

have got to move toward a simple, non-bureaucratic health care system which guarantees health care to every American. That is what our vision must be when we talk about family values. What we must be saying is that every family in America knows that they will be able to go to the doctor of their choice without worrying that they are going to go bankrupt.

So, Mr. Speaker, while we continue the fight against these disastrous cuts in Medicare and Medicaid, we must hold out the vision for a single-payer, State-administered health care system which guarantees health care to all people, and in fact we can guarantee health care to people, to every man, woman, and child in America, and we can spend less than we are right now with our wasteful, and bureaucratic, and inadequate system.

Mr. Speaker, I think the last point that I want to touch on has to do with campaign finance and election reform, and that is, as I think many Americans understand, it is not a level playing field in terms of what goes on here. We have our freshman Republican class who are revolutionaries, and they certainly are. Mr. Speaker, as I understand it, they have broken all of the records from any other class in the history of Congress in raising corporate PAC money. The biggest corporations; that is pretty revolutionary, I suppose, getting far more than any other class has received.

Mr. Speaker, 29 percent of the members of the United States are millionaires. My understanding is 25 percent of the freshman Republican class are millionaires, millionaires, and it seems to me, Mr. Speaker, that if we do not want to convert the House of Representatives, the people's body, into a House of Lords, we need some pretty fundamental campaign finance reform which takes away the ability of big money interests to continue to dominate what goes on here in the Congress.

Let me just briefly touch upon some of the issues that I think must be addressed in any serious campaign finance reform legislation.

No. 1, we have got to revisit the issue of very, very wealthy people being able to buy elections. I have nothing personally against Steve Forbes, or Ross Perot, or anybody else, so it is not a personal criticism of them. But I really think it is unfair that people who are just born or perhaps made hundreds and hundreds and millions of dollars, that they have the freedom to get up and say, well, you know, getting boring, you know, middle age, tired of my business career. I think that I am going to run for the President of the United States. Why not? Let us take out \$25 million, \$50 million out of the old checking account. No problem. We are worth a billion dollars, we are worth a half a billion dollars, and guess what? We will break the monotony. We will run for the President of the United States. Gee, that must be a lot of fun.

So I have nothing against Steve Forbes or Ross Perot; they are fine

people. But I think that we have got to create a situation in which every American has the ability, should be able to run for President of the United States, should be able to run for the Senate, should be able to run for the House, should be able to run for Governor, and not just millionaires. And what we are seeing is not just on the presidential level. Do not kid yourself. More and more people who are running for the United States Senate or running for the United States House of Representatives are millionaires. The leadership of both parties is soliciting those people. It is pretty easy. You do not have to worry about raising funds for these guys. They are millionaires; they will pay for it themselves.

And we are seeing this also not only here in Washington, you are seeing it in State capitals as well. Millionaires, you know, became Governor of Louisiana not so long ago, and that is the pattern.

Is that what we want for America? Is that what people fought and died for, to defend democracy for, that we end up having people with huge amounts of money running the government? I do not think so. I do not think that is right.

So I think we want to revisit *Butler versus Valeo*, the very wrong-headed Supreme Court decision which basically said, gee, millionaires and billionaires have a constitutional right, a freedom of expression, to buy elections. I think that is wrong, and I think through a constitutional amendment or perhaps rethinking on the part of the Supreme Court we have got to revisit that issue. Wealthy people should not be able to buy elections.

Second of all, if we are talking about fairness and elections, the most important issue is to limit the amount of money that can be spent in an election, and we can argue whether for a House race that should be \$400,000, \$500,000, or \$600,000, but that is the most important thing. If somebody has \$2 million, somebody has a hundred thousand dollars, the guy with the \$2 million is going to win the vast majority of the time, no matter how good or bad that person may be. So we want to limit the amount of money that can be spent.

And third, we want to make sure that the money itself is not coming from wealthy, powerful interests, but from ordinary people, and I think what we probably want to do is have a combination of small contributions balanced off against public funding of elections so we do not have to have spectacles of the Republican National Committee, I guess it was, holding a fundraiser in Washington, DC, and on one night raising \$16 million, and Mr. GINGRICH going around the country at \$10,000 a plate fundraisers, and in fairness it is Republicans who do this; the Democrats do it as well. And I think we want to end that type of politics.

Mr. Speaker, I would simply conclude my remarks by suggesting that this country faces some serious problems;

there is no question about that. But I think those problems are solvable. I do not think there is anything that I have discussed today, the lack of a national health care system, decent wages for our middle class growing out between the rich and the poor. I think those problems are solvable. But I want to say this. Those problems are not going to be solved if tens of millions of American people continue to turn off to the political system. People fought and died to continue this country as a democracy, and we are insulting those people when we say, oh, politics, hey that is all crap, they are all crooks, I am not going to get involved. Wrong.

And I want to say this also; that there are people in Congress and in government who really do not want ordinary Americans to vote and to participate in the political process because, if you only have a small number of people who are voting, as in the last election where we had 38 percent of the people, then big money can dominate what goes on if ordinary people in the middle class do not participate.

So let me simply conclude by saying this country has serious problems, but they are solvable problems. We can create policies by which the middle class will expand rather than shrink. We can create policies by which we do not have \$160 billion a year trade deficit. We can create policies which move us toward a balanced budget in a fair way, by dealing with corporate welfare and defense spending rather than slashing Medicare and Medicaid. We can improve education in this country and make college affordable for every middle-class and working-class young person. We do not have to continue to have, by far, the highest rate of childhood poverty in the industrialized world. We can address those issues. But we will not address those issues unless ordinary people begin to stand up, and fight back, and make the effort to reclaim this government which belongs to them. It does not simply belong to the millionaires and billionaires who have used this government for their own interests. It belongs to ordinary Americans, middle class and the working people of this country.

So I hope, Mr. Speaker, that we can see a reinvigoration of democracy in this country, serious political debate about how we can improve life for the vast majority of our people. That is my hope, and I think if people do that, we are going to see some really good changes in this country.

#### MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Kalbough, one of his secretaries.

#### THE NEW POPULISM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr.

SCARBOROUGH] is recognized for 60 minutes.

Mr. SCARBOROUGH. Mr. Speaker, I certainly enjoyed listening to the last speaker that came to this floor, and I think there are a few things that, despite the differences in opinion on many things, I think there are a few things that we can agree on. I think we can agree on the fact that more Americans do need to get involved in the political system, and I do believe that a lot of people have tuned it out, and that has been unfortunate, but that we have to do what we can to help middle-class families expand that middle class and to contribute.

But I have got to say that is about where the similarities end, because unlike the previous speaker, I do not believe the answers lie in Washington, DC. In fact, I think most of the problems that afflict middle-class Americans come from Washington, DC. Now that is not demagoguery, it is not simple-mindedness. It is just reality.

He spoke for some time about what I would call class warfare, talking about, oh, the big business men and women that make all that money, that steal from the middle class, that steal from the working class. And we have heard that type of class warfare come out of the White House for the past few years, we have heard it on the floor of the House here, and I just—it strikes me as being very interesting because I look back over my background, look back over my history, and I remember growing up in a very middle-class family. We certainly were never wealthy by any stretch of the imagination growing up, and I remember, in fact, my father, being one of the first people in his family to graduate from college, and to go off and get a good job and work for the first 7, 8 years of my life. But then, when there was a recession, he lost his job, and I remember him driving around across the southeast, small towns throughout Georgia, Alabama, and Mississippi looking for a job, and I was with him. We spent, in fact, a summer doing that in the car, driving across the southeast looking for gainful employment for my father.

But you know during that entire time, when we went through the difficult times that we went through, I cannot remember one single time when my parents said to me, "Joey, look at that doctor's house over there," or "Look at that lawyer's house," or "Look at that person that started their own business. We should resent them. How dare they actually go out and make money?"

I mean I just do not understand where this idea comes from that we are somehow going to build up the middle class and working class and blue-collar Americans by tearing down those who actually get up early in the morning, like many of our blue-collar workers and working-class families do that go to work all day, that have invested their time, and their money, and their effort over 10, 20, 30 years, and built up

a business and have become successful. That to me is the American dream. That is not something we should discourage. That is something we should encourage and something that we should be excited about.

But let me tell you something, and let me just say, if the previous speaker has been in Congress for the past 4 years, I will guarantee you that he made more money over the past 4 years than I made and my family made.

Now I understand what it is like to be in the working class, to barely make enough money to get by every 2 weeks, to not have enough money to put aside for health care, to not have enough money to put aside for your children's college programs. I understand what that is like, and it is extremely difficult and excruciating. But at the same time I am not going to run around and try to whip up class warfare simply for my own political purposes or agenda. It just does not make good sense.

But if you want to talk about what Americans are really angry about out there today, it is not the populism of old, it is not the populism of William Jennings Bryant when he stormed across the country almost a hundred years ago talking out against rich people, and people who dared to be successful, and corporations. Now we have a new populism, and it is a populism that helped elect me and others, and it is a populism that focuses on big government more than big business, because for an American family earning \$30,000 or less, or \$40,000 or less, that is having trouble getting by week after week after week, and paying those bills, and being able to afford health care, being able to afford to take their children to the doctor, or to the hospital, or to get the prescriptions filled, or to afford to put aside a few dollars for their children's education fund, it is not big business that is taking away all their money. It is big government.

And look at the historical trends. Back in the 1950's, the average family spent 4 percent of their revenue, their take-home pay, on Federal taxes, 4 percent.

□ 2100

Four percent. Today the average family spends at least, on average, 26 percent to pay taxes to the Federal Government. Now, if you add up the impact of taxes, fees, and regulations that the Federal Government throws on the average American family, they work 50 percent of their year paying off taxes, fees, and regulations placed on them by the Government. They see it every 2 weeks in their paycheck. Look and see how much the Federal Government takes out.

Yet, we still have people standing on the floor of the House of Representatives in 1996 wondering why Americans are angry with the Federal Government, wondering why a revolution that started in 1994 is going to sweep through the turn of the this century

and into the 21st century, and why the American people are standing up and saying enough of big government, enough of government telling me how to spend my money, enough of government telling me how to educate my children, enough of government telling me how to protect my family, how to protect my streets.

Americans have had enough of big Government. We have failed. The Congress of the United States, over the past 40 years under liberal rule, has failed to achieve its mandate. Back in 1965 LBJ started the Great Society, the war on poverty. But it is a war not on poverty but on families, on hard work, on discipline, on personal responsibility, and a war against those very people that LBJ thought he was going to help.

All you have to do is drive through the torn-out ghettos in South Central L.A., or in the South Bronx, or in Gary, IN, or in Philadelphia, and ask yourself a basic question: Are those people today better off than they were 30 years ago, before the Federal Government started tampering with their lives and trying to micromanage every social ill that was out there? The clear answer is no.

The Federal Government is ill-equipped. Our Founding Fathers knew that. Thomas Jefferson knew that, when he said, "The government that governs least governs best." Jefferson did not say that because he was anti-government, he said that because he was pro-freedom, and because he believed in the goodness of the American people, because he believed in the greatness of the American character, because he knew from his experience with King George III in Great Britain that the answer did not lie with a highly centralized monarchy, the answer was out in the community, was out in the country, was out on the farms with the goodness of the American people.

There was a debate earlier this evening on education. We had people that have supported the liberal view for the past 40 years, the centralization view for the past 40 years, come to the floor and say what was causing the problems in this country was simple, that we were not spending enough money on our Federal education bureaucracy; that these bureaucratic programs needed to expand, that we needed to raise taxes, send more education dollars to Washington, drain more education dollars out of the community, drain more education dollars out of schools, drain more education dollars out of teachers' paychecks, drain more education dollars out of computers, send them to Washington, DC, so Big Brother, a Federal bureaucracy, could decide what to do with those education dollars.

Mr. Speaker, some of the people that were on the floor today were condemning what we are trying to do, but what we are going to do is empower the teacher, empower the parent, empower the local school system. However, they

said that we “\* \* \* wanted to destroy public schools.”

Mr. Speaker, that is very disturbing to me. Of course, I have to recognize who the source is, because these were the same people that called us Nazis for wanting to balance the budget, for trying to only spend as much money as we take in. They called us Nazis because we did not want to rob from future generations, we did not want to rob from our children or from our grandchildren. They called us Fascists because we believe that Americans deserve to be able to control their destiny more than a Federal bureaucracy in Washington does. But anyway, let us fast forward it to tonight, they said that we wanted to destroy the American public education system.

Let me tell the Members something, Mr. Speaker, I can give two good reasons why we do not want to destroy the public school system in this country, why I do not personally, two very personal reasons. One is Joey, age 8, and another is Andrew, age 5, who are my two children, my two boys who are in Pensacola, FL, this evening, and who tomorrow morning will go to public school.

I have a vested interest in education. I have a vested interest in public schools. I have a vested interest in trying to end the insanity that this Federal Government has been pursuing for the past 15, 20 years on education. It is my two boys.

Mr. Speaker, there was a study from a report called “Nation at Risk.” In that study, this was the conclusion that they came to on what the Federal Government has been doing in education. It was this. They said “What has been done to America’s educational system, had it been done by a foreign power, would have constituted an act of war.” Yet, this bizarre bureaucratic experiment with education that started in 1979 continues, continues today unabated.

Back in 1979, when we started our Federal education bureaucracy, we were spending \$14 billion on education in the Federal bureaucracy, \$14 billion. Fast forward to 1996. We are now spending \$36 billion, and soon it will explode to \$50 billion, just on our education bureaucracy. That is taking \$50 billion out of the communities, out of the educational budgets of the local school boards, out of teachers’ salaries, out of school upkeep, and bringing it to the Federal education bureaucracy.

Of course, what has happened? The same thing that has happened when we tried to micromanage these other social ills: We have fallen behind. Our children have suffered, because we have people in Washington, DC, today that still believe, despite the failures over the past 30 years, that Washington has all the answers, and that Americans are either too stupid or too lazy to teach their own children without Washington’s intervening.

Mr. Speaker, I am going to give the Members some basic facts to show that

is not true. We have spent all this money coming up to Washington, DC, and yet, if you go through the State budgets for education departments, the average State only receives 6 percent of their money on education from Washington, DC. Yet, an Ohio study showed that they get over 55 percent of their paperwork and their bureaucratic redtape from Washington, DC, so they are not getting a return for their investment.

The money is sucked up to Washington, DC, out of the schools and the communities, and as it comes up here, what do we get for it? What do they send back out? All you have to do is look at last year’s budget to find some pretty strong anecdotal evidence on what the Department of Education is doing with my money and your money. They have cut \$100 million in upkeep to keep schools safe, to keep infrastructure safe, to keep ceilings from falling down on children, cut \$100 million out of school upkeep budgets. Yet, last year they increased funding for their own bureaucracy’s upkeep, for their own single building down the street, by \$25 million. Basically, they take \$100 million away from our children and their schools and their safety to make their building a little more plush, a little more inhabitable. Again, it is a classic example of how we are not even robbing Peter to pay Paul, we are robbing our children to pay off bureaucrat salaries. I think it has to stop.

Compare what has happened since 1980, when we started this colossal mistake with what is going on today. We have fallen behind on test scores with industrialized Western nations. Dropout rates have gone up, test scores continue to fall down, violence in schools continue to rise. We are spinning rapidly out of control with our educational system. All some people want to do is what we have been doing for the past 25 years on education, spend more money on a bureaucracy and less money on schools. To me, that is morally indefensible.

Mr. Speaker, I heard somebody talk also, talking about anecdotal evidence, talking about the fact that one of the programs that the Department of Education spends our money on is closed captioning. That sounds great, right, closed captioning for the hearing-impaired. But it is closed captioning for the hearing-impaired for the TV show Baywatch. I do not know what Federal education dollars are doing for closed captioning for Baywatch.

It seems to me we could spend our money better. We could spend our money in our local communities better than in Washington, DC. We could spend our money better on teachers’ salaries and on improving students’ living conditions than on spending it on bureaucracies in Washington, DC.

That is what this fight is about. We are trying to send power back to the communities, back to the States, back to local governments, so we can have what I called before, and what even

Alice Rivlin has called, “legislative laboratories,” where we allow 50 States and hundreds of communities and thousands of school boards to experiment with education and to decide how they want to educate their children, instead of having this cookie cutter approach.

Mr. Speaker, if you tell people that you want to do this, they throw up their arms and they say what would we do without a Federal education bureaucracy? What would we do without the Federal Department of Education? We would do the same thing that we did for the first 204 years in this constitutional Republic. We would keep it out of Washington, and we would empower the communities and the teachers and the parents and the students. That makes good sense.

Our Founding Fathers knew that made good sense. James Madison said:

We have staked the entire future of the American civilization not upon the power of government, but upon the capacity of the individual to govern themselves, control themselves, and sustain themselves according to the Ten Commandments of God.

The 10th amendment to our Constitution that Madison helped draft said “All powers not specifically given to the Federal Government are reserved to the States and to the citizens.”

There is nothing in our Federal Constitution, the United States Constitution, that Madison helped draft about an education bureaucracy in Washington, DC., but if we look at all 50 State Constitutions, we will see in all 50 State Constitutions mentioning of education, because that is the way our Founding Fathers and those that wrote our State Constitutions envisioned the American educational system being, an educational system that would be a bottom-up system, where teachers and parents and principals and school board members and community leaders would get together and decide how they were going to educate their children, instead of having an education bureaucracy in Washington, DC., or to go back to what our Founding Fathers looked at it as, instead of having King George III tell everybody how they were going to teach their children.

It just makes good sense. We have to empower our schools once again. We have to do that by getting it out of Washington, DC. That may be a radical concept, I suppose as radical as James Madison was considered to be radical or Thomas Jefferson was considered to be radical all those years ago when they started what continue to be the greatest living experiment in the history of government, and that is, the United States experiment.

Last year there were 72, 73 freshmen that were elected who said “Enough is enough. We are going to stop draining all the power out of the communities, stop taking it all up to Washington, DC., stop consolidating money and power and authority and prestige in Washington, and start sending it back out to the States, back out to the communities, back out to the parents, back out to the teachers.”

One of those people who is here tonight is the gentleman from Pennsylvania, JON FOX. JON has been an instrumental player not only in these education issues, but in other issues on fighting to take our country back and reclaim our heritage, and return this constitutional Republic to what it was meant to be.

Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. FOX].

Mr. FOX of Pennsylvania. Mr. Speaker, I thank the gentleman for yielding to me. The gentleman has been a leader, and I would like to extend my gratitude to you on behalf of the others in the Congress for your leadership in speaking out on important issues.

Frankly, we are looking to the point that the status quo does not live here anymore; how can we make the Congress more responsive, how can we make sure that we in fact look forward to some substantive and important changes.

That is why, from my perspective, and I think as well, from yours, we need to look and make sure that the local school boards are making the decisions. Yes, we want the Federal funds for textbooks and school lunch and for transportation to go to our school districts, but we do not need national policy to tell our local school districts how to in fact make sure we are giving educational policy that our students need and our parents want. Frankly, I think the teachers want that, too. We want minimum standards, of course, but we can get maximum results by empowering local governments.

Mr. SCARBOROUGH. Mr. Speaker, I agree with the gentleman 100 percent. I have to tell him, though, if we do go through a process where we block grant some of these programs back to the States, I think the important thing is that we do empower them and allow them to make the decision, just like you said.

□ 2115

Because Pennsylvania's issues on education, on transportation, on school lunch programs are different, I can guarantee they are different from Pensacola, FL.

Mr. FOX of Pennsylvania. No question.

Mr. SCARBOROUGH. We come from different parties. I lived in upstate New York for a few years. I recognize that. Our society and our country is huge. So I do not think Bill Clinton or any President should say this is what our education agenda is going to be and we have got to stick to it.

Mr. FOX of Pennsylvania. Would the gentleman yield?

Mr. SCARBOROUGH. Sure.

Mr. FOX of Pennsylvania. On the school lunch program, what I think is exciting about the new Congress is that in the 104th Congress, in a bipartisan fashion, we have seen the school lunch and the WIC programs, how we have expanded the amount of money for those programs, and we said in a block grant,

we are going to make sure it meets National Science Foundation standards for quality of the food.

Instead of spending 15 percent on administrative costs, as the Federal Government has for many, many years, we told the States and the governors who want the programs, "You can only spend 5 percent on the administrative costs. With the extra 10 percent we are giving you, you have got to feed more kids more meals."

That is a better way of doing it. Less bureaucracy, more direct services. That is what I think is the kind of reform that is positive.

Mr. SCARBOROUGH. That is right.

It is very interesting, you were talking about the school lunch program, and we saw and actually I talked about how we had been attacked as being extremist and Nazis and all these other things. Just absolutely ridiculous attacks on our character, and it showed just how desperate they were.

They even paraded little children around here in a shameful display. Everybody was wearing their ties with children on them, and all they talked, children, children, children, that is all they talked about. I have got two children. I do not need anybody to tell me that I am more or less compassionate than they are simply because they have more faith in the Federal bureaucracy than in local communities.

I think what we need to do is, while the school lunch programs went up, I think we need to reexamine if this is something that the Federal Government should in the end, in the perfect world, even be involved in. Because let us say, for instance, in my area, and we are talking about getting to the ideal situation on school lunch programs, to make sure that we feed the most disadvantaged and those students that need to be fed.

In my area, let us say that you take, and I, of course, because I am a working class type of guy, I probably do not even have a dollar so I cannot even hold it up. But let us say you take a dollar and you pay taxes coming up on April 15 in my area. Well, that dollar for school lunch programs, for instance, that dollar first goes to Atlanta, GA, to the regional IRS office, which is our regional southeastern IRS office.

That dollar that was for school lunch programs first gets channeled through the IRS office in Atlanta. Of course they have got copying machines. They have got to pay their people to work. They have got to pay rent. They have got to do all these other things, so a little bit of that dollar is gone, sort of a brokerage fee.

Then where does it go next? It comes up to Washington, DC, goes to the IRS office in Washington, DC, and the Treasury Department. They take off their little bit.

Then of course if gets funneled over to the next agency, I suppose the Department of HHS. They take off their part of the dollar, and then of course it

goes to the subdivisions within the Department of HHS, and then over to the Department of Education.

Everybody got their brokerage fee on it, so that dollar that started out for school lunch programs continues to get cut up more and more. The does it come back to the students and get put on the table in Pensacola, FL? No. Then it goes to Tallahassee, FL, and they start figuring out how they are going to cut up the money. Then it comes on over to Escambia County and they have to cut it up.

Finally, by the time that dollar that got out of my pocket on April 15 and went through this maze of bureaucracy up to Washington, DC, and back down to Tallahassee and back to Pensacola, and finally to pay to put a lunch or a breakfast on the table for that disadvantaged child, we have blown most of our money, instead of keeping the money in the community and having the communities raise the revenue and pay for the school lunch program. That is where we need to be. Not only does it make sense, not only is it constitutionally correct, but it just makes good basic sense.

Mr. FOX of Pennsylvania. Will the gentleman yield?

Mr. SCARBOROUGH. I certainly will yield.

Mr. FOX of Pennsylvania. The point is well taken. The fact is that our local communities, local officials, schools, parents, teachers, they know best what they need in their community. If it goes through all the layers the gentleman from Florida described, what happens is, as he well knows, all the pieces that are taken out is less for the child.

After all, what it is about, we want to help more children, we want to help more of our constituents get the services they need that cannot be provided by the private sector. Where the private sector can handle it best, they should. Where State government and local government can handle it best, they should.

But if it cannot be handled in the local government, then the Federal Government has to get involved, obviously in national defense and in other areas like Medicare and Medicaid. Those things that cannot be handled in the local government, certainly of course the Federal Government needs to take care of it.

Under this new Congress, the new vision I like is we are trying to eliminate the fraud, abuse and waste in the system, and that is where the big differences are coming. For instance, if we want to save Medicare for our seniors and make sure they get all the services they need with the appropriate increases, so they are always covered for health care, there is \$30 billion a year right now in fraud, abuse and waste just in Medicare, \$14 billion in Medicaid.

Under the new legislation we passed, the new Health Care Fraud Act is going to make sure we go after that fraud,

abuse and waste and the savings go back to health care for our people. That is the difference in the new Congress, direct services, more for the people, less waste, fraud and abuse. By going after these kinds of problems in our Government, we are going to make sure we get some real reform.

Mr. SCARBOROUGH. I go through the panhandle, hold town hall meetings all the time. As I hold town hall meetings, I hold Medicare town hall meetings, and I ask people what they think the problem is with Medicare.

I cannot tell you how many people cite waste, fraud and abuse inside the system. They will tell me that a medical provider will overcharge them and that they will call up, they will say, "You have overcharged me here. You need to correct my bill." And the provider will say, "Don't worry about it, it's not your money."

The sad fact is, it is their money. I will tell you what, if I added up all of the waste, fraud and abuse cases I heard in those town hall meetings, I think it would be enough to take care of the Federal debt.

We cannot close our eyes to the fact that there is waste, fraud and abuse in the system, and we also cannot close our eyes to the fact that this system continues to lose money. I was shocked, like I know the gentleman was, and quite frankly worried for my parents and for my 93-year-old grandmother, shocked to find out that the Clinton administration actually had knowledge that Medicare was losing money this past fall and that, unlike what the President had told us in the Medicare trustees' report back in April of 1995, that Medicare was going to go broke much faster than the 7 years they had originally told us. It was actually going to go broke a lot earlier.

That is what excites me about this problem, despite all the sound and all the fury and all the demagoguery, and I can say demagoguery. That is not coming from me. That is coming from the Washington Post. The Post accused Bill Clinton and the Democrats of shamelessly demagoguing on the issue.

Robert Samuelson, who wrote a Washington Post editorial, called the President a liar, said he lied on Medicare and said he did not like using that term, but that the President had so twisted the facts on Medicare that he really felt like there was no other term that fit him.

I guess my last example of how the media has caught on to the President, and they have already told us what they are going to do there this fall, they are going to continue this shameless parade of lies, trying to scare senior citizens, but my favorite was Nightline.

They had a program they called "Medicare." The first clip, and I am sure you know about this, JON, but the first clip they showed in the introduction of Nightline, they go, "this is Nightline." The first clip they show is Hillary Clinton testifying before Con-

gress a few years ago, a few short years ago, to Democrats in Congress, talking about how to save Medicare. She said we must slow down the rate of growth in Medicare to twice that of inflation, twice the rate of inflation. I suggest 6.9 percent.

The next clip they showed was Speaker GINGRICH saying we must slow down the rate of growth in Medicare to twice that of inflation. I suggest 7.2 percent. So already in these first two clips in 10 seconds you see that we are actually suggesting a higher increase of growth in Medicare than the President and Hillary did in 1993, the First Lady.

Then the next clip was Bill Clinton saying, "I will not allow the Republicans to destroy Medicare," when we were doing the exact thing or even a little bit better than they were suggesting just 2 short years ago.

I cannot tell you how many senior citizens have said, "My gosh, am I going to have Medicare next year? Are you guys abolishing Medicare?" I sit there and I go through the numbers. After I go through the numbers, and I explain to my 93-year-old grandmother and to others that they are going to go from getting \$4,600 this year in benefits to an average of \$7,200 in benefits 7 years from now, I apologize to them. I apologize to them because of the shameless demagoguery that we have heard from this side by people who have admitted they are using this for political leverage to try to scare senior citizens, to maintain power, to try to get reelected.

Now, if that is not a signal of the end of a party, and if that does not signal intellectual dishonesty and bankruptcy of the lowest order, I do not know what does.

We are doing what we have to do, what the Washington Post recognizes we have to do, what the New Republic has recognized in a cover story that we have to do, what a lot of liberal publications even have realized that we have had to do to save Medicare for senior citizens and for those that are in the baby boom generation.

I yield to the gentleman.

Mr. FOX of Pennsylvania. The fact is the gentleman is absolutely correct. It was we Republicans who led in this Congress for several issues before we even got to Medicare. We are the ones that said we want to roll back the 1993 unfair tax on Social Security when we passed that bill in the House.

We are the ones that said that seniors under 70 should earn more than \$12,800 without having deductions from their Social Security. In fact, that legislation will allow them to make up to \$30,000 a year without any deductions for Social Security.

Third, we are the ones who said we read the report from the President's trustees saying that Medicare was going to run out of funds in 7 years. So we came up with a proposal, which we hope the Congress will eventually adopt and the President sign, which does several things that you outlined:

No. 1, eliminate the \$30 billion in fraud, abuse and waste by going through the Attorney General's office and working with the HHS Inspector General to make sure we root out that waste; give a 10-year penalty for those who violate the law. No longer can you be a provider. And put those savings back into health care for seniors.

No. 2, make sure that the minimum education for the indirect and direct costs for interns and residents which is now part of Medicare be a separate line item, fully funded but not part of taking dollars away from seniors.

No. 3, let us reduce the cost of the paper work, 12 percent cost now in Medicare, just on paper work. I want to see that down to 2 percent, like you do, and use electronic billing, and give an extra 10 percent back for seniors for health care.

We also have a provision in there for managed care for Medicare, as well as Medisave accounts, which lets a senior determine how much money they want to spend each year on their health care and they can pocket the savings or roll it over the following year.

The fact is we are trying to be innovative and we are trying to make sure that Medicare will be there for next year, the year after, and the year after. Whatever it takes to make sure seniors have health care, we are going to do it, because we are the ones who have been leading the way to help make sure that seniors live longer, live better, live independently and really can make sure that they have the quality of life that we want for your grandmother, for my grandmother, for our and for your parents.

Mr. SCARBOROUGH. The gentleman brought up a good point, reclaiming my time for a second here. I remember back to 1993, the largest tax increase in this country, in fact in the history of mankind. I think back to that night when the vote was taken that increased taxes on Social Security up to 85 percent, where you had the Federal Government reaching in and taking more money out of senior citizen's pockets.

I think back to that night. I think back to how they lowered the earnings limit that you talked about from \$34,000 to \$14,000 and basically told our senior citizens, "Do not dare to be productive, my friends, because if you do, we are going to take your money away from you."

□ 2130

You know, I think back to that night when they raised taxes, estate taxes. I think back to that night when they raised taxes that affected seniors' incomes a million different other ways. And, you know, the thing that is striking is that night it was this side of the aisle, the Republican side of the aisle, that unanimously voted for the rights of senior citizens. Not one single Republican cast a vote to raise taxes on senior citizens and their social security benefits. Not one single Republican

cast a vote under Bill Clinton's tax plan to lower the earnings limit, to punish seniors for being productive. Not one single Republican signed off on the largest tax increase in the history of this country.

It was an initiative that was rammed through the House, through the Committee on Ways and Means, by liberal Democrats, signed on by President Bill Clinton, the same man who had promised a middle-class tax cut only a few months earlier when he was campaigning for President.

Yet these people, a lot of these people, have the nerve to actually stand up now and act as though they are the protectors of senior citizens, when, in fact, when they were in power, they were the ones that were taxing senior citizens, making it harder for them to get by from Social Security check to Social Security check and who are now pretending to be friends of senior citizens. All they are doing is fiddling while Rome burns.

They know the system is going bankrupt. The Medicare trustees told them the system is going bankrupt. The headlines this past month have shown it is going bankrupt even faster than we were led to believe by the President and by the liberal Democrats. And yet it is like they are a doctor that opens up a patient, sees cancer in that patient, and instead of operating, closes the patient back up, pats them on the head and says, "Go in peace. You are fine."

We cannot turn a blind eye to the waste, fraud and abuse that is in the system. We cannot turn a blind eye to the fact that the system is going bankrupt. We have got to protect it and preserve it and make it stronger, and I ask you who cares for senior citizens more: those that actually dare to make a difference and save Medicare or those who want to be elected this coming November and that is all they care about? So they are willing to just sort of let it go on for another 6 months or a year or 2 years until we wake up one morning and Medicare is gone.

Mr. FOX of Pennsylvania. I will be glad to answer your question, if you will yield. The fact is the Republican majority has led the way to protect seniors, not only having in that legislation all the things we discussed previously, but also a clause to return in case there has to be a further increase if we have not been able to save as much as we hoped to through the fraud, abuse and waste.

We will not let seniors go without the proper Medicare and senior health care services they deserve and need, but we are not going to tolerate a system that will lose money and have the waste go out the door when the services those dollars could have brought the seniors should go to our people. We are going to be vigilant that way.

What is also important is to note, and the people, our colleagues should also know, Social Security is off the table. That is not part of our budget.

We are not going to let that be touched by anybody, not anybody anyhow.

The fact is Social Security deserves to have funds brought back to it prior Congress borrowed from the Social Security. The Social Security trust fund is owed about \$358 billion. Hopefully, through things like the line item veto, other savings we are going to have reducing agencies, the sunset review legislation I have, other ways to reduce the cost of programs that have outlived usefulness, we can restore those funds to the Social Security fund, the Social Security trust fund.

The Social Security trust fund is solvent, doing well. We want to make sure it is going to be solvent for many years to come. Many on the other side of the aisle try to take things from it to balance the budget for seniors and those who have given their whole life to train us, to give us the right to be here. We have to protect them.

Mr. SCARBOROUGH. I agree. Exactly.

I want to try to bring this together, in closing, and just say this, that we have been talking about Medicare, we have been talking about education, but you know, the Democrats, some of the leadership, some of the liberals have tried to say, tried to tie some things together for a campaign slogan. And I guess it sounds great as a campaign slogan. Unfortunately, it is just not true.

What have they said time and time again, the Republicans are cutting taxes for the rich to pay for Medicare and have said that we are actually cutting Medicare to pay for tax cuts for the rich. And we cannot talk about Medicare until—

Mr. FOX of Pennsylvania. First of all, nothing could be further from the truth.

Mr. SCARBOROUGH. Exactly. Exactly. We cannot end this discussion on Medicare without discussing these tax cuts, I think, just to totally blow it out of the water, because nothing could be further from the truth. Not only are we strengthening and preserving Medicare, not only are we allowing Medicare to grow at a rate that is sustainable, not only are we going to be giving senior citizens more options than they have ever had and going to be allowing the Medicare benefits to continue to increase, and that shows that we are telling the truth on Medicare.

On the tax cuts for the rich, you and I both know those are not tax cuts for the rich. You take the \$500 per child tax credit, let me tell you something, that is a tax credit to help the struggling middle-class family that is having trouble getting by from paycheck to paycheck.

And here is an interesting fact for you on it: They call it tax cut for the rich; the fact is 89 percent of those tax cuts, 89 percent of that tax relief goes to working families earning less than \$75,000. So what does that tell us? It tells us one or two things about the liberals calling them tax cuts for the rich.

It tells us that, first of all, either they are not telling the truth on tax cuts either, on tax relief for working-class Americans, it tells us that. Or the second thing it tells us is that they truly believe that a working-class family of four earning \$35,000, \$40,000, is rich in their book.

Now, whether they are lying about it or whether they truly believe that working-class Americans making \$40,000, a family of four is now rich in America, either way, I do not think they are fit to govern this country anymore.

I think it is a sad commentary when people would actually stand up and say those are tax cuts for the rich and try to scare senior citizens. This is about empowering senior citizens if we are talking about Medicare. It is about empowering working class Americans if we are talking about working-class family tax relief. And it is about empowering parents, teachers, principals, and school boards if we talk about educating our children in the classroom and not in a bureaucracy in Washington, DC. And that is what this whole, they have called it, a revolution, we have barely taken the first step.

That is what this whole movement is about, getting power out of Washington, DC, and once again relying on the goodness of the American people and the greatness of the American civilization, which I believe today truly is the last great hope.

Mr. FOX of Pennsylvania. I agree with you. You are absolutely right. The fact is that when it comes to the tax reform, it is going to help most Americans. And we have done it after we have already taken the spending cuts, \$190 billion, deficit reduction of \$90 billion. It is only when we start looking to the tax reform to help us create jobs, over 300,000 a year, to help encourage savings to help encourage investment, and that is what America is all about. If we can create more jobs, not Government jobs per se, but real private sector jobs, we will have more people paying taxes and more, a more stable tax structure for everybody. Everybody can pay less toward the Government and get more in their pocket so they can help this economy drive forward.

We have the elder care tax credit, the new IRA's are part of that program. We have the new adoption tax credit. All of those tax reform packages will help seniors, help working families, will help children.

So, frankly, when you talk about it here in this Congress, we have had bipartisan support for that program, but the President unfortunately vetoed the bill, and I am hopeful the next time when welfare reform comes before the President, tax reform comes before the President, and a balanced budget, we can make a difference, because with that balanced budget we are going to reduce the costs for working families, college education interest expense, car expense, and on the mortgage expense.

And that is basic to the country. And by doing that, we are going to have a stronger country. The last time we balanced the budget was 1969.

Mr. SCARBOROUGH. That is right. For the first time in a generation, this Congress actually dared to say enough is enough, we are going to balance the budget, we are going to only spend as much money as we take in.

A lot of people do not realize how much \$5 trillion is. I heard somebody on this floor say one time, in explaining how much \$5 trillion debt is, if you earned a million dollars every day from the day Jesus was born, Jesus Christ was born, to today, you would not make enough money, making a million dollars a day, you would not make enough money to pay off that debt. And yet we still have people telling us we do not have to do it in 7 years.

Mr. FOX of Pennsylvania. What is interesting is we can still balance the budget and still have the safety net for those who are in need. This is a compassionate country, and this Congress does care but it does not mean we need to spend money on every program. Frankly, we have a private sector doing a great job, whether Habitat for Humanity, community service block grant where we take existing Federal funds and raise three times as much in the private sector to serve the community, we can do it all. We do not have to bankrupt the country or the next generation in doing that.

Mr. SCARBOROUGH. I will tell you what we have done in Pensacola, FL. What we have started up, we started a community service network. I got together 3 or 4 months ago with community leaders. One is a doctor, Reed Bell, who has just been instrumental. He has cared. He is a pediatrician. He has done great work in the community for years, caring for disadvantaged children, caring for those in need. I talked to Dr. Bell, and he had come up with an idea, a private sector welfare reform, where when people come off of welfare, we create a community service network of all of these different community service organizations that would work together, that would draw in churches and synagogues, and get these people when they come off of welfare and help them get on their feet and do everything they can to empower those people without going back on the welfare rolls a month or two later.

You know, at the time I came up with the idea, Dr. Bell had already come up with the idea, had been doing it for some time before me. I thought, hey, I have got a great idea. He had already been thinking about it, and we got together, and, with Dr. Bell's leadership, we have launched this community service network. And it is going to make a big difference. But that is something that is spreading throughout this country.

I saw on the front page of the New York Times a few Sundays ago that there has been an explosive growth of these groups, that people are no longer

waiting for the Federal Government to come in and help them out. Communities are now sort of digging in and doing their part and saying, "Forget the Federal Government, we have got this American can-do spirit. We are going to do it ourselves." That is what we are doing in Pensacola. That is what Dr. Bell is doing. That is what the New York Times is talking about.

Again, this is not a political revolution that is sweeping the country. It is a revolution of thought, again, that Americans are once again reclaiming their country and saying we are not going to just depend on the Federal Government for everything.

Mr. FOX of Pennsylvania. I will say, in summation, the spirit of voluntarism also is alive and well in Montgomery County, PA, where we have hundreds of organizations working to help with shelters for the homeless, food cupboards, you name it, health care. They are involved. But with our welfare reform legislation, in the Congress, I think that is also very sensitive. We are going to have a safety net for those in need, when they are taking care of children at home, those who are able-bodied, in 5 years we are looking to help them get a job, job counseling, job placement, day care, if they need it. We want to make sure it is those who are able-bodied get in the world of work if that is what they are able to do and we can train them for it.

Mr. SCARBOROUGH. Of course, that debate will continue. I personally think our welfare bill that ended the Federal Government's oppressive mandates on States for the first time in 62 years is a great bill. Obviously, 88 Senators out of 100 Republican and Democrat alike thought it was a great idea.

The President unfortunately vetoed that bill. Obviously, the 50 Governors, when they came to town, all 50 endorsed our welfare reform bill, thought we had a pretty good idea. Again they thought we had a good idea, because it keeps going back to the ideals of Jefferson and Madison and our Founding Fathers that we are in the end a Nation of communities and not a Nation of bureaucracies.

We have got to rely on the goodness of Americans as we go into the 21st century, because we have seen the Federal Government only goes so far.

Mr. FOX of Pennsylvania. I want to thank you for taking this hour so we have a chance to discuss some of the basic achievements we have had in the 104th Congress, so we can continue the enthusiasm to make sure we continue our reform goals. I thank you for your leadership.

Mr. SCARBOROUGH. I thank you for your leadership.

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#### PROPOSED RESCISSIONS OF BUDGETARY RESOURCES—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore (Mr. CHRYSLER) laid before the House the

following message from the President of the United States; which was read and, together with the accompanying papers, without objection referred to the Committee on Appropriations and ordered to be printed.

#### *To the Congress of the United States:*

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report five proposed rescissions of budgetary resources, totaling \$50 million. These rescission proposals affect the Department of Defense.

WILLIAM J. CLINTON.

THE WHITE HOUSE, March 13, 1996.

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. MYERS of Indiana (at the request of Mr. ARMEY) for today from 5 p.m., on account of medical reasons.

Mr. SISISKY (at the request of Mr. GEPHARDT) for today, on account of a death in the family.

#### 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. MCNULTY) to revise and extend their remarks and include extraneous material:)

Mr. FATTAH, for 5 minutes, today.

Mr. GEJDENSON, for 5 minutes, today.

Mr. VOLKMER, for 5 minutes, today.

Mrs. SCHROEDER, for 5 minutes, today.

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

Mr. SHADEGG, for 5 minutes, today.

Mrs. SEASTRAND, for 5 minutes, today.

Mr. MCINTOSH, for 5 minutes, today.

#### EXTENSION OF REMARKS

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

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

Mr. HAMILTON.

Ms. LOFGREN.

Mrs. THURMAN.

Mr. MARTINEZ.

Ms. DELAURO in two instances.

Mr. HINCHEY.

Mr. VENTO.

Mr. SCHUMER.

Mr. BENTSEN.

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

Mr. QUINN.

Mr. GOODLING.

Mr. GILMAN.

Mr. RAMSTAD.

Mr. KOLBE.