\$230 million in benefit improvements that are not contained in the Clinton budget plan. Those are the facts.

Mr. Chairman, I yield the balance of my time to the gentleman from Indi-

ana [Mr. BUYER].

Mr. BUYER. Mr. Chairman, I also rise in opposition to the President's budget. I agree with the Secretary of the VA that the President's budget will, in fact, be devastating to the VA. The President slashes VA medical care spending by \$4 billion while at the same time raiding \$18 million from the National Cemetery Service at the same time as more veterans, in fact, are dying. It bothers me tremendously.

One point I would like to make is, I have to ask where is the President's commitment? I ask that because the President, first he said he would balance the budget in 5 years, then he said we can do it in 7 years, then he said I think we can do it in 9 years, then he said I think we will balance the budget in 10 years, then he said I think we can reach it in 8 years, then he said somewhere between 7 and 9, and today he sent to the floor a budget for 6 years.

Where is the commitment? This is a President that opposed the balanced budget amendment. Bill Clinton has the commitment of a Kamikaze pilot on his 37th mission.

Where is your commitment, Mr. President?

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. The Chair would caution Members their remarks should be addressed to the Chair.

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

I want to only say it is the President's program that reduced the Federal deficit by more than 50 percent over all the "no" votes of the Republican, now majority, when they were in the minority. It is the President's program that has brought record growth of over 8½ million new jobs since 1993. The President does not have to listen to lectures from people who voted "no" on real deficit reduction in 1993. He has not just talked about it, he has done it.

Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. OLVER]

Mr. OLVER. Mr. Chairman, the President's budget is not perfect, but the President's budget does prove that we can balance the budget in 6 years without extreme cuts in health care and education and housing and law enforcement and environmental protection. But while those extreme proposals get most of the attention, I would like to point out to other areas of the extremist Republican budget that have at least as many bad implications for our future, and those areas are scientific research and development and our public transportation.

The Committee on the Budget plan cuts civilian science by \$15 billion over 6 years. It phases research and solar and renewable energy way down and wipes out energy conservation and research in fossil energy efficiencies. It

eliminates technology partnerships with businesses, including advanced technology development and manufacturing extension.

Now, these are the very investments that create high-paying jobs to grow our economy while protecting our environment and quality of life.

Now, public transportation gets people to jobs and to their medical appointments while conserving energy and protecting the environment. Completely missing the interconnection between public transportation and our energy and environmental security needs, the Republican budget slashes support for transportation systems that are used in every urban community, large and small, all over America.

What kind of future will those policies leave us? Well, a bleak future at best.

So we should reject the Committee on the Budget's renewal of extremist proposals and adopt instead the President's budget as a far better investment in our future, and I urge all my colleagues to support the President's sensible priorities.

Mr. BASS. Mr. Chairman, I yield 2 minutes to the gentleman from Arkan-

sas [Mr. HUTCHINSON].

Mr. HUTCHINSON. Mr. Chairman, I find the use of the term "extremist" in reference to the Republican budget rather ironic when looking at the section dealing with veterans' health care spending. The veterans in this country want a balanced budget. They know what it is to sacrifice for our country, and they want a balanced budget, but they want a balanced budget that is fair, in which we do not attempt to balance the budget of this country on the backs of our Nation's veterans. The President's budget seeks to balance the budget on their backs at their expense.

That is why the Secretary of Veterans' Affairs rightly said that the President's budget would be devastating to the veterans' health care spending in this country, and that is why the national commanders of four of our major veteran service organizations wrote the Secretary of Veterans' Affairs this week saying that in fact there was not adequate funding for a viable health care system in the President's budget and urging that it not be supported and saying that they would oppose it and all other budgets that fail to provide for our veterans.

The gentleman from Pennsylvania [Mr. WALKER] earlier called the President's budget the UFO budget. I rather like that and think that is rather accurate. But if we look at the veteran section, we can call it the big dipper budget because in the next 4 years in the area of VA medical spending there is a 20-percent cut in veteran spending for health care in the President's budget. That is devastating. It would reduce from \$17 to \$13 billion over the next 4 years. It is over a 20-percent cut in medical care. We cannot tolerate that.

The President's budget would spend \$5 billion less on veterans' medical care

over the next 6 years than the Republican House budget. The House budget even next year spends \$100 million more on VA health care than does the President

There is nothing extreme about that, but there is fairness to our Nation's veterans.

Again I say, Mr. Chairman the veterans of this country want a balanced budget, but they want a balanced budget that is fair. They do not want, as this chart indicates, a 20-percent cut in medical care spending with no explanation of how those cuts will be achieved, simply putting them at the expense of our Nation's veterans. That is not right, it is not fair. The President's budget fails the fairness test for our Nation's veterans.

Mr. Chairman, that is why we need to oppose this Clinton budget.

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

Veterans funding is the gentleman's top priority. He should have voted for the coalition budget because that budget had less cuts in veterans' care than the majority proposal. But, in reality, what will govern the funds available for VA funding in the next several years is a total level of discretionary funding. That is what is going to give appropriations the flexibility for funding VA. Cuts in discretionary funding are much deeper, much more severe, than those projected in the President's budget.

Mr. Chairman, I yield 2 minutes to the gentlewoman from New York [Mrs. LOWEY].

The CHAIRMAN. The Committee will rise informally in order that the House may receive a message.

The SPEAKER pro tempore (Mr. KOLBE) assumed the chair.

The SPEAKER pro tempore. The Chair will receive a message.

MESSAGE FROM THE PRESIDENT

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

The SPEAKER pro tempore. The Committee will resume its sitting.

CONCURRENT RESOLUTION ON THE BUDGET, FISCAL YEAR 1997

The Committee resumed its sitting.

The CHAIRMAN. The gentlewoman from New York [Mrs. LOWEY] is recognized for 2 minutes.

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

Mrs. LOWEY. Mr. Chairman, I rise in strong support of the President's 6-year balanced budget.

This debate is about much more than dollars and cents—it is about our Nation's fundamental priorities and values. The differences between the Gingrich budget and the President's budget are very clear. These plans offer competing visions for America's future,

and they present all Americans with a stark choice.

The President's plan balances the budget and provides tax relief for the middle class while protecting key priorities like Medicare, Medicaid, education and the environment.

President Clinton's budget will guarantee Medicare's solvency through 2005, while giving our seniors greater choice and flexibility. It cuts down on fraud and abuse in Medicaid, shakes up the welfare system, and provides hard working families with tax credits to pay for college or to start a business.

The Gingrich budget hits the elderly and our children the hardest. New York alone will lose \$14 billion in Medicare funding and \$10 billion from Medicaid under NEWT GINGRICH's budget. Seniors will lose long-term care and children will be denied health care. Financially strapped school systems—like the one in Yonkers, NY, will lose millions in Federal aid.

The choice is clear—the President's balanced budget provides tax relief for hard working Americans while protecting the priorities of the American people. NEWT GINGRICH's budget increases spending at the Pentagon while slashing Medicare, Medicaid, education and the environment.

Let's listen to what a very senior Republican from my State of New York recently had to say about the Gingrich revolution:

Americans did not vote to cut funding for education and cut funding for the environment and cut funding for programs they care about it.

Those were AL D'AMATO's words—let's take his advice, reject the Gingrich budget and support the President's plan.

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. The Chair would caution that Members should avoid references to individual Senators.

□ 1500

Mr. SABO. Mr. Chairman, I yield 2 minutes to my good friend, the gentlewoman from Connecticut [Ms. DELAURO].

Ms. DELAURO. Mr. Chairman, I rise in strong opposition to the latest round of Republican Medicare cuts. The American people rejected this extreme agenda last year, and I call on my colleagues to reject it today. The Medicare cuts contained in the Republican budget are designed to create a secondclass health care system for America's seniors. Their drastic cuts are compounded by dangerous policy proposals which will truly force Medicare to "wither on the vine," as the Speaker, the gentleman from Georgia, NEWT GINGRICH, called for last year. Under the Gingrich budget seniors will pay more and they will get less health care.

The medical savings accounts in the Republican plan will skim off the healthiest and the wealthiest individuals and threaten to leave the remaining millions of seniors vulnerable to a weakened Medicare system, while in-

creasing their costs. The Republican plan to cut \$168 billion from Medicare and \$72 billion from Medicaid is far more than is necessary to ensure the solvency of the trust fund.

The President's budget proves that. The President's budget makes Medicare solvent for the same number of years as the Republican budget, but does so without making such deep cuts. So why would the Republicans cut so deeply? The answer is \$176 billion in tax breaks for the wealthiest in our country.

Mr. Chairman, the American people rejected, out of hand, the extreme agenda of the Republican resolution when Speaker GINGRICH tried to take the country hostage by shutting down the Government and then going home for the Christmas vacation. Congress should not slash Medicare and Medicaid for millions of America's seniors in order to pay for tax breaks for the wealthiest few. It was wrong last year, and it is wrong today. I call on my colleagues to reject the Republicans' failed agenda.

Mr. BASS. Mr. Chairman, I am

Mr. BASS. Mr. Chairman, I am pleased to yield 30 seconds to my colleague, the gentleman from Arizona [Mr. HAYWORTH].

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

Mr. Chairman, listening again to my colleague, the gentlewoman from Connecticut, I think back again to the Washington Post editorial that talked about Mediscare. Here they go again. Mr. Chairman, the fact is this: that spending per patient will increase from \$5,200 to \$7,000 under our plan. That is no cut. There is no increase in deductibles, copayments, or premiums. And the gentlewoman neglected to admit that the Medicare trust fund is \$4 billion in arrears. That is unconscionable. That is why we must have this budget.

Mr. SĂBO. Mr. Chairman, I yield 30 seconds to the gentlewoman from Connecticut [Ms. DELAURO].

Ms. DELAURO. Mr. Chairman, the gentleman from Arizona can continue to try to fool the American public, when in fact if you add more seniors to the program, if you allow for inflation, the Republican budget in fact does cut Medicare for seniors. It allows them to have to pay increased deductibles and increases their medical bills, and no matter how they want to tell us that they are slowing the rate of growth, they really, truly want to see this program changed and it wither on the vine, as their leader, the gentleman from Georgia [Mr. GINGRICH], has talked about.

Mr. BASS. Mr. Chairman, I yield 1

Mr. BASS. Mr. Chairman, I yield 1 minute to the gentleman from Arizona [Mr. HAYWORTH] to respond.

ANNOUNCEMENT BY THE CHAIRMAN

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

Mr. HAYWORTH. Mr. Chairman, I would simply remind my friend, the gentlewoman from Connecticut, that again she misquotes people, not only an interesting use of numbers, but with reference to withering on the vine. The full record indicates, as the gentlewoman from Connecticut knows, the Speaker was referring to the Health Care Financing Administration and some of the problems with socialized medicine that existed in the former Soviet Union. That quote has been culled incorrectly.

The gentlewoman from Connecticut knows this, as she also knows the fact that we are increasing expenditures per beneficiary. There is no dispute with that, nor is there a dispute, Mr. Chairman, with this cold, hard fact of reality: The Medicare trust fund is already \$4 billion in arrears.

I ask my colleagues, Mr. Chairman, at long last, have they no sense of decency left? Let us save Medicare for seniors, quit worrying about the next election, enact this budget, and save the program.

Mr. SABO. Mr. Chairman, I yield 15 seconds to the very decent gentleman from North Carolina [Mr. Hefner].

Mr. HEFNER. Mr. Chairman, talk about decency; BOB DOLE: "I was there fighting the fight, voting against Medicare in 1965 because we knew it would not work."

"Now, we didn't get rid of it in round 1, because we didn't think that was politically smart, and we don't think that is the right way to go through a transition. But we believe it is going to wither on the vine." The gentleman from Georgia, Mr. NEWT GINGRICH, speaking to the Blue Cross-Blue Shield conference on October 24, 1995.

Mr. SABO. Mr. Chairman, I yield 2 minutes to my good friend and member of the Committee on the Budget, the gentleman from North Dakota [Mr. POMEROY].

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

Mr. Chairman, if the gentleman from Arizona is going to take exception to quotes, let us talk facts. In fact, the Republican budget proposes the deepest cuts in Medicare, future Medicare spending; once again, \$161 billion over 6 years, compared to \$117 billion in the President's budget before us.

Let us look behind these numbers, however, so we understand exactly where those cuts fall. One hundred and twenty three billion dollars comes from part A, the reimbursements to hospitals and home nursing care. There is no way we can take these cuts out of future spending and hospitals without devastating the network of essential care provided by hospitals all across this country. This cut is deeper than their cut last year.

As regards hospital reimbursement, home health care services so vital to seniors, they cut more than they cut last year. I think the American people know full well that their budget last

year on Medicare cuts was reckless, was dangerous, and threatened the care

of our elderly.

As regards the part B premium, for those who might elect the managed care option under their Medicare revisions, the GOP budget would leave unlimited exposure to physician charges. Medicare would cover a portion of the physician charges, but whatever the physician wanted to bill in addition to that, the senior would be responsible for.

The bottom line on their budget: Closed hospitals in many parts of the country, and higher doctor bills payable out of the pockets of the senior citizens of this country.

Mr. SMITH of Michigan. Mr. Chair-

man, will the gentleman yield?

Mr. POMEROY. I yield to the gen-

tleman from Michigan.

Mr. SMITH of Michigan. Mr. Chairman, is the gentleman voting for the

budget?

Mr. POMEROY. I am going to vote for the President's budget. I will oppose the GOP budget, for the reasons

that I am saying.

Mr. Chairman, another area of important contrast involves the Medicaid Program. The Medicaid Program is a major source of reimbursement, as members know, for those senior citizens in nursing homes without resources. They will, combined with the reductions in State funding, devastate reimbursement in the Medicaid Program, and the President's budget compares very favorably in this area as well.

Mr. BASS. Mr. Chairman, I am pleased to yield 2 minutes to the gentleman from Ohio [Mr. KASICH], the distinguished chairman of the Committee

on the Budget.

Mr. KASICH. Mr. Chairman, I want to compliment the minority on their tactics, because we have been studying them and learning from them. It is interesting that in the hour that they came to the floor to support the President's budget, they do not have anything good to say about it. So what they do is come to the floor and try to attack our budget.

Every one of them are smart, good, decent people who know that Medicare is going bankrupt. They furthermore know that we are increasing the number of dollars behind the senior citizen from \$4,800 per senior citizen to \$7,000

for each senior citizen.

But what is curious about this debate is that the plan basically has all its savings at the end. Take a typical American diet, I would say to the gentleman from Illinois, HENRY HYDE; that you are going to lose 50 pounds this year; you are going to lose 1 pound in the first week and 49 in the last week.

So first of all, it is backloaded. In other words, we put all the heavy lifting off for the children of the next century. We have children that visit this Capitol every day, and we are asking them to do all the heavy lifting, while we kind of get away scot-free. We do not want to do that.

Second, we do not believe in tax increases.

Third, if the economy has improved so much, why is it the President keeps running around talking about wage stagnation and job insecurity? It is because it is real. It is because they have not been able to grow this economy, to provide job security, permanent jobs, high-paying jobs, because the American people do not have the money to save and invest and risk-take, and give our workers the tools they need to compete and win.

Finally, everyone on this floor knows that at the end of the day, we are going to have to come to grips with entitlement programs. Our philosophy is we can manage them better by designing local solutions to local problems for

less cost.

But I wish we could spend this hour having you defend or support the President's budget, rather than attacking ours. It is a curious way to operate, but I think I understand it, when you have so much difficulty finding the good reasons to support the President in his very feeble efforts.

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

Mr. Chairman, I have no problem defending the President's budget versus that of the gentleman from Ohio [Mr. KASICH]. The gentleman from Ohio worked hard, but the President's is much better, much better for education and training, much better potentially for reforming Medicare in a fashion that will work.

The reality is your changes, you add some money up early, your provider Medicare cuts are going to have to be deeper in the final year, 2002, than they were in your original plan. Why? to accommodate your tax cuts. You talk about front end and back end loading. Somehow, there is enough money for your tax cut in 1997, for you show a deficit increase then, too. Miraculously, your tax cut costs less in 2002 than it does in 2001. There is some end loading in the President's, but you have the same problem. If you did not want that, if you wanted a nice, steady flow, you would have voted for the coalition budget.

Mr. BASS. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. KASICH], chairman of the Commit-

tee on the Budget.

Mr. KASICH. Mr. Chairman, let me just say that it is really dubious to make the claim that the President is spending more on any program that is in the discretionary accounts, because you have \$67 billion in unspecified cuts. If we wanted to do a really good job, an effort at this in the style of the gentleman from Massachusetts, ED MARKEY, we would take the \$67 billion in cuts and we would hold charts up of the children who we think you will hurt, or we will hold up charts of any number of discretionary programs and say you are going to cut those.

The simple fact of the matter is that we have done the most, we have been able to accomplish the most amount of change, and you all endorsed it. About 2 weeks ago the President of the United States had a budget that said we would have spent \$7 billion more in 1996 than we spent in 1995. We said, no, no, we want \$23 billion less. And guess what, the revolution has come, and guess what, it is winning. And do you know why? You all voted for it. You voted for the most massive amount of downsizing of Washington spending since World War II. I think it is fantastic that you did it.

Now, for the period of the next 6 years, there is not fundamentally that much difference between you and us on Washington spending, because you have already endorsed our program. Now what we are asking you to do is to endorse the rest of our program that takes entitlement programs that are going through the roof, that are threatening to sink the young people's future, that are destroying job security and creating wage stagnation, and we are saying, look, take the program out of Washington, send it home, design a local solution for a local problem. And we do not want to have higher taxes on the American people. People pay too much in taxes.

Mr. Chairman, the choices are pretty clear between these two alternatives, but I am glad that the gentleman from Minnesota, Mr. SABO, is now defending or supporting the President's budget rather than focusing on the shortfalls in ours, because we believe strongly in ours and we are glad that the gentleman at least believes in his.

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

Mr. Chairman, let me just say that we impose discipline on discretionary spending. We did it in 1993. I just have to say to my friend, the chairman of the committee, I am curious that if it was his program that finally passed, why he had to shut the Government for Christmas.

There were some issues at odds: Funding for education, for environmental protection, for inspection of safety, very important priorities. That is the difference. Frankly, there are very important differences over the future: Over educational funding, training, research and development; significant differences between the President's budget and its potential for doing good things for the future of our economy, things that are left out of your budget.

□ 1515

Mr. BASS. Mr. Chairman, I yield 1 minute to the gentleman from Ohio [Mr. KASICH].

Mr. KASICH. Mr. Chairman, I just want to make the point that the President was asking and many of you were asking to spend \$7 billion more in 1996 than in 1995. We were saying, No, no, we don't want to do that. We want to downsize Washington programs and spend less. At the end of the day, we ended up spending \$23 billion less. You

wanted \$7 billion more, we spent \$23 billion less. That is a \$30 billion difference

The thing that is so amazing is that we frankly have already won that debate, because you all voted for this. There were only 32 votes against this appropriation bill that lowers the whole base of spending in Washington. It is a terrific accomplishment by this Congress. I want to congratulate you for being part of it.

But when you start this big argument about the difference in Washington spending, frankly, folks, that debate is done. You already conceded our point. We are going to have the most massive amount of downsizing of Washington and the most amount of hope for the American people we have had in terms of controlling this Government in 50 years. I think it is reason to celebrate, not fight. We appreciate your support of that.

Mr. SABO. Mr. Chairman, I yield 1 minute to the gentleman from Michi-

gan [Mr. CONYERS].

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

Mr. CONYERS. Mr. Chairman, I compliment the gentleman from Ohio [Mr. KASICH], the Budget chairman, on his disingenuousness.

All the budgets have agreed that we would balance in 7 years. All the budgets have agreed that we would downsize. So what else is new? The question is, inside of that, what is going to be cut?

What is not going to be cut inside of yours, ladies and gentlemen, is Star Wars, a \$13 billion increase in the Pentagon, and all the taxes for the wealthy, and in the meantime the people on Medicare pay higher doctor bills, more seniors will be in the system, there will be more inflation. You have got a lot of backloading. Then Mr. DOLE has already said, "I tried to get Medicare once but it was not politically timely, but I think we can do better this time."

But what is disturbing is how come I cannot get more votes for the Congressional Black Caucus budget because we are Democrats, too, with one of the better programs that have been on the floor. I ask the gentleman from Minnesota [Mr. Sabo] to consider that.

Mr. BASS. Mr. Chairman, I yield 1 minute to the gentleman from Michi-

gan [Mr. SMITH].

Mr. SMITH of Michigan. Mr. Chairman, the reason that I think in our Committee on the Budget there was not much talk about the positive notes on the President's budget is because the President's budget is full of tricks. It takes taxes and says we are going to have tax cuts, but then it restores all those tax cuts and ends up actually with a tax increase of \$16 billion after the year 2002.

It does not have many spending cuts so nobody is particularly offended. Technically it balances because of a gimmick. The President says, "Look, if we're not on track by the year 2000, then I want you to take another \$67 billion out of discretionary spending." That is more discretionary cuts than even the Republicans have suggested in that length of time. It is going to be impossible. It is pretending that it balances when it does not. I bet there are a lot of Democrats that are going to be unwilling to vote for the President's budget.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the gentlewoman from California [Ms. Pelosi].

Ms. PELOSI. I thank the gentleman for yielding me the time.

Mr. Chairman, I believe that our Federal budget should be a statement of our national values. President Clinton's budget is. It protects and invests in the health, education, and wellbeing of the American people, protects the environment, as well as protecting Medicare and Medicaid.

I have many problems with the Republication budget. However, the most extreme and shortsighted part of the GOP budget plan is the severe cuts to education and job training. Essentially these vital programs to prepare the American people for the challenge of a new global economy are cut by 25 percent from this year's funding and then frozen for 6 years. Many scholarship and student loan programs are eliminated. This renewed attack on education places the Republican budget on a collision course with the Clinton administration, which has proposed \$61 billion more in investments for education and job training.

For health programs, the Republican plan calls for drastic cuts in programs like community health centers, family planning and biomedical research. Is this a statement of our national values? The plan to cut purchasing power for the National Institutes of Health by 16 percent is extreme and is lacking in an understanding of the importance of investment in biomedical research.

Over and over again the Republican budget makes cuts where we should be making investments. I do not believe it is a statement of our national values. I urge my colleagues to vote "no" on the GOP plan and be proud to vote "aye" on the Clinton proposal.

Mr. Chairman, I rise in opposition to the 1997 Republican budget resolution. Like last year's budget, the plan is out-of-touch with the American people and should be rejected by the House.

In 1993, President Clinton working with Congress began a process of deficit reduction that has produced Federal deficits which have gone down for 4 years in a row. In fact, the Federal budget deficit has been cut in half since the beginning of the Clinton Presidency. We need a continuation of the moderate proposals which have been working. We do not need another extreme budget plan to foster bitter confrontation between the Republican Congress and the administration. The American people reject this tactic; they want bipartisan cooperation in solving problems.

The Republican plan proposes to cut Medicare by \$168 billion over the next 6 years.

Even worse, the plan proposes to end 30 years of universal coverage for senior citizens and allow the healthy and wealthy to opt out of the program causing disruption and placing the entire Medicare Program at risk.

The Republican plan for Medicaid is even more extreme. A cut of \$72 billion over 6 years and allowing the States to cut even more in State payments would be severely destructive to the program. The plan also would eliminate the current guarantees of health coverage for low-income children, pregnant women, disabled people, and senior citizens. Thankfully, the President has already rejected the drastic approach and proposed a reasonable plan to cap individual benefits resulting in comparable savings without millions of Americans losing health coverage.

Likewise, the Republican budget includes much of the Republican welfare plan which was vetoed by the President because it was too extreme and did little to move people from welfare to work. There appears to be little to recommend proceeding with the same plan encouraging a race to the bottom for State welfare programs.

With regard to discretionary spending, the Republican plan is once again extreme. Funding for defense programs is increased greatly over the Pentagon's request. On the other hand, nondefense spending falls dramatically; a 25-percent reduction in purchasing power for domestic programs.

For health programs, the Republican plan calls for drastic cuts to programs like community health centers, family planning and biomedical research. The plan to cut purchasing power for the National Institutes of Health [NIH] by 16 percent is extreme and lacking in an understanding of the important of investment in biomedical research.

Again this year, the Republican budget plan proposes to cut important worker protection programs, including the Occupational Health and Safety Administration [OSHA] by more than 20 percent while terminating important research on workplace safety. The budget plan also calls for the repeal of the Davis-Bacon Act and the Service Contract Act thus threatening other important worker income security protections.

Nonetheless, the most extreme and short-sighted part of the GOP budget plan is the severe cuts to education and job training programs. Essentially, these vital programs to prepare the American people for the challenges of a new global economy are cut by 25 percent from this year's funding and then frozen for 6 years. Important education reforms are terminated and funding for bilingual education is eliminated. Many scholarship and student loan programs are eliminated. The successful direct Student Loan Program is also eliminated. This renewed attack on education places the Republican budget on a collision course with the Clinton administration which has proposed \$61 billion more in investments for education and job training.

Meanwhile, this plan would phase-out funding for the National Endowment for the Arts and the National Endowment for the Humanities as well as eliminate Federal funding for the Corporation for Public Broadcasting. Again, these proposals are short-sighted and extreme.

Again, the Republican plan fails to adequately protect the environment. The plan would cut purchasing power for natural resources and environmental protection by 26 percent. It also focuses cuts at the Environmental Protection Agency based on flawed risk-based regulation reforms. The American people want the environment protected. They want clean water, clean air, and access to well-kept national parks.

Mr. Chairman, the Republican budget resolution is deja vu from last year's Gingrich budget. This budget sets in motion the same failed tactic of confrontation that resulted in the longest and most destructive Government shutdowns in our Nation's history. I fear that not enough was learned by the Republican leadership from last year's failures.

I urge my colleagues to reject this fundamentally flawed Republican budget and insist that a bipartisan budget proposal be adopted to move us on an orderly course to complete the important budget work of this Congress.

Mr. SABO. Mr. Chairman, I yield the balance of my time to the gentle-woman from Texas [Ms. JACKSON-LEE]. The CHAIRMAN. The gentlewoman

The CHAIRMAN. The gentlewoman from Texas [Ms. JACKSON-LEE] is recognized for 2½ minutes.

Ms. JACKSON-LEE of Texas. I thank my good friend and ranking member from Minnesota, Mr. SABO, for yielding me the time.

Mr. Chairman, I want to acknowledge that I think the gentleman from Ohio [Mr. KASICH] is right. We do need to be discussing the Clinton budget, and we do need to be doing it in contrast to the Republican budget so the American people can fully understand. I do think that we have a sense of responsibility here and we are right, or he is right, we did collectively come together to vote on that last bill, appropriations bill, to ensure that the Government remained open, which is what the Democrats were trying to do all year long.

But one thing we did stand up and say is that we did not like those priorities because it did not ensure the protection of Medicare, it relinquished the responsibility for young children to have good health by cutting Medicaid so drastically, and then it gave short shrift to research and development. And here we are again now, looking at this new budget with the same kinds of poison per activities.

poison-pen activities.

I support the Clinton budget because it recognizes that we as Americans

pens when we recklessly cut taxes.

must be embracing of all of us. It supports research and development, it includes a very vital program that I have heard my colleagues make jokes about, and that is the Summer Youth Jobs Program that puts young people back to work, and then I think we should refresh our memories about what hap-

I believe in cutting taxes, and I think we need to be fair to the American people. If we cut taxes, we need to ensure the least of those who are working and not engaged in receiving welfare and respecting the earned income tax credit. But with this new budget, we are seeing the Republicans cutting \$200 billion of revenue. Where does it go? It does not go to the average working American. It goes to those who are already well-endowed.

We realize that under a Republican President when that same philosophy and budgeting process was implemented, we for the first time in this Nation began to define the deficit in one word, trillions.

Now we are coming to this Congress and asking for a fair budgeting process, one that emphasizes the environment, one that emphasizes education, one that emphasizes working America, and one that recognizes that this country would not be where it is today if we had not supported research and development. We would not be where we are today in terms of health care nor would we be where we are today in terms of the kinds of technology and jobs that are created. I think research and development is the work of the 21st century. That creates the work opportunities for the 21st century. It would be shameful to cut so drastically, what we have done in this Republican budg-

So I would simply say that we are talking about a budget that has priorities, priorities of balance and a priority that balances what this budget should be about and, yes, does not take away \$200 billion of revenue that American people will need to ensure a better quality of life.

Mr. BASS. Mr. Chairman, I yield the balance of my time to the gentleman from Texas [Mr. DELAY], the distinguished majority whip.

The CHAIRMAN. The gentleman

The CHAIRMAN. The gentleman from Texas [Mr. DELAY] is recognized for 8 minutes.

Mr. DELAY. Mr. Chairman, I really appreciate this very vigorous debate. It has been very encouraging and very stimulating. I hope the American people are watching, because there are two very clear differences held here on the floor as to where this country ought to be going.

My good friend from Houston, TX, my neighbor who just spoke, was very clear about where the Democrats are, where the liberals are. They want priorities and they want to maintain the Washington spending that they have been so proud of for all these 40 years. They want to continue these programs. They do not want to change them, and they are hanging on by their fingernails every chance that they can to continue taking money from the American families and paying for their priorities. That is what this is all about. That is why I rise in opposition to the President's budget substitute and I urge my colleagues to support the Dole budget.

Mr. Chairman, today's debate mirrors the greater debate going on in this country. On the one hand we have the President's budget which is much like the present administration. Rhetorically the President's budget looks great. It seemingly balances the budget. It seemingly gives tax relief to American families. It seemingly urges welfare reform. But if we look at the numbing details, a very different picture emerges. It is the picture of a President who promised a middle-class tax cut and then socked a gas tax on middle-class families and a Social Security tax on America's seniors.

It is the picture of a President who promised to end welfare as we know it and then vetoed commonsense welfare reform twice.

It is the picture of a President who promised to balance the budget in 5 years, then in 10 years, and then every year in between.

And it is the picture of a President that says one thing and does another.

Mr. Čhairman, it is easy to see why this President is so strongly supported by Hollywood. His budget is kind of like a Hollywood set. It is a sturdy-looking facade backed by nothing more than a vivid imagination.

The contrast with the Dole budget is very striking. The Dole budget is the real thing, much like the man himself. It cuts taxes for American families, not as much as I would like, but certainly more than the President even pretends to cut; it saves Medicare for the next generation, and it balances in 6 years using real numbers, real assumptions, and real cuts in wasteful Washington spending.

So, Mr. Chairman, the American people yearn for the real thing. They do not want any more empty promises. They do not want any more phony numbers, and they do not want bigger government cloaked in Clinton rhetoric. They want a smaller, more effective Federal Government. They want lower taxes. They want real welfare reform. And they want a balanced budget

Mr. Chairman, I urge my colleagues to reject the Clinton budget and vote for the real thing, the Dole budget.

Mr. CONDIT. Mr. Chairman, a few short weeks ago the Congressional Budget Office [CBO] estimated the budget deficit for the current fiscal year, 1996, to be \$145 billion. At that time CBO also estimated that the deficit, without some intervening action by the Congress, will top \$200 billion in fiscal 1999, reach \$311 billion in 2003, and explode to \$403 billion in 2006.

And the national debt continues its climb too and today is hovering near \$5.1 trillion. Without significant deficit reduction, the national debt of the United States will exceed \$7 trillion in 2006, a level of future debt the nation clearly cannot afford.

As a member of the coalition, I am proud of the work our group has done this year in developing and presenting an alternative resolution that balances the Federal budget, with significant deficit reduction and program reforms that stem the hemorrhaging national debt. The coalition budget alternative is comprehensive and fair, and I am pleased to vote to support it today. In doing so, I applaud the work of BILL ORTON and CHARLIE STENHOLM and the other coalition members for their hard work

Let me also congratulate Chairman JOHN KASICH, Ranking Member MARTIN SABO, and all the members of the Budget Committee for the work they have done this year. Chairman KASICH and Mr. SABO are both dedicated to balancing the budget, and one of my regrets is that we are not here today with a budget resolution that both of our Budget Committee leaders can support.

Mr. Chairman, I am also supporting President Clinton's budget proposal presented by the gentleman from Minnesota, [Mr. SABO], as well as the Republican resolution presented by Chairman KASICH because both of these budget resolutions are comprehensive and will set in motion the needed policy and spending changes necessary to reach a balanced budget

Balancing the budget should be the top priority of the Congress; there can be no other. As we in the Congress proceed to implement the fiscal year 1997 Budget Resolution, let us keep the goal of reducing spending and balancing the budget central to all of our efforts.

Mr. KLECZKÄ. Mr. Chairman, I rise today in support of the Sabo substitute, the President's balanced budget. This plan brings the budget into balance by the year 2002 by providing \$523.4 billion in total deficit reduction over the next 6 years, including cuts of \$265 billion from entitlement spending alone.

The President's plan—like the Republican budget—brings us to balance by 2002, but unlike the GOP plan, it does not require that our seniors, education, and environmental protection bear a disproportionate share of the burden for deficit reduction.

For instance, while the President's plan would maintain direct student loans, as used by 2.5 million students in 1,400 schools nationwide, the Republican plan would eliminate them altogether. The Republican plan also eliminates the AmeriCorps national and community service program. Overall, the GOP plan would provide \$60.6 billion less for elementary, secondary, and higher education and training than the President's plan. Likewise, the President's plan demonstrates a commitment to clean air and water while the Republican plan provides \$13 billion less on protection and cleanup of our environment. And, the Republican Medicare reductions mirror those proposed in last year's budget while the President proposes real reform that protects seniors and the solvency of the Medicare trust fund.

However, I want to express my serious reservations over the fact that this budget resolution, as well as the Republican plan, assumes a reduction in the Consumer Price Index [CPI], the standard used to calculate the cost-of-living adjustments for various programs including Social Security.

The alternatives before us today assume that the Bureau of Labor Statistics [BLS] will reduce the CPI by 0.2 percent in 1998 and 0.4 percent in 2000. There is no requirement that Congress review or approve this change. Although last year I successfully amended legislation to require that Congress must review and vote on such changes, my amendment to the Labor appropriations bill was dropped in the final product.

Additionally, I want to express my reservations about the tax cuts contained in the President's budget. With our Nation facing a debt of over \$5 trillion, I do not support tax cuts at this time. Any savings should be applied to deficit reduction.

Despite these concerns, which will be addressed in more detail in later bills, the President's budget plan is sound deficit reduction. It brings our budget into balance while maintaining our commitment to education, environmental protection, seniors, and our communities.

Mrs. COLLINS of Illinois. Mr. Chairman, I rise in support of the Sabo amendment, which forwards President Clinton's budget proposal. The President's budget is balanced in 6 years as scored by the CBO. It continues the fundamental reforms begun by this administration while not doing long-term damage to programs as does the budget presented by the Republicans. It funds education in a way that continues progress toward our children's futures. It funds health care for the poor, the young, the disabled and the old. It funds programs to train the underemployed so that we can reduce dependence on welfare programs for the able bodies. It's family- and taxpayer-friendly.

This body has rejected two alternative budgets today. The American public rejects the Republican budget, because it is almost the same as the one we saw last year. I urge my colleagues to act with reason and not drag the country through the same mess we went through last year when there was no rhyme nor reason to the fiscal crisis that the Republican majority brought to us by trying to pressure the American people to accept less than they want and deserve.

The President's budget saves money for local and state government and still reserves funds for valuable programs to support the children, families and vulnerable among our population. It reforms our welfare programs in a fashion that is not tough on kids.

I appeal to my colleagues, especially those on the other side of the aisle. Don't callously harm the well-being of our seniors, our children, our working poor, and our homeless. Vote for the Sabo amendment so that we can move forward to develop a reasonable Federal budget that will work for all the American people.

Mr. SCHUMER. Mr. Chairman, I rise today in support of President Clinton's proposal to balance the budget. While it is not the budget that I would write, this budget does eliminate the deficit by the year 2002 while protecting the elderly from higher Medicare premiums, preserving Medicaid for the poor and those in nursing homes, protecting the environment, and providing adequate funds for education.

If I were drafting this budget, I would have cut an additional \$25 billion from defense and added that back to the Medicare trust fund for hospital and physician reimbursements. In my view, these Medicare cuts are too large for our hospitals, particularly teaching hospitals and those which treat many poor patients.

We can lessen the impact of the Medicare reductions if we treat the defense budget under the same standard as every other part of the budget. Instead defense cuts are left off the table. That is not right.

The reality is that every Member of Congress could come up with their own plan to balance the budget. There are other changes that I would make as well, but the Clinton

budget is the closest to my values. That is why it has my support. It is not perfect, but it gets the job done.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from Minnesota [Mr. SABO].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. SABO. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 117, noes 304, not voting 12, as follows:

[Roll No. 178] AYES—117

Abercrombie Gejdenson Ackerman Gephardt Andrews Geren Baldacci Gordon Green (TX) Barcia Barrett (WI) Hall (OH) Hall (TX) Hastings (FL) Beilenson Hefner Berman Hilliard Bevill Bonior Hinchev Borski Jackson (IL) Brown (CA) Jackson-Lee Brown (FL) (TX) Bryant (TX) Jefferson Johnson (SD) Bunn Johnson, E. B. Clayton Clement Johnston Clyburn Kanjorski Collins (IL) Kaptur Kennedy (MA) Collins (MI) Condit Kennelly Covne Kleczka de la Garza LaFalce DeLauro Lantos Deutsch Levin Lewis (GA) Dicks Dingell Lofgren Dixon Lowey Maloney Durbin Eshoo Manton Markey Farr Fattah Martinez Fazio Mascara Fields (LA) Matsui McDermott Filner Flake McKinney Foglietta McNulty Meek Menendez Frost

Millender-McDonald Miller (CA) Mink Moakley Murtha Neal Oberstar Obey Olver Owens Pallone Pastor Pavne (NJ) Pelosi Pomeroy Richardson Rose Roybal-Allard Sabo Sawyer Schroeder Schumer Slaughter Spratt Studds Thompson Thornton Torres Torricelli Vento Volkmer Watt (NC) Waxman Williams Wilson Wise Woolsey Yates

NOES-304

Allard Burr Archer Burton Armey Buyer Bachus Callahan Baesler Calvert Baker (CA) Camp Campbell Baker (LA) Ballenger Canady Barr Cardin Barrett (NE) Castle Bartlett Chabot Chambliss Bass Chapman Bateman Chenoweth Christensen Bentsen Bereuter Chrysler Bilbray Clay Bilirakis Clinger Bishop Coble Blilev Coburn Collins (GA) Blute Boehlert Combest Boehner Conyers Bonilla Cooley Costello Bono Boucher Cox Brewster Cramer Browder Crane Brown (OH) Crapo Brownback Cremeans Bryant (TN) Cubin Cummings

Cunningham Danner Davis Deal DeFazio DeLay Dellums Diaz-Balart Dickey Doggett Dooley Doolittle Dornan Doyle Dreier Duncan Dunn Edwards Ehrlich Emerson Engel English Ensign Evans Everett Ewing Fawell Fields (TX) Flanagan Foley Forbes Fowler

Fox Lightfoot Salmon Frank (MA) Lincoln Sanders Franks (CT) Linder Sanford Franks (N.J) Lipinski Saxton Scarborough Frelinghuysen Livingston LoBiondo Schaefer Frisa Funderburk Longley Schiff Furse Scott Lucas Gallegly Luther Seastrand Ganske Martini Sensenbrenner Gekas McCarthy Serrano Shadegg Gilchrest McCollum Gillmor McCrery Shaw Gilman McDade Shays Gonzalez McHale Shuster Goodlatte McHugh Sisisky Goodling Skaggs Goss McIntosh Skeen Skelton Graham McKeon Greene (UT) Meehan Smith (MI) Greenwood Metcalf Smith (N.I) Gunderson Smith (TX) Meyers Smith (WA) Gutierrez Minge Mollohan Gutknecht Solomon Hamilton Souder Hancock Montgomery Spence Hansen Moorhead Stark Harman Stearns Moran Morella Stenholm Hastert Hastings (WA) Mveers Stockman Hayworth Myrick Stokes Hefley Nädler Stump Nethercutt Heineman Stupak Herger Neumann Tanner Hilleary Ney Norwood Tate Tauzin Hobson Hoekstra Nussle Taylor (MS) Hoke Ortiz Taylor (NC) Holden Orton Teieda Horn Oxley Thomas Hostettler Packard Thornberry Parker Houghton Thurman Payne (VA) Hoyer Torkildsen Hunter Peterson (FL) Peterson (MN) Hutchinson Towns Traficant Hyde Inglis Pickett Unton Istook Pombo Velazquez Johnson (CT) Porter Visclosky Vucanovich Johnson, Sam Portman Poshard Walker Jones Kasich Walsh Pryce Kellv Quinn Wamp Kennedy (RI) Radanovich Ward Kildee Rahall Waters Watts (OK) Kim Ramstad King Rangel Weldon (FL) Kingston Klink Reed Weldon (PA) Weller Regula Klug Riggs White Knollenberg Kolbe Rivers Roberts Whitfield Wicker LaHood Roemer Wolf Largent Latham Rogers Rohrabacher Wynn Young (AK) Ros-Lehtinen LaTourette Young (FL) Laughlin Roth Zeliff Roukema Zimmer Lazio Leach Royce Lewis (KY) Rush

NOT VOTING-12

Coleman Jacobs Molinari Lewis (CA) Ehlers Paxon Gibbons Manzullo Quillen Miller (FL) Hayes Talent

□ 1549

The Clerk announced the following pairs:

On this vote:

Mr. Gibbons for, with Mr. Paxon against. Mr. Coleman for, with Mr. Miller against.

Messrs. HYDE, HORN, POSHARD,

NETHERCUTT, and **SERRANO** changed their vote from "aye" to "no."

Mr. DICKS changed his vote from 'no' to "aye."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

Mr. SABO. Mr. Chairman, before we begin, I ask that my friend, the gentleman from Pennsylvania [Mr. MUR-

THA] be permitted to speak out of order on a matter unrelated to the budget that should come to the attention of the House.

(By unanimous consent, Mr. MURTHA was allowed to speak out of order.)

MOMENT OF SILENT PRAYER FOR CHIEF OF NAVAL OPERATIONS, ADM. JEREMY M. BOORDA

Mr. MURTHA. Mr. Chairman, I would ask the House to rise and join me in a moment of silent prayer for Admiral Boorda, who apparently either shot himself accidentally or intentionally.

Admiral Boorda was one of the finest naval officers that I have ever known; a person who came up through the ranks, and all of us had so much admiration for, and who has done so much for this great country over the years. The Navy and the country is a better place because of his fine service, and I would ask that we would bow our heads for a moment of prayer.

The CHAIRMAN. A final period of general debate is now in order. The gentleman from Ohio [Mr. HOBSON] and the gentleman from Minnesota [Mr. SABOJ each will control 20 minutes.

The Chair recognizes the gentleman

from Ohio [Mr. HOBSON]. Mr. HOBSON. Mr. Chairman, I yield such time as he may consume to the gentleman from Kentucky BUNNING1.

(Mr. BUNNING of Kentucky asked and was given permission to revise and extend his remarks.)

Mr. BUNNING of Kentucky. Mr. Chairman, I rise today in support of budget resolution House Concurrent Resolution 178.

Mr. Chairman, I rise today in support of the budget resolution. House Concurrent Resolution 178. It keeps us going in the right direction to make sure that we do indeed balance the budget by the year 2002.

It is truly gratifying to see the change that has taken place in Washington since the Republican majority was elected. The entire debate has shifted from one of simply not letting the deficit get any bigger to really balancing the budget. That is a fundamental change in the culture of the Federal Government.

It is good to take stock of these things from time to time because people forget very quickly how things used to be. They forget that under the previous leadership of the other party, spending spiraled out of control and it was common to refer to spending as being "uncontrollable."

We have proved that it was a lack of will to control spending that lay at the heart of our deficits. And, it was the Orwellian use of language in which spending increases were called cuts that aided the ballooning of Federal spending. The deficits ballooned because Congress could not control itself, not because spending could not be controlled.

Under Republican leadership, domestic discretionary spending actually decreased for the first time in more than two decades. While we did not reduce it as much as many of us would have liked, it was a major accomplishment to completely change the direction of government from growing ever larger to actually shrinking it.

Those of us who promised to work for a smaller, less intrusive government can be very

proud of what we have been able to do in such a short time.

The budget before us today keeps us on track to getting our financial house in order. Again, it does not go nearly as far as I would like: but, it maintains our momentum toward the goal of a balanced budget and the economic rewards that go with it.

The budget should be balanced as a matter of principle, but, just as important as the principle is the economic benefits that go with it. A 2-percent drop in interest rates, which nearly all economists agree would result from a balanced budget, means lower costs for buying a home, a car, or a college education.

Because of that kind of economic change. individuals will be able to do the things that they need to do to improve their lives and take

care of their families.

Our budget will make sure that the Government programs that we depend upon will be there when we need them. Medicare is going bankrupt even faster than we originally thought and we absolutely cannot allow that to happen.

Our budget will allow Medicare to continue to grow; in fact, it will be one of the fastest growing programs in the budget. But the rate of growth will be slowed through sound policy changes that ultimately give senior citizens greater choice and control over their own health care.

I suppose that budgets reflect the priorities that we place on things and they say a great deal about who you trust. Our budget says that we have heard the call of the American people for a smaller and more responsive Government.

This budget reflects our belief that individuals can and will make the best choices about how to run their own lives. It is a far cry from the Washington-knows-best, one-size-fits-all, bigger-is-better, "spending can't be controlled" budgets of years past.

I encourage my colleagues to support the budget resolution and keep America on the path to a balanced budget, more freedom and

individual responsibility.
Mr. KASICH. Mr. Chairman, I yield 2 minutes to the gentleman from Oklahoma [Mr. WATTS]

Mr. WATTS of Oklahoma. Mr. Chairman, recently I was in Dallas, TX, and I bought a little plaque for my office that talked about priorities. I know it is very difficult to see this plague because I tried to photocopy it and it is pretty difficult to see it, but here is the message. It says: "One hundred years from now it will not matter what my bank account was, the sort of house I lived in, or the kind of car I drove, but the world may be different because I was important in the life of a child.

I bought that plaque because it reminds me of why I am here in Congress. We all need to be reminded to keep our priorities in line. Today's vote is about priorities. It is about the priority of our Nation to live the way we expect every citizen to live, within his or her means. This debate today is about truth, it is about honesty, it is about our children and our grandchildren. It is about getting rid of a \$200-plus billion deficit and a \$5 trillion national debt.

Over the last 30 years this city has had one heck of a party, and we continue sending the bill to our kids and

our grandkids. Mr. Chairman, every night I pray that the Lord will bless and keep my children, and I have a picture of my family here, and every time we have this budget debate I am reminded of my responsibility in that prayer. I have five personal reasons why I want to balance the budget. They are Kesha, Jerrell, Jennifer, Julie and Trev Watts.

I urge Members all to look around next Sunday when they go to their church or they go to their synagogue or parish, and I challenge them to go to the nursery and take a look at those nursery kids, those 2 years old and 3 years old, and understand this as they look at them: Each of them, each one of them, they are responsible for \$18,000 of the national debt, each of them, and they never held a job.

I urge Members to do that, and if they vote no today they have to tell every one of those precious children they just saddled them with an everdeepening debt. Their life will never be as good as ours, and in essence we have lost our priorities. I urge a "yes" vote for this budget. I urge a vote for the right priorities I urge my colleagues to remember their own reasons, their own children, and continue our country on the path to a balanced budget.

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

Let me just make a couple of comments and then I will yield to others. I will try to be shorter than I was planning on

I hear all this discussion about children. I happen to have a new grandchild. I am a grandfather for the first time, a little over a month ago.

□ 1600

It is a new experience. It is nice. But I look outside today, and I hope for the sake of my granddaughter the future is not as dreary and bleak as the weather outside today. I tell my friends on the Republican side that I see their budget, and I worry about it. I hope she grows up in a world where she knows she has to pay her bills, but I also hope she grows up with a sense of obligation and a sense of community that is larger than simply herself or her community or her State, but it also includes a view of the country as a whole in the world.

We have important obligations as we move forward to balance the budget, which we should do. But we made important commitments to our seniors in Medicare, and as we reform it and change it, as we must, we must make certain that we do it in a rational way that is sustainable and continues quality health care for all in this country. I fear the Republican proposal, as in so many cases, goes too far. In Medicaid where we deal with health care for the most vulnerable in our society, the numbers are not that far off, but the policy is. My colleagues let the States put billions of dollars out of the program.

I could go on in program after program where that is the case. We are

going to pass it today. I hope that we only recognize that somehow it is a bargaining position for your side of the aisle. Ultimately I still hope that we can come to some agreement in this session between the Congress and the President and find a solution that is pragmatic rather than ideologically driven so that we can move this whole country forward. Your proposal today is not that solution.

Mr. Chairman, I yield 2 minutes to the gentleman from Florida [Mr. GIB-BONS], who served as a very distinguished ranking member of the Committee on Ways and Means and, unfortunately, is leaving us at the end of

this session of Congress.

Mr. GIBBONS. Mr. Chairman, this issue today is not about balancing the budget. In fact, this issue that we are talking about really is a wish list. It is not a law. It never will become law. It is just a wish list that we put together to say that we are fulfilling our responsibilities. But there is something wrong with this wish list. Seventy-five percent of all the savings in this wish list come out of children, aged, sick people's benefits. Seventy-five percent of all the money that is saved in this wish list comes out of Medicare and Medicaid.

In addition to that in this wish list, a horrible damage is done to the programs that have worked successfully. All of the seniors will be herded into managed care where they do not choose to go, have not chosen to go, and do not need to go. Who will profit by all that? The insurance companies, the medical doctors, and all the people who are making such a killing out of managed care.

Second, the States will not be required to continue their efforts for their children and their old people under Medicaid. Another horrible cut from the welfare of those who are dependent upon us who are healthy and well off. Then, Mr. Chairman, there is a tax cut in here, just like there was last year, and it is here for the wealthy

friends of our Republicans.

America does not need a tax cut. The United States of America has today the lowest tax burden of any of the 25 industrialized nations on earth. We do need to balance our budget, but we do not need to balance our budget at the expense of the dependent people in this society. And we do not need to balance it for the benefit of those who can more than pay their own way.

Mr. Chairman, I yield such time as he may consume to the gentleman from Delaware [Mr. CASTLE].

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

Mr. CASTLE. Mr. Chairman, I rise in support of this resolution.

Mr. Chairman, I rise in support of House Concurrent Resolution 178, the House budget resolution, but want to comment on the President's budget and the other budget alternatives

While I am pleased that the President has finally agreed on the need to balance the

budget, his plan falls short on a number of the critical reforms that are necessary to achieve this goal. It promises a lot, but delivers little.

In 1994, I had the opportunity to serve on the President's bipartisan Commission on Entitlement Reform, the Kerry-Danforth Commission. For a year the Commission heard testimony from a parade of experts on the need to reform Medicare and Medicaid and other entitlements or they would ultimately either become insolvent or eat up virtually all our tax dollars.

What troubles me most about the President's budget is that it does not face up to the pressing need to address the entitlement issue. Instead, the administration has played politics by portraying the sound reforms to Medicare contained in the Republican budget as a threat to seniors.

Reforms to Medicare, Medicaid and welfare are not needed simply to balance the budget, they are needed to protect these programs for those they serve.

I am one Member who believes that we can still achieve some major progress toward balancing the budget this year.

While the President's budget falls short in key areas, I believe that the coalition budget presented earlier shows that Republicans and Democrats do not have far to go to achieve fair compromises on the most important budget issues.

The coalition budget plan and the Republican budget are the two most credible plans for achieving a balanced budget in 6 years. The President's plan does not meet the critical tests necessary to achieve a balanced budget. The President's plan is based on overly optimistic economic assumptions and avoids most of the tough choices necessary to balance the

Mr. Chairman, today we should pass this budget resolution and then get down to the task to producing welfare, Medicaid, and Medicare reforms that will save these programs and save tax dollars.

These are the areas we must concentrate on in the next few months to really make a difference in the lives of our constituents.

Members of the Blue Dog Coalition and a number of Republicans have already demonstrated that we can work together to reform programs which will help people and balance the budget.

Congressman JOHN TANNER and I have introduced a bipartisan welfare reform bill which would save \$50 billion over 7 years and contains all the key reforms necessary to move people from welfare to work.

This compromise is based on H.R. 4 conference report and the bipartisan Governor's proposal.

It contains all the essential elements of the conference report-work requirements; family cap: time limits: limits on benefits to teenage mothers; paternity establishment; illegitimacy reduction, and child support enforcement.

It builds on the Governor's plan by providing additional funding for child care and the contingency fund to protect States from economic downturns, but requires more State account-

This is the type of bipartisan effort that will lead to a balanced budget. We need to pursue similar agreements to reform Medicaid. Medicare and hopefully provide tax relief to the American people.

I support passage of the budget resolution and then immediate action to pass legislation to reform the key programs that will balance the budget.

Mr. SABO. Mr. Chairman I yield 3 minutes to the distinguished gentlewoman from Connecticut [Mrs. KENNELLY].

Mrs. KENNELLY. Mr. Chairman, I have to rise in opposition today to the final budget resolution before us. Setting budget priorities is one of the most challenging things that we have as Members of Congress to come before us. In agreeing to a budget resolution, we are making a series of choices, choices about the goals that Government makes, choices about the services that citizens receive, choice about commitments that are kept.

The good thing about today is we come to this floor together, and we are all looking at balanced budgets. But the whole point is, how do we get there? There is no single right way to get there. There is no one answer. What we are talking about today are choices. I would argue that some of the choices in the majority's budget resolution are very much the wrong ones.

Quickly, let me just mention the choices on Medicare. We all fully agree that we have to keep the Medicare program solvent. We have done it before. We will do it again. But there are several policies in the majority's budget resolution today that would, it really would make it more difficult for seniors and at the same time does not improve the Medicare solvency situation. Two examples: Medical savings accounts. We could debate medical savings accounts for younger, healthier people and probably have a very healthy good debate. We have one universal health system in this country. Those over 65 get Medicare. If you give them a medical savings account to choose, who is going to choose it? Of course if you are younger, if you were healthier, you will choose it. And in some choosing, we lose \$4.6 billion in that whole choice.

More damaging still is those that are frailer and sicker stay in our traditional Medicare which has worked, is there for over 65 and as a result of the healthier, stronger ones going out of it, the premiums go up for the sicker. It is what we call adverse selection. In plain English, what it means is the premiums are going to go up.

Also, something that some of us on both sides of the aisles have worked for for years, and that is to see that when you have Medicare and you go to the doctor, you have a protection against increased costs over and above Medicare. For years we fought that. I can remember going to meetings when I was on the city council; assignment: Let us have assignment for doctors who work their way through it so it was fair for those on Medicare and fair for the doctors.

What is happening in the new budget resolution that we are about to vote on? Balanced billing, they call it. It is not balanced, let me tell you. It means the doctor can add on and you will not have a choice.

My final thing, let me say why in heaven's name when we are all talking about welfare reform that we are going and attacking the earned income tax credit? Make work pay. Do not take money out of people's pockets.

These things make it impossible to vote for this majority budget. We really should not do what we are doing today.

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

Mr. HOBSON. Mr. Chairman, I rise in support of the House resolution, as a grandfather, and urge passage.

My third grandchild—and second grand-son—will be born soon, and as I think of welcoming this new Hobson into the world, I can't help but wonder what kind of future he will face. How much will prices rise during his lifetime? Will the country still be a place of opportunity? Will there still be a thriving economy to support his generation? When I think about the answers to these questions, it becomes increasingly clear to me that the best thing I can do for my new grandson is to vote "yes" for this budget package.

When they look back on this Congress, our own children and grandchildren will judge us harshly if we pass up this chance, and we continue to rob them because we do not have the backbone to control our spending in this Chamber. Every time we deficit spend we are refusing to take responsibility for our actions.

Many constituents I've talked to have had concerns about specific programs they benefit from, but without fail, they also remind me to follow through with the promise to balance the budget. People are willing to accept the changes necessary to preserve our country's fiscal security, but they want us to make sure that what we do is fair, and that we follow through on our commitment to balance the budget.

We're a year into the balanced budget mission, and the sky has not fallen like some said it would. In fact, we all know that the sky will continue to brighten the closer we get to 2002 and to balance.

I know there are many here today whose parochial interests lead them to declare this plan unfair. To those people I ask them to consider this: is it fair to take the money and future and opportunity from generations of Americans who aren't even born yet? That's what we do when we deficit spend and run up the debt. Someone pays and it isn't those of us in this room, it is our children and grand-children who trust us to look out for them.

Protect our children's and grandchildren's future and shift power, money and influence out of Washington and back to Americans: pass the 1997 budget resolution.

Mr. SABO. Mr. Chairman, I yield 5 minutes to my good friend, the gentleman from New York [Mr. RANGEL].

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

Mr. RANGEL. Mr. Chairman, as I ask for opposition to the majority budget proposal, it is with the understanding and the true belief that all of us in this House are really looking for a better America, a more prosperous America, an improvement in the quality of life for all of our citizens.

Not too long ago when President Clinton spoke to both Houses, there were a lot of people that reported that he sounded so Republican, that he had stolen every idea that only the genius of the party labeled The Grand Old Party could have. I rather thought that that was a message in saying that we all have the same objectives.

We truly would like to have a smaller Government, that we would want to reduce taxes on our constituents and even our own, for that matter; that we are concerned with being able to say that during the time that we were in the Congress, we indeed improved the quality of life. That happened whether we were Republican or whether we were Democrats.

I think that next to feeling good about being American, the next good feeling that we have in our country is the dignity and the pride of having a job. You have had to know unemployment, you have had to know the pain of looking at your family in the face, looking at your kids and somehow explaining why that American dream is not yours to share in. You have to understand, even if you had a good job and for some reason you lost a job, they downsized, they merged, how do you explain to your kids and to your family that America is doing much better, trade is expanding, but somehow you got caught in the cracks?

I suggest when Members look at this budget, instead of the rhetoric about wiping out the Department of Education and wiping out the Department of Commerce, we should say we are going to increase education. If they are not doing the job, we have got to restructure it. Instead of talking about wiping out the Department of Commerce, we are going to say we are going to expand world trade, we have exhausted European and domestic markets.

While we are talking about this and while we are willing to make available moneys for research and development, when do we start talking about training people, giving them access to education, not cutting student loans, not cutting back on education and job training? Saying everybody in this country is going to be able to work, is going to be able to stand up and say that they are going to take care of their family and they will never allow welfare to compete for the hearts of their children and the mother of those children because they have the dignity to work.

That is what the earned income tax credit was all about. It was saying if you are working every day, black or white, Jew or gentile, and at the end of the year you end up below the poverty level, that we are not going to advocate that you make the salary of a Member of Congress, but we will give you something to bring you to the dignity of working and being above poverty.

So we cut out education, we cut out the job training, and we have the audacity to cut out giving a hand to people who refuse to be on welfare but want to work each and every day with just a little help. When we start thinking about what we are not doing to put people to work in terms of education and job training, when last have we ever heard on this floor that we are spending too much money on our jails? When have we ever heard that mandatory sentences mean more taxpayers' money spent?

Why in the city of New York, we have a detention center that costs \$60,000 a year to keep a bum kid in, and that is before he is convicted. Yet the fight is between the mayor and the Governor and this Congress as to whether \$6,000 a year is enough. So you kick them out of school, you put them in the streets and we end up with drugs, with violence, and with jail.

A greater America is a working America, a stronger educated America, and we just made the wrong cuts for this great Popublic

this great Republic.

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

(Mr. GEPHARDT asked and was given permission to revise and extend

his remarks.)

Mr. GEPHARDT. Mr. Chairman, this Republican budget reminds me of a movie I saw a few years ago called "Groundhog Day." In the movie, Bill Murray, who is the star, keeps reliving the same day over and over again. Everything happens to him the same way.

This budget, which has been advertised as a real change, when you examine it, when you open the package that has been repackaged, is really the same thing. It is said to be a moderate budget. It is not a moderate budget. It is warmed over tax cuts for the wealthy, rehashed cuts in Medicare, in Medicaid, reconstituted cuts in education and the environment.

For 17 months, the President, the Democrats have been waiting for the Republicans to come to the sensible center so that we could get a budget done. The Republicans have been offered a balanced budget plan made up entirely of cuts that the Republicans support, but it is never good enough. We cannot seem to get the compromise, the consensus that we need to get this done.

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This budget still raises taxes.

Now listen to this. I said it in the last budget debate:

This budget raises taxes on working people who are at the bottom, trying to get in the middle class, while it cuts dramatically taxes on capital gains, most of which goes to the wealthiest Americans. How can anyone argue that this is fair, that this is sensible, that this is pragmatic, that this is what we ought to be doing in this country?

It still cuts Medicare and Medicaid way too much. That would not have to

be done if we simply gave up the tax break for the wealthiest Americans, if we just focus the tax break on middleincome people and people trying to get in the middle class. We would not need as deep a cut in Medicare and Medicaid and in education

And then if we look at the list that comes out of discretionary spending, it is too long for me to read this afternoon. Job training in vocational education, cut by more than \$1 billion; national direct student loans, eliminated entirely; libraries across the country cut by one-fifth; 24 education programs eliminated entirely; Institutes for Occupational Safety and Health, gone; rural housing eliminated; rural health, gone; agricultural extension and research, gone.

The list goes on. I could read it all afternoon.

These are efforts that everybody could agree are good for the future of this country that only, only the government will perform if this country is to move forward.

Now let me end with this:

This budget for the second year in a row is not going to happen. The President will veto the implementation of this budget, and what I cannot understand, my friends in the Republican Party, we now have 2 years of no progress.

I know my colleagues did not like the President's budget in 1993, but it cut the deficit in half, and most impor-

tantly, it got done.

This country is not a parliamentary system. Our colleagues cannot do it their way alone. They have to come to the middle, and we have to find a compromise to move this country forward. if our colleagues continue being obstinate and resolute in wanting to do it their way or no way, we get nothing done for the American people.

Let us vote this budget down, let us get a budget back on this floor that is somewhere out here in the middle that everybody in this body can support, and let us get this deficit down and balance this budget as we should have done a long time ago.

This budget will not live. Let us find a budget that will.

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

Mr. Chairman, let me just say that we have had enormous progress. The simple fact of the matter is that in the area of Washington spending the spending that we are responsible for year to year, that if we do not even come to work, of course, entitlements keep going up, but on that spending that the President was forced to deal with, we had the most massive amount of change in 50 years. We saved a net amount of dollars of 30 billion, the most amount of savings, the most amount of shrinking of Government in 50 years.

Ås George Will told me, "Historians were wrong, JOHN. Historians were wrong. They said government never shrunk. You proved that it can, in fact,

shrink." And the savings of that \$23 billion came, it came because we had principle. We did not cave, We stood up for what we believed in. We are standing up for this country. We are standing up for the power of the individual and a smaller Federal Government into the next century.

But let me tell you about the three reasons why we do this budget. One is the children. Everyone in this Chamber cares about the kids. That is why we all talk about them. We are about preserving America's greatest legacy. It is simple: "Your children will be better off than you were." It is the legacy

that we got from our parents.

I look across this Chamber, and I look at a great man, the gentleman from New York [Mr. RANGEL], a hero of the Korean war. Never in his wildest dreams did he ever think that he would get to be a very senior and respected spokesman on the Committee of Ways and Means. And I look across the aisle here. We got a professional football player who struggled his way up and made the big time and then came to Congress because he had a vision.

I mean, all we are saying is that every child, and everybody agrees with this, every child deserves a legacy and an opportunity for them to be able to live their dreams, and we cannot give them that if we keep spending money we do not have. We know it. We do not want to send them to work where the message is that they are going to work longer and harder for somebody else to pay somebody else's bills. We do not want to strangle them with a big government that can choke them off in overregulation and things that do not make common sense.

So, No. 1, our principles are driven by children, the next generation. As my colleagues know, it is right out of the Bible. One of the most important principles is the other person is more important than we are. Well, we think that this country is more important than us; and, second, we believe our children and the next generation, frankly, are more important than we are. So we do it for the children.

But as Eunice Kennedy said to me one night, she said, "You know I understand your love for the children. That's about what you're going to do tomorrow. What about today?" She said, "You have to explain what you're going to do today," and she made a fair point, and I want to say to my friend from New York, when we talk about jobs, when we talk about job insecurity, when we talk about wages, let us just look at the facts. We got a candidate in our party, we had an independent candidate, and we are going to hear about job insecurity and wage stagnation until we solve it, and we should, because mothers and fathers are working longer and harder and they are getting stuck. Too many families are stuck. They are not getting ahead.

I understand it. I come from a family where we had to work like crazy to get ahead. I understand the problem.

Where does it come from? The simple fact of the matter is, if a country does not save, it cannot invest. If a family does not save, it cannot invest, it cannot invest in its children, it cannot invest in its home, it cannot invest in transportation. If a nation does not save, it cannot invest, and America has the lowest savings rate of any modern industrialized nation on the face of the Earth. We punish people for saving, and not only do we punish them for saving, but we make it difficult for them to have anything left after they get their wages because government at all levels has taken too much from them. So, first of all, they do not have anything left, and the few crumbs they have left, they cannot save because if they save. they get penalized on their income tax statement because they saved. It is crazv.

This Nation needs to save. We need to provide reasons to save for our future because, if we save, we can invest, and if we can invest, we can improve productivity. That is an economic term. But what does it really mean? It means putting tools in the hands of American workers that allow them to compete and win with workers all around the world.

Intel in New Mexico, I believe, is the highest-paying job one can get in New Mexico. I say to my colleagues you do not work for Intel; you know why? Because the whole world wants the magic of the computer. And so their workers are paid a premium wage, their jobs are secure.

America needs to pursue a policy that saves and invests and takes risks and rewards risks and helps our people win. That is what our budget does by rewarding risk-taking and savings and investment and opportunity.

And third, the point maybe on which we most disagree because I am not so sure we disagree on the first two, how do we make this transformation? My colleagues, what we are about over here is we are about the power of the individual and we are not about the power of Washington bureaucracy. We are for systematically taking power, money and influence from this city and sending it home, and that does not mean that what we have done for the last 30 years or 40 years had not been good. It has been good. Thank God we created Medicare, thank God the Federal Government got involved in many of the issues they got involved with. But, frankly, we are not getting the results from here any more. We will not solve the problems on crime on the streets of Los Angeles from Washington. The only people that can solve the problems of crime in Los Angeles are people who live in the neighborhoods of Los Angeles. They need to be empowered.

Children are not going to learn because we are calling a bureaucrat in Washington to figure out whether our kids are getting educated. Mothers and fathers across this great country of ours, they are the ones that can make the assessment, they are the ones that have to work with the teachers in the school houses to determine whether their children are winning or not. We do not believe that the answer lies here.

Job training; oh, come on, 120 Federal job training programs. I do not advise anybody to leave their job and think that Washington is going to retrain them. How are we going to do it? We are going to put an incentive in the hands of a business. The business is going to call somebody who does not have a skill. The business is going to train that person for an incentive, and then they are going to hire them for a real, permanent, high-paying job. That is how we do job training.

So I say our vision is get the pendulum, move the pendulum back, get the power and the money and the influence out of this city, back home where we can have local solutions for local problems at less cost because I will just suggest to my colleagues, in closing, the 21st century is about the century of the power of the individual, not the century of the power of government. It is about giving individuals the tools that we have created in this economy that can make us the most powerful people in the history of the world, and we mean to take the first big step toward guaranteeing a bright and beautiful and opportunistic, an opportunity society, for everyone into the 21st cen-

Pass the resolution. It is a giant first step toward saving our children, toward providing for better jobs and empowering individuals as we fly into the 21st century.

Mr. EMERŠON. Mr. Chairman, while I am in support of the budget resolution before the House today I do want to alert Members to a serious issue. I believe that this is no time to back away from aggressive trade policies. We need all the tools available in a post-NAFTA and post-GATT world to ensure that our farmers can fairly compete in world agriculture trade. There are programs that help American farmers and one of them is Public Law 480. This program helps countries become our trading partners of the future.

We need to strengthen Public Law 480 and integrate it into an aggressive trade strategy to make us more competitive. The 1996 farm bill made significant changes to Public Law 480 to improve the program.

For example, South Korea was a former Public Law 480 recipient. Now South Korea is the fifth largest market for United States agriculture goods. We sell over \$2 billion in agriculture products to South Korea each year.

Countries now receiving title I assistance include Lithuania and Ukraine, countries that will be our future cash trading partners.

I do not believe we should turn our backs on the farmers and ranchers of America. We need all the trading partners we can get—or the European union will take over all agriculture exports in the world.

Title I, the concessional agriculture sales program and title III, food grants to promote economic development, of Public Law 480 are important programs and it is my intention during the appropriations process to work to

make sure funding is provided for the Food for Peace Program.

The Subcommittee on Department Operations, Nutrition, and Foreign Agriculture, of which I am the chairman, worked very hard to improve this program and will continue its work to ensure adequate funding for the Food for Peace Program.

Mr. OXLEY. Mr. Chairman, the budget resolution for the fiscal year 1997, brought to the floor under the leadership of Chairman KASICH and the Budget Committee, continues our payments on a balanced budget by the year 2002. It is an important step forward for the Congress and for the American people, and one I wholeheartedly support.

In the report to accompany the budget resolution, the Budget Committee makes a number of specific suggestions on cuts in both discretionary and mandatory spending. Their suggestions look both at the fundamental purpose of American Government, and to areas where—when there is a legitimate governmental function—we can eliminate waste, bureaucracy, and duplication.

While I generally agree with most of the suggestions made by the Budget Committee in its report, as the chairman of the subcommittee with jurisdiction over the Federal Trade Commission, I was disappointed to see that they targeted this agency for elimination. My subcommittee will be taking up reauthorizing legislation for the agency within the next month or two, and while the subcommittee will continue to review the FTC's operations with a critical eye, I believe that this is an important agency and one which should continue to be funded.

The FTC has often demonstrated its commitment and competence in protecting American consumers. Both in its recent rejection of the Rite-Aid/Revco merger and the "Senior Sentinel" sweep designed to root out telemarketing fraud, the agency has acquitted itself admirably in meeting its mission. While we realize that this agency had a number of problems in the 1970's and early 1980's, it has put many of those problems behind it and manages to accomplish its goals with a minimum of public resources.

Further, the FTC provides a good return on the public's investment. The agency is nearly 70 percent funded by fees generated from corporate mergers. It regularly reviews old rules and discards those that are obsolete or no longer necessary to prevent fraud or unfair trade practices. When I look at the FTC, I believe that it is the model of what a regulatory agency should be, efficient, fair, and flexible.

My subcommittee will be looking closely at the FTC over the next few months and we will look for areas where the agency can be even more efficient and meet its statutory duties at a lower cost. However, eliminating the FTC would, in the end, wind up costing Americans far more in increased commercial fraud and bureaucratic waste than would be saved. I believe that this agency should continue to perform its mission and I will support efforts to see that it is able to do so.

Ms. MOLINARI. Mr. Chairman, once again, the House will pass a balanced budget resolution and will continue to keep its promises to all Americans. I am proud to say my colleagues on the Budget Committee and I have been able to continue our commitment to saving our children's future and providing for our seniors. This budget plan—the only plan to

balance the Federal budget while providing much needed tax relief, promotes growth, strengthens the Nation's defense, and ends the practice of runaway spending.

But above all, the Kepublican budget shifts money and power from Washington bureaucrats and back into the hands of people. Under our plan, Americans will earn more and keep more of their money, as we release our Nation's children from the burden of our debt.

This budget addresses Medicare's impending bankruptcy by strengthening and improving the program. It expands benefits for senior citizens by extending the Hospital Insurance Program through the year 2008, 3 years beyond the President's plan. We also recommend increasing Medicare spending for each beneficiary from an average of \$5,200 in 1996 to \$7,000 in 2002. And, contrary to the demagoguery by many willing to accept the status quo and stand idly by while Medicare burns its last flames, overall spending increases by 59 percent between now and 2002.

With this budget, my colleagues and I have ended the old Washington formula that measures compassion by the number of bureaucrats on the government payroll. We maintain the current level of funding for LIHEAP, Education for the Disadvantaged, the Drug Free Schools Program. In addition, student loan volume will increase from \$26.6 to \$37.4 billion.

While the President talked about reforming welfare, and indeed campaigned on this very pledge, the only thing he has done on the issue is veto real reform, reform which he once championed. So once again, we help the President keep his promise to the American people by reforming the ineffective aspects, while maintaining the safety net for underprivileged Americans. Over the next 6 years, welfare spending will increase from \$83.2 billion in 1996 to \$105.5 billion in 2002.

And we do all this while rolling back the Clinton tax increase of 1993. We balance the budget, insure our national defense and protect our children's future. It's what the American people asked for in 1994, it's what Republicans said they would do and it's the right way to restore prosperity for all Americans.

Mr. BILIRAKIS. Mr. Chairman, I rise in strong support of House Concurrent Resolution 178, the fiscal year 1997 budget resolution, clearly the best and most responsible of the proposals we consider here today.

First and foremost, it draws a philosophical difference that fundamentally sets it apart from any of the alternatives—the Black Caucus and coalition budgets as well as the President's proposal: It seeks to shift power, money and influence out of Washington and back into the hands of the American people where it belongs. None of the other proposals can say that—each of them raises more revenue and keeps more of it at the Federal level.

It also includes responsible tax cuts, and I emphasize the word "responsible." I categorically reject the claim that this budget resolution cuts taxes at the expense of the poor and elderly. First, the tax cuts are needed to balance the budget. Let me say that again—the tax cuts are needed to balance the budget. Why is this? Because whenever we have decreased tax rates in the past, receipts have gone up. Cutting rates means less tax sheltering and this means more revenue. By also controlling spending—and this legislation includes 130 Federal program terminations—we can live within our means.

Furthermore, the social safety net programs in the Federal budget will be increased under this budget resolution. Medicare, Medicaid, education spending—all go up. These programs are not being cut to provide tax cuts for the wealthy—it just isn't true. Reforms that are included are necessary to save the programs.

The President's own advisors have told the Congress that some of these programs are in very real danger of going bankrupt unless reforms are made now. We simply must face this very real problem now, or very quickly it will grow beyond our ability to control it.

We can debate the size and shape of these reforms—I myself have questions about this—and as chairman of the Health Subcommittee, I will be active in this debate, but this budget resolution is simply a blueprint. It is a general guideline to set the tone for the budget debate to come. It is the beginning of the process, not the end.

This guideline sets a responsible tone, it provides tax relief for America's families without endangering support programs for our Nation's elderly and veterans, it puts more money into the hands of the people and cuts the size of the Federal Government.

I urge support for the resolution.

Mr. EVERETT. Mr. Chairman, today I rise in support of House Concurrent Resolution 178 and to express my particular support for the veterans provisions in the bill. As chairman of the Veterans Subcommittee on Compensation, Pension, Insurance and Memorial Affairs. I am very pleased that the Budget Committee has been able to craft a bill that will allow us to make improvements in several areas of veterans benefits, while at the same time moving us further toward a balanced budget.

During a recent hearing, several veterans groups expressed their support for using the savings from legislation overturning the Court of Veterans Appeals decision, Davenport versus Brown to improve veterans benefits. The benefits improvements contained in House Concurrent Resolution 178 do just that, and I thank the committee for their foresight and patriotism.

This is a good bill for veterans. First it will increase total VA outlays from \$37.8 billion in fiscal year 1996 to \$39.9 billion in fiscal year 2002. Over the next 6 years, VA spending would total \$233.3 billion which is \$18.7 billion more than over the previous 6 years. This year, our budget provides \$100 million more for VA medical care than requested by the President, and \$5 billion more than the President over the next 6 years.

For our older veterans, it strengthens the solvency of the Medicare Program and provides a 45-percent increase in spending for Medicare. Our middle-aged veterans will benefit through lower taxes and increased buying power. Their families will see increased education and entrepreneurial opportunities, and less government. Younger veterans will see a permanent \$500 per child tax credit, an adoption tax credit, a repeal of the 1993 gasoline tax and improvements in health insurance and medical savings accounts.

Mr. Chairman, I would like to note that in testimony before the House Committee on Veterans' Affairs, VA Secretary Jesse Brown stated, "the President's budget would be devastating for the VA." The Secretary also said that the President's budget would close the equivalent of 41 hospitals, fire 60,000 employees, and deny care to as many as 1 million veterans.

Further, when confronted with the facts regarding the President's budget for the VA, the Secretary likes to make a point that the President has agreed to negotiate the VA budget every year. Well, that's not good enough for me. If the President is such a strong supporter of veterans, let him put the money up front. Veterans benefits should not be negotiated.

As I mentioned earlier, our bill improves several areas of veterans benefits. First, to help our severely disabled veterans, we are proposing to raise the one time automobile allowance from the current \$5,500 to \$10,000. That will make it easier for veterans who have lost the use of their limbs or sight to more easily afford transportation.

Second, we have included legislation to extend compensation benefits to the day of death of a veteran. This may seem a small matter, but it is significant to bereaved spouses of veterans.

Third, we are going to extend the period for which a surviving spouse can receive back benefits from the current 1 to a maximum of 2 years. This will partly make up for increased adjudication time at the VA which is now running about 3 years for a claim to be decided at the Board of Veterans' Appeals.

We want to reward our veteran college students with an increase in their GI bill benefits by giving those who have a "B" average going into their senior year a scholarship. We also intend to provide an opportunity for those still on active duty to transfer from the less generous Post Vietnam Education Assistance Program [VEAP] to the current Montgomery GI bill. We'll also make it easier for veterans to become teachers by making permanent the ability to use their GI bill education benefits to pay for teaching certification.

Finally, we are going to continue funding for the veterans pro bono legal representation program at the Court of Veterans Appeals. This program ensures that needy veterans with good cases are represented before the court. The program also assists the court by reducing the number of pro se cases before the court thereby reducing the time it takes the court to process claims.

Mr. Chairman, it is important for veterans to compare the budgets before us today and decide for themselves whose budget is best for veterans and the Nation. I urge them to contact their elected officials and express their support for the bill.

To my colleagues I say support House Concurrent Resolution 178 because by doing so, you support America's veterans and ensure the economic security of the Nation.

Mr. BORSKI. Mr. Chairman, I rise today in opposition to the Republican budget resolution for fiscal year 1997. The new Republican budget is nothing more than a rehash of the same extremist priorities from last year—including large tax breaks for the wealthy paid for by deep cuts in Medicare and Medicaid. House Concurrent Resolution 178 also includes misguided cuts in education funding, unneeded boosts in defense spending and tax increases on 6 million hard working American families. There is no doubt that spending in certain areas can be reduced and programs can be reformed, particularly in the area of health care, but this budget goes too far.

Mr. Speaker, the majority refuses to abandon the most outrageous part of their budget—unnecessary cuts in Medicare to finance tax breaks for the wealthy. This budget cuts

\$168 billion from the Medicare Program—\$124 billion from part A and \$44 billion from part B. This plan sacrifices the quality and availability of senior's health care for a tax giveaway, which primarily benefits people making over \$100,000 a year. The impact on senior citizens and hospitals is even more devastating than the cuts proposed last year.

House Concurrent Resolution 178 puts the squeeze on hospitals, through deep cuts in the part of Medicare that pays hospital bills. These cuts could force many hospitals to close or reduce the services they now offer to their communities. Regardless of inflation, hospitals would get less than they do today in nominal dollars under this budget. In Philadelphia, our health care system and entire economy will be endangered by these insidious cuts. Many hospitals in my district, whose beneficiaries are predominantly Medicare and Medicaid patients, may have no alternative but to shut their doors.

Mr. Speaker, House Concurrent Resolution 178 contains the same damaging structural changes to Medicare and Medicaid the President vetoed last year. It continues to rely on the untested and dangerous medical savings accounts as its centerpiece. The majority proposal would segment the Medicare population, leaving the traditional program with fewer dollars and a sicker pool of beneficiaries. It would drive up premiums and causing Medicare to wither on the vine. This proposal is of extreme significance to my district, the 20th oldest in the Nation. More than 100,000 senior citizens in my district rely on Medicare and they live on fixed incomes. This proposal could truly end universal health coverage for elderly, effectively reversing 30 years of progress.

Mr. Speaker, the majority tries to hide its true intentions behind lofty rhetoric abut saving Medicare for the future. House Concurrent Resolution 178 extends Medicare's solvency for the same number of years as the President's plan—yet the GOP plan takes \$44 billion more from Medicare. It is obvious, Mr. Speaker, that the majority is using funds cut from Medicare to pay for their crown jewel—a \$176 billion tax cut for wealthy Americans.

In addition, the majority is still insisting on ending the Medicaid guarantee for 36 million Americans, including millions of senior citizens and children. Mr. Speaker, approximately 400,000 people in Philadelphia rely on Medicaid as their only source of health care. Without that guarantee, families will be forced to sell their homes to pay for nursing homes for their elderly parents. This budget cuts Federal medical spending by \$72 billion, but the total cuts could still reach \$250 billion over 7 years if States spend only the minimum required to receive their full block grant allocation. This potential \$250 billion cut reduces spending growth per person below the general rate of inflation. Deep total cuts in Medicaid could place older Americans and people with disabilities at risk of losing optional Medicaid benefits. These cuts would place an additional financial burden on families caring for their parents and others with long-term care needs. In addition, the majority still insist on repealing Federal enforcement of nursing home quality standards that have dramatically improved the quality of nursing home care.

Mr. Speaker, House Concurrent Resolution 178 also would raise taxes on between 6 and 10 million hard working American families by cutting the earned income tax credit program.

The earned income tax credit benefited 40 million Americans in working families and has been proven to help people move off welfare. In addition, this budget continues the assault on educational opportunities for our Nation's young people by cutting more than \$4.5 billion in educational assistance over the next 6 years. The Republican majority has proposed to eliminate the direct student lending program, which provides educational assistance to over 2.5 million students nationwide, as well as the Goals 2000 Program, and the State Incentive Grants Program.

We cannot afford to slam the door of educational assistance on our young people nor rob our senior citizens of their right to adequate health care. Instead, Mr. Speaker, we should continue on the path to balance with a bipartisan budget that rejects the radical policies contained in this budget and moves forward with a plan that truly reflects the values of mainstream America.

Mr. FAWELL. Mr. Chairman, today I rise in support of House Concurrent Resolution 178, the fiscal year 1997 House budget resolution. Like the Republican Majority's budget proposals of last year, this measure sets the course for a balanced Federal budget for the first time in a generation. For nearly three decades, the Federal Government has recklessly overspent, accumulating a national debt of \$5 trillion. This year, the interest on that debt will reach \$344 billion. A child born today inherits a tax bill of \$187,746 just to pay for their share of that interest. At this point, it does not matter who is to blame. What does matter is that we reverse this dangerous course before it is too late.

House Concurrent Resolution 178 is a budget plan which will give our children a future that promises economic opportunity and prosperity. This 6-year budget plan envisions a smaller, less intrusive Federal Government. Downsizing will be accomplished by eliminating wasteful or duplicative programs, sharing more power with States and local communities, and lessening the burden of taxation and regulation which has a stranglehold on our Nation's families and businesses. While House Concurrent Resolution 178 would reduce Federal spending by approximately \$700 billion over the next 6 years, overall Federal spending would still increase 3 percent annually during this period, rather than near 5 percent annual spending growth under current

House Concurrent Resolution 178 is not a perfect resolution. The House Budget Committee has presented recommendations of programmatic changes which can be implemented to achieve a balanced budget. The Budget Committee's illustrative cuts and reforms, however, include some suggestions which I find objectionable. Specifically, these include the elimination of the Department of Energy [DOE] and the corporatization of its national laboratories. I have written the chairman of the Budget Committee regarding these provisions, where savings yielded are guestionable at best. Furthermore, I plan to be very active in the debate should the House consider related legislation

Mr. Chairman, although I have these concerns about the budget plan's energy-related provisions, House Concurrent Resolution 178 has many more positives than negatives. I would also note that the recommendations in this plan are nonbinding; to be implemented, each recommendation must be considered

through the Committee process, adopted by both Houses of Congress, and signed into law by the President.

Time and time again, the President and the Democrats in Congress have disregarded the call from around the country for fiscal responsibility; instead, they seem intent on being dragged kicking and screaming into the 21st century. The Republican budget plan is a credible approach toward eliminating the budget deficit and revitalizing our economic and budget outlook today and in years to come. Mr. Chairman, I urge all of my colleagues to support this most important measure and its underlying goal of a balanced Federal budget.

Mr. VENTO. Mr. Chairman, I rise in opposition to the Republican budget proposal we have before us today. This is a proposal which shows that the Republicans have not learned from last year's budget debate. Last year, when the Republican proposals came to light, the American people overwhelmingly voiced opposition to the extreme policies of cutting health care for the elderly, gutting environmental protection, and cutting such crucial investments as education, in order to provide massive tax breaks and increase defense spending. It was not just the dollars cut from the programs, the Gingrich/Dole budget also fundamentally changed these programs, reneging on the basic assurances of health care, education and work opportunities, and devastating the environment.

I support responsible spending reductions and statistics show that the budget downpayment accomplished during 1993 and 1994 by Congress and the President has paid off in terms of really reducing the deficit. That downpayment has led to the lowest deficit level since the Carter administration. The Congressional Budget Office [CBO] reports that the deficit for fiscal year 1996, when measured against the size of the economy, will be 1.9 percent of the GDP, the lowest level since 1979! The numbers also show that it is the first time the deficit will have dropped 4 years in a row since President Truman was in office.

The deficit is too high, but we have made progress. Now the congressional Republicans want to waste that hard work with tax breaks for short term political gain and platitudes of spending cuts way down the road. It is largely because of improved economic figures and the fact that their budget window is now 6 years instead of 7, that the Republicans come to us today with cuts which they claim are more moderate than last year's budget proposal. But although their numbers appear more moderate, the GOP/Gingrich core policy proposals are still drastic, with skewed priorities for our Nation's future.

The Gingrich budget plan once again relies on massive cuts in Medicare and Medicaid programs which help over 70 million Americans gain access to health insurance. It is clear that there are serious problems with our current health care system. Congress should be acting to expand health care coverage and rein in escalating health care coverage and rein in escalating health care costs, but instead, Republicans are focused on tearing our Nation's health safety net, potentially adding millions more to the ranks of the uninsured. The plan puts Federal health care on a defined contribution basis, not the existing assurance of health care to those who need it.

The Republican Medicare plan continues to include the same policy proposals as last

year's plan, drastically cutting payments to providers, restructuring the current program and heavily relying on untested medical savings accounts. Once again, although changes are needed in the Medicare Part A Program to extend solvency, the Republican plan goes too far, changing Medicare from reliable health insurance for our seniors to a second-class health care system. The claim of solvency is only a pretext for the out-of-context policy the GOP pursues.

Perhaps even more damaging than the Medicare cuts are the cuts and program changes planned for Medicaid. Medicaid provides health benefits to 36 million Americans, including 443,000 Minnesotans. Under the Republican plan, the seniors, people with disabilities, and low-income families who receive help from Medicaid, will be at risk of losing their coverage. In addition, States will be allowed to reduce their own share of funding for Medicaid, making the actual cuts much more severe than they appear in the resolution. Again, it is important to note that Federal defined contribution plans will not provide the defined benefits that many rely upon each and every day.

As we head into the 21st century, one of the most important investments our Nation should make is in education. Republicans once again want to make the same extreme cuts as in last year's resolution. The budget hits students who need help with higher education costs by eliminating the Direct Loan Program, and eliminating new funding for Perkins loans and State student incentive grants. The budget makes a host of other education cuts, such as eliminating Goals 2000, bilingual education, and immigrant education programs. Further, the proposal slashes funding for job training, such as the programs consolidated in the CA-REERS bill. This budget resolution goes too far by cutting these programs 28 percent below the levels in the CAREERS bill, which already cut the programs by 20 percent. Alas, it becomes clear that the goal of consolidation is the justification to shrink the block grant programs. Pretending that efficiency will make up 45-percent cuts in programs doesn't hold up to commonsense evaluation.

On the environmental front, the budget resolution calls for a 26-percent cut in natural resources programs by 2002. Even as we see more and more visitors to national parks and more public interest in protecting and enjoying our national heritage, the Republicans want to slash Federal protection of these resources. We all know that effectively protecting resources is expensive and that if we want to truly protect our environment, we have to allocate sufficient funding. The funding level in this budget resolution simply will not adequately protect our environment for future generations. In addition, the Republican budget blueprint once again advocates destroying forever the Arctic National Wildlife Refuge [ANWR] by permitting oil and gas exploration and drilling. ANWR is the last great piece of American wilderness, and opening the refuge area to drilling will assure destruction of this priceless and irreplaceable treasure.

The budget blueprint contains negative policies which harm long-standing labor laws that protect American men and women, such as repealing the Davis-Bacon Act and the Service Contract Act, and gutting OSHA. Under Republican policies, fair treatment for working families would be jettisoned and corporate

management would set the rules without adequate safeguards or monitoring.

Another area which merits concern are the cuts in housing and community and regional development. Continuing to cut housing when it has already been targeted for cuts in the past is pouring salt on the wounds of those most in need. In addition, the community development programs of CDBG and CDFI have their administration merged with the HOME program and transferred to States and local governments, accompanied by severe budget cuts. Again the block grants are given short shrift. How can this majority Republican Congress advance more block grants when it reneges on the basic tenet?

In fact, the treatment of community development in this budget resolution shows the danger of turning programs into block grants—underfunding. Block grants and ceding control of programs to the States have been the mantra of this new Republican majority. However, as the budget belt tightens, Republicans seek cuts to the block grants, leaving State and local governments with all the flexibility, but with no funding to administer the programs or provide the services. This should serve as a warning to all those who advocate block grants as the answer for every problem.

This GOP budget recommends a 50-percent cut in the Federal Flood Insurance Program. Areas that are cut from funding no doubt will not find affordable insurance and when the damage occurs the Congress will reply with 100 percent Federal assistance. This is the final analysis: It will not save money, it will cost Federal taxpayers, and create political gamesmanship and more uncertainty. The GOP budget calls for \$312 billion in unspecified domestic discretionary spending in the next 6 years, meaning that the cuts already illustrated would be eclipsed by yet more savage slashes in future years. However, some sacrosanct pet programs are spared. Even while funding cuts and negative policy changes are proposed for health care, education, infrastructure, the environment, and community development, the Republican's plan proposes an increase in 1997 defense spending of \$12 billion over the Pentagon's budget request. Most of this new spending goes to unrequested weapons systems, including a host of new planes, helicopters, submarines, and ships, above what is necessary for our national defense. The irony of these budget priorities is that the United States will enter the next century with more smart weapons systems, but fewer smart soldiers to operate these sophisticated weapons systems.

We can continue to responsibly reduce the deficit, and proposals have been put forth to show that we can do it in a fair manner. The Republicans make the task of deficit reduction a political sham by insisting on including tax breaks of \$124 to \$175 billion in their budget plans. The amount that the Republicans project for the cost of the one tax item is \$124 billion and is not sufficient to pay for their additional proposed tax break policies, meaning that the cost of the tax changes will be much higher when the entire policies are in place.

The tax policies in the resolution do not reflect fairness, as the measure greatly reduces the earned income tax credit for the working poor while making low-income families ineligible for the new children's tax credit. The children's tax credit will not benefit 34 percent of the Nation's children because their parents' in-

come is so low that the nonreimbursement tax credit policy denies the child credit for low income families. In addition, the Gingrich/GOP plan leaves the option open for a capital gains tax break, a proven budget buster. Instead of including these unfair tax policies in their plan, Republicans should use these funds to moderate the cuts in other programs.

During the past year, the Republican majority has consistently shown that they do not value programs or protections for American working families and seniors, ranging from affordable health care and a clean environment, to quality education and a livable wage. Unfortunately, as this fiscal year 1997 budget proposal shows, they have not been listening to the consistent and concerned response of the American people, which has been opposition to the Republicans' extreme actions. The American people understand that in pursuit of fiscal and deficit balance, we should not accept human deficit and social imbalance. The people expect shared sacrifice, not the Gingrich cuts for people programs and tax breaks for the rich, the policy that the GOP is intent on advancing. I urge my colleagues to oppose the Republican budget resolution.

Mr. KIM. Mr. Chairman, here we are again. It was just about a year ago that we stood here on the House floor, debating the Republican plan to balance the Federal budget.

By now, we are all familiar with what happened in that debate. In response to our attempt to balance the budget, Republicans were confronted with one of the most savage political attacks in the history of this country.

We were called "mean-spirited", "uncaring", and "extremist". The American people were told that we didn't care about old people and that we wanted to starve innocent children. All of this despite the fact that our budget actually increased spending on Medicaid, Medicare, school lunches, student loans, and other programs that help the most vulnerable in our society.

Fortunately, the Republican Congress weathered these desperate attacks and fulfilled its promise to pass a balanced budget bill. Unfortunately, President Clinton's veto made all of our efforts go for naught.

But, as they say, "if you don't succeed, try, try again"—and that is exactly what we are doing. Today, we are considering another bill that lays our a concrete plan to balance the Federal budget by 2002.

Before I talk about some of the specifics of our proposal, I would like to say a few words about why we will not give up on our efforts to balance the Federal budget.

The reason we are back on the floor today, trying to balance the budget, is simple. If we do not get Federal spending under control, we risk leaving our children and grandchildren with a mountain of Federal debt that will never be able to be repaid.

If we do nothing, our children will face a country with higher interest rates, lower economic growth, and fewer jobs than there would be under a balanced budget.

If we do nothing, the safety net that supports the poor, the elderly, and the disadvantaged will collapse under the sheer weight of Government debt.

My Democratic colleagues accuse us of lacking compassion, but I say to them: How compassionate is it to borrow from our children and leave them to pay the bills?

How compassionate is it to allow the Federal safety net to collapse because of our unwillingness to do what needs to be done?

How compassionate is it to duck the hard choices, just to make things more difficult for those who come after us?

The answer is obvious: It is not compassionate at all. It is time for us to take responsibility for ourselves and put our Nation's finances in order. And that is exactly what the Republican budget does.

The bottom line of our budget proposal is simple. Under our bill, the Federal Government would experience steadily declining deficits between now and 2002—when we would actually have a \$3.2 billion surplus. For the record, that would be the first time in nearly 30 years that the Federal Government runs a surplus—truly a historic accomplishment.

But deficit numbers alone don't tell the whole story of the Republican balanced budget. Our budget proposes much more. A comprehensive overhaul of how our Government does business.

The bill starts by proposing fundamental reform of entitlements. It would probably surprise most folks to learn that the largest portion of the Federal budget, by far, is entitlement spending. In fact, spending on entitlement programs such as Medicare, Medicaid and Social Security currently consumes about two-thirds of the Federal budget. And, if we do nothing, spending on these programs will eventually consume the entire Federal budget, leaving nothing for education, defense, or any other Federal program.

Accordingly, one of the top priorities in the Republican budget is to get entitlement spending under control. Our budget starts by reforming Medicare.

As most of my colleagues are aware, the Medicare trustees warned last year that the Medicare trust fund would be bankrupt by 2002 if Congress did not act. Since then, things have only gotten worse. Medicare was \$4.2 billion in the red this year and is now projected to go broke even sooner that expected, possibly as soon as the year 2000. If we allow that to happen, we will be putting the health care of millions of seniors at risk.

Obviously, we can't let that happen. That's why our budget includes Medicare reforms that would slow the explosive growth of this vital program. Note that I did not say cut. That's because the Republican budget does not cut Medicare. Our plan merely slows the rate of growth of Medicare from the current rate of 10 percent per year to about 7 percent a year. In doing so, our plan would save Medicare from bankruptcy, while still expanding the ability of seniors to make choices about their own health care.

But let me repeat. Our plan does not cut Medicare. In fact, Medicare spending under the Republican budget will increase from \$196 billion this year to \$284 billion in 2002.

In addition to Medicare reforms, our budget makes needed reforms to a number of other entitlements program.

For example, our proposal incorporates much of a Medicaid reform plan proposed earlier this year by a bipartisan group of our Nation's Governors. Currently, Medicaid spending is growing by an unsustainable 19 percent a year. By giving States more flexibility in how they administer Medicaid, this proposal would reduce this rate to 6.6 percent growth per year, twice the rate of inflation. In doing so, the Republican budget would save \$77 billion over the next 6 years while preserving the health safety net for the poor.

The budget resolution also calls for reform of our Nation's ailing welfare system. As my colleagues are aware, earlier this year President Clinton vetoed a Republican welfare reform bill that would have fulfilled his own promise to "end welfare as we know it." Our bill calls for Congress and the President to give welfare reform one more try, and save \$53 billion in taxpayer dollars over the next 6 years.

Let me say one last thing about the entitlement reforms proposed in our budget. We have left Social Security alone. Republicans made that promise in the 1994 elections, and we plan to stick by it.

Besides entitlement reforms, the Republican budget also proposes an overhaul of the Byzantine government bureaucracy that has grown up over the past few decades. Our budget starts by eliminating 130 wasteful and unnecessary Federal programs, including Goals 2000, the National Endowment for the Arts, and the President's AmeriCorps Program which, according to the Government Accounting Office, costs taxpayers over \$25,000 per volunteer. The bill also proposes deep reductions in our foreign aid spending—\$14.2 billion over the next 6 years.

Most importantly, however, our budget calls for the elimination of two Cabinet Departments, Energy and Commerce, that duplicate the missions of other departments and which have clearly outlived their usefulness. In doing so, this bill would save over \$10 billion per year. I am especially proud of this element of our budget—I believe that nothing demonstrates our commitment to dramatic change than our willingness to take on special interests and eliminate these wasteful Cabinet agencies.

Finally, I want to address one of the most important aspects of the Republican budget resolution: Tax relief for working Americans.

As many of my colleagues are aware, Americans spend a great deal of time working for the Government instead of for themselves. This year, the average American worked until May 7—longer than ever before—to pay their taxes.

Another astonishing statistic. According to a recent report by the Tax Foundation, the top 50 percent of all taxpayers pay 95 percent of all taxes. That means that if you are in the top 50 percent of taxpayers, you are not only working to support your own family, but you are probably working to support someone else's as well.

To me, this doesn't make any sense. We should be doing everything possible to help workers in this country make ends meet, not weighing them down with a crushing tax burden. But that is exactly what we are doing.

For this reason, I am pleased that our budget contains meaningful tax relief for working Americans. The centerpiece of our plan is a \$500-per-child tax credit for middle-class families that will help those families make ends meet. Our budget also contains a repeal of President Clinton's 1993 gas tax hike, expansion of tax credits for adoption, enhanced health insurance deductions for the self-employed, and raising the Social Security earnings limit. Finally, the bill contains a reduction in job-killing capital gains taxes.

I strongly support these tax reductions. They are fair, reasonable, and targeted toward working individuals and families who are most in need of tax relief. I also believe that the tax

relief contained in the Republican budget is a dividend to American taxpayers for our efforts to reduce wasteful Federal spending.

In sum, Mr. Chairman, the budget we are considering today represents the Republican vision for the future. Smaller, more cost-effective Government, a balanced Federal budget, and lower taxes. I don't think that there is much doubt that these priorities are the priorities of the American people. The question is: Are we going to look past partisan political rhetoric and do the right thing, or are we going to succumb to the temptation of business as usual?

For our sake, and the sake of our children, who will have to pay the bills that we leave behind, I hope that we will choose to take the former approach. It is time to do the right thing for the economic future of this country. I urge my colleagues to support the Republican balanced budget resolution.

Mrs. COLLINS of Illinois. Mr. Chairman, I rise in opposition to this ridiculous, radical, and revolting Republican resolution to cram a devastating budget down the throats of the American people. When I first read the Gingrich-Armey Republican budget proposal, I recalled hearing that it was deja vu all over again. As I studied the Republican budget more, I realized that the Republicans must have really enjoyed shutting down the Federal Government so much last year that they want to do it all over again.

Then I thought about how the drastic cuts to so many Federal programs would effect so many people-not just the hard working Federal worker who experienced so much frustration about wanting to do their jobs and not being able to-but also the many senior citizens who rely on the Medicare system to pay for their medical care. The Republicans want to cut Medicare by over \$167 billion over 6 years. These cuts are as deep as the ones the Republicans tried to get away with last year. Not only deep cuts to fund Medicarewhen Medicare isn't there to pay the medical and hospital bills for seniors, they will have to pay more out of their own pocket or not receive the needed health care. The restructuring of the Medicare program proposed by the Republicans could threaten the very existence of Medicare.

All over again, just like they tried to get away with last year, the Republicans propose to cut Medicaid funds to States to provide health coverage to the poor, the disabled, and pregnant women. If the Republicans would have their way in this budget, Medicaid would be cut by \$72 billion over the next 6 years, and the total reduction in funding could be as high as \$250 billion. The Republican budget proposes to tear down the existing Medicaid Program in which the Federal Government and the American people have already invested literally billions of dollars, and replace it with a patchwork system of block grants to States. This combination would jeopardize health care for millions of low-income children and pregnant women, seniors in nursing homes, and the disabled, as well as low-income seniors who depend on Medicaid to pay their Medicare part B premiums.

All over again, the Republicans want to cut funds for the education of America's children. How many times do the American people have to tell the Republicans that education is a high priority and that the best education cannot be provided on a shoestring. The Republicans are trying to hide the fact that they are

again trying to cut education programs, claiming that funding would be frozen at 1996 levels. In discretionary programs, that would mean real cuts of about 22 percent below the already reduced 1996 level in the 6 years through the year 2002 that this resolution covers

Now, let's talk about tax breaks. I have a quiz for you: Do you think the Republican budget attempts again to provide capital gains tax breaks for the wealthy, or, do you think the Republicans are proposing to sneak in a \$20 billion tax increase on low-income working families to pay for the rich to get a tax break? Too hard? Not if you've been awake for that last 2 years and watched the Gingrich-Armey Republicans try over and over again to pay back their wealthy supporters by trying to give the rich every tax break and funding advantage they could.

Let's get serious, Republicans. Do you think the American people are really going to lay down and let you shove this ridiculous budget down their throats? Not if I can help it, and thank goodness, not if President Clinton can help it—and he can. He has the guts and the pen to stop these radical Republican proposals. Let's defeat this Republican budget proposal now, so we can really get down to business before we have a repeat of last year's Government shutdowns and threats of tax increases and teacher layoffs. I urge a "no" vote on this Republican budget proposal.

Mr. SCHAEFER. Mr. Chairman, as sponsor of the balanced budget amendment which passed this House last year, my concern for the financial future of our country is well known. I support a balanced Federal budget because we owe it to our children and grand-children. It would be unconscionable to saddle them with the accumulated debts that we ourselves failed to pay. In this regard, I am very pleased that all the budget plans we are considering here today also envision a balanced budget by the year 2002, as well.

However, I am concerned about the treatment of solar and renewable energy programs and the complete elimination of wind energy research and development in House Concurrent Resolution 178. These large funding cuts will greatly harm American research efforts in these important technologies and give our foreign competitors an unparalled opportunity to take the world lead from the United States in this high-growth field.

We have seen other kinds of new technologies invented and developed by Americans, only to be successfully deployed by foreign countries. This is the so-called VCR syndrome. We are now in danger of letting our technological leadership in another important field slip away once again.

Proponents of cutting the budget for renewables point out that they are merely eliminating corporate welfare. To this I must note that the great majority of companies involved in the research, manufacture, distribution, and supply of renewable energy technologies are classified as small businesses by the U.S. Small Business Administration. Rather than eliminating handouts to corporate giants, these funding cuts are pulling the rug from under the thousands of small businesses which employ tens of thousands of Americans.

Mr. Speaker, through careful allocation of available funding resources, we can fully support renewable energy technologies and still have a balanced Federal budget. This is a combination that will benefit present and future generations of Americans. I will continue to work throughout the budget process this year to ensure that renewables get fair funding treatment.

Mr. COSTELLO. Mr. Chairman, I rise in opposition to the fiscal year 1997 budget resolution offered today. The fiscal year 1997 budget resolution represents a continued attack on the health, safety and well-being of the majority of the American people. While not as drastic as the budget proposed by the Republican majority last year, this budget also is too extreme. By cutting Medicare and Medicaid, the safety net for vulnerable populations—the elderly, disabled, and poor children and families-will be in jeopardy, I cannot support a budget that includes massive Federal spending for new tax breaks while other critical programs, including Medicare, Medicaid, and earned income tax credit—are greatly weakened. This is not a realistic budget. We cannot, and should not, enact a budget such as this that promises to cut spending and cut taxes. If we are serious about reducing the deficit-as I am-we should make the hard choices to being our Federal spending in line. This budget, however, promises to make life easier for the affluent, while balancing the budget on the backs of the poor and disadvantaged

I support a balanced budget. In fact, I have cosponsored and voted in favor of amending the U.S. Constitution to mandate a balanced Federal budget. However, while the fiscal year 1997 budget resolution passed by this committee achieves balance on paper, I cannot support the callous and irresponsible policy assumptions it uses to achieve these savings. The policy implications have very real consequences to the citizens of this Nation.

I am especially concerned about the deep cuts in discretionary spending included in this budget. Certainly, we must take serious steps to carefully scrutinize every portion of our Federal budget in order to control Federal spending and bring our deficit under control. However, the cuts in discretionary spending included here are too harsh and will have a serious impact on millions of Americans, most notably the vulnerable populations that continue to be left behind as we change our Federal priorities.

For example, the cuts in education leave me very concerned about the future of this Nation. The education of our children must be a top priority. The education our children receive should be adequate in keeping the U.S. economy competitive as we move into the next century. American children rank dismally in math and science achievement compared with students from other nations. The proportion of young people completing high school has remained stagnant for a decade, despite the ever-increasing demands for education in the job market. National education reforms under President George Bush's Goals 2000 program pointed our Nation in the right direction. This budget, however, eliminates Goals 2000. Having all our students starting school ready to learn, increasing the high school graduation rate, teaching every adult to read and keeping drugs and violence out of schools are not goals we should abandon. While our deficit needs to be eliminated, we must not decimate the education of future generations.

Under this budget, the Legal Services Corporation is cut drastically in fiscal year 1997—

a large step toward the total elimination of the program by 1999. The Legal Services Corporation is a good example of a Federal program that is effectively being administered at the local level. The leadership of this House claims to want to expand the role of state and local authority while shrinking the size of the Federal Government. The Legal Services Corporation is a prime example of how local control of a Federal program is working. The creators of the LSC recognized that decisions about how legal services should be allocated are best made not by officials in Washington, but at a local level, by the people who understand the problems that face their communities. The LSC provides funds to 323 programs operating over 1,200 neighborhood law offices. Together they serve every county in the Nation. LSC programs provide services to more than 1.7 million clients a year, benefiting approximately 5 million individuals, the majority of them children living in poverty. The phase-out of the LSC represented in this budget eliminates a much-needed program and threatens the life and well-being of every poor or near-poor person in this country.

A well-maintained transportation network is essential for economic development. If high-ways cannot be maintained, our goods cannot move in commerce. Similarly, without continued attention to our Nation's airports, delays and other difficulties will slow our economy's growth. In addition, transit funding provides immediate benefits for economic development, carrying low-income people to their place of work and reducing congestion in metropolitan areas.

Transportation should not bear higher cuts than other programs. This budget phases out Federal assistance the operation of mass transit systems. Operating assistance is essential to transit systems across the Nation. Transit systems are already taking serious steps to cope with federal operating cuts of nearly 50 percent in fiscal year 1996 and 12 percent in fiscal year 1995. Transit systems, by necessity, are operating more efficiently yet still must cut services and increase fares. The complete elimination of operating assistance would have a drastic impact and could eliminate necessary public transportation in communities across our nation.

The elimination of funding for mass transit is just one example of the hypocrisy of this budget. As this budget pushes people into the workforce it takes away their means of getting to work. This budget is unfair and should not be passed by this House.

Mr. POMEROY. Mr. Chairman, I rise today in opposition to House Concurrent Resolution 178, the fiscal year 1997 budget resolution. I have numerous reservations with the funding priorities and assumptions contained in this resolution. However, I will take this opportunity to highlight three important issues—the deep cuts proposed in discretionary agriculture spending, the ill-advised Medicaid proposal, and the proposed elimination of Federal involvement in fossil energy research.

The budget resolution for fiscal year 1997 again makes a deep cut in agriculture spending. This Congress passed, earlier this year, an extreme overhaul of farm programs, setting them on the road to eventual elimination. Now in this budget resolution, this committee has decided to make an extreme reduction in the amount of discretionary spending for agriculture

The resolution makes the recommendation to cut total agricultural discretionary spending from \$3.9 billion in fiscal year 1997 to \$2.1 billion in 2002, a staggering reduction in budget authority. This discretionary cut mostly takes the form of unspecified reductions in U.S. Department of Agriculture overhead costs. The members of the committee and rural America are left to wonder if these cuts will be in the delivery of farm programs, the delivery of conservation programs, or the quality of nutrition and food safety programs. Clearly each and every function of the Department of Agriculture will be impacted by these assumptions. This committee should question if this is the appropriate time to be making these cuts when commodity stocks are at their lowest point in a generation, the livestock industry remains in extreme distress and new plant diseases continue to spread across the nation's heartland.

The budget resolution does specify some specific cuts. These cuts are mainly in USDA research programs. With commodity support already cut by the new farm bill, our producers need quality agricultural research more than ever to protect themselves against diseases, insects and changing environmental conditions. The new farm bill addresses many of the concerns related to competitive research projects and facilities buildings projects. The Agriculture Committee currently is undertaking a comprehensive review of agriculture research programs and will be writing specific legislation to address the needs of agricultural research in the future. The Agriculture Committee should be allowed to do its work without being locked into an extremely restrictive budget scenario before it is finished.

Finally the budget resolution phases out both title I and title III of the Public Law 480 Food for Peace Program. Again, the new farm bill promised American farmers that their future profitability would be derived from the world market. Now we are witnessing the elimination of one of the most successful export enhancement programs ever.

In this budget resolution we see the broken promises of the freedom to farm bill. As the freedom to farm bill was being passed, sponsors hailed a new era in farm policy, promised strengthened research programs and dangled the riches of the world market in front of American farmers. Now we can see that those promises are broken barely 2 months after the bill was signed. We are willing to do our share to balance the budget, but rural Americans cannot continue to take these extreme and unfair buddetary hits.

With regard to Medicaid, I have deep concern about the provisions of the majority's proposed budget for Medicaid. I do recognize that, at least with respect to the commitment of Federal Medicaid funding, this budget makes significant progress over the majority's effort last year-from the proposed reduction of \$182 billion over 7 years last year to \$72 billion over 7 years this year. It thus appears that after a year of rigorous analysis and intense debate, the members of the majority have been persuaded that the Federal Government simply cannot make cuts on the order of those proposed last year without jeopardizing the health of some of our Nation's most vulnerable populations.

Despite the progress this budget represents, however, I remain deeply concerned that it will undermine the central mission of the Medicaid Program, which is to provide a minimum level

of health care to the children, the elderly, and the disabled of this Nation. During committee markup, I offered a sense-of-the-House amendment to preserve the basic program elements critical to the performance of Medicaid's mission. The committee rejected this amendment, indicating that the level of progress represented by this budget is not as substantial as the reduced Federal cuts suggest. Unfortunately, the improved Federal funding level in this budget masks a series of policy proposals that will jeopardize the health of children, seniors, and the disabled.

Mr. Chairman, let me be clear that my concerns about this budget stem not from any hesitation about whether to reform Medicaid. Medicaid must be reformed through such measures as utilization of managed care, enhanced State flexibility, and the streamlining of regulations. Yet the goal of reform is to improve the program's effectiveness, not to undermine if

Perhaps the greatest threat to Medicaid's mission contained in this budget is the dramatic reduction in State contributions it allows. In addition to limiting Federal contributions, the budget caps State contributions to Medicaid at 40 percent, allowing the many States with match rates between 41 and 50 percent to lower their required contributions. Thus, although the Federal cut has been reduced to \$72 billion, the total potential reduction in Medicaid spending after accounting for reduced State contributions is \$265 billion. It is simply not possible to withdraw these vast sums from the system without endangering the health safety net that Medicaid has historically provided to North Dakotans and others around this Nation.

This budget would also permit States to use discredited—and currently illegal—funding mechanisms to further limit State contributions to Medicaid. Once again, States could establish schemes to tax providers or collect intergovernmental transfers from State entities, later rebating these funds to the payors, labeling the rebates as Medicaid expenditures, and Claiming Federal matching funds for them. Given that the payment of such rebates involves no genuine State outlays for health services, legalizing these sham financing systems make State matching requirements meaningless.

The majority points with pride to the list of groups and services covered under the Medicaid proposal contained in this budget. Upon review, however, several important groups have been excluded and the list of covered services is revealed as a largely empty promise. With respect to covered services, this budget merely requires states to offer some of the various health services listed, while repealing all of the Federal standards that speak to the amount, duration, and scope of these services. Thus, a State could cover only a few days of hospital care even in the event of a serious illness such as a heart attack. Without the minimal Federal standards, people guaranteed coverage under the majority's plan may find the guarantee to be a hollow one.

One of the groups excluded by this budget is poor children. This budget repeals the guarantee of health care coverage for children over the age of 12 living in low-income families, more than half of whom have parents who work. For low-income parents in North Dakota, knowing that the basic health care of their children will still be covered if they leave

the welfare rolls has been an important element in encouraging the transition from government dependence to productive employment. Thus, not only will this repeal endanger the health of these vulnerable children, it will provide a strong disincentive for parents to move from welfare to work. With respect to the disabled, this budget repeals the federal definition of disability, allowing states to narrow this definition as they see fit and thereby exclude many disabled Americans from coverage.

Mr. Chairman, this budget also threatens senior citizens. While under the majority's plan States are supposed to abide by federal nursing home quality standards, Federal monitoring of quality is terminated and States will have nearly unfettered discretion with regard to monitoring and enforcement. We must not forget that it was precisely because many States proved incapable of ensuring quality nursing home care that Congress was prompted to enact basic quality standards in 1987. In another strike against seniors, one that will have particular impact in North Dakota, this budget substantially reduces payment by Medicaid of copayments, premiums, deductibles for those Medicare beneficiaries whose income is below the poverty line. Given that many low-income seniors already devote large portions of their monthly budgets to health care costs, this cutback will force seniors into a cruel choice between staying health and meeting life's other basic expenses.

Mr. Chairman, I will work diligently to address the flaws outlined above and I am hopeful that the majority will join in this effort. As we move forward to balance the Federal budget, we must not abandon the long-standing Federal commitment to the basic health of the children, seniors and disabled of our Nation.

Finally. I have serious concerns about the provisions in this resolution which would eliminate the Federal Government's involvement in fossil energy research and development. This is very short-sighted policy. Research may not immediately improve profitability, but the longterm benefits are immeasurable. With respect to fossil energy, development of new energy processes to the point of commercially acceptable financial and technical risk is a long road that regulated industries have not been willing to go alone. Those joint private-federal ventures which have been undertaken, like the numerous projects underway at the Energy and Environmental Research Center in Grand Forks, ND, have brought a wealth of information to the energy industry.
The Federal Government has a stake in re-

The Federal Government has a stake in research and development of fossil fuels. For example, utilities are not going to initiate their own research on emission controls. If they did, it would be an open invitation to regulators to impose new or stricter standards and bigger costs under the doctrine of best available control technology. What's more, energy markets are specialized and highly competitive and would be unlikely to consider complementary solutions.

Without the Federal Government's involvement in fossil energy research and development, it is unlikely this important work would be done. In fact, many companies have eliminated their alternative fuels programs, leaving only a tiny contingent of researcher. It is in the national interest to preserve this infrastructure with limited Federal funding.

Mr. Chairman, I urge my colleagues to oppose the Republican budget resolution.

Mr. LEACH. Mr. Chairman, as we all know, the Budget Resolution does not have the force of law, but is a working document Congress uses to set the spending limits and broad priorities for the appropriations process through which the spending plan for the coming fiscal year is put in place.

Our action today is just the first step in that process, and, if last year is any indication, we have a lot of work ahead of us after today's votes.

Each of the four alternatives considered today is itself the product of compromise and accommodation. I would venture to guess that no Member of this body will agree with every provision in any of them.

While I disagree with certain of its techniques to achieve budget saving, I voted for the so-called coalition budget in frank protest to several aspects of the Republican proposal, particularly its elimination of direct student lending. In addition, the coalition budget best reflects my concerns that reforms in the areas of health care and welfare remain prudent and fair and that the Federal commitment to education in general is honored.

The committee resolution may be an acceptable starting point for budget discussions, but I would place my party on notice that I can be expected in the authorization and appropriations process to object to elimination of the direct student loan program and any cuts in education. I also have doubts about the case for elimination the Department of Commerce, although reform of its functions and merger with the Special Trade Representatives', Office may be in order.

While the hard work remains ahead, it is crucial that the goal of a balanced budget be advanced, but in such a way as to ensure fairness for all.

Mr. COLEMAN. Mr. Chairman, I rise to express my opposition to the pending resolution. In an echo of last year's dysfunctional priorities, the majority has once again chosen to balance the budget on the backs of the poor, children, and the elderly.

The Republicans refer to this as an honest budget. But I do not believe they are being honest with the American people. They claim to be helping working families by reducing their tax burden. Instead, their budget cuts the earned income tax credit by \$20 billion. This action would raise taxes on more than 6 million working families. The resolution also cuts capital gains taxes for the wealthy by \$176 billion. It seems clear to me that this resolution is not a family tax relief as the Republicans refer to it. but a family tax burden.

They claim to shift power out of Washington back to neighborhoods, communities, and people. But their resolution cuts welfare spending by \$12 billion over President Clinton's balanced budget and gives no details of how neighborhoods, communities, and people are supposed to deal with poor children who are lacking the basic necessities of life.

The Republicans claim to give States authority to improve Medicaid and save Medicare from bankruptcy. However the truth is that this authority to improve comes in the form of a repeal of Federal enforcement of nursing home quality standards which have, by the way, dramatically improved the quality of nursing home care. Elderly would no longer be safeguarded from the use of restraints, drugs, or other poor quality care.

There are about 166,000 of my constituents in El Paso who are eligible for Medicaid. Of those eligible, approximately 22,000 aged and disabled use Medicaid for nursing home and in-house care or community based care. There are 826 nursing home recipients in El Paso as well

The Republican savior of Medicare takes the form of more cuts to the program. The budget resolution cuts Medicare spending by \$167 billion. They have achieved this reduction with deep cuts in payments to the hospitals and home health providers that serve beneficiaries. This jeopardizes both quality of care and access to health services. Their \$167 billion cut would result in insufficient funded hospitals that are unable to keep up with cost. There are approximately 60,000 Medicare beneficiaries in El Paso. El Paso hospitals would have to drastically cut services and staffing. For example, El Paso's Thomason General Hospital predicts the effects of the cuts to be: reduction of staff by as much as 992 positions; clinics would be open only 2.5 days a week it would eliminate Level One Trauma services: and it would reduce all of the outpatient services.

The Republicans also claim to shift control of education out of Washington. In reality, education is once again under the budgetary ax. This proposal seeks to eliminate the direct student loan program, affecting over 2.5 million students and cutting nearly \$4.5 billion over 6 years. There are also a number of substantial cuts and terminations in discretionary education spending, including an elimination of the Goals 2000 and bilingual and immigrant education.

The termination of the bilingual education program will be devastating to El Paso. In fiscal year 1996 El Paso received \$661,246 in bilingual education grants. Losing this source of funding would put an enormous burden on our schools.

Our immigrant population is growing, and the vast majority of these immigrants are from Asia and Latin America. if we capitalize upon their linguistic abilities, we can ensure that young immigrants and the children of immigrants will be a valuable asset to our national competitiveness in the global economy. If we fail to adequately fund bilingual and immigrant education, we will set up many children for failure and lose the benefits of their valuable linguistic skills.

In the long run, the result will be that many of our young immigrants and their children will be able to contribute fully to the future stability of our economy. I do not believe that neglecting the needs of a portion of our population that speaks English as a second language is sound policy. If we do not provide adequate funding for this program now, we will pay heavily in the future.

Terminating funds for the Goals 2000 program would interrupt statewide school reform plans which set higher academic standards for all students. The elimination of almost \$400 million in resources for schools will end ongoing state and local education reform efforts affecting 9 million students and terminate 40 percent resource centers. This termination would effectively cut 351 students and 14 teachers in the El Paso area from this program.

For the preceding reasons, I do not support this resolution. It continues the Republican policy of catering to the wealthy and neglect-

ing working families, the elderly, and the poor. It will be devastating to El Paso and our Nation as a whole.

Mr. KANJORSKI. Mr. Chairman, I oppose the budget resolution offered by the Republican majority. The Republican majority has once again done a bad job of putting together this most basic budget blueprint. Like last year, this resolution is a product of closed-door meetings with party leaders, pollsters, and lobbyists for multinational corporations, instead of a meaningful accounting of the needs of average working Americans and senior citizens.

This resolution is particularly deceptive and disingenuous because if the Congress follows this budget resolution, the American people will feel its harsh effects only after the November elections. The proposal will needlessly put us on another collision course with the President that could lead to new Government shutdowns and numerous stopgap spending measures. I have no doubt that the resolution's proposals will hurt seniors living on fixed incomes, middle-class and low-income families, and make it more difficult to ever balance the Federal budget. Indeed, while the bill is supposed to help the Republican party appear kinder and gentler to the American people as November draws near, there is little that is kind or gentle about this bill.

We must do better. Congress needs to put forth in this budget resolution a clear and honest vision of the future—one that says the Federal Government can work more efficiently and effectively, while also helping to empower individuals and working families to succeed. The Republican resolution offers no such

İ am fully prepared to support a budget plan which is balanced in 7 years using Congressional Budget Office numbers, as required by the bipartisan balanced budget agreement. Unfortunately, this legislation is neither bipartisan nor balanced. A better balanced budget plan would integrate the following principles into a new budget blueprint for the future.

RESPECT PAST SUCCESS

Not surprisingly, the Republican majority in Congress is doing everything it can to ignore the tremendous deficit reduction success of President Clinton and the previous Democratic Congress. The Federal budget deficit has been cut in half since 1992, the last year of the Bush administration. Having fallen 4 years in a row, the deficit is now at its lowest level as a percentage of the economy since 1979.

To help achieve this deficit reduction success, hundreds of Federal programs have been cut or eliminated, the Federal work force has been reduced by 200,000 workers, and 16,000 pages of Federal rules and regulations have been eliminated. All of this was accomplished as a result of President Clinton's 1993 deficit reduction plan enacted into law without a single Republican vote in either the House or Senate.

Still we are only way to a balanced budget. More can and must be done to continue to improve our fiscal condition and economy overall. The Republican majority needs to be reminded that we are not starting from scratch. Democrats have already proved that the budget deficit can be substantially reduced on a careful, considerate, and orderly basis. A radical transformation of the budget is unwarranted and unnecessary.

Unlike this budget résolution, therefore, we do not need to endanger critical programs

which promote the well-being of the neediest Americans—such as children and the elderly. Nor, do we need to eliminate programs which promote economic growth, job creation, and the competitiveness of the United States. We certainly do not need to weaken programs which help middle-class Americans retrain after losing jobs to unfair international competition and which educate their children to prepare for a rapidly changing economy.

FORGET TAX CUTS UNTIL THE BUDGET IS BALANCED

Balancing the budget is difficult enough without tax cuts siphoning off desperately needed revenue. Both the \$176 billion tax cut called for in this budget resolution and the \$117 billion cut proposed in the President's budget will make it more difficult to balance the budget. If we would forget tax cuts, we could balance the budget sooner and in a less disruptive way. That would be better in the long run for our economy and average working Americans.

Mr. Speaker, nobody likes taxes. We all believe we would be happier with a little more of our own money in our pockets. But at what cost? Should we risk not balancing the budget because some want to provide a short-sighted, election-year gift to taxpayers instead of waiting to provide tax cuts after the budget is balanced. My parents raised me to believe that you couldn't have dessert until you have eaten your vegetables. Republicans want to eat dessert first in return for a promise to eat their vegetables later. Common sense tells us that is a bad idea.

I truly believe that average working Americans are more than willing to forgo a Federal tax cut today if it means the Federal Government will be able to get its act together and balance the budget without hurting them in the long term.

Both the Republican majority and the President are wrong on tax cuts. If balancing the budget is our primary goal, tax cuts should be made contingent on balancing the budget first.

ATTACK CORPORATE WELFARE

The Republican budget resolution proposes to cut only \$26 billion in corporate subsidies and tax breaks. This is a step in the right direction, and the Republican majority should be applauded for putting forward proposals in this area. But the cuts represent only the tip of the iceberg.

President Clinton has proposed significantly more in corporate welfare savings—some \$54 billion. And, independent groups across the ideological spectrum have proposed tens of billions of dollars more. The conservative CATO Institute found \$85 billion in corporate welfare encompassed in 125 programs. The Progressive Policy Institute identified \$265 billion in potential savings spread across 120 programs. Clearly, a much greater level of savings in corporate welfare subsidies and tax breaks can be found for this budget resolution.

For example, I have been fighting for many years to eliminate what I believe to be a huge tax loophole in the federal tax system favoring foreign corporations operating in our country. The tax system permits foreign companies to overcharge for goods they provide to subsisdiares in the United States, which effectively reduces the subsidiary's tax liability. This activity, commonly referred to as "transfer pricing," may result in annual lost revenue to the Federal Government of as much as \$33 billion, according to at least one estimate. I have introduced legislation to help address

this problem and I would again urge the Republican majority to integrate my proposal into this budget resolution.

Corporations should shoulder a greater portion of the funding burden of our Government. In 1945, corporations contributed 35 percent of budget revenues. That share is down to 11 percent today, more than a two-thirds reduction. Instead of cutting taxes for wealthy stockholders and profitable corporations under this budget resolution, we should do more to reduce inefficient and unfair subsidies and tax breaks which place greater burdens on average working taxpayers.

DON'T WEAKEN GOOD PROGRAMS

Medicare has clearly been one of the most successful programs of the Federal Government. In tandem with Social Security, Medicare has dramatically reduced the poverty rate among elderly Americans and increased overall quality of life. This is no time to be making unwarranted and damaging changes to the program.

Though the budget resolution represents an improvement from the Republican budget proposals on Medicare last year, the cuts are still excessive. We can certainly find limited savings from hospitals and medical equipment suppliers, as has been done in the past and proposed by the President this year. however, if we go too far with such cuts, small hospitals will close and the quality of health care will drop, especially in areas like mine which are outside major metropolitan centers. The Republican proposals on Medicare must still be moderated significantly.

Many seniors want to see a greater emphasis on reducing waste, fraud, and abuse in the Medicare program. I agree. The President has just completed the first year of a major new effort to crack down on waste, fraud, and abuse which has netted \$43 million from Medicare programs so far this year. We need to build on this effort.

The budget proposals for Medicaid are also cause for great concern. While Medicaid is commonly known as the medical program for low-income families, few realize how important the program is for senior citizens. In Pennsylvania, the care of 64 percent of nursing home patients is Medicaid funded. I am worried that the excessive cuts for Medicaid proposed under the Republican budget resolution will increase the cost of nursing home and medical care to seniors and their families.

Programs to protect the environment and our natural resources have also had tremendous success over the past 25 years. Our air and water has gotten cleaner, and our national parks have been protected from adverse development and exploitation. Unfortunately, this budget resolution proposes a 26-percent cut on spending for natural resource and environmental programs. Given the urgent need to address environmental problems in northeastern Pennsylvania, such as numerous Superfund sites and coal-damaged lands spread across this region, I am greatly concerned about such cuts.

In addition, Mr. Speaker, the meager amounts of money our country spends on economic development each year has brought great hope to so many smaller communities in our country, including those in my region. The Economic Development Administration [EDA], for example, has provided money to build new buildings and create hundreds of new jobs in Nanticoke, Wilkes-Barre, and Hazleton, PA.

These buildings now serve as essential anchors for local economic revival and bring in local, State, and Federal tax dollars far in excess of the original Federal investment. However, this budget resolution proposes to eliminate the EDA and its successful programs over the next 4 years. Eliminating this agency will leave small communities with few places to turn to for economic development assistance. Certainly, eliminating this agency and cutting other similar economic development programs are among the worst ideas in this budget resolution.

Another excellent program which deserves mention is the earned-income tax credit [EITC] program. Changes to the EITC proposed by President Clinton in 1993, and enacted by Congress, provided needed tax relief for working Americans. In Pennsylvania, the expanded credit for 1996 will give low-income, working families an average additional tax break of \$940 per year, and working individuals \$240 per year. This budget resolution rejects the EITC as an effective tax relief and work-promotion program, by cutting it \$26 billion. If the proposal is enacted, low-income working individuals and families who choose work over welfare will see their taxes increase, if anything, the EITC should be expanded, not cut. ELIMINATE WASTEFUL SPENDING

Although the need to eliminate wasteful spending seems clear, the Republican majority has actually promoted new wasteful spending in this budget resolution while forgetting about obvious spending cut targets. For example, the resolution proposes serious cuts in education, including spending on libraries and job training programs, but expands unnecessary programs for the Defense Department. In fact, the budget resolution provides \$12.8 billion more than the Department of Defense [DOD] asked for in its request to the Congress, even after DOD was given an additional \$7 billion more than requested last year.

Mr. Speaker, I find it amazing that the Republican majority is perfectly willing to cut deeply into so many good federal programs, but greatly increase spending on additional weapons. Our country is no longer faced with the possibility of a major nuclear attack, yet Republicans want to spend 30 percent, or \$860 million, more than requested on national missile defense programs. The budget also proposes to spend \$504 million in excess of DOD's request for another nuclear submarine and \$305 million more for fighter aircraft. We simply do not need, and cannot afford, such unnecessary excess in the defense budget.

In 1993, I proposed to the Congress a list of proposed spending cuts totaling \$213 billion over 5 years. Many of the cuts have been enacted, and a number of the programs I proposed for elimination are no longer in place. Indeed, we have made much progress on eliminating wasteful spending.

But many large and small wasteful programs continue to be funded in the proposed Republican budget. One good example of a wasteful small program is the National Endowment for Democracy [NED]. NED will spend \$32 million on taxpayer supported projects to supposedly foster democracy around the world. NED, however, is run by U.S. political parties, business interest groups, and labor unions. As a result, the participants have promoted not only the worthy goal of democratic participation, but also taxpayer funded training in American-style lobbying for business and

labor interests, as well as the training of foreign media. We simply should not dedicate scarce resources through private organizations for such purposes.

The budget resolution also does nothing to cut wasteful subsidy programs to timber and mining companies. Our country will forgo \$700 million over the next 5 years providing below-cost timber sales and constructing logging road networks. We will receive virtually nothing for mining of public lands, even though mining companies will earn billions of dollars on mineral sales. Such subsidies are wasteful, and are unfair to hard-working taxpayers.

Mr. Speaker, I would urge the House to reject this budget resolution and to work to enact a genuinely bipartisan plan which incorporates the fundamental principles I have discussed. We need a budget plan which is fair and equitable, which attacks irresponsible spending and embraces good programs, and which drops reckless tax cuts. The American people need and deserve much better from this Congress.

Mr. FRELINGHUYSEN. Mr. Chairman, I rise in support of House Concurrent Resolution 178, the fiscal year 1997 budget resolution.

Over a year ago, I stood on the floor in support of this essential effort to balance the Federal budget. Since then, doing so has been my No. 1 priority as a Member of Congress.

I am pleased to be able to say that over the past year we have taken the first step toward a balanced budget. We have reduced the deficit and cut Government spending by \$43 billion.

Today, I stand in support of taking the next step forward toward securing a better future for our children and for our country. This budget sets reasonable priorities for Federal Government spending, returns money to the pockets of hardworking American citizens and returns important decisionmaking power where it belongs—out of the hands of the Washington bureaucracy and into the hands of States, municipalities, and families. This resolution balances our country's economic needs with our commitment to our veterans, seniors, students, and hard-working taxpayers.

House Concurrent Resolution 178 reforms welfare and Medicaid, and preserves, protects, and strengthens Medicare for millions of older Americans. We make these reforms while increasing spending on all three of these programs, improving services and saving \$211 billion over 6 years.

This budget protects our Nation's natural resources and ensures a clean and healthy environment. The bill recommends increasing funding for actual Superfund cleanups by \$700 million. In New Jersey and around the country, this means that sites would get cleaned up more quickly and less time and money would be spent on litigation and overhead. This bill also provides more funding for our National Park System and safe drinking water. I strongly support this effort to assure Americans have cleaner air and water, greater access to outdoor public recreation, and to protect wilderness and historic areas.

Safe homes, streets, and communities are also a priority under our budget proposal and we recommend a net spending increase of \$9.3 billion, including increased spending for the violent crime reduction trust fund. We have focused over the past year on making our streets safer, improving law enforcement, and making commonsense reforms to our Depart-

ment of Justice. This budget continues that focus and provides resources to carry out these priorities.

The House Republican budget also renews America's commitment to those who have served and those who continue to serve our country in the armed services. As a veteran myself, I am pleased that under our budget we were able to increase veterans spending to almost \$40 billion and reject the Clinton administration's proposed cuts in veteran's medical care, VA hospitals, medical research, and the National Cemetery System.

This budget also continues our efforts to reduce the size of our Federal Government. Last year, we greatly reduced the size and spending of Congress. This year, we greatly reduced the size and spending of Congress. This year and over the next 6 years House Concurrent Resolution 178 envisions savings of \$5 billion by imposing a moratorium on constructing and acquiring Federal buildings, reducing overhead, and reducing funding for the Executive Office of the White House by 15 percent.

Finally, unlike other proposals House Concurrent Resolution 178 returns money to the hands of the American people while reducing the deficit. Our proposal eliminates corporate tax loopholes, provides an adoption tax credit, and contains a \$500-per-child tax credit. This resolution provides \$122 billion in permanent tax relief, of which the majority will go to tax-payers earning between \$30,000 and \$75,000 annually.

I am pleased to support this 6-year budget resolution that makes commonsense spending decisions, sets priorities, continues adequate levels of spending on important Federal programs to protect our health, safety, environment. This budget resolution is true to our commitment to balance the Federal budget and live within our means. I urge my colleagues to support this resolution.

Mr. FRANKS of Connecticut. Mr. Chairman, I rise today in support of the plan to balance the Federal budget by the year 2002. I rise today because I am committed to balancing the Federal budget to free future generations of Americans from the shackles of an enormous national debt.

Mr. Speaker, this Nation has not had a balanced Federal budget in a generation. Since that last balanced budget, budget deficits have climbed to over \$100 billion, topping \$300 billion along the way, and the public national debt has ballooned to \$5 trillion. That represents a debt of nearly \$19,000 for every man, woman, and child in the United States. The annual interest on the debt alone is over \$235 billion. Two hundred thirty-five billion dollars that must be spent to service the debt. Two hundred thirty-five billion dollars that cannot be spent on educating our children, for providing for our veterans, and returning poor Americans to work. Mr. Chairman, the time has come to stop the failed tax and spend policies of the past, and return fiscal sanity to this Nation.

A balanced budget should provide a smaller Federal Government by slowing its growth. The balanced budget plan supported by the Republican majority increases Federal spending by \$2.5 trillion between now and the year 2002. Our balanced budget increases the money available for student loans. House Concurrent Resolution 178 allows increases in Medicare spending while ensuring its solvency

for future generations. The Republican plan curbs a bloated, inefficient Federal bureaucracy, removes decision making from inside the Washington beltway and returns it to the States, and ensures the future of this Nation for our children.

A balanced budget should adopt tax policies that allow Americans to keep more of their take-home pay and allow investors and corporations to create jobs and stimulate economic growth. Our budget enacts a \$500-perchild tax credit, eliminates the marriage penalty, provides a tax credit for adoption expenses, and creates new savings mechanisms, American families will be able to keep what they earn. Families also will save more for their own and their children's future. By allowing families to keep more of what they earn, our balanced budget will boost this Nation's sagging national savings average. Greater savings means more dollars in the economy for job creation and economic growth.

Coupling increased savings with a capital gains tax reduction and a reduction or elimination of growth-impeding corporate taxation, a balanced budget will provide the stimulus for economic growth and job creation. In a time when the Nation's economy is growing at an annual rate of less than 3 percent and many Americans are faced with increased job insecurity, House Concurrent Resolution 178 will provide a boom for the economy and create millions of new jobs. As our budget moves toward balance, the Federal Government will need to borrow less from the national savings pool. Corporations will have access to more money to invest in capital improvements which will boost efficiency while lowering operating costs. Lower costs allow corporations to create new jobs and raise wages.

Mr. Speaker, leading economic experts have concluded that once the Federal budget begins to come into balance, interest rates will begin to drop. On a mortgage of \$100,000, a 2-percent drop in interest rates will save the mortgage holder \$2,161 on interest payments for each year of a fixed-rate, 30-year mortgage. On a student loan of \$11,000, a 2-percent interest rate drop would save the student \$2,167 over the life of the average 10-year loan. On a \$15,000 car loan, the rate drop would save the loan holder \$180 each year of a 5-year loan.

Mr. Speaker, we must balance the Federal budget. We must shrink the size and scope of the inflated Washington bureaucracy and return power to the State and local level, closer to the American people. We must reform the Medicare system to ensure its solvency for future generations. We must reform the failed welfare system that rewards inactivity and discourages work. We must allow Americans to keep more of what they earn by providing tax cuts and promoting increased savings. We must allow businesses to create jobs and stimulate economic growth by providing progrowth tax incentives.

The economic benefits that are derived from balancing the Federal budget are enormous. The time has come to end the tax and spend, Big Government ways of the Congress. A balanced budget will ensure the fiscal prosperity of this Nation now and provide a economically sound future for our children. Thank you, Mr. Chairman

Mrs. THURMAN. Mr. Chairman, today, I must express my profound disappointment at

Livingston

LoBiondo

McCollum

McCrery

McDade

McHugh

McInnis

McKeon

Metcalf

Mevers

Montgomery

Moorhead

Morella

Myers

Nev

Myrick

Nethercutt

Neumann

Norwood

Nussle

Oxley

Parker

Pombo

Porter

Pryce

Quinn

Portman

Radanovich

Ramstad

Regula

Roberts

Rogers

Roth

Roukema

Royce Salmon

Sanford

Rohrabacher

Ros-Lehtinen

Riggs

Petri

McIntosh

Longley

Lucas Martini

the majority's inability to address the need to end the U.S. dependence on imported oil.

Renewable energy development is our best hope of moving away from foreign oil, and moving toward environmentally sound energy choices. Support for the Department of Energy's Energy Efficiency and Renewable Energy Programs is vital for our national energy security, particularly as renewables become increasingly cost-competitive and effective.

In addition, DOE's Energy Efficiency and Renewable Energy Programs support 45,000 iobs nationwide.

It is inconceivable to me that the majority would phase out our investment in renewables. The long-term cost savings renewables promise should make these programs a national priority, not a target for short-term budgetary gains.

I urge the Congress to reject the budget resolution's treatment of renewable energy. We should restore and reaffirm our national commitment to renewable research and devel-

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. NOR-WOOD) having assumed the chair, Mr. CAMP, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution (H. Con. Res. 178) establishing the congressional budget for the U.S. Government for fiscal year 1997 and setting forth appropriate budgetary levels for fiscal years 1998, 1999, 2000, 2001, and 2002, pursuant to House Resolution 435, he reported the concurrent resolution back to the House.

The SPEAKER pro tempore. Under the rule, the previous question is or-

The question is on agreeing to the concurrent resolution.

Pursuant to clause 7, rule XV, the yeas and nays are ordered.

The vote was taken by electronic device and there were—yeas 226, nays 195, not voting 12, as follows:

[Roll No. 179]

YEAS-226

Callahan Allard Dornan Archer Calvert Dreier Duncan Armey Camp Bachus Campbell Dunn Ehrlich Baker (CA) Canady Baker (LA) Castle Emerson Ballenger Chabot Ensign Barr Chambliss Everett Barrett (NE) Chenoweth Ewing Bartlett Christensen Fawell Fields (TX) Barton Chrysler Clinger Bass Foley Bateman Coble Forbes Collins (GA) Bereuter Fowler Bilbray Combest Fox Franks (CT) Franks (NJ) Bilirakis Condit Bliley Cooley Blute Cox Frelinghuysen Boehlert Crane Frisa Funderburk Boehner Crapo Bonilla Cremeans Gallegly Ganske Cubin Bono Cunningham Brownback Gekas Bryant (TN) Davis Geren Bunn Deal Gilchrest Bunning DeLay Gillmor Diaz-Balart Goodlatte Burr Dickey Doolittle Goodling Burton Buyer Goss

Graham Greene (UT) Greenwood Gunderson Gutknecht Hall (TX) Hancock Hansen Hastert Hastings (WA) Havworth Heineman Herger Hobson Hoekstra Hoke Horn Hostettler Houghton Hunter Hutchinson Hyde Inglis Istook Johnson (CT) Johnson, Sam Jones Kasich Kelly Kim King Kingston Klug Knollenberg Kolbe LaHood Largent Latham LaTourette Laughlin Lazio Leach Lewis (KY) Lightfoot

Abercrombie

Andrews

Baesler

Baldacci

Beilenson

Bentsen

Berman

Bevill

Bishop

Bonio

Borski

Boucher

Brewster

Browder

Cardin

Clay

Chapman

Clayton

Clement

Clyburn

Coburn

Coleman

Convers

Costello

Coyne

Cramer

Danner

DeFazio

DeLauro

Dellums

Deutsch

Dicks

Dixon

Doyle

Durbin

Edwards

Dingell

Doggett Dooley

Cummings

de la Garza

Collins (IL)

Brown (CA)

Brown (FL)

Brown (OH)

Bryant (TX)

Barcia Barrett (WI)

Scarborough Schaefer Schiff Seastrand Sensenbrenner Shadegg Shaw Shays Shuster Skeen Smith (MI) Smith (NJ) Smith (TX) Smith (WA) Solomon Souder Spence Stearns Stockman Stump Tate Tauzin Taylor (MS) Taylor (NC) Thomas Thornberry Tiahrt Torkildsen Upton Vucanovich Walker Walsh Wamp Watts (OK) Weldon (FL) Weldon (PA) Weller White Whitfield Wicker Wolf Young (AK) Young (FL) Zeliff Zimmer

NAYS-195

Engel Levin English Lewis (GA) Eshoo Lincoln Lipinski Evans Lofgren Fattah Lowey Luther Fazio Fields (LA) Maloney Filner Manton Flake Markey Flanagan Martinez Foglietta Mascara Matsui Ford Frank (MA) McCarthy Frost McDermott Furse McHale Gejdenson McKinney Gephardt Gibbons McNulty Meehan Gilman Meek Menendez Gonzalez Gordon Millender-Green (TX) McDonald Miller (CA) Gutierrez Hall (OH) Minge Hamilton Mink Moakley Harman Hastings (FL) Mollohan Hefner Moran Hilliard Murtha Hinchey Nadler Holden Neal Oberstar Hoyer Jackson (IL) Obey Jackson-Lee Olver (TX) Ortiz Jefferson Orton Johnson (SD) Owens Johnson, E. B. Pallone Johnston Pastor Kaniorski Payne (N.J) Kaptur Payne (VA) Kennedy (MA) Kennedy (RI) Pelosi Peterson (FL) Kennelly Peterson (MN) Kildee Kleczka Pickett Pomeroy Poshard Klink LaFalce Rahall Rangel Lantos

Richardson Rivers Roemer Rose Roybal-Allard Rush Sabo Sanders Sawyer Schroeder Schumer Scott Serrano Sisisky Skaggs

Traficant Skelton Slaughter Velazquez Spratt Vento Stark Visclosky Stenholm Volkmer Stokes Ward Studds Waters Watt (NC) Stupak Tanner Waxman Tejeda Williams Thompson Wilson Thornton Wise Woolsey Thurman Wynn Torricelli Yates Towns

NOT VOTING-12

Collins (MI) Lewis (CA) Packard Ehlers Manzullo Paxon Miller (FL) Hayes Quillen Jacobs Molinari Talent

□ 1648

Mr. CHAPMAN changed his vote from "yea" to "nay." So the concurrent resolution was

agreed to.

The result of the vote was announced as above recorded.

GENERAL LEAVE

Mr. BROWNBACK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on House Concurrent Resolution 178, the concurrent resolution just agreed

The SPEAKER pro tempore (Mr. DICKEY). Is there objection to the request of the gentleman from Kansas?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 582 AND H.R. 1972

Ms. LOFGREN. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 582 and H.R. 1972

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from California?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. FAZIO of California asked and was given permission to address the House for 1 minute.)

Mr. FAZIO of California. Mr. Speaker, I yield to the esteemed leader of the majority, the gentleman from Texas [Mr. ARMEY], to give us the schedule for the coming week and perhaps beyond.

Mr. ARMEY. Mr. Speaker, I am pleased to announce that we have concluded our legislative business for the week and I might say in time for Mr. KIKA DE LA GARZA to make his 5 o'clock plane which has worried me all day long.

Mr. FAZIO of California. I am sure that is greatly appreciated.

Mr. ÄRMEY. Mr. Speaker, I am pleased to announce that we have concluded our legislative business for the week.