States has said, and rightfully so, that he will not be blackmailed into accepting the Republican mean-spirited and extreme agenda.

Yes, the majority of Americans want to see a balanced budget, but when you ask the majority of Americans, do you want to see a balanced budget at the expense of Medicare and Medicaid, if it means devastating Medicare and Medicaid, the American people overwhelmingly say no. Well, on the Democratic side of the aisle we say that Medicare and Medicaid and education and the environment and helping working people and not giving a tax break for the rich are Democratic priorities.

□ 1830

While the President did agree 31 days ago to have a 7-year balanced budget, CBO-scored, the Republicans also agreed to protect the Democratic priorities of Medicare, Medicaid, education, the environment, and student loans.

It seems to me that the President, by accepting the concept of a 7-year balanced budget, CBO-scored, has done more to compromise with what the Republicans want to see than the Republicans are doing to compromise with the Democrats. Instead, we get this mean-spirited, extreme attitude, ''We're going to shut the Government down if we don't get our way.''

NEWT GINGRICH came to the Republican Conference this morning attempting to compromise, apparently, and he was told, ''No, we are not going to have a continuing resolution, we're going to shut the Government down.'' This from the party that talks about family values. A quarter of a million American workers before Christmas are thrown out of work, and they talk about family values.

Congress is going to be in session next week, so we cannot be with our families. They talk about family values. Now, I do not mind Congress being in session if we are actually doing something, but we have been sitting around here all day long today and yesterday while the Republicans are caucusing and not getting anything done, not doing the people's work, arguing, quibbling, passing ridiculous, irrelevant resolutions instead of passing the continuing resolution to get Government open again.

That is the truth. So do not talk to me about family values, do not talk to me about balanced budgets, when you are the ones that are not allowing compromises to be made.

We talk about health care, whether it is a cut in Medicare or just a lessening of an increase, the bottom line is senior citizens in my district and in everybody's districts are on Medicare and Medicaid. The health care coverage is inadequate now. They do not have enough money now to buy medicine.

But let us look at the health care that seniors are getting now in 1995, and what kind of health care will they be getting in 2002 under the Republican plan? The answer is seniors will be paying more and getting less. They will not have the choice. They will be thrown into HMO's. They will not have a choice.

So let us stop the nonsense, let us pass the continuing resolution, let us open up Government again, and then let us negotiate on a balanced budget. One issue has nothing to do with the other.

BOTTOM LINE IN BUDGET BATTLE

The SPEAKER pro tempore (Mr. LAHOOD). Under a previous order of the House, the gentleman from Connecticut [Mr. SHAYS] is recognized for 5 minutes.

Mr. SHAYS. Mr. Speaker, I would like to respond to my colleague and say to him that this is about everything that is important. I have waited 8 years to see my Government finally balance its budget and get its financial house in order, and that is what we are attempting to do.

We are attempting to do three basic things. Get our financial house in order, balance our Federal budget, is one. The second issue is to save our trust funds, particularly Medicare, from bankruptcy. It starts to become insolvent next year and becomes literally bankrupt in 7 years. The third thing we intend to do and are working very hard to, is to change both the social and corporate welfare state into a caring opportunity society.

That is our objective. I know my colleague feels very heated about this issue, but it is really a distortion to talk about cuts to education when education loans are going to go from $24 to $36 billion. That is a 50-percent increase in education loans.

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

Mr. SHAYS. If I could just make some points first. Then if I have some time, I would be glad to.

Again, let me say that we intend to have this go from $24 to $36 billion. Only in Washington when you spend 50 percent more on student loans do people call it a cut.

Our Medicaid number is going to go from $89 to $127 billion. Again, only in Washington when you spend so much more do people call it a cut.

We are increasing the school lunch program. We are increasing the student loan program. We are increasing Medicare, we are increasing Medicaid.

We are absolutely determined, and this is not something which one part of our party feels strongly about, we, this Republican Conference, have been working all year long to balance our Federal budget. That is what we are going to do. We are going to get our financial house in order.

It is just amazing to me that we have had such a struggle throughout the year.

Ms. BROWN of Florida. Mr. Speaker, will the gentleman yield?

Mr. SHAYS. No. I will not yield yet. I will be happy to yield later if I have time. I only have 5 minutes.

I do want to make the point and I think it is very important to be made. We are not saying that it has to be the Republican balanced budget. We do not even come close to saying that.

Yes, we would like to see tax cuts, if it is going to be extended over 7 years. I would be happy to give up any tax cut if we balance the budget in 5 years, but if it is going to take 7 years, I cannot understand why we cannot balance the budget in 7 years with a tax cut. Balance it in 4 or 5 years without a tax cut, it makes sense.

It does not have to be our spending priorities on discretionary spending. Obviously the President and this Congress, Democrats and Republicans, have to weigh in. It is just wrong, in my judgment, for anyone on that side of the aisle to suggest that it has to be our budget. No, it does not. It just has to be balanced in 7 years using the nonpartisan numbers of the CBO.

I would be happy to yield to the gentleman from New York.

Mr. ENGEL. Mr. Speaker, I just want to say to my good friend from Connecticut, when he spoke about taking care of Medicare and not letting Medicare go bankrupt, the actuaries said that it would take $89 billion to ensure that Medicare would not go bankrupt. Why then under the Republican plan are there $270 billion worth of cuts?

Mr. SHAYS. Reclaiming my time, the gentleman needs to recognize that we need to make it solvent for many more years, and we want to bring it up to the year 2010, 2011, which is the start of the baby boomers. Your plan brings it to solvency for a few more years but does not get it up to the year 2010, which is our objective. We want to balance our Federal budget, we want to save Medicare, and we want it to be solvent to the year 2010.

I would be happy to yield to my colleague.

Ms. BROWN of Florida. Mr. Speaker, I have a question on the shutdown. You and I had a lengthy discussion yesterday. I raised the issue to you that this shutdown is costing the American people over $800 million. You indicated to me that you all felt that this was the only way you could get the attention of the President of the United States. So the purpose of this shutdown has nothing to do with the balanced budget but with trying to get the President's attention.

Mr. SHAYS. Mr. Speaker, reclaiming my time, and I plead this not be used against my time. It is very simple to respond. I wish that 10 years ago this Congress had shut down the Government and balanced our Federal budget, and we would not be in the mess we are in today. Our big regret on this side of the aisle is that we gave the President 30 days to come forward with a balanced budget and he chose not to. That is the bottom line to this issue.

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

Mr. SHAYS. I am happy just to continue with the time that I have left.

The bottom line to this issue, Mr. Speaker, is that we need to get our budget balanced. We would like to do it in less than 7 years. We are determined to save Medicare in particular.

Mr. Speaker, we are determined to balance our budget, get our financial house in order, and save our trust funds.

THE DEMOCRATIC RESPONSE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland [Mr. WYNN] is recognized for 5 minutes.

Mr. WYNN. Mr. Speaker, over the last few days we have been having a momentous debate on this floor and in this country. We have been debating the balanced budget, not whether to have a balanced budget but how to have it. What are the proper priorities?

A lot of people come to me and say, ''Why are you guys going back and forth on this?'' I tell them, no, it is a good debate, we ought to have this debate. But the question tonight becomes, why do we have to shut down the Government in order to have this debate?

As a point of fact, I believe in a balanced budget, a 7-year balanced budget with CBO estimates. That is not the problem. The question before us tonight is why are we shutting down the Government, why are we putting millions of Federal employees out of work, why are we then paying them not to work on the eve of Christmas?

That is the issue before us tonight.

Well, I will tell you why. The reason why we are shutting down Government is because the Republicans cannot get their budget. Not because they cannot have this debate but because they cannot have their way.

You see we were making progress. The President and the Republican leadership and the Democratic leadership were making good progress and they said, since we are making this progress, why do we not pass a continuing resolution to keep the Government up and running?

The gentleman from Georgia [Mr. GINGRICH] took this issue back to his Republican colleagues and the radical freshman Republicans said, ''No, it's our way or no way.'' So instead of having a reasonable compromise, a continuing resolution while this debate continues, we have shut down the Government.

I was particularly irritated when I heard one of our smug freshman colleagues comment that, ''Well, I've got my Christmas tree and I'm bringing my family up, so I really don't care.''

Well, I think that speaks for itself, but it is certainly a sad statement.

Mr. LEWIS of Kentucky. Mr. Speaker, will the gentleman yield for a second?

Mr. WYNN. I would be happy to yield in just a minute.

Let us talk about the merits of this issue. Let us talk about their notion of a balanced budget. First of all they cut $270 billion out of Medicare. Now, a gentleman got up a little earlier on the Republican side and said, ''Oh, no, this isn't a cut. We're just slowing the increase.''

Let me tell you, ladies and gentlemen, try this on the Defense Department. Take $270 billion out of a Defense Department budget that is below projected needs and then tell them that is not a cut. I do not think it would fly.

We all know this is a cut. It is a significant cut. It means that by the year 2002 seniors will be paying on average $138 more per year just in additional premiums, not to mention the loss of choice of their doctors.

They say, ''Well, that's not all that significant.'' Keep in mind these same seniors only average about $25,000 or less in annual income. So the Medicare question is significant. We do not need the big cut in Medicare. As was indicated, the actuaries say we only need to cut about $89 or $90 billion and we could solve the solvency problem.

Then we go to Medicaid, and in their budget they want to cut 8 million people off the rolls by the year 2002. They want to eliminate the guarantees that we have for the sick, the elderly, the poor, the blind, and the disabled. They want to take 3.8 million children off the Medicaid rolls and deny them the safety net guarantee that we have now.

We have a problem with that. We do not think it is necessary. The reason it is not necessary is because they have hidden in their budget a little poison pill in the form of a $245 billion tax break for the wealthy.

You cannot see this chart out there in America but I will tell you what it says. It says that about half of the tax breaks, half of the $245 billion, go to people making over $100,000 a year. I do not see any reason why we in this Congress ought to be giving a tax break to people making over $100,000 a year. But apparently they do. That is why we are having this problem.

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

Mr. WYNN. I would be happy to yield to my colleague from North Carolina.

Mr. HEFNER. I want to ask you a question, because I heard you say that you believe in doing the CBO scoring. Is that right?

Mr. WYNN. Absolutely.

Mr. HEFNER. Let me ask you this and see if it makes sense. You are going to have a $245 billion tax cut, basically going to the wealthiest people in the country. Unless they get the $270 billion reduction in Medicare, and it gets scored that way, you cannot have the $245 billion tax cut. Does that make sense?

Mr. WYNN. That makes sense to me.

Mr. HEFNER. Is that not the way the scoring works?

Mr. WYNN. That is the way the scoring works.

Mr. HEFNER. Unless you get the cuts in Medicare, you cannot have the $245 billion tax cut?

Mr. WYNN. That is right.

Mr. HEFNER. And that ain't fair in any State in this country.

Mr. WYNN. Absolutely. That is why they want to do it, so they can deliver this big tax break to people making over $100,000 a year.

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

Mr. WYNN. In just a minute.

That does not make any sense. They come down and they say, give us honest figures, give us 7 years.

Gentlemen, I will make you a deal. We will give you honest figures and 7 years. You get rid of the tax break for the wealthy, and I think we can work this out.

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

Mr. WYNN. In just a minute.

The gentleman said, why do we not put all these people in a room, order pizzas and all that. Maybe we could do that, but you do not need to shut down the Government. You have got Scrooge and the Grinch that stole Christmas. Add to that list the Republican freshmen.

REPUBLICAN REBUTTAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas [Mr. HUTCHINSON] is recognized for 5 minutes.

Mr. HUTCHINSON. Mr. Speaker, I am going to yield my time in just a moment, but I do want to respond to the previous speaker.

We repeatedly hear this demagoguery that there are tax cuts for the wealthy, and repeatedly during his comments when I asked an opportunity to enter into a colloquy, we heard that these tax benefits are for people making over $100,000 per year.

Well, I have had a lot to do with that $500 per child tax credit. It is something that I have worked on from day one when I entered this Congress, something I totally believe in, because the American family is overtaxed, squeezed to the limit.

For the family making $30,000 a year, I say to the gentleman, to the family making $30,000 a year with two children, they will see their Federal tax liability cut in half. That is not a tax break for the wealthy.

Mr. WYNN. Mr. Speaker, would the gentleman yield on that specific point?

Mr. HUTCHINSON. No, sir, I believe I have the time and since you would not yield to me, I would like to complete my statement.

The family making $30,000 a year with two children will see their Federal tax liability cut in half. That is a tax break to the wealthy? That family with $30,000 income and two children? I suggest to you no. They are not wealthy at all.

□ 1845

Mr. Speaker, they are the very people who most need tax relief. For that couple with two children making $25,000 a year, they will see their entire Federal