

insure them while the insurance companies—company or companies that write these medical savings accounts will reap all kinds of benefits from the Medicare Program.

So in addition to that \$180 billion that GINGRICH wants to cut Medicare, you are going to see more money of what is left going into these insurance companies through these medical savings accounts and the elderly and the beneficiaries for Medicare will have fewer and fewer dollars, will pay more and more for those benefits as they continue to decline and wither.

Mr. PALLONE. I do not have the exact number, but I know that the Congressional Budget Office actually estimated that the medical savings accounts would cost the Medicare system billions, billions and billions, in extra dollars.

So here we have a Republican plan that supposedly is cutting Medicare to save money for whatever reason we know as tax breaks for the wealthy, and the CBO is telling us it is actually going to cost more because of the special interests and the save provision.

Ms. DELAURO. The Consumers Union; those are the people who publish the Consumer Reports that so many people in this country rely on if they are going to buy an automobile or an appliance or, you know, they take a look at that and they can tell you what the best, you know, what the best buy is, has described the medical savings accounts as a time bomb and that it will just, you know—has a potential of skimming off the top the healthy, the healthiest and the wealthiest of seniors out of the system leaving the most frail, the most ill, and thereby driving the costs of premiums up. In addition to that, of shifting, helping to shift once again, the cost shifting argument of people who are in traditional programs having to pick up the costs of some of these, you know, the increased costs and these premiums.

But there again that is all for, you know, the special interest effort of the Golden Rule Insurance Co.

Mr. PALLONE. I know that we are running out of time here tonight, but I just wanted to thank the gentlewoman from Connecticut [Ms. DELAURO] and the gentleman from Ohio [Mr. BROWN] for joining me and again all we are trying to point out on this 31st anniversary of Medicare is how important the program is and how the Republican efforts basically to cut Medicare to pay for these tax breaks for the wealthy and the changes that they are proposing in the Medicare program will essentially do what the Republicans have said they wanted to do from the beginning, either eliminate Medicare or change it so much that it really does not provide the quality of health care services and the level of health care services that senior citizens should have, and I just want to thank both of you for fighting this battle now.

You pointed out to me, Congresswoman DELAURO, that it is actually 30

months now; I am losing track of time. It is not 18 months, it is 20 months that we have been fighting this battle, and, of course, so far we have been winning, but we do not want people to forget that the Republicans are still out there trying to essentially destroy Medicare as we know it.

Ms. DELAURO. And they will tell you that they are trying to save it, but let me just say this is a value, health insurance for seniors, that has stood the test of time. In fact, let us try to make it better. Let us build on the quality that has allowed for 99 percent of our seniors to have health insurance.

Let us look at how we can make sure that we bring down the cost of prescription drugs, that we provide for home health care which can help bring down the cost of health care, look at long-term health care so people get some relief in that area.

Why are we wanting to take the system that is truly working? Let us fix what is wrong, but let us not destroy something that people have come to rely on in their lives.

Mr. PALLONE. You know, it is sort of ironic because when we started our health care task force, which all three of us are part of, our Democratic health care task force last year, we established two basic principles. One was that we wanted to get more people insured, and the other was that we wanted to improve the quality of care, and it is unfortunate that that is not what the debate has been about. That is what we would like to see, but that is not what the debate has been about.

Mr. BROWN of Ohio. All you have to do is look back 30 years, 31 years in the celebration today of the 31 years since Medicare was signed. Thirty-one years ago half the people in, half the elderly in this country had no health insurance. This is a Government program that works. Ninety-nine percent of America's elderly now have health insurance. We can make it better, but do not dismantle it, do not privatize it, do not turn it over to these special interest groups, these big insurance companies that have given a lot of money to politicians just so they can play with this huge program that has served the American public well.

We have got to deal with costs, we have got to deal with some of the difficulties of Medicare, but it is a program that works. It is a program that has taken care of our parents and our grandparents, and we have got to make sure it takes care of them and it takes care of our generation and the next generation, and we can do that. But it works because it is universal. It works because it insures everybody. It insures black people, and white people, and brown people. It insures Republicans and Democrats. It does not matter, the rich and the poor. It insures everybody, and it works because it is a broad-based insurance program.

Do not let insurance companies peel off the most healthy people and let them benefit from that and leave ev-

erybody else in a sinking ship. Medicare works because it is universal, because it helps everybody in this country, and we just should not mess with it that way.

Ms. DELAURO. We know that in order to bring the cost of health care down that more people have to be insured so that the costs are shared, and we are struggling with how we do that. One of the pieces that we have in the families' first agenda is trying to insure children from zero to 13 years old. But we are trying to get to a point where—because when people are not insured, those, when they get sick, the cost of that health care goes someplace. It just does not evaporate, or disappear.

It winds up that everybody else picks up a portion of it. That is this whole cost shifting idea, and sometimes it is mind-boggling to me that the one system that we have that insures 99 percent of the particular population which helps to keep the costs down is the one that they are going after to try to dissipate to break up, to dismantle, when what we ought to be doing is finding out how we can insure children from zero to 13.

How do we get more people insured who are sharing the costs, not getting a free ride? Nobody should get a free ride, but are sharing the cost of picking up their health care costs or a portion of their health care costs so that those who are insured are not having to pay twice, their own and someone else's.

That is what this is about.

Mr. PALLONE. I think you are making a good point. The bottom line is we know if you see these cuts in Medicare that the Republican leadership is proposing, it is going to have a negative impact on the health care system in general. In my district, and I am sure in the gentlewoman's, I have so many hospitals that are over 50 percent, some over 60 percent, Medicare- and Medicaid-dependent. If you make these cuts you are going to hurt the health care system in general.

MESSAGE FROM THE PRESIDENT

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

AUTHORIZING THE CLERK TO CORRECT SECTION 585 IN ENGROSSMENT OF H.R. 3592, WATER RESOURCES DEVELOPMENT ACT

Mr. BORSKI. Mr. Speaker, I ask unanimous consent that in the engrossment of the bill, H.R. 3592, the Clerk be directed to make a correction to section 585 to change the reference from "Evansville, Illinois" to make it "Evanston, Illinois."

Mr. Speaker, this request has been cleared with the majority.

The SPEAKER pro tempore (Mr. LATOURETTE). Is there objection to the

request of the gentleman from Pennsylvania?

There was no objection.

INCREASES, NOT CUTS, IN MEDICARE, MEDICAID, AND STUDENT LOANS

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

Mr. SHAYS. Mr. Speaker, I would say right off that I have tremendous disagreement with the presentation that was just made by my distinguished colleagues on the other side of the aisle. I look forward to filling in some of the missing pieces that I think were left out, to give people a better idea of clearly what happened last year and what we are attempting to have happen this year.

Mr. Speaker, we have three primary objectives in this new Republican majority. Our first objective is to get our financial house in order and balance the Federal budget, not because balancing the Federal budget is the end-all and be-all, it is just the basic commonsense logic that is required before you build on top of it. We want a strong foundation.

But the foundation is not what we want to have as the ultimate. We want to have a stronger economy that has to be built on a strong foundation of getting our financial house in order and balancing the Federal budget.

Our second interest and concern is to save our trust funds, particularly Medicare, for future generations. I will get into great depth about the reason why we need to save this trust fund and the reason why our plan did save this trust fund.

Our third objective is to transform our caretaking social and corporate and, frankly, farming welfare state into a caring opportunity society. We want to teach people how to fish, not just give them the fish. We just do not have that problem in social welfare for welfare mothers, where we have had now three generations of welfare mothers, but we have the same challenge in corporate assistance that is not necessary, that is carved out for special interests, that was created basically during the last 40 years when this majority was in the minority. We see it as well with our effort to reduce the subsidies that exist to our agricultural sector.

Mr. Speaker, getting our financial house in order to us is kind of basic stuff. The challenge is that one-third of the budget is what we call discretionary spending. We vote on a third of the budget each and

not vote on 50 percent of the budget. Fifty percent of the budget are entitlements; Medicare, which is health care for the elderly; Medicaid, which is health care for the disabled; Medicaid, which is health care for the poor and nursing care for the elderly poor; and programs

like agricultural subsidies, food stamps. You represent some very wealthy communities, vibrant, wonderful communities, suburban communities around these cities.

So Congress votes on a third of the budget. Fifty percent of the budget is on automatic pilot. Then there is about 15 percent left, which is interest on the national debt, also on automatic pilot.

What we did was we cut domestic spending. We made Government smaller. In the parts of the budget, the 13 bills that we report out each and every year, we made the Government smaller. We eliminated 240 programs. Some of them might have been large programs, some were small, but we eliminated 240 programs in Government and made Government smaller.

We had a freeze on defense spending; not an increase, not a cut. We basically attempted to freeze defense spending last year when we voted out our budget. Then what we looked to do was slow the growth of entitlements.

My colleagues on the other side of the aisle made reference to the fact the Republicans are claiming we are slowing the growth of entitlements. We are not claiming it, that is what we are doing, we are slowing the growth of entitlements. Some entitlements were growing at 10 percent and 11 percent and 12 percent a year. We are allowing them to grow at 7 percent a year. We are going to spend 7 percent more on some entitlements, where before we spent 10 percent. We are slowing the growth of entitlements. That is the reality.

Look at what we did and then tell me if you think it is a cut. Last year we looked to slow the growth of the school lunch program from \$5.2 billion to allow it to grow to \$6.8 billion. Last year it was \$5.2 billion, and in 2002, the 7th year, it would be \$6.8 billion.

If Members remember, the President of the United States actually went to schools and told young schoolchildren and the world community that we wanted to cut the student loan program. When I heard the President do that, I was pretty outraged, because I thought, my gosh, what are we doing? Who in my conference, Republican Conference, would do that?

When I got back over the weekend and came back down to Washington, I immediately went to the individuals who were on the committee that would have jurisdiction, pretty unhappy that they would "cut the school lunch program." I learned they were going to allow it to grow from \$5.2 billion to \$6.8. That is obviously not a cut, that is an increase. What they did do is they slowed its growth ever so slightly, but then allowed 20 percent of the funds to be reallocated to the most needy areas.

I represent three urban areas. I represent Bridgeport, Connecticut, a middle class community with a lot of poor people and a declining tax base. I represent a community, the city of Norwalk, and another city of Stamford. These cities have young children, in particular, who need school lunches. I

represent some very wealthy communities, vibrant, wonderful communities, suburban communities around these cities.

Under our present school lunch program, these students are subsidized. My daughter is subsidized, as all students are in the country, 13 cents per lunch. I am hard-pressed to know why my daughter, who has a father who is a Congressman and a mother who teaches, whose income collectively is quite satisfactory, obviously more than satisfactory, well above the median income, why does my daughter need to be subsidized? She does not. Republicans passed a bill allowing 20 percent of the program to be reallocated to the most needy areas, our urban and rural areas, where we may have young children who need a better school lunch program. So we allowed the program to grow from \$5.2 to \$6.8 billion, still staying in the school system.

The student loan program last year was \$24 billion, \$24.5 billion. Members have been told that we cut the student loan program, yet the student loan program under our plan will be, in the seventh year, \$36 billion. That is a 50-percent increase in the program in a 7-year period. Only in this place, and frankly, from my colleagues on the other side of the aisle, when you spend 50 percent more do people call it a cut. Every student will be given the same basic grant programs that they had in the past. They will be given the same grant program.

What we did try to do, and we ultimately withdrew this, and I regret that we did, we said that students would pay the interest from when they graduate to the 6-month grace period before they have to start paying the loan. Taxpayers were required in the past to pay for that and presently pay for it. Taxpayers pay that interest.

What we said is the student can pay for it, and it would be amortized during the life of the loan, the 10 to 15 years students are allowed to pay back the loan. That meant for an average student loan, it means \$9 more a month. So we were asking students once they were out of school, 6 months later when they were working, to pay \$9 more a month. That is the price in my area of a movie and a Coca-Cola, or basically the price of a pizza.

That is what we did. We allowed the program to grow from \$24 billion to \$36 billion, and then said students would pay the interest after they graduated, 6 months after they graduated, and they could amortize that part of the interest and pay it over the course of the next 10 years. I have no problem looking at any student and saying, for the good of the country, you can afford and should pay that \$9 more a month.

Why would we want to ask anyone to make any sacrifice, if it is viewed as even a sacrifice? I view that as an opportunity, because during the last 22 years our national debt has grown 10 times. It has grown from about \$480 billion, that is what it was 22 years ago,