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 is 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 and 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 fit the title, you get the money, you get a benefit from the program, even, in fact, without a specific vote each and every year by Congress.

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 program. 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 hen 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,

and now it is over $5,000 billion, or actually it is $5.1 trillion. So we have a situation where during our lifetime, during the last 22 years, during a time of relative peace, we have allowed the national debt to increase tenfold.

What we are trying to do is get our financial house in order. We are trying to balance the budget and we are trying to say to all Americans, if we all do our part, we can eliminate those deficits that are robbing future economic growth and basically bankrupting our children. That is what it is doing, it is basically saying to our children that they have to pay the bill for our expenditures.

Mr. Speaker, we did not cut the student loan program, it grows from $5.2 billion to $6.8 billion, and allow for 20 percent of the program to be reprogrammed, so allow the wealthier kids, basically allow communities to take these sums that go to people like me, who do not need to have our families subsidized, and provide it for children in urban areas and rural areas and some suburban areas, where they simply cannot afford and sometimes actually go hungry at night. We can help them.

We allow the student loan program to grow 50 percent, from $24 billion to $36 billion. Again, I would say, only when you increase 50 percent do people call it a cut. They call it a cut usually on that side of the aisle.

Mr. Speaker, the earned income tax credit is a program that a lot of people believe in. I sure believe in it. The earned income tax credit is a program that basically says, you are working but you do not make enough money to really survive, pay your room and board; basically, to pay your living accommodations, pay for your food. You just simply do not have enough.

What we do is for people who earn so little, they do not pay it. Under the earned income tax credit, they are actually given money from other taxpayers. Taxpayers are giving some taxpayers or some working Americans money. They do not pay a tax, they are given the money. That is called the earned income tax credit for the very poor. We allow that program to grow from $19.9 billion to $25.4 billion in the next 7 years, last year versus now in the year 2002. Only in Washington when you go from $19.9 billion to $25 billion do people call it a cut.

What I want to get into is just two very important programs. They are sure important to me, and I think most Members on both sides of the aisle. Medicaid, under our plan on Medicaid, we allow the program, which is $89 billion of expenditure on health care for the poor and nursing care for the elderly, which also has a State match in addition to that money, to grow from the seventh year to $127 billion, so going from $89 billion to $127 billion. Only when you grow that much do people call it a cut. It is not a cut. It was $89 billion. It is growing to $127 billion, a significant increase in the program.

What I am going to talk about in more detail, though, however, because my colleagues on the other side of the aisle basically totally, frankly, got it all wrong—that is a generous way to say it. The ungenerous way would basically be to say that they simply do not have their facts right, and they do not. I know they would not intentionally mislead people, but the end result of their presentation was misleading.

Because our Medicare program last year, on a basis of $178 billion, grew to $289 billion. So that is a 60 percent increase in our program. Basically what we said was that Medicare would grow at 10 percent a year, the traditional Medicare program would grow at 10 percent a year. We want it to grow a 7 percent a year. Want it to grow 60 percent, from last year to the seventh year, the year 2002. When you grow from $178 billion to $289 billion, my colleagues call it a cut on the other side of the aisle, even though it is a 60 percent increase.

One of my colleagues on the other side of the aisle, said, they may have spent more and are slowing the growth, but there are more people in the system. That is a fair point. There are more people in the system. So what we did is we broke it down on a per person basis to know if we were cutting the program, because the last thing we want to do and can afford to do is literally cut the program. Health care costs more. We are going to need more to pay for additional health care costs.

Last year we spent $4,800 per senior, per senior on Medicare. Under our plan, the plan went to $7,100. That is a 49 percent increase, a 49 percent increase in Medicare. Now, per person, only when you go from $4,800 per person to $7,100 per person do people call it a cut. That is not a cut. By any definition, when you go from $4,800 per person to $7,100 per person, growing at 50 percent per person, that is not a cut. In terms of total dollars, when you go from $178 billion to $289 billion, that is a 60 percent increase. You cannot call it a cut. It is a 60 percent increase in spending.

How were we able to do it? How were we able to have the program grow from $178 billion to $289 billion, and save, our colleagues said $270 billion, which they call a cut, how were we able to save $240 billion? Because that is how CBO scored that number. As one time they said it was $270 billion. Then they rescored it to say it was $240 billion.

□ 1915

When we allowed the program to grow overall 60 percent, per person 49 percent, we still save $240 billion.

How can it save $240 billion? What happens is, instead of allowing it to grow at 10 percent a year, we allow it to grow at 7 percent a year. How do we do that? How can we provide the same level of service and have it grow at 7 percent a year instead of 10 percent? The fact is we not only do that but we provide a better service. How could that be? How could you have a program that is growing at 10 percent a year, now you say it is going to grow at 7 percent a year, you are going to save $240 billion, and you say it is going to be a better program?

The fact is, it is quite simple to understand. We did not do it, contrary to what my colleague said, by increasing the co-payment. We did not do it by increasing the deductible that seniors pay. We did not do it by increasing the premiums that seniors pay except for the very wealthiest. This is something that some people on my side do not always like to acknowledge. We are asking the wealthiest to pay more on premium, the very wealthy. We are saying that the very wealthy should not get free Medicare services premium without paying more.

So we say that someone who is single that makes over $100,000 should pay all of Medicare Part B. We are saying a married couple that earns $175,000 should pay all of Medicare part B. So we are asking the very wealthiest under our plan to pay more. But the 99.5 percent of the American people, we are not increasing the premium at all. We did not increase the deduction, we did not increase the copayment, we kept the premium at 31.5 percent.

What happened? What was so significant about 31.5 percent? The taxpayer pays 68.5 percent of Medicare Part B. Why would we want to save $240 billion? The reason we want to save $240 billion is that is wasted money. The program is gong bankrupt. Medicare is going bankrupt. The program my colleagues on that side of the aisle and this side of the aisle appreciate, respect, know it is very important for our country, that program is going bankrupt.

Mr. Speaker, the problem is that my colleagues on that side of the aisle choose not to deal with the issue. Our colleagues on this side of the aisle had the courage, frankly, to deal with the issue and deal straight with the American people. We said that the premium should stay at 31.5 percent.

What is significant about that? Taxpayers are paying 68.5 percent. What some may not know is that the premium under the tax plan that President Clinton passed in 1993 had the seniors pay increases up to 31.5 percent by last year, but then in the election year, they allowed it to drop to 25 percent. So seniors last year were paying $46 per month. Now they are paying $42 a month. It dropped $4. We said keep it at 46; not increase it, keep it at the 31.5 percent.

Why would we have wanted to do it? Because the program is literally running out of money. So we kept the copayment the same, the deduction the same, the premium the same. We did not let the premium drop, and we saved $240 billion.

How would we save $240 billion? Because we went to the private sector. Why would we have gone to the private sector? We went to the private sector because we felt that the public sector

was providing a plan with too much waste, fraud, and abuse. We said that the Federal Government simply was not policing the system well.

So we asked people in the private sector, if we allowed Medicare to grow at 7 percent a year, could you provide a better program? They said we could provide the same level of program. They said we not only can provide the same level, we can provide a better program at 7 percent. We can provide eye care, dental care, maybe a rebate on the co-payment and the deductible. Some plans said we could even pay all of the premium. Some even went to say we can do a rebate on the co-payment, the deduction, pay all the premium and MediGap, MediGap which is paid by the seniors, the 20 percent paid by seniors for health care services. These plans said we could do it.

How could they do it? They said, if you allow it to grow at 7 percent a year, you are spending 7 percent each year; that is a lot of new money. They know we are going from $178 to $289 billion. We are not spending less, we are spending more. They know, if we spend more they can provide more.

What we did is we devised a plan that my constituents have asked for for a long time. They said you, meaning me, a Member of the Federal Government, a Member of Congress, have many choices of health care. We want the same kind of choices you have. So what we did is we devised a plan to give them choice. Seniors will be allowed under our plan to keep their traditional fee-for-service plan or they can get all these different private health care plans that will provide the eye care, the dental care, a rebate on the co-payment and the deductible, no premium cost or maybe even some reduction or contribution to the MediGap payment. They will get those benefits and get better care.

Mr. Speaker, I was trying to understand how the President of the United States first off would veto that plan. We made, this side of the aisle, a very real mistake. We did not think the President of the United States would veto a plan that did not increase the co-payment on the deductible or the premium, gave seniors a choice. We simply did not think he would veto it. Maybe we should have realized that, this being a political year, it was too tempting not to demagogue the issue and veto it.

This is ultimately what the President did. He vetoed a plan that would have taken that $240 billion and put it into the program so that Medicare parts A and B would have been solvent to 2010. What we have learned subsequent to his veto, that the health care providers, the people who administer the Medicare plan have pointed out, that the plan now goes bankrupt, not in 2002. And by bankrupt I mean there is no money left in the fund. What is that money that goes in the fund? It is the money that every taxpayer pays, the 1.45 percent that the employee pays and the 1.45 percent matching that the employer pays. If you are self-employed, the 2.9 percent that you pay for Medicare goes into a trust fund.

Last year that fund lost $35 million. This year it is losing already over $5 billion, and it is going to go bankrupt by 2001, not the end of 2001, the beginning of 2001, basically at the end of 2000. That plan is going bankrupt. Our plan would have injected into Medicare Part B about half of that $240 billion and saved that fund to 2010 when our big challenge is that we start to have the children that are basically the baby boomers.

Our challenge is quite simple: We passed a plan that did not increase the co-payment, did not increase the deduction, did not increase the premium, allowed the program to grow from $4,800 to $7,100, a 49-percent increase per beneficiary, a 60-percent increase in total cost, gave seniors choice. The President vetoed the plan.

How would I explain the effect of that? The only way I have come up with to explain how stupid it was and how irresponsible it was for that plan to be vetoed is to basically give the following analogy.

If I had, and I would not do this for my daughter, but if I said to my daughter she could have $20,000 to buy a basic, say, Taurus automobile which would not give her bucket seats and leather seats, power windows, and it would not give her basically, say, a sunroof, some of the amenities, I would say: Honey, you cannot buy those things. Here is the money. You are to buy a basic car that will serve you well in the years to come.

I give my daughter $20,000, which I will not do. So I say: Honey, do not think you will get that. But if I did and she went out and she looked at different automobiles and she came back to me with tears in her eyes because she had disobeyed me, and I said: Honey, did you get a car? She said: I bought a car, Dad. And I said: Now, Jeramy, you got the kind of car I asked you to get, right? She said: Well, Dad, not quite. I said: What do you mean not quite? I gave you $20,000 to buy a basic Taurus automobile. And she said: Dad, well, I did not do what you asked; I did not do what you asked. I bought a car with leather seats, a sunroof, and other amenities. I even got not a cassette, but I got a better hi-fi system.

I start to get mad at her. She says: And furthermore, Dad, I did not spend $20,000; here is $2,000 back. She hands me that $2,000. She bought a better automobile, but she disobeyed me.

I say to her: Honey, you did not do what I asked; you cut $2,000.

Well, obviously she did not cut $2,000. She saved $2,000, and obviously I would not be unhappy with it. I would have said that she did the right thing, and I would have congratulated her on saving $2,000 and getting a better product.

That is what we did with Medicare.

And so what is the tragedy? The tragedy is that we could have saved $240 billion over the next 7 years. Now we have not. It is an opportunity lost. Our failure to save the Medicare system, slow its growth, provide a better program, and our failure to do that means that we are going to have to make severe reductions in other programs because it is a basic concept of opportunity lost.

If you continue to spend so much money on entitlements, your other programs are going to have to be reduced more. If you can make some savings here, your programs here do not have to be as tightly regulated and cut as much, because we are cutting some programs; not cutting the earned income tax credit, not cutting the school lunch program, not cutting the student loan program, not cutting Medicaid, not cutting Medicare and allowing all those programs to increase.

This get me to a basic point, the third point. We want to get our financial house in order and balance the Federal budget. We cannot allow these gigantic annual deficits to continue at the end of each year to add to our national debt. We want to save our trust funds, particularly Medicare, from bankruptcy, and we did that with our plan. Regrettably the plan was vetoed by the President. But the third thing we want to do is we want to transform this caretaking social and corporate and agricultural welfare state into a caring opportunity society. We want to help people in this country grow the seeds, we want to help people in this country learn how to grow the food, and want to help people in this country to fish rather than to be given the fish, and it seems kind of basic, and I have to say as a centrist or moderate Republican, someone who has voted for some programs that were meant to do good things but ultimately did not accomplish what we wanted to accomplish, I have had to say we have to be up-front with ourselves and with the country. Some of what we have done has been destructive. We do not have 12-year-olds having babies and 13-year-olds and 14-year-olds having babies by accident. We do not have young people selling drugs without some factors contributing to it. We do not have 15-year-olds killing each other without some factors contributing to it. We do not have 18-year-olds who cannot read their diplomas and not recognize that the government has been a contributor to that. Or the fact that 24-year-olds have never held a job, not because jobs do not exist. Jobs exist. The problem is that some people think it is a dead-end job.

If I had ever said to my dad that I did not want that job because it was a dead-end job, my dad would have asked me how long I had worked there and doubled the amount of time I worked. Because my dad would have known that a job teaches you to get up in the morning, it teaches you to be of service to people, it teaches you to recognize that you do something, you make a contribution, and in return you are

paid for it. A job that some would call a dead-end job is the beginning to a job of greater opportunity when you learn basic skills.

This Republican majority wants to end welfare as we know it. We do it by providing day care and job training. We just want the job training and the day care to be purposeful to helping get people off welfare.

When I was growing up, my dad used to commute into New York. When he commuted into New York, he would read three papers in the morning and he would read three papers in the evening and he would come back filled with so many wonderful stories. My three older brothers were 11, 8, and 7 years older, so for part of my childhood in junior high school and high school and part of even elementary school, I was really an only child. My dad would come home at night and we would talk about so many different issues. Sometimes he would come back and read something that maybe Ann Landers had said, a crazy question someone asked Ann Landers and her response that usually was quite sensible and we would always try and anticipate what she would say. My dad would say this was the question, what do you think she is going to say?

I was looking at a calendar I have and each day there is a kind of a quote identified with someone who is usually a well-known person.

□ 1930

It is really the quote of that day. On April 3, I was looking at my calendar, thinking about the very things I am talking about now, and there was a quote from Ann Landers. In the quote she said, ''In the final analysis, it is not what you do for your children, but what you have taught them to do for themselves that will make them successful human beings.''

I want to read that again. This is her quote. She said, ''In the final analysis, it is not what you do for your children but what you have taught them to do for themselves that will make them successful human beings.''

I began to think about this and think of what I have done in the last few years. Whenever I have someone in my office who talks to me or I am meeting with someone who really started at a lower economic echelon in terms of they just grew, they are not poor now but they were poor, and they did not particularly have a life where their mom and dad had the kind of hopes and dreams that they have, but they have become very successful, I ask them why. What was it that enabled them to be successful?

To a person they had someone who cared about them, someone who loved them, who mentored them, who sometimes basically kicked them in the butt and told them to get off their rear end and get working; who did not give them excuses about maybe they had encountered something and they wanted to feel like a victim. Their mentor got them to stop thinking of themselves as victims and realize they could take control. What a gift to teach someone, that they can take control. They also said they had people who taught them to dream.

Now, we have to wrestle with the fact that we have young kids who basically have a disadvantage because they do not have someone giving them a lift, they do not have good parenting, they do not have the advantage of someone who helps them to realize they are not a victim, that they have the ability. But every one who I have encountered has made it clear to me that in their case they did.

So I have asked them if they would do for their child what government does for so many of our citizens, and they have said there is not a chance that they would ever do that. They know that the kind of welfare system we have now is a caretaking type of system. It makes us feel good because we care for them and we are being caretakers, but we truly are not caring for them because if we cared for them our focus would be on what we have taught them to do for themselves.

We know that is what is going to make them successful human beings. It is not giving, it is teaching, it is guiding, it is helping people dream. That is the motivation, the very caring motivation of this Republican majority.

Out the window goes this caretaking approach. We want a caring society. We want health care, we want day care, we want job training for our poor, but we want to encourage them, push them out a little bit, help them know that they are going to have to get a job, and we are going to have to encourage them and guide them and teach them how to dream. We are going to have to teach parents how to be parents, when we have kids raising kids. We are going to have to do all of that. That is caring.

We have to stop just giving people something and then allowing them to just expect that more is going to be given to them. This is probably the most important thing that can come from this new Republican majority.

Now, I cannot say that this new Republican majority is going to win reelection, because we have had to deal with a tremendous amount of demagoguery. We have had to deal with people who have said we are cutting Medicare and Medicaid and we are cutting welfare when we are not doing those things.

I talked about what happened last year, and what I want to do is just talk about what is in our plan for the next 6 years and use these charts. During the last 6 years we spent $8.7 billion. During the next 6 years we are looking to spend $10.4 billion. We are looking to have basically a $2 billion increase in the total. Trillion, I am sorry. This is $8.7 trillion spent in the last 6 years and this is $10.4 trillion spent in the next 6 years. We are basically looking to spend in the next 6 years $2 trillion more than we spent in the last 6 years.

Now, I talked about what we did with the student loan program in our budget last year. Now we are in the next year of the budget. It is not $24 billion, it is $26 billion, as we expected. This is the student loan program. We are allowing the student loan program, now not in the next 7 years in the next 6 years, it is going to grow 42 percent. In 7 years it would grow more than 50 percent, but in the next 6 years it will grow 42 percent.

Our budget is identical, basically in the turquoise, with the President's budget, which is in the red: $26 billion this year, $37 billion in the 6th year of our program, by the year 2002. Both the President and this Congress want to spend the same amount for the student loans.

The earned income tax credit. During the last 6 years we spent $109 billion on the Earned Income Tax Credit. Now, the earned income tax credit is money that is given to people who work who make very little, so little, in fact, that they do not pay taxes other than social security. They actually get money back from the taxpayers, and it cost us during the last 6 years $109 billion. In the next 6 years it is going to cost us $156 billion.

Only in Washington, when we have spent in the last 6 years $109 billion and then have it grow to $156 billion, do people call it a cut. But some on the other side of the aisle actually call that a cut. And by the way, that program, like the student loan program, grows over 40 percent during that 6-year period.

Welfare spending. We have heard the Republicans are basically cutting welfare spending. But how is it, if welfare spending was for the last 6 years $441 billion and in the next 6 years, under our plan, we are going to spend $576 billion? How is it when it grows 30 percent, we are going to spend 30 percent more dollars, can people call it a cut? It is an increase and, frankly, it is a sizable increase. We are talking about well over $100 billion of new additional dollars being spent.

In our plan what we do is we get welfare recipients off welfare and we get them back into work, and they are provided job training and day care and health care benefits. They are allowed to keep their health care benefits even though they are working. They are allowed to keep some of their welfare benefits, even though they will be working.

Medicaid spending. During the last 6 years we spent $463 billion. During the next 6 years we are going to spend $731 billion. This is the Medicaid program. The Medicaid program was $463 billion. We will be, in terms of the last 6 years and in the next 6 years, it will grow to $731 billion. Only when we grow from $463 billion to $731 billion do people call it a cut, but they call it a cut. It blows my mind. They call it a cut when we are spending so much more.

This gets me now to the Medicare trust fund. The Medicare trust fund is

going bankrupt. It is kind of a scary thing to contemplate, because basically this side of the aisle is really the only one who has truly attempted to deal with the issue of making sure that it will not go bankrupt by the year 2001, right here.

Now, we are in the year 1996, and we know that the program is losing billions of dollars. This chart here illustrates how much it is losing. Last year we were told the program was going to grow by $4 billion. Instead of being zero, we were going to add $4 billion to the trust fund. Now, it is kind of hard to see, but there is a small red line here and it amounts to $35 million less money in the fund at the beginning of 1995 until the end of 1995. The fiscal year 1995.

So we ended up with less money, $35 million less. Now, in terms of this fund, that is not a tremendous amount of dollars, considering how many dollars are in the fund. But when we realize we were not supposed to have a $35 million loss, we were supposed to have over a $5 billion increase, and then in this year, when we were told the program was going to begin to go bankrupt already, and I am talking by April, we have $4.2 billion less in the fund than we started out in the beginning of that fiscal year.

We are being told now by the trust fund that in spite of the fact and because of, frankly, the President vetoing our bill, that the trust fund is going to go bankrupt not at the end of the year 2002 but beginning in the year 2001. And that was just a nice political way to say the end of the year 2000. It will go bankrupt 2 years sooner.

I just have two more charts, and I would just love to just point out that our Medicare spending during the last 6 years, we spent $920 billion. In the next 6 years we are going to spend $1.4 trillion. Only in this place, when we have spent $920 billion and then we are going to spend $1.4 trillion, do people call it a cut. It is a 61-percent increase in a 6-year period of more dollars spent.

On a per-person basis, now remembering that this plan is now a 6-year plan instead of a 7, it grows from $5.2 to 7,000.

I have a colleague who would like to join me, but I would just like to touch on one last point. When I was elected in this last election and I was meeting with people from the editorial boards, they asked how could I as a moderate Republican have signed on to the Contract With America. I answered them by asking them a question.

Now, remember, we were many the minority then. We were in the minority. And we came out with a Contract With America which said the eight reforms we wanted to do on opening day and the ten major reforms we wanted to do in the first 100 days. I answered their question by asking a question. I said, ''What do you think of the majority party's Contract With America?'' Meaning in this case the Democrats who had been in control for 40 years and still were in control.

I just enjoyed the silence, because there was no plan. They had no plan. I said is it not amazing that the minority party then, the Republican Party, had a plan of reforms for the first day, eight reforms, and a plan for the first 100 days, major reforms, balancing the Federal budget, dealing with tort reform, malpractice reform, saving our trust funds, all of those very viable important programs, I said is it not amazing that the minority party has a plan and the majority party does not?

Then I said something that means more to me than almost anything else. First off, there was not a Member who signed that who did not have a role to play in fitting it together, and I am joined now by my colleague who played a major role in making sure that this contract actually came to fruition, who was not an incumbent at the time, who helped us write it. And the exciting thing was that this was put together by over 390 Members of Congress or challengers. This was a positive plan that did not criticize President Clinton, did not criticize Congress, it just said if you elect us, this is what we will do.

I want to emphasize before yielding to my colleague this point. The press is constantly saying why do we always criticize the other side? Why are we so partisan? I am thinking, when we finally had a clear-cut plan that did not criticize the President, did not criticize Congress, then the Democrats in Congress, but just simply said you elect us and this is what we will do, they were critical of it. Then when we started to implement it and do what we said we would do, they started to criticize us again.

It just made me realize that doing the kind of changes that we need to do to save this country are not easy, but I count my blessings each and every day that I have the opportunity to be part of that change.

Mr. Speaker, with that, I would like to recognize my colleague, who I am very pleased has joined me.

Mr. GUTKNECHT. Mr. Speaker, I thank the gentleman for yielding to me, and it is almost like yesterday. In some respects it is like yesterday and in some respects it is like many, many years ago, when we stood on the floor of this House on the very first day of this 104th Congress and I was given the high honor of representing the freshmen and being the freshmen spokesman in leading the debate on the adoption of the rule for the Shays Act.

A lot of people have forgotten how important that was, but I think that was a very, very important act. In it we said that Congress is now going to have to live by the same laws as everybody else. And the interesting thing is, outside of Washington, outside of the circle that we call Washington, DC, beyond the Potomac, that made perfect sense. But here in Washington, that was considered sort of a radical idea.

□ 1945

Because for many, many years, we had developed this reputation here in Washington, particularly in Congress, that everybody else had to live by this set of rules, but Congress somehow would exempt itself from those same rules. And today we had a vote on a very important bill which allowed for employers and employees to negotiate and work together to say, would you like to have time and a half for overtime or would you like to have compensatory time?

One of the reasons I think that bill passed today and one of the reasons it became an important bill is all of a sudden Congress had to live by the Fair Labor Standards Act. And some weeks our staff work 60 hours and some weeks we are on district work period and they do not have to work quite as many hours. So many of us thought why can we not give our staff some time off in months where the workload is a little lighter around here because we know there are going to be months when we have to work them even harder.

So I was so pleased and honored and privileged to have been an important part of the debate on that very first bill. And frankly, and you know this, Representative SHAYS, that I became the first freshman in over 100 years to be invited to the first bill signing down at the White House. And my staff, I remember that day they thought it was a much bigger deal than I did. But I have had a chance to reflect on that and it was really a very historic moment to have a freshman for the first bill signing.

Mr. SHAYS. I have to say when you brought out the rule on the congressional accountability bill which was to get Congress to live by all the laws that we impose on everyone else, you were not speaking for the freshmen, you were speaking for the majority in this Congress and the vast majority of American people who knew it was ludicrous, immoral, and harmful for Congress not to be under the laws that we impose on the rest of the country.

Our Founding Fathers, as you pointed out in that early debate, and I have used your quote since, our Founding Fathers, Madison in particular, and in his Paper 57, basically said, of course, the protection to the people would be that of course Congress would live under the same laws it imposes on the people and it would not impose laws on itself that it could not live by. Little did Madison know that for about a 30-year period, Congress did not want to live under certain laws but was willing to impose the laws on everyone else.

If the gentleman would allow me to continue, you did a superb job of just making sure that the American people heard the plainness and sensibility of that effort. And I was instantly very proud. I have to tell you, at first my nose was a little out of joint. I have to tell you I thought these freshmen, they are just here and they are taking over. And I said, thank God, because you all did us proud. You took the floor that opening day on every rule, and you spoke for all of us. And I was never

more proud to be associated with an effort than when you came and brought this bill to the Chamber and to join you when it was signed and it was a bipartisan effort. It happened under this Republican Congress but it was a bipartisan effort.

The interesting thing, and I am holding the floor probably longer than I should, but you talked about today what we did. What we did today, or what we had not had to do before, was before this bill passed we did not have to give overtime and we did not have to give compensatory time. We did not have to pay someone 40 hours plus time and a half. And we did not have to live under OSHA and a lot other laws. But now all of a sudden we are living under the laws that we impose on others, the 40-hour work week and time and a half.

In the past, there are some employees who are actually behind you, who were unhappy that we had a situation where we were denying them the opportunity to have compensatory time. I am talking generally about employees who worked in Congress. And so today what did we do? We passed a law, with basically very little support from the other side of the aisle, that said if an employer is willing and an employee wants, and the employee has to want this, an employee can get instead of time and a half pay, they can get time and a half overtime. So, if they worked 20 days, they can get 30 days off with pay. Or they can cash in their 20 days of work and get 30 days of pay immediately and continue to work.

We gave that choice to the employee and employer. And amazingly, some of my colleagues on the other side of the aisle just thought that was wrong.

Mr. GUTKNECHT. If the gentleman would yield back, and this is where it began to ring home, when the various agencies started to report to us exactly what we were going to have to live by, and the Fair Labor Standards Act was one of them, I remember in our office I said, why can we not just say that obviously there are some weeks when the legislative business is so rigorous around here that our staff has to work 45, 50, even 60, perhaps even 75 hours. Why in some of these other weeks, can we not give them time off? And frankly, some of my staff said gee, we would love to have some time off to go shopping, or visit our family, or do some other things. And we came right up against the Fair Labor Standards Act that said you cannot do that.

The beauty of the bill that we passed today, and hopefully the President will sign it, I do not know what the President is going to do. I understand there are certain special interest groups who want to block this legislation, but the beauty is that it gives not only us the opportunity to work with our employees, but it gives all Americans, all employers around the country, the same. And the beauty of the Congressional Accountability Act, and I told people, the point was not to punish Congress. The point was to sensitize Congress to what every employer around the United States has to deal with, whether it is an insurance agency or a large corporation, small business, whatever it happens to be. And once you begin to see how difficult it is for us to deal with it, then you realize how difficult it is for that three-person insurance agency, or that large independent company, whatever it happens to be.

The point was not to punish us, the point was to sensitize us to how difficult it is to deal with. That was a very, very important role

I appreciate all the work that you have done on the Shays Act, and making Congress live by the same laws, but one of the things that brought me down to the well, and you were showing in your charts, because I think there are still an awful lot of Americans who do not understand how much under the House-passed plan we are going to increase Medicare spending, a lot of people keep using the term ''Medicare cuts.'' As a matter of fact, we cannot require this by statute, but I would hope that responsible members of the press, every time they hear or quote someone from this body, or Washington, or the administration, or whomever, whenever they use the term ''Medicare cuts,'' I wish they would put ''from $4,800 to $7,100.'' Put that in parentheses: The Republican Medicare cuts from $4,800 to $7,100, whatever the numbers are, or from $5,000 to approximately $7,200.

But the point is, no Americans really believe that when you increase spending from $4,800 to $7,100 over a 6-year period that that is a cut. But if we can do that, we can actually increase the life, make the Medicare trust fund solvent not only for this generation of Americans, but hopefully as we begin to make these reforms we can save the Medicare system for the next generation.

Mr. SHAYS. It is a fair debate to say you are spending $4,800. Let us take what we did last year that the President vetoed. We went from $4,800 per beneficiary to $7,100, a 49-percent increase in terms of per-beneficiary costs. We allowed it to grow 49 percent from $4,800 to $7,100. Now, it is fair to say if someone wants to, well, you are allowing it to increase and you are allowing it to increase quite significantly because that is not enough. We want it to grow to $7,500. That is a debate that is valid and then we have that debate.

But what happened was that I would go back to my district and my constituents would say well, some of your congressional colleagues from around the State said that you have cut Medicare, and I give them the number and they say that is not a cut.

Mr. GUTKNECHT. Please hold up that chart again. I do not think you can hold it up too many times.

Mr. SHAYS. This chart that I have here is what we are doing this year. This is Medicare in terms of what we are spending over the last 6 years versus——

Mr. GUTKNECHT. Those are the gross dollars.

Mr. SHAYS. The collective gross dollars. We are spending $920 billion, or we spent in the last 6 years $920 billion. In the next 6 years, $1,479 billion or $1.4 trillion. This clearly is a significant increase. Now if our colleagues on the other side of the aisle say we should be spending $1.6 trillion, then let us have that debate.

But then the question is why? I ask myself why would we want to spend more when we did not increase the copayment, did not increase the deductible, did not increase the premium except for the very wealthy? And if they do not like the choice programs, they do not have to go to the choice programs. They can stay in the traditional fee-for-service. But if they went to a program that had eye care and dental care and did not like the doctor, they can go right back to their traditional fee-for-service Medicare plan. And we saved $240 billion. If we saved $240 billion, what happened it? What happened is it went into the program to make sure it does not go bankrupt for the next 14 years.

Mr. GUTKNECHT. And the other point that our colleagues sometimes make is they say you are cutting Medicare to offer tax cuts to the rich. And I will tell you, that is one charge that absolutely makes me furious. But they know, we know, and I think everyone in this body knows that that is a separate trust fund and it is completely divorced from whatever happens on the other side of the budget. We cannot use changes in the Medicare system to fund a tax cut. That is absolutely false. And they know it is false because it is a trust fund, and nothing that we do on the other side of the budget can be used to alter the Medicare trust fund. And that really disturbs me when people say that because they absolutely know that that is not true.

Mr. SHAYS. It is inaccurate for two reasons. First off, recognizing that part of it is a trust fund, the Medicare Part A is a trust fund and Medicare Part B is funded out of the taxes. And we tax revenues and the premium that people pay. By our saving $240 billion, half of that goes into the trust fund and the other half basically reduces the burden to the taxpayer of continuing to spend more for a program where we do not have to spend more.

But the other part is that they are not tax cuts for the wealthy. The two-thirds of the tax cut that we proposed was a $500 tax cut basically, not a tax cut, well it was a tax cut, $500 tax credit per child for families making under $100,000. So if you had a family of four children, and you were making under $100,000, you would have in your payroll $2,000 more.

What was the logic of that? It is not a tax cut to the wealthy; it is a tax cut to families. And if you were making $30,000 or $40,000, you may end up paying no taxes because that $2,000 reduction may eliminate all of your Federal

taxes except for the Social Security tax. That was a tax cut, a tax credit for families. Not wealthy people, for families.

Mr. GUTKNECHT. And it was based on the basic notion that families can spend this money far more efficiently than the Federal bureaucracy. And I doubt if there is anybody in this room or anybody in Congress or anybody who is watching this at home who doubts the basic wisdom of that. Families are very responsible for the resources that they have.

Let me tell a quick personal story. We have just a couple of minutes and I will close with this. I was raised in a family with three boys. My dad was a life-long member of the AFL–CIO. He worked in a factory. The largest single payment that my family made when I was growing up was their house payment. But for the average family today, the largest payment they make is to the government. The average family trying to raise three kids today spends more for taxes than for food, clothing, and shelter combined, and we believe that they ought to have some tax relief.

Mr. SHAYS. Thirty-eight percent of their income is paid in taxes, where when my parents were raising me it was about 15 percent. And my parents were allowed a much larger deduction per child than families are today.

Let me close and thank my colleagues for joining me by saying that this new Republican majority has three basic objectives: to get our financial house in order and balance the budget; and the second, to save our trust funds particularly Medicare from bankruptcy; and our third effort is to transform our caretaking society into a caring society, to transform our caretaking social and corporate and agricultural welfare state into a caring opportunity society.

We are looking to bring money, power, and influence out of Washington back to people in local communities. And we are going to do this for the good of the children because, as Mr. Rabin said, the former Prime Minister of Israel, politicians are elected by adults to represent the children. And this Republican Congress is looking to represent the children so that they have a brighter future than we had.

With that, Mr. Speaker, I truly thank you for giving us this opportunity, and I am going to yield back the balance of my time.

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TEAMWORK FOR EMPLOYEES AND MANAGERS ACT OF 1995—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 104–251)

The SPEAKER pro tempore (Mr. MCINNIS) laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I am returning herewith without my approval, H.R. 743, the ''Teamwork for Employees and Managers Act of 1995.'' This act would undermine crucial employee protections.

I strongly support workplace practices that promote cooperative labor-management relations. In order for the United States to remain globally competitive into the next century, employees must recognize their stake in their employer's business, employers must value their employees' labor, and each must work in partnership with the other. Cooperative efforts, by promoting mutual trust and respect, can encourage innovation, improve productivity, and enhance the efficiency and performance of American workplaces.

Current law provides for a wide variety of cooperative workplace efforts. It permits employers to work with employees in quality circles to improve quality, efficiency, and productivity. Current law also allows employers to delegate significant managerial responsibilities to employee work teams, sponsor brainstorming sessions, and solicit employee suggestions and criticisms. Today, 30,000 workplaces across the country has employee involvement plans. According to one recent survey, 96 percent of large employers already have established such programs.

I strongly support further labor-management cooperation within the broad parameters allowed under current law. To the extent that recent National Labor Relations Board (NLRB) decisions have created uncertinty as to the scope of permissible cooperation, the NLRB, in the exercise of its independent authority, should provide guidance to clarify the broad legal boundaries of the labor-management teamwork. The Congress rejected a more narrowly defined proposal designed to accomplish that objective.

Instead, this legislation, rather than promoting gueuine teamwork, would undermine the system of collective bargaining that has served this country so well for many decades. It would do this by allowing employers to establish company unions where no union currently exists and permitting company dominated unions where employees are in the process of determining whether to be represented by a union. Rather than encouraging true workplace cooperation, this bill would abolish protections that ensure independent and democratic representation in the workplace.

True cooperative efforts must be based on must partnerships. A context of mutual trust and respect encourages the prospect or achieving workplace innovation, improved productivity, and enhanced efficiency and workplace performance. Any ambiguities in he situation should be resolved, but without weakening or eliminating the fundamental right of employees to collective bargaining.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *July 30, 1996.*

The SPEAKER pro tempore. The objections of the President will be spread at large upon the Journal, and the message and bill will be printed as a House document.

Mr. GUTKNECHT. Mr. Speaker, I ask unanimous consent that further consideration of the veto message on the bill, H.R. 743, be postponed until Wednesday, July 31, 1996.

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

There was no objection.

PARTIAL BIRTH ABORTIONS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Minnesota [Mr. GUTKNECHT] is recognized for 60 minutes.

Mr. GUTKNECHT. Mr. Speaker, I thank the House for the opportunity to spend some time tonight to talk about an issue that has probably generated more mail and more phone calls and more responses from our constituents than virtually any issue since I joined the Congress just 18 months ago. I speak tonight about the issue of partial birth abortions.

I think we need to first of all talk a little bit about what in fact a partial birth abortion is. I had hoped to have some charts to show to my colleagues and those who may be watching on cable TV tonight what exactly a partial birth abortion is. But let me just say that in many respects it is a late term abortion in which the baby is virtually completely delivered and only the head of the baby is allowed to remain inside the womb, and then the doctor, the abortionist I think is a more accurate term, the abortionist takes a scissors and inserts that scissors into the back of the baby's brain, then using a very powerful suction device actually sucks out the brains of the baby. Then the baby is delivered. Of course, the baby is delivered dead.

It is true that in many respects in some of the abortions that are performed using this procedure, the babies are badly deformed and they have very little chance of surviving. I think we have to be honest and say that in some respects that is true. But in many respects, that is not true. Many times this is used just as a simple late term, what I would describe as a late term version of protracted birth control, where the baby is actually being destroyed simply because the baby is inconvenient to the mother at that particular point in her life.

On April 10, 1996, President Bill Clinton used his veto pen to perpetuate a tragedy that results in the destruction of innocent babies. It was on that date that the President vetoed H.R. 1833, the Partial Birth Abortion Ban Act.

I believe that every abortion actually involves two victims, both the baby and the mother, and I believe that every abortion sadly takes the life of an innocent child. I do understand politically that the American people and