are tired of that.

Mr. SMITH of Michigan. The House has done very well. Now we need to finalize our ambitions, get these bills enacted into law. You know, it should be frightening to everybody in this country, how big this Government has grown to be.

After World War II, in 1947, we were spending 12 percent of our gross domestic product to run the budget of the United States. That is what we spent as a percentage of gross domestic product, 12 percent. Today we are almost twice that.

Every day the United States writes out over 3,200,000 checks. Can you