

moving millions of people to the rolls of the uninsured by shredding the Medicaid safety net for millions of poor families and working families who need nursing home coverage for a loved one. It is making Medicare more insecure for millions of recipients. The median income for women on Medicare is \$8,500 a year. And it is increasing the cost for the uninsured, a cost which will therefore be shifted to families who do have insurance and to employers who provide that insurance.

That is morally wrong, it is economically wrong, and the bill that I am introducing today goes against the prevailing tide in this Congress in order to try to correct it. I know that we are moving against the tide, but this is a matter of principle and it is well worth the fight.

I should say also that I am being joined in this effort by the gentleman from New York [Mr. HINCHEY], the gentleman from New York [Mr. OWENS], the gentlewoman from California [Ms. PELOSI], and the gentleman from Minnesota [Mr. OBERSTAR].

Last year's health care battles have made it quite clear to me that while the public wants reform, they do not want reform that creates new huge Federal bureaucracies. There are some things that the Federal Government can and should do, and this bill would do them.

For example, the National Government can and should insist on insurance reform so that people with pre-existing conditions cannot be denied coverage. It can and should expand the Community Options Program such as we have in Wisconsin, so that home and community-based health care can be an affordable option to institutionalized care. And we can attack the inequity that allows corporations to deduct the full cost of providing health insurance to their employees but only allows the self-employed businessman to deduct 30 percent of the cost of coverage.

There are nonbureaucratic reforms that can and should be made at the Federal level. But we can also create a Federal-State partnership that will leave to the States the major choices about how to deal with the shortcomings in today's health care system.

That is why the bill I am introducing today, beyond the issue of insurance reform, will have only one Federal requirement. The requirement will simply be that States ensure that every citizen in each State has health insurance coverage, and that such coverage is comparable to that which is now available to Members of Congress, Federal employees and their families.

Under the plan, States could establish whatever system they want, be it public, private or a mixture of both. Each State would decide whether to use devices such as risk-sharing pools or subsidies to provide coverage for those who are unemployed, those who are working but unable to afford health insurance, and those who are high risk

and unable to get insurance from carriers.

In the best Progressive tradition—and I mean that in a capital P because the Progressive Party was born in Wisconsin—in the best Progressive tradition, we can use States as laboratories of democracy to help find alternative health care reform models that work. The elements of the plan would work like this.

States would be required to submit a plan by July 1, 1999, to the Secretary of Health and Human Services which would have to show that every citizen in that State is covered by health insurance which has benefits comparable to those available under the Federal Employees Health Benefits Plan.

Second, the rules of the insurance game would be changed to guarantee that people could no longer be turned away because of preexisting conditions, income, employment, or other health status. Insurance companies could no longer deny, cancel, or refuse to renew coverage unless the premiums had not been paid, unless fraud or misrepresentation had been involved, or the plan is ceasing coverage in an entire geographical area. Home and community-based care would be provided as an option to institutional care when it would be medically appropriate.

Third, the Secretary of Health and Human Services would annually certify the plans. Only those States that participate will be eligible for Federal Medicaid funds, and participating States would be eligible to share in the Federal pool of funds created in the bill to assist States in the effort.

As I said earlier, currently self-employed individuals can deduct 30 percent of their health insurance costs on their Federal tax return. This bill would increase that deduction to 100 percent, and it would also allow workers whose employers do not provide health insurance to deduct up to 80 percent of their health insurance cost.

Congress is right to want to reform Medicare and Medicaid, but health care for persons struggling to make ends meet should not be squeezed in order to provide a rich man's tax cut. Medicare and Medicaid reform should not be done in isolation. They should be done in the context of overall care reform, to effectively and fairly control costs, and to minimize cost-shifting to persons who are insured and to employers who do provide insurance.

Until we can ensure that everyone has health coverage, the problem of cost-shifting will not go away. Cost-shifting is a hidden tax that continues to drive the cost of health care higher and higher. Until we get a handle on cost-shifting, prices will continue to rise forcing more people out of the system and escalating the problem.

No one can convince me that in last November's election the public was telling us that they wanted us to weaken health care coverage and increase its cost, especially to the most vulnerable among us. They want us to make

health care more affordable and more accessible. They do not want us to go in the other direction.

This is a proposal which would help move us back in the right direction. Right now 40 million Americans are being left behind, and that is a disgrace. It is an even larger disgrace that if the Medicaid reforms, so-called reforms being pushed by the Republican leadership in this House go through, that you could almost double the number of those who are uninsured in this country because of the loss of the Medicaid guarantee.

These are problems which this Congress ought to be willing to solve. We ought to be including more people in the blessings of this country when it comes to health care, not fewer. I would hope that someday the Congress will get about doing that, because that indeed is the people's business.

AN HONEST BALANCED BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Hawaii [Mr. ABERCROMBIE] is recognized for 60 minutes.

Mr. ABERCROMBIE. Mr. Speaker, I am pleased to say that the special orders that I have been involved in over the past several days, actually week, of the discussions of the balanced budget are beginning to attract some attention from around the country and from our colleagues here in the House.

As the Speaker knows, I have been indicating in my discussions that far from balancing the budget, in the proposals that are before us now, we are merely shifting the deficit.

I have had people call in and express their gratitude that I am explaining this in a step-by-step manner so that it is easy for the average taxpayer as well as the average Member who might not be completely familiar with the budget process to understand what it is that we are doing, what it is that is being proposed.

I have long since learned, and I am sure the Speaker would agree, that not just in politics but I guess in all of life, it is the obvious that you have to state over and over again because it is the obvious that you tend to take most for granted and forget first.

The obvious in this situation is, is that every time you hear someone stand up and say, "Oh, we're going to balance the budget in 7 years," you should immediately get on your skeptical clothes to protect yourself. You should be skeptical for the following reason.

If you look at the presentation of the budget, do not listen to the rhetorical lines about balancing the budget in 7 years. That is the little prayerful ritual that is being recited on this floor and on the so-called news talk shows, on the news bites, the 9- and 10-second blips you get on television or here on the radio, that we are going to balance the budget in 7 years. It is merely a question of numbers.

Today, for example, you can read in the New York Times or in the Washington Post arguments about whether or not we are talking about numbers on Medicare.

You can see, and I have here, Mr. Speaker, the national edition of the New York Times for today with a headline, GOP, the Republican Party, emphasizes points of similarity on Medicare. That is the attempt.

Then you have little graphs. Everybody has a graph that they want to show you, especially if they do not want you to understand what is really at stake.

What is at point where Medicare is concerned in the budget proposal, Mr. Speaker, is that, yes, there will be an increase in spending in both proposals, the President's proposal is it stands to this point, and the Republican proposal. The question is, is there going to be a sufficient increase to cover the number of people who need it?

The gentleman from Wisconsin [Mr. OBEY] who spoke just before me indicated very clearly that we are facing a situation, because we did not do national health care in the previous 2 years, a situation which is dire, which is going to cause even more people to be lacking health insurance; going to cause us, I believe, the case can be made, to expand even more funds than are projected.

Everybody is trying to say, the Republican proposal says they are going to save Medicare. How are they going to save it? They are going to cut it hundreds of billions of dollars. They are going to block-grant to the States the Medicaid Program, which means the States will become liable for Medicaid, or they will alter the eligibility requirements. Your mother, your father, yourself, you may not be eligible. Anybody out there who thinks that they are going to be freed of the consequences of these budget proposals, believe me, better think about it again.

So I ask you, let us suppose, if both the Republicans and the Democrats are claiming, as they do on these charts, that they are increasing spending for Medicare, then how is it that they are going to take \$270 billion in the Republican plan out of Medicare? How can you be increasing the spending and then taking money out of it supposedly in savings at the same time? I do not think you can do that. You cannot move forward and run backward at the same time.

Well, I will tell you how they say they are going to do it. They say we will increase the amount—

Mr. SCARBOROUGH. Will the gentleman yield?

Mr. ABERCROMBIE. Certainly.

Mr. SCARBOROUGH. I have discussed budget issues with the gentleman before and look forward to his budget plan that will balance the budget in the year 2002 and increase \$1 trillion more—

Mr. ABERCROMBIE. Reclaiming my time, this is a perfect example if what

I was talking about. You just heard the ritual incantation of balancing the budget in the year 2002. That will not happen. You can recite that like a prayer. You have no proposal. You have never made a statement that remotely reflects a balanced budget in the year 2002.

Mr. SCARBOROUGH. Will the gentleman yield?

Mr. ABERCROMBIE. Yes.

Mr. SCARBOROUGH. From the scoring that I have seen, actually CBO scores that we balance the budget. But let me ask you this question—

Mr. ABERCROMBIE. Reclaiming my time, because if you are going to come into my time, you are going to have to be accurate.

All the CBO scoring, and CBO for those who do not know, is the Congressional Budget Office. Every chart of the Congressional Budget Office shows that the budget will not be balanced in 2002 unless you play an accounting trick which takes your deficit off-budget. Your proposal proposes to take some \$636 billion from Social Security, plus interest, put it off-budget and pretend you do not owe it in the year 2002.

Every Congressional Budget Office chart, every analysis that they have, which I have before me, indicates that there will be a massive deficit shift in 2002 while you claim to have a balanced budget.

Mr. SCARBOROUGH. Well, if the gentleman will yield, a lot of people would accuse anybody coming to this floor and stating that the Republican budget does not go far enough to balance the budget as being a little bit less than sincere.

I would ask the gentleman what balanced budget plan has he supported in this year of all the balanced budget plans that have before the floor. Or name one budget that your majority leader has supported or name one budget that the President has supported that will go as far as the budget that the Republican Party put forward that Democrats, some conservative Democrats and moderate Democrats, have actually supported.

I think, and let me just say this, as I have said before when I have seen the gentleman on the floor. I agree with you, that if we go that extra mile and find a way to get Social Security off-budget and, as I have said before, I want to work with you on this because I think it is a laudable goal. If we go that extra mile, get Social Security off-budget, still balance the budget in 7 years, with Social Security off-budget, that is a fantastic goal.

My only point is this: When you come to the floor and when others come to the floor stating that the Republicans do not go far enough because we do not take Social Security off-budget, it seems a little bit less than sincere. The same question could be raised about Medicare.

Mr. ABERCROMBIE. Reclaiming my time. You have asked me a series of questions.

Let us go backward in them. Seeming less than sincere. I assure you I am quite sincere.

Let us go over what the deficits are, and I will tell you, before we go to the deficits, I will give you the answer to the first part of your question about what proposals have been on the floor. No proposals that has been on this floor is going to balance the budget in 7 years. That is almost impossible.

Mr. SCARBOROUGH. Is that why you have voted against those?

Mr. ABERCROMBIE. I have never said on this floor that the Republicans do not go far enough. To the contrary, if you want to eviscerate this country, that is up to you, and if you want to run for office in 1996 on the basis that you want to strip this country of every value that means anything in a republic, you can do that.

Mr. SCARBOROUGH. If the gentleman will yield, just to answer that point.

Mr. ABERCROMBIE. I still have the time.

Mr. SCARBOROUGH. How does evisceration—

Mr. ABERCROMBIE. Mr. Speaker, I have the time.

The SPEAKER pro tempore. The gentleman from Hawaii controls the time.

Mr. ABERCROMBIE. I have the time. There is no budget proposal on this floor that is going to balance the budget in the year 2002. It cannot be done. It cannot be done unless you use the most draconian methodology that would, as I indicate, eviscerate the capacity of the country to sustain itself, either socially or economically.

□ 1230

On the other hand, if the gentleman wants to balance the budget, if that is what his goal is, then the gentleman is going to have to do it the sensible way that anybody else does it, the way other municipalities and States and countries and villages do. The gentleman is going to have to have a capital expenditures budget. The gentleman is going to have to have an operating budget and find a methodology for dealing with it.

How much revenue is coming in? How much is going out? How much can we afford to spend in a given year? And then lay that out over a 10-, 20-, or 30-year period in order to achieve it. That is the way we do it.

My colleagues are not going to do it by the intuitive method of the Speaker of picking out a 7-year period in which they increase the deficit, increase spending, and at the same time claim that they are balancing the budget.

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

Mr. ABERCROMBIE. I yield to the gentleman from Florida.

Mr. SCARBOROUGH. Mr. Speaker, I greatly appreciate the gentleman giving me some time, and I certainly would invite the gentleman to speak when I have an hour.

But first of all, the gentleman has stated that the Republican plan eviscerates America and tears away basic

American values by draconian cuts. Then the gentleman moves forward and says that the Republicans are actually spending more and the deficit increases. It brings to mind a Washington Post editorial that basically says that the Democrats are being less than sincere when they say that a plan on Medicare, for instance, that increases spending by 45 percent is draconian.

Now, the gentleman went to school, I suppose he went to school in Hawaii. I went to school in Florida and across the Southwest. Where I went to school, a 45-percent increase where one goes from spending \$850 billion to \$1.6 trillion over 7 years is an increase; where the average senior citizen goes from, and the gentleman has heard these numbers, goes from \$4,600 to \$7,100 per year, that is per beneficiary.

That is why the Washington Post, on November 16 said, and I would like the gentleman to respond to this because I have yet to hear a Democrat who has been attacking the Republican's plan to balance the budget, I have yet to hear anybody respond to this. If I could just read this and have the gentleman respond:

Bill Clinton and the congressional Democrats were handed an unusual chance this year to deal constructively with the effect of Medicare on the deficit, and they blew it. The chance came in the form of the congressional Republican plan to balance the budget over seven years. Some other aspects of that plan deserved to be resisted, but the Republican proposal to get at the deficit partly by confronting the cost of Medicare deserved support. The Democrats, led by the president, chose instead to present themselves as Medicare's great protectors. They have shamelessly used the issue, demagogued on it, because they think that's where the votes are and the way to derail the Republican proposals generally. The president was still doing it this week; a Republican proposal to increase Medicare premiums was one of the reasons he alleged for the veto that has shut down the government—and never mind that he himself, in his own budget, would countenance a similar increase.

We've said some of this before; it gets more serious. If the Democrats play the Medicare card and win, they will have set back for years, for the worst of political reasons, the very cause of rational government in behalf of which they profess to be behaving. Politically, they will have helped to lock in place the enormous financial pressure that they themselves are first to deplore on so many other federal programs, not least the programs for the poor.

Mr. Speaker, the gentleman from Hawaii heard this, he saw on the front of the New Republic this past week most likely where the cover story by a former member of the Clinton administration said that the Democrats' demagoguing on Medicare was even worse than the American public suspected. That is the New Republic and the Washington Post. It is not the Washington Times. If the gentleman could just respond to that.

Mr. ABERCROMBIE. I would be delighted to respond to that. I would not accuse the Washington Post of demagoguing, especially if they are an editor of the Washington Post who has

health insurance and is not likely to lose it.

It is very interesting, I have indicated, and as far as the President's budget is concerned he has indicated, and the news page from the New York Times, which I just showed, this agrees exactly with what the gentleman just said in terms of increased spending. I said already this morning that both the Republicans and the Democrats are proposing increased spending.

The difference is if the spending does not match the need, then we fall behind. What the Republican proposal is, is that they want to throw a 10-foot rope to someone who is 12 feet out in the water and drowning. The fact that they are throwing a 10-foot rope does not do anything for the person who is drowning, because they need 12 feet in order to reach him.

What is happening is that under Medicare and the expenditures under the proposal by the Republicans is that they are going to make the insurance companies richer. The Republicans are going to take nine steps backward. They are not going to have a sufficient amount of money to be able to deal with the need, particularly if they put on a Medicaid proposal in conjunction with it that sees to it that more people are ineligible for Medicaid spending, so they will be showing up in the emergency rooms, and those who do have health insurance will be paying even higher premiums to take care of those who do not have insurance.

So, all the Republicans have done with this proposal and so-called increase is shift the burden of paying for it to those who already do have insurance.

Mr. SCARBOROUGH. The gentleman called it a so-called increase, and when you go up 45 percent, I understand if you believe that we need to go up 60 percent instead of 45 percent. That is fine. But the fact of the matter is, as we know, Medicare has been growing at a 10-percent clip.

Mr. ABERCROMBIE. Not in Hawaii, because we have health care in Hawaii. We have had it for 20 years.

Mr. SCARBOROUGH. Right. And I think the Democratic plan, let us just say Bill Clinton's plan, was to push it up 6 percent, and in his testimony in 1993, when he talked about having a single-payer health care system nationwide, in his testimony and in Hillary Clinton's testimony, the administration's position was that Medicare needed to grow at twice the rate of inflation. That is exactly what happens under the proposal, which actually came about after the President and the Medicare board of trustees said back in April that Medicare was going bankrupt.

The gentleman again talks about cuts, and he talks about decreased payments. To me, and I am just a freshman here, but to me and to a lot of people out in the country, and I am sure even people in Hawaii, a lot of people do not understand how we can

call it spending cuts where spending skyrockets 45 percent.

Mr. ABERCROMBIE. Reclaiming my time, Mr. Speaker, if they do not understand it, I will attempt to explain it once again.

I think there is a certain amount of calories one needs to be able to sustain one's existence. Supposing it is 1,800 calories a day. If we are putting out 1,500 calories, we are 300 calories short. What I am indicating to the gentleman is that the proposal for block granting Medicaid and for the so-called Medicare increase, when it does not match the need, then we are going to fall down and someone is going to have to pay for it in society.

Does anybody really believe, Mr. Speaker, at this point that, on the one hand the Republicans can be claiming, "Oh, no we are going to increase spending," and at the same time we are going to have tremendous savings? And at the same time we are going to increase the deficit, but at the same time we are going to balance the budget?

Now, I do not know about someone else's definition of demagogue, but I think that that might qualify at the very least.

Let me ask the gentleman a question, then, in turn. As I said, I believe I have indicated my answer to your question about the Washington Post editorial on Medicare. It does not make any sense because it does not get to the target.

Is it not a case, I ask my good friend, that the conference report, and I hope that he will take my word that I do, in fact, have a bona fide copy of the conference report on the budget before me. The concurrent resolution for the budget. Does it not indicate on page 3 under deficits, that for purposes of enforcement of the resolution, the amount of the deficits are as follows: 1996, 245,600,000,000. Is that not the deficit figure that the Committee on the Budget is using in its report?

Mr. SCARBOROUGH. I do not have the conference report in front of me, but if the gentleman wants to go through it and wants to read them off to me.

Mr. ABERCROMBIE. No, I will not read them all off. I will indicate that starting in this year, 1996, there is a \$245.6 billion deficit and it goes on to the year 2002 over the next 7 years, and in 2002 it is indicated, and I grant you this is in January, the numbers could change up or down depending on what the Congressional Budget Office says this week to, \$18.4 billion, \$18,400,000,000. So each year there is a deficit.

It does not bother me. I am not arguing that somehow the deficit is supposed to disappear in a year's time. I do not believe that would be good economically. We could have that discussion sometime: The philosophy of economics. But I think it is generally agreed, at least by those of us here in the Congress, to eliminate it all in 1 year would probably be impossible.

But nonetheless, would the gentleman agree, and the gentleman has been talking about the budget, that in general, whether my numbers are exact or not, that there is a deficit proposed in this year, and a deficit in the Republican budget and the Democratic budget until the year 2002? Somehow it has to be paid for. That is the question, is it not?

Mr. SCARBOROUGH. That is the question, and there is a deficit starting this year, and the plan is over 7 years that we go to zero deficit under the way that Washington scores deficits right now.

Mr. ABERCROMBIE. Reclaiming my time. I thank the gentleman very much. This is getting productive. Under the way we score deficits right now.

Mr. SCARBOROUGH. And the way Democrats have for 40 years.

Mr. ABERCROMBIE. Would the gentleman agree that, reading again from the same title I where the deficits were, as I indicated, that the public debt, which this year, 1996, will be \$5.21 trillion, \$5.2 trillion. In the year 2002, the public debt will be \$6.7 trillion. That is an increase in the public debt; is it not?

Mr. SCARBOROUGH. It is, and if the gentleman would yield, I would like to ask the gentleman a question, because we are getting at a very good point.

I want you to know, and I guess I should not publicize this any more than it has been publicized, but I was the only Republican to vote against reconciliation the first time through, because I did not think we went far enough to getting the deficit down.

But let me say this, I know there was not a single Democrat, because I talked to a good number of them, that voted against this budget package because they did not think it cut enough. I know that to be the case, because the interesting thing that the Republicans have found themselves in this year is that the conservative base that is pushing them to balance the budget immediately, now rather than later, the freshman class, of which I am a Member, where we put forward our own plan to balance the budget in 5 years, we have been savagely attacked, being called mean-spirited. You have heard what I would call demagoguery.

Mr. ABERCROMBIE. I would never say anything like that.

Mr. SCARBOROUGH. Of course you would not. That is Hawaiian manners. It encourages me that I find somebody coming to the floor on the other side of the aisle who is saying, "Hey, maybe we need to push a little harder; we need to do more to balance the budget."

Mr. Speaker, I think today is a historic day in the 104th Congress. Let me say this to the gentleman. I will ask him to work together with me to come up with a proposal that will take Social Security off budget and raise the revenue to keep Social Security off budget, while still moving forward.

Let me tell my colleague a great idea. I think we need to get together a

BRAC-like task force where we get people from AARP, and economists, and we need to get together and look and see, take a serious look at this CPI, the consumer price index that PAT MOYNIHAN has been talking about saying it is 1 percentage point too high; get a task force that will protect the interests of seniors. And if they adjust it up 0.5 percent, as the Democratic Coalition budget does, or 1 percent, as Democratic Senator PATRICK MOYNIHAN suggests, what we do with that money from this BRAC-like task force that the seniors will take part in, we roll that money over and get Social Security off budget; keep off budget the money that we save for the Social Security system through the CPI adjustments.

Is that something that the gentleman would like to work on with me in a bipartisan manner? Because I really do think we are making progress here today. This is historic.

Mr. ABERCROMBIE. Mr. Speaker, reclaiming my time, I am glad the gentleman thinks it is so historic.

Mr. SCARBOROUGH. Mr. Speaker, I have not heard a Democrat say that the Republican plan did not go far enough.

Mr. ABERCROMBIE. I think the Republican plan goes way too far. That is my point. I do not believe it is a plan. It is a kind of incantation, a magic formula that would have all of the reality of Merlin the Magician.

The gentleman indicated that he would like to have a BRAC-like commission. BRAC, for those who do not know, is the Base Realignment Closure Commission. I think we may be closing down the opportunity for a whole lot of people in this country if we went as far and as fast as the gentleman indicated.

I would never characterize the gentleman personally, but I believe that such an approach would be an extreme approach. It would not be warranted, given the social stability and the economic stability of our country.

Now, I still have the time, if the gentleman would be kind enough to let me respond. The gentleman indicated that the freshman class of Republicans have put forward a balanced budget proposal which might succeed in 5 years, and he asked me at the same time, would we work, could we work together to take Social Security off budget?

Mr. Speaker, I am sure the gentleman is aware, and therefore he must have misspoke, I am sure he is aware that in the budget proposals right now, that Social Security already is listed as off budget. The problem is that we are taking money from it.

Now, does the freshman proposal of the Republicans, the freshman Republican proposal take money from the Social Security trust fund in order to help balance the budget?

Mr. SCARBOROUGH. Not that I am aware of.

Mr. ABERCROMBIE. I would be mightily amazed, then, as to where they are going to get the money. The

gentleman is aware that the Republican proposal that is on the floor so far from the Committee on the Budget does take from the Social Security trust fund?

Mr. SCARBOROUGH. Is the gentleman yielding to me?

Mr. ABERCROMBIE. Yes, I am.

Mr. SCARBOROUGH. No, not any more than Democratic proposals in the past have, again using the framework that we use that the Democrats have used for 40 years. That is why I was asking the gentleman, and I just got a note that I have got to leave the floor in 10 minutes, if he would be interested in working with me in figuring out a way of putting together a BRAC-type task force to adjust the consumer price index and its impact on Social Security, and whatever money is saved, we roll over into the Social Security trust fund, thereby pouring billions and billions of dollars to keep Social Security solvent after the year 2002.

Mr. ABERCROMBIE. My answer to the gentleman is I would be delighted to work with him at any time on such a proposal, and I would be delighted to have further discussions on the realities of the Social Security trust fund.

Mr. SCARBOROUGH. Great, I would love to. I think coming from Florida, obviously, it is extremely important to the people in our State. I heard that time and time again when I was campaigning a year ago, why do we not take Social Security off budget? And, of course, we can say that it is off budget, but the fact of the matter is that the Democrats, when they controlled Congress, and the Republicans this year, have not put up that Chinese wall to separate the two. If we can work together, I do think this would be a historic moment.

Mr. ABERCROMBIE. Mr. Speaker, I reiterate, I would be delighted to work with the gentleman at any point. Speaking as I do as the Representative of the southernmost State in the United States, Hawaii, I would be glad to do that.

Mr. Speaker, I particularly appreciate the dialog with the gentleman from Florida [Mr. SCARBOROUGH]. I have listened with interest and with close regard to his remarks on the floor in previous times, and I think that it is well worth it at this point to explicate just for a moment or two on some of the points that he raised, because they do fit into the context of my general discussion.

Mr. Speaker, you may recall that I had indicated that there is, in fact, in the budget document proposal of the Republican Party, a deficit this year. Some \$245 billion. There is, at least, in the budget resolution as presented so far, which will go on up to \$108 billion in the year 2002. It accumulates, obviously. The public debt is increasing.

We move then to Social Security, because the gentleman from Florida is quite correct. His constituents are sharp. They understand what is happening. We have an accounting trick in

the Federal Government, which all parties have utilized to this point, in which we say that the Social Security revenues are off budget.

Now, I do not know about your budget. Well, I do know about your budget, Mr. Speaker. I am sure yours and mine are exactly the same. We cannot get away with that. People who try to pretend that what they owe really does not count because it is off budget and act accordingly, sometimes end up in front of long-robed judges with prison sentences facing them. Or at worst, and I suppose at best, find themselves shamefacedly saying to their spouses, "Yes, actually we have not balanced the budget. We actually owe more money than we can pay."

But where Social Security is concerned, Mr. Speaker, I want to indicate that according to the Congressional Budget Office, the revenues for Social Security are in excess of what is needed for expenditure this year, and on up to the year 2002.

Let me repeat that. There are more revenues coming into Social Security trust fund than there are revenues going out. That means there is a surplus. Here is where the real surplus is. There is no surplus in the budget. There is a surplus in the Social Security fund.

So, the constituents of the good gentleman from Florida, when they say let us take it really off budget, what they mean is do not use it as an accounting trick. Do not take money to pay your bills from Social Security, and leave an IOU in the Social Security trust fund.

My point, Mr. Speaker, is that this budget document put forward by the gentleman from Georgia [Mr. GINGRICH] and his budget team, shows, for example, in 1996, \$374 billion, almost \$375 billion coming into the Social Security trust fund, and about \$300 billion going out. A surplus clearly of about \$74 billion, \$75 billion.

The problem is that in order to achieve this balance, both in the year 1996 and 1997, and on to the year 2002, the proposal of the Republican budget is to take money from Social Security, leave an IOU for the principal plus interest, and in the year 2002, be able to claim that by borrowing from Social Security, they have balanced the budget.

I will indicate again, Mr. Speaker, that is not the case. What they have done is shift the deficit. They are not balancing the budget. They are shifting the deficit. It is as if we were taking our checking account and our savings account and then taking the savings account of our mom and dad, drawing down on the savings account of our mom and dad, and then telling our family that we have balanced the budget and paid all of our bills.

Mr. Speaker, every bill that comes in in the year 2002, we will be able to pay, and the revenues coming in and the revenues going out will match. That is to say, they will be balanced. But we have neglected to tell mom and dad

that we took money out of their savings account in order to accomplish that.

Mr. Speaker, the way I add it up, and the way I went to school, as the gentleman from Florida indicated, I am sure we had similar math experiences, the way I add it up, we owe our mom and dad. The fact that we call it off budget in the Government does not mean that we owe our mom and dad any less money.

What is the Social Security trust fund? The Social Security trust fund is for those who are eligible to collect those benefits at a certain time in their life when they have retired at a certain age and under certain circumstances. When they meet the qualifications of it, they get the benefit. One of the arguments made by young people is that there may not be sufficient funds in the Social Security trust fund to meet their needs when they are eligible for it. I would say if we keep taking from this fund, and leaving IOU's in it with no plan to pay it back, that is exactly what is going to happen at some point in the future. Not now. Not in 2002. But as we get past that time, 2013, 2020, 2050, you and I will not be here in 2050, Mr. Speaker, and that is one of the real difficulties that I have with this proposal.

Mr. Speaker, what we are saying is for short-term political benefit, rhetorical benefit that will help us in an electoral capacity, "I balanced the budget," that kind of discussion with the voters, that we are going to leave the children and the grandchildren and the great grandchildren bereft of those funds which are supposedly in there for their benefit.

One of the reasons that that is so is that we are going to have an ever-increasing number of people who are eligible for Social Security and a decreasing number of people who will be working to pay the Social Security taxes to put into the fund to see that it remains solvent. That is a genuine problem that we have to look at.

I believe that government is for the long term; not for the short term. I believe that the decisions that I make today have an impact on generations to come. I think I have to take that kind of responsibility. I cannot make a decision. I take that back. I am sure I am as human as anybody else. I think I start thinking at any given time during the day, "What is in my immediate interest? How will I have to explain this? What is going to be the impact on me?" I am up for election in 1996. I intend to run 1996. How do I explain to my constituents what they need to know, rather than perhaps what they would like to hear?

Mr. Speaker, I think my obligation as a Member of Congress is to tell people what they need to know; not necessarily what they would like to hear. What they would like to hear is that we can spend more and at the same time save more; that we can balance the budget, but at the same time we can increase the deficit.

Mr. Speaker, I suppose that people would like to hear that, but I think my constituents, and I am sure that the constituents of the gentleman from Florida are the same, they do not want to hear a fairy tale. They do not want to be told something that is not true or that they are going to be all right or fiscally secure, that their future is going to be soundly based economically and socially and we will have stability in this country, and then find out that is not so. They would rather know what the truth is, so that they can figure out what needs to be done to get to the goal that we want to achieve.

Yes, it is true that Democratic administrations and Republican administrations have used Social Security in a similar way. That does not make it right. The difference has been in the past that when they went into the Social Security trust fund, they never pretended they were balancing the budget with it. Rather, they were meeting current expenses.

The debt that we have now, between \$480 and \$500 billion that we owe in principal, I am not sure whether interest is involved in that or what the interest is at this point, but we owe upward of half a trillion dollars right now to Social Security. I do not know of any plan to pay it back. It is a paper transaction, according to those who want to use it for the bookkeeping trick that it is. But, nonetheless, it is real people expecting real dollars to come out of that fund in the future.

Now we propose, in the name of balancing the budget, not just meeting current expenses. Let me explain a little further. If we went to our mom and dad and said to them, "Look, we are having a tough time. There was a hurricane." Mr. Speaker, as you know, Florida has suffered through more than one devastating hurricane. Hawaii suffered through a hurricane, Hurricane Iniki, that hit the island of Kauai. California's tragic earthquake. Just take those three national disasters. We are talking about tens of billions of dollars worth of damage and subsequent investment by the people of this country in the infrastructure and social stability of just those three States, California, Hawaii, and Florida, all across the spectrum of our society, literally and otherwise.

Mr. Speaker, I consider that an investment in the people of our country. I do not object to that. We have these kinds of disasters. So, I suppose I could go to mom and dad and say, "Mom, we have had a disaster occur. We have had some difficulties and we did not get enough from you. My salary did not cover the expenses that came up. There was the car crash; there was the hurricane that came through. We have got to fix the roof. We have to get the plumbers in and the carpenters. We do not have enough money coming in. We need to borrow money from you in order to meet these expenses."

Mr. Speaker, we could do that. We would prefer not to, but it could be

done. So, when the accusation, if you will, is made that administrations in the past, and as I say, they have been Democrat and Republican administrations, when these administrations in the past, and the Congresses in the past have borrowed from Social Security and voted for the budget, it was to meet the current expenses. They did not come to the well of the floor, or go on television on news shows and to their constituents and say, "Oh, we are balancing the budget now."

Mr. Speaker, how can we balance the budget if we are taking money from the Social Security trust fund and have no plan to pay it back; pay the principal, let alone pay the interest back? That is what is to happen. The surpluses are here. There is no question that there is extra money.

Now, is it really extra money? The reason that these surpluses are there, Mr. Speaker, as you may recall, in the 1980's, the same kind of argument was made that Social Security was going broke, therefore, we have to have a new system to deal with it. What we did, Mr. Speaker, is that the Social Security tax was raised, the amount of money that was required of us. We all see it on our paychecks. It is called the F-I-C-A, the FICA tax. That is our Social Security tax. We pay the tax and that goes into the fund.

□ 1300

It goes into a fund right now, Mr. Speaker, and this was acknowledged by the Congress, acknowledged by the people of this country that they would put more money into the fund every year than was actually going to be paid out because at some point in the future those two lines would pass one another.

We wanted to make sure that we had sufficient funds in the Social Security to take care of those folks that were coming after us down the line. That was our obligation, to look forward, not backward or look in place, run place, but to look forward. The whole society made the decision to do that. So when we use the word surplus, that is not really true. What it is, is a savings account to be drawn on at the proper time by those who are eligible for Social Security.

I know, Mr. Speaker, that this sounds like pretty much of a basic course that I am delivering here. Some people may be saying: I know all of that; why is he going through something so obvious? The reason I am, Mr. Speaker, is I do not believe that most people in the country know that, instead of building up the savings in the Social Security trust fund so that everybody who is eligible for it is able to receive the benefits that we have been systematically taking the money from there, looting it, embezzling it, borrowing it, mortgaging it, you can run the whole spectrum of adjectives and descriptive phraseology.

The fact of the matter is we have been taking from the Social Security trust fund, funds that were meant to be

there to be saved in order to provide for the benefits for those who are eligible at the time that they become eligible. What we have is massive amounts of IOU's in there. That is not real money. That money has been spent. is budget and the Democratic budget are the same; the President's budget is the same. What the President is trying to say is, if you want to try and go through this balancing act, you have to admit that you are taking it from Social Security; and, if you do not want to take it from Social Security, you are going to have to make sure then that you do not make these drastic cuts. If you make these drastic cuts, you are going to have to take it not only from Social Security, but you are going to have to increase taxes or cost-shift the burden to others in the society in order to pay the bills.

Now, there is one way not to pay the bill; do not let people be eligible for the payments. I understand that. When the gentleman from Florida said that perhaps they had not gone far enough, I cannot imagine what he would have in mind. We are already attacking agriculture, the people who grow our food. We are already attacking education, the future of the country and our children and young people. We are already attacking Medicaid, the last safety net, the last stop before you fall off the board, if you are ill or disabled.

We are already attacking Medicare, the only health care system available to millions upon millions of people in the Nation at any kind of a reasonable cost. If one wants to talk about making savings, that is another story. Attacking waste, fraud, and abuse, I am all for it. Believe me, it can be done. But I do not want to hear a lot of discussion from people who a year ago said there was no problem with health care now suddenly saying, it is going to go broke.

If it is going to go broke, you fix it. That is what you do. You fix it. You do not cut it. If you cut it, you have not dealt with the problems that are already being dealt with. Will people not be sick tomorrow? Will we suddenly stop having accidents? I understand now that we are going to increase the speed limit in this country. In some places I guess you will be able to drive as fast as you want. Do you think there is not going to be any automobile accidents, there is not going to be repercussion that come from those automobile accidents as a result of having no speed limits whatsoever, that somebody is not somehow going to pay for that?

Are we going to take people when they come to the hospital after one of these accidents and say, I am sorry, we have got a budget that says we only have this much money, you will have to stay in the street? I do not think that is the kind of country that we want. The question is, Are we getting the kind of service that we need to have at a cost that is sufficient and fair and are we getting the kinds of

services that we need at a cost that is sufficient and fair?

Mr. Speaker, I want to indicate, I will reiterate from my previous discussion what is going to happen once this so-called balanced budget comes into effect.

Mr. Speaker, let me take that time remaining then to give you some of the implications if this so-called balanced budget, which is really a shifting of the deficit, takes place. I will not use my own judgment on this. I will go to one of the editorials. The gentleman from Florida previously quoted an editorial to me from someone who no doubt has health insurance. So I quote an editorial as well from someone who no doubt has health insurance.

The USA Today from November 6 of this year, entitled the "Balanced Budget Myth": "Each day"—I am quoting now from that USA Today editorial.

Each day the debate over balancing the budget produces another dire warning. The cuts are too deep, say the Democrats. Taxes must fall, say the Republicans. But after they compromise and begin arguing over who won a few weeks from now, one truth will remain; both sides will be lying because neither is talking about a truly balanced budget at all.

This is my complaint, parenthetically, Mr. Speaker.

The nonpartisan Congressional Budget Office underscored that point recently. It pointed out that, come 2002, when the budget will be balanced, under the Republican plans the Government will still be borrowing more than \$100 billion a year. This is done by writing IOU's from the Treasury to Social Security and other trust funds that the Congress declares off budget.

Mr. Speaker, that is not me talking. That is USA Today talking. They are quoting tables that I quoted from last week indicating that that is exactly the case. We are taking from Social Security in order to offset the budget deficit that we have.

This is the point then, what happens from that. To understand, look ahead to 2005. That is just 10 years away. About the time it takes for an 11-year-old child to go from grade school through college. Think of that, Mr. Speaker, grade school through college. We have heard on this floor over and over again during this budget debate that we have to pay attention to the children. What is going to happen in 2005 when that 11-year-old child goes to college.

That year a critical balance tips. Increased costs for Social Security will begin to deplete Congress' cushion because the Social Security Trust Fund is a fiction, filled with nothing but Government promises to pay. Congress will gradually lose its fudge factor. By 2013, when the trust fund peaks, taxpayers will feel a hard bite. They will have to start doing what the trust funds were supposed to do, pay for the retirement of 75 million baby boomers. The budget will plummet into a sea of red ink.

That is what is going to happen. Mr. Speaker, the facts are these: Whether

it is the Republican plan, the Republican proposal, or the Democratic response, unless and until we deal honestly with the issue of actually coming into balancing, we are not going to be able to succeed. With the President's initial budget, the deficit began to decline, the rate of the deficit declined. That is to say, the absolute number of the deficit has gone down. The rate of the deficit has gone down. It has done so for 3 years. This has not happened since 1948 and the Truman administration. This is what needs to be done.

Instead of the hacksaw approach, instead of the meat-ax approach, we need to take a gradual approach that will see to it that we are able to meet our obligations to Social Security, able to meet our obligations to our children, able to meet our obligations to our national defense, able to meet our obligations to ourselves as a society. Only then when we are truly honest with ourselves about what the deficit will be, how to get it down gradually, and I have indicated that there are ways of doing that, paying for our capital expenditures the way cities, States, and families do, paying for our operating expenses within a budget that recognizes the fact that we do not operate on a year-to-year basis and other such reforms, I think we can achieve that goal.

Until that time, Mr. Speaker, I remain most reluctant to countenance people coming to the floor and elsewhere and making the pronouncement that they are balancing the budget when they are in fact shifting the deficit and actually attacking the Social Security trust fund in order to provide the basis for that rhetorical device. Unless and until, Mr. Speaker, we deal honestly with the American people as to what the costs of Government actually are to meet our fundamental obligations, we will find ourselves subject to that kind of illusion. And the people who will have to pay for it will be our children, will be our grandchildren.

They will look back on this time and say, they knew because somewhere, somehow, if only in the record of this Congress, somebody will be reading through the CONGRESSIONAL RECORD and say, it was there. They were on the floor. It is not just NEIL ABERCROMBIE talking about it. It is the USA Today. It is Bill Welch in USA Today. It is Lars-Eric Nelson in the Daily News. It is even the Washington Post editorial writers, when they get around to being halfway honest about the Social Security trust fund borrowing or embezzling, whatever word you want to use.

It is on this floor now. A dialog and a discussion has been started between Republicans and Democrats, not just between myself and the gentleman from Florida, but others as well. If we want to deal with this, let us pass a budget that admits in 1996 that it is not balanced. But let us make a good-faith effort to try and keep that deficit from rising. Let us keep the rate of the deficit going down. And next year, let

us come back here with a budget reform proposal, a bill, that will put forward a long-term plan, 10 years, 20 years, 30 years. That is what a mortgage is, 30 years, whatever it takes in order to truly balance the budget and truly see to it that we meet our obligations to ourselves, our families, our children, and the heritage of this country.

The SPEAKER pro tempore (Mr. YOUNG of Florida). Under the Speaker's announced policy of May 12, 1995, the gentleman from California [Mr. HORN] is recognized for 60 minutes.

[Mr. HORN addressed the House. His remarks will appear hereinafter in the Extensions of Remarks.]

D.C. FISCAL PROTECTION ACT: CONTINUED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from the District of Columbia [Ms. NORTON] is recognized for 5 minutes.

Ms. NORTON. Mr. Speaker, this is day 5 of my countdown to help avoid a shutdown of the Federal Government and the District of Columbia and, in addition, to help avoid a month-to-month congressional resolution that would apply to the District of Columbia—because on a month-to-month basis, Mr. Speaker, one cannot run a large, complicated, financially troubled city. There is very promising news carried in this morning's papers across the country that there may be \$100 billion more money than expected, that the program of the administration has worked and that we are seeing the fruits come in. We are told that the President has made a phone call to the Republican leadership and may be coming together with them in the next few days. In any case, Mr. Speaker, they are very close together. There is not a lot of difference between the two.

In particular, the Republican majority said to the President, give us a 7-year plan. Guess what? He did. Now the only way to arrive at an agreement is to get to the details, get the numbers and nobody, surely, would shut down the Government or put the District on a continuing resolution while you are doing the necessary work of getting to the numbers now, that you both have plans.

This morning the President is quoted as saying,

We ought to be able to agree on one thing: Nobody, nobody should threaten to shut down the Government right before Christmas.

I cannot believe there is a single Member who would disagree with that. We in the District are not relaxed, though, because a month-long or a 6-week-long or a 2-week-long continuing resolution will not help us run the District, which is in grave financial distress.

Who would want to shut down the District when the appropriation that is

stuck up here is 85 percent raised from District of Columbia taxpayers? It is indefensible to do anything but release that money so that the District of Columbia can begin to systematically plan and spend for its reform. That is what this body has tried to get the District to do for years. That is why with a control board in place, we must be set free to do that.

I have sponsored, with strong bipartisan support, the D.C. Fiscal Protection Act, which will be marked up on Wednesday and Thursday. The gentleman from Virginia [Mr. DAVIS], the chair of the D.C. Subcommittee, is strongly for this act because it would simply release the District to spend its own money. It is bad enough not to have full representation in this Congress, but to shut us down with our own money is nothing that any Member would want to defend.

When the markup occurs, the bill will be brought swiftly here. We believe it could be passed swiftly in the House. Do not condemn us to the waste of a month-to-month CR. The last shutdown forced us to pay our employees, in any case, for not working, because they were forced into administrative leave by the Congress of the United States. The waste and inefficiency involved for Federal agencies is unpardonable for a city in financial distress. It simply cannot be tolerated. The waste and inefficiency involved in a month-to-month continuing resolution will set the District back in a recovery that has hardly begun.

There are responsibilities that the District must take on. This body is correct to make sure that the District takes on those responsibilities. But who can deny that there is also a responsibility for this body. Only this body can pass a continuing resolution to free up the District to spend its own money. Even if our appropriation comes through, this bill must be passed, because the District must never face this possibility again. Already it has delayed our ability to go back into the market because now the market says "You can never know when they may be shut down," and that has all kinds of repercussions on Wall Street. We must improve the District's standing. The only way to do that is not even through our appropriation, not even through a 1-month CR. It is through an act, the D.C. Fiscal Protection Act, which we will mark up Wednesday and Thursday, which would broadcast to the markets that no matter what happens, if the D.C. appropriation has not been signed at the end of a fiscal year, the District can spend its own money. It can pay its debts.

That is the way to go at making the D.C. government more efficient. Let the example be set here in this body. Keep our feet to the fire. Let this body keep its own feet to the fire and do the right thing. Help us to start the District, finally, late in this fiscal year, with the efficiency that would obtain if we were able to spend our money to