

## FEDERAL BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. BARTLETT) is recognized for 5 minutes.

Mr. BARTLETT of Maryland. Mr. Speaker, I want to speak today about an issue which is very important to America and its future.

I have here a chart which shows the Federal budget. Ordinarily, things above the line are good. But, in this case, things below the line are good. Because when we are above the line, we have a deficit; and when we are below the line, we have a surplus. What we see is that, for fiscal year 1998, we have a surplus; for 1999, a surplus; a small surplus for 2000; and then big surpluses after that. That is really good news.

Supposedly, we have balanced the budget; and America will now be on a course to reducing our debt. If we pay this money back on the debt or if we spend it or give it back as a tax cut, at least the debt should stay the same as it is now.

But when we look at the next chart, what we see here, and these are estimates from CBO, the Congressional Budget Office, the official office that estimates where the economy is going, how large the deficit is going to be, how large the debt is going to be, and what we see here is that there is an ever-rising debt, that the debt goes up and up.

How can the debt go up when we have balanced the budget and we have a surplus? Now, if we spent the surplus, at the worst, the debt ought to stay the same. But the debt is going up and up. As a matter of fact, the debt goes up almost a trillion dollars, from about \$5.4 to about \$6.4 trillion by about 2002. How in the world can that happen? How can we have a balanced budget with a surplus and still have a very large increase in the debt?

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It is because of the way we define the budget. The balanced budget that our people talk about is when we balance the amount of money which comes into the government against the amount of money which goes out of the government. But something over 10 percent of the money that comes into the government is not the government's money to spend.

Let me show Members the next chart. The next chart shows the elements of our debt. About two-thirds of our debt are held by the public. About a third of our debt is in government accounts. What are these so-called government accounts? What that debt is, is money which does not belong to the government, should not be spent for the government except for the purpose for which it is collected.

Social Security is about a third of that, the Social Security Trust Fund. Last year we took about \$59 billion out of the Social Security Trust Fund, spent it for routine government operating activities, and make the perfectly

silly statement that the Social Security surplus offsets the deficit. That is because they refer to a unified budget, all that comes in and all that goes out, but over 10 percent of what comes in is not the government's to spend. The reason the debt goes up is because the government owes that money. About \$180 billion a year is about the amount of money that is taken out of the trust funds and spent for general government operating activities. That is not the government's money to spend. As a matter of fact, most of that money belongs to seniors.

Look at the categories. Social Security, Medicare, railroad retirement, military retirement, civil service retirement. That is over 90 percent of all of the trust fund money that is spent belongs to seniors. It needs to be there in those trust funds so it will be available for seniors. All that is in those trust funds is a bunch of IOUs. The bills come due when we need to have them. We do not have a balanced budget. The budget is in fact out of balance by about \$180 billion a year.

We need to be honest with the American people. We have balanced a unified budget, but that does not keep the debt from going up. Let me put it back up here. The debt goes up about \$1 trillion over the next 5 or 6 years. That represents the \$180 billion a year that we are taking from the trust funds and spending on routine government operating activities. The budget, as anybody outside of the Beltway would define it, is clearly not balanced. We are still running a deficit of \$180 billion a year. That is money taken from accounts largely owned by our senior citizens.

We need to demand that the government have honest accounting. We really need to balance the budget. No senior I know wants to pass on a bigger and bigger debt to their children and their grandchildren. That is what this accounting does. We need to demand honest accounting, we need to have truly a balanced budget. To get there we have got to spend \$180 billion a year less. That is our challenge in the Congress. Hold us to that responsibility.

## ILLEGAL DRUGS

The SPEAKER pro tempore (Mr. GILLMOR). Under a previous order of the House, the gentleman from Florida (Mr. MICA) is recognized for 5 minutes.

Mr. MICA. Mr. Speaker, I come before the House again this afternoon to talk about one of the greatest threats to our Nation and to our society. That is the threat of drugs and illegal narcotics. I have spoken many times on the floor about this. Today let me review for a minute again the history of how we got ourselves into the situation where we have a tide of drugs coming into this country and countless deaths because of drug abuse and drug misuse.

First of all, in 1993, when the other party controlled the White House, the other body and the House of Represent-

atives, they took actions which we are paying for today. First, they cut and almost eliminated most of the staff in the drug czar's office. Then they cut the military involvement in the war on drugs. Then they decimated and cut the source country programs to stop drugs where they are grown and where they are produced. Then they appointed a Surgeon General that said just say maybe. At probably one of the lowest points we had comments relayed by the President who said if he had it to do over again, he would inhale.

We also had a situation that we are looking into now on my Subcommittee on National Security, International Affairs, and Criminal Justice where Federal drug prosecutions in this country are actually down and have dropped. Just within the last few weeks, this administration took the final blow in certifying Mexico, which is the source of 50 percent of the hard drugs entering this country, certifying them, making them eligible for benefits of the United States trade, aid, and foreign assistance.

It just is not right. The results are incredible. Listen to these statistics. Since 1992, drug use among teens has skyrocketed 70 percent. Half of high school seniors think that it is easy to obtain cocaine and LSD in a national survey. Eighth grade drug use has increased by 150 percent since 1992. One out of 4 high school seniors is currently a user of illegal drugs.

I come from central Florida, a beautiful area in our Nation. Let me tell Members what has happened in my community, a rather prosperous district in central Florida, is doing very well and economically well placed. But in Orlando, in 1995, we ranked fifth in the Nation in cocaine deaths per capita. Orange County and Osceola counties in central Florida led our State in heroin deaths per capita in 1996. Cocaine deaths in Orlando went up in 1996 to 87 from an already high number of 75. Tampa and St. Petersburg had a combined 91 deaths in 1997. The wholesale price of heroin in central Florida has dropped dramatically from 1991 to 1997.

Let me tell Members what Republicans have done. We have restored some of the Clinton cuts from the 1993 to 1995 period. We have gotten our military back into the war. We have restarted our source country interdiction and eradication programs. We have passed tougher laws. We think tougher laws work. You can spend a lot of money. But look at New York City with a Republican mayor, Rudy Giuliani. In just a few years with tough enforcement and tough prosecution, they have dramatically dropped the crime and incidence of drug abuse and use in that city.

Tomorrow in central Florida we initiate a HIDTA. It is called a high intensity drug trafficking initiative. That program is a Federal program,

but it is combined, bringing Federal resources with State, local and prosecutorial forces together to have tough enforcement in central Florida. If you do drugs in central Florida, you are going to do jail. We are going to arrest you. We are going to make it tough on you.

Tomorrow in central Florida, we hope to take a lead in stopping this rash of drug trafficking, this rash of deaths from heroin, cocaine overdoses among our youth. I know you can get tough. I know it will work.

In closing, let me tell Members a little example. Out here at First Street there is an Officer Thompson. Everyone knows about Officer Thompson because if you jaywalk at his corner and his beat, he enforces the law. So very few people, Capitol staff or Members, ever jaywalk where Officer Thompson is, because he is a tough enforcer of current laws. That is what we are going to do in central Florida. That is what we need to do in the United States of America, is stop drugs at their source. If you do drugs, you are going to do time. We are going to enforce the laws of this country.

#### AFFORDABLE HEALTH INSURANCE

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from New Jersey (Mr. PALLONE) is recognized for 60 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, next week I plan to introduce the Affordable Health Insurance Act of 1998. This is the House companion bill to Senator KENNEDY's legislation that he will also shortly introduce.

Mr. Speaker, in 1996, 2 years ago, Senators KENNEDY and Kassebaum introduced the Health Insurance Portability and Accountability Act of 1996, which became known as the Kennedy-Kassebaum bill. The Kennedy-Kassebaum bill sought to improve portability and continuity of health insurance coverage and to limit preexisting conditions exclusions. This was part of our overall effort to reform health care and health insurance and try to make it easier for people to transfer their health insurance when they moved from job to job and to make sure that people who had preexisting conditions were not excluded from being able to obtain health insurance because they lost their job or changed their job or decided that they needed health insurance.

At the time, 2 years ago, as cochair of our Democratic Health Care Task Force, I worked with a majority of Democrats and some moderate Republicans to push for passage of the Kennedy-Kassebaum bill. On August 21, 1996, it was signed into law by President Clinton as Public Law 104-191. Those of us who pushed for the Kennedy-Kassebaum legislation were hopeful that what we set out to do would be accomplished in the 2 years since it was enacted into law. However, the

General Accounting Office recently issued a report. The GAO is the non-partisan investigative arm of Congress. They recently, just this past week, issued a report that said that many people who tried to move from the group health insurance market to the individual health insurance market under the Kennedy-Kassebaum law may, and I quote, "may be effectively priced out of the market."

Those who fought for the original Kennedy-Kassebaum legislation thought that people who left the group market would be provided access to the individual health insurance market. Unfortunately, what the GAO found is that consumers who either leave their job or for other reasons leave the group market are being charged between 140 percent to 600 percent of the standard premiums when invoking Kennedy-Kassebaum to obtain insurance in the individual market.

Kennedy-Kassebaum was intended to provide access for people, for Americans, to health insurance. Unfortunately, when the price of the premiums becomes so outrageously unaffordable, essentially that access is denied. And so the promise of Kennedy-Kassebaum to provide access is essentially denied because the health insurance is unaffordable.

I wanted to, if I could, Mr. Speaker, talk a little bit more about the recommendations and the concerns that came out of this GAO report. As I said, the main concern was that the high rates that are being charged individuals basically make the guarantee of health insurance in Kennedy-Kassebaum not real. But the GAO mentioned a number of things in addition to the high rates which I think should be brought to my colleagues' attention and to the American people.

The GAO identified these problems. They said, first, that some States, including California, have not passed all the laws needed to carry out the Federal statute. And the Federal Government does not have enough money or personnel to fill the breach.

I am reading, I should say, Mr. Speaker, from a New York Times article from this past Tuesday, March 17, on the front page, which went into some of the recommendations and some of the concerns expressed in the GAO report.

The second thing that the GAO mentioned was that the regulations are vague and ambiguous, so insurers do not fully understand their obligations. Then they said the consumers lose most of their rights if they do not buy an individual insurance policy within 63 days of losing group coverage, but they are often unaware of this time line.

The GAO also said that some insurers have redesigned their benefits in ways that exclude coverage of particular illnesses or costly procedures for a specified period of time and that these tactics may not be illegal, but defeat the purpose of the law.

Finally, the GAO report says that some companies have told insurance agents that they will not get commissions for selling policies to individuals with medical problems; in other words, those with the preexisting conditions that we were concerned about.

President Clinton has said that he will address one problem this week by notifying State officials that it was against the law for insurers to penalize agents who sell policies to high-risk individuals. These are all concerns that we certainly need to address in Congress or that need to be addressed through agency action by the executive branch.

□ 1330

But really, the whole focus of the law and the main concern that I have is the issue of affordability. A lot of consumers I think may be disappointed because they cannot buy affordable policies pursuant to Kennedy-Kassebaum, and in The New York Times article it actually mentions that one insurer, American Medical Security of Green Bay, Wisconsin, a subsidiary of United Wisconsin Services, said it reserved the right to charge high-risk individuals 5 times the rates charged to healthy people.

Now, the law does not restrict the premiums that a company may charge for individual health insurance coverage. I think our feeling was, those of us who voted for this bill, was that we were hopeful that the insurance companies, even if it was not required by law, that there be a limit on how much they could charge, that they would voluntarily exercise some restraint in how much they would charge high-risk people or those with preexisting conditions. Obviously, the GAO report says that that is not necessarily happening, and I think, therefore, it means that the Federal Government must, and this Congress must, intervene to pass legislation that would limit how much could be charged these high-risk or these people with preexisting conditions.

The legislation that Senator KENNEDY and I will be introducing will end this price-gouging practice. It will ensure that the true intent of the original Kennedy-Kassebaum legislation will be guaranteed. Those who enter the individual market should not be denied health care for being responsible citizens by seeking to maintain health care coverage.

The Affordable Health Insurance Act of 1998 is responsible legislation, and I would urge my colleagues that they cosponsor the bill before we put it in next week, and that we see action swiftly to pass the legislation. Congress, I do not believe, can allow these excessive premium increases to go unchecked.

Mr. Speaker, I wanted to say that in many ways, the issue of affordability and the denial of access because of the lack of affordability that I mentioned in the context of Kennedy-Kassebaum makes me also feel that we should address the issue of affordability in the