AMERICANS ARE NOT BUYING THE ''CHICKEN LITTLE'' STORY OF THE DEMOCRATS

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

Mr. WELDON of Pennsylvania. Mr. Speaker, I have been here 9 years, my third term, and I take great pride in working in a bipartisanship manner on a number of issues. On the Committee on National Security on defense; on environmental issues, through the GLOBE organization; on energy issues; labor issues; and issues affecting working people as well as natural and man-made disasters, reaching out to both sides of the aisle to reach common consensus.

Mr. Speaker, after listening to what I heard for this past hour, and what I heard last night, I have to change the tone of my speech tonight. I would hope perhaps that some of my colleagues who are rushing out the doors will stick around for 5 minutes to hear what I have to say.

We have heard the story about Chicken Little, that the sky is falling. We heard that from the Democrats when they said, under Ronald Reagan, that Republicans were going to end the Social Security system. We heard that from the Democrats and from the President when we announced our child nutrition program, and they were proven wrong again. And then we heard the same argument from the Democrats on the student aid debate, and then we found that there are, in fact, no cuts being proposed for student aid.

Now, Mr. Speaker, we are hearing the same tired, worn out arguments on Medicare. Mr. Speaker, even senior Democrats nationally understand what is going on here. Let me quote, for instance, Democratic Mayor of Chicago, Bill Daley. He recently told The New York Times, and I quote Democrat Mayor Daley, ''The only message we have got is the same one we had in November: The Republicans are going to cut Social Security and Medicare. People look at it and say, Forget it. We do not buy that. The sky is not falling.''

Mr. Speaker, this is Democrat Mayor Bill Daley of Chicago saying that this is nothing more than the same old tired message attempting to scare people. The same thing we heard against seniors 4 years ago, against students and kids earlier this year. In fact, Mr. Speaker, the people of America are listening to what we are doing and they are responding in overwhelming numbers.

Let me give you some facts and statistics, and I will be happy to provide them to any of our colleagues who would like to come forth and ask for them. Since the Democratic convention in New York City 3 years ago, the Democrat party has lost a total of 685 Senators, House Members, Governors, State Senators and Representatives. That is 685 in just 3 years.

As a matter of fact, Mr. Speaker, last Friday, September 15, in Vice President GORE's home State of Tennessee, 2 Democrat Senators switched parties. Senator Milton Hamilton, Jr., and Rusty Crowe. When they switched to the Republican Party, they turned the Tennessee State Senate Republican for the first time since Reconstruction.

Now, is this an exception? Mr. Speaker, since Bill Clinton took office, 132 publicly elected officials have switched parties. Zero have switched from Republican to Democrat, and yet 132 have switched from the Democratic Party to the Republican Party. None have switched the other way.

In fact, 37 Members of Congress who were Democrats since Bill Clinton took office have either resigned or announced their retirements to date, and more will follow.

Another five, 2 U.S. Senators and 3 House Representatives, have switched to the Republican Party. An average of almost 1 Democrat U.S. Senator per month since Bill Clinton took office has either retired, resigned, or switched parties.

Mr. Speaker the American people are listening and when we get beyond the Beltway, the breeze that is blowing across America is unbelievable. The American people are seeing beyond the type of demagoguery and rhetoric that we heard tonight and last night on the House Floor.

In fact, in Georgia just 2 weeks ago, the first female district attorney switched parties. Lone rising star in Georgia, Cheryl Fisher Custer, switched to the Republican party. She said, ''There is a growing sentiment in this country that there must be a fundamental change in government. I believe that the Republican party offers the best opportunity to effect that change and bring about responsible, common sense government.''

Custer was the seventh Georgia Democrat elected official to switch to the Republican Party this year alone.

Let us go beyond. It is not just the South, Mr. Speaker. Let us go up to Maine and look what happened in Maine back in August. Maine Representative Edgar Wheeler switched parties. He became the 113th Democrat to switch since Bill Clinton took office.

Mr. Speaker, this is what he said: ''For several years, I have felt out of tune with the Democratic Party, and during my first year as a legislator I recognized how far apart I really am from the party.''

Mr. Speaker, all across America, beyond the Beltway, the people are speaking loud and clear. They are rejecting the Chicken Little story of the Democrats and they are understanding what we are doing and that is bringing some common sense back to this hallowed.

TOPICS OF IMPORT REGARDING REFORMS IN CONGRESS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Washington [Mrs. SMITH] is recognized for 60 minutes.

Mrs. SMITH of Washington. Mr. Speaker, I yield 10 minutes to the gentleman from Pennsylvania [Mr. GREENWOOD].

MEDICARE REFORM

Mr. GREENWOOD. Mr. Speaker, I thank the gentlewoman for yielding and I will not take much of the time that she has reserved.

The gentlewoman may know, I was back in my office and some of my colleagues from the Democratic Party took to the floor and began to give such a tirade of incredibly breathtaking misinformation about Medicare reform, that since I am one of the 8 members of the Republican task force drafting the new plan, I felt compelled to come over here and set things straight. My friends would not yield me much time, and so I appreciate the gentlewoman doing so.

Number 1 thing that our colleagues from the other side of the aisle did not want to go into very much is the fact that the trustees of the Medicare program, part A, and those trustees include three Members of President Clinton's cabinet, issued a report back in the early part of this year. That report indicated that Medicare, part A, is in trouble.

The program is paid for by payroll taxes and this year, fortunately, we have more than enough funds to pay for that program. But next year we start to spend more than we take in, and in 7 years there is no money to pay senior citizen health care costs at all. The program goes broke.

We cannot let that happen. The President of the United States has agreed with that and, of course, what the other side did not mention at all is that President Clinton has suggested, has recommended in his budget document that in fact we need to do something about the outrageous, unsustainable inflationary rates in our Medicare program.

Medicare costs are going up by 10 and 11 and 12 percent a year, and there is no need for that. In the private sector, health care costs have all but leveled off. And if we continue to waste money in Medicare by continuing to have those 10 and 11 and 12 percent increases, we are foolish and we are wasting the taxpayers' money and we are doing nothing that values our senior citizens.

So what are we going to do? We are going to try to work together in a bipartisan fashion and here is what we are going to try to do. It is really quite simple. Our plan will ensure that every single senior citizen in America on Medicare, as well as those who are disabled, will have the option to stay exactly where they are. They will continue to receive what is called fee-for-service health care.

Mr. Speaker, that means they can go to the doctor of their choice when they choose and Medicare will pay all their

bills. If they go to the hospital, Medicare will pay all of their bills just as it does now. Their cost for part B premium will stay just as it is now at 31.5 percent of the cost. And, as seniors know who have been on Medicare for some time, as the program inflates a little bit, that 31.5 percent costs a little bit more each year, but their COLA, the social security cost of living increase, more than compensates for that. Their Social Security check will be bigger next year than it is this year.

We are going to increase the amount of dollars that we spend on average for a Medicare beneficiary in this country from $4,800 a year this year to $6,700 a year in 7 years. And I need to repeat that, because all of this talk about cutting Medicare is outrageous. Listen again. We are going to increase, the Republican plan increases what we spend on average for each and every Medicare beneficiary, our moms and dads and our grandparents, from $4,800 per year per beneficiary this year, increase it 5 percent each year for the next 7 years for a total increase of 40 percent, up to $6,700 per year.

Then we are going to create some exciting new options for our seniors. We are going to make it more attractive for insurance companies to offer managed care. Managed care programs are programs where the managed care company tells you what your network of doctors will be, and if you want to get into that network, you can benefit from some of the additional benefits that they can offer you.

My mom and dad are in their middle-70s, on the low side of mid-70s, Mom, but they have chosen on their own to go into a managed care program and they love it. They no longer have to pay Medigap costs. They have a new prescription drug program. Their doctors are in their network and they get all of the referrals they need and they are very happy.

In the Republican plan, those seniors who want to gain those benefits and achieve those savings will be able to go into managed care and if for any reason their circumstances change or they are not happy with the plan, they simply opt out and go back into the fee-for-service program.

Mr. Speaker, I am very, very confident of the fact that later on this week when we unveil the Republican Medicare improvement plan, that the senior citizens of this country will like it and like it very much. They will understand that what we have done is not raised their deductibles, not raised their co-pays or limited their options, but in fact continued to give them the same first class health care program that they enjoy now with many more options.

What this is all about is a decision as a Nation as we look at the Medicare program going broke, as we look at the Nation as a whole going broke, $5 trillion in debt, are we going to be grown-up about it? Are we going to be adult about it? Or are we going to continue to act like adolescents, spending today without regard to tomorrow?

I think most Americans demonstrated in the last election that the policy of enjoying the benefits of programs today and expecting our children and our grandchildren to pay for them with ballooning debts and deficits are unconscionable. The senior citizens of this country know what it is to be grown-up and to act responsibly, and I believe that once they see how responsibly we Republicans have behaved in fashioning this program to meet their needs, they will then do the responsible thing and support it.

Mr. Speaker, I think the country will be better for it. Medicare will be better for it, and all of this political posturing will soon be behind us.

And with that, I would yield back the balance of my time and thank the gentlewoman from Washington [Mrs. SMITH] for yielding.

□ 1930

ELIMINATING PACS AND OTHER CONGRESSIONAL REFORMS

Mrs. SMITH of Washington. It gets confusing sometimes, does it not? I hear all of these things out in the public and I do not know what to believe.

Mr. Speaker, I think the real thing that we can all believe is that Medicare is going to finally be preserved, and the President's task force said it was going to go belly up and be in stark trouble. Look at what is happening. We are debating the real issues and we are debating how to preserve it, to protect it. A few people are demagogueing it. But most of Congress, Democrat and Republican alike, understand that we have a responsibility above politics.

Mr. Speaker, with that, we want to talk tonight and share some of the thoughts going on in Congress, and just talk them through, because the American people often do not get to see what is happening behind the scenes. Today there was a meeting that was vitally important to this place, and we have decided that never, ever again in the history of Congress should we be having discussions over whether someone voted because of the money they got from special interests. This coalition went together and we put together a plan. After we reminded ourselves of all of the good things we have done so far, which there have been many, we decided that we still had to do more.

We would like to go through; and in fact, I would like to ask the gentleman from Michigan [Mr. HOEKSTRA] if he could help me remember. Mr. Speaker, it has been 10 months since we started this year and we have done so much reform. Let us go through what we have done, even though our group is going to ask for a lot more, and let us talk about what we have done so far.

Mr. HOEKSTRA. Will the gentlewoman yield?

Mrs. SMITH of Washington. I would be happy to yield.

Mr. HOEKSTRA. If we go back to opening day, we were here for what, 12, 13, 14 hours, and it was a long time ago. But when I think back about my first term of office and how different this session of Congress has been, because some of these changes that we made on opening day, we did go through and we reduced the size of committee staffs by one-third, so we are downsizing Congress. We went to a process now that is very important as we work towards a balanced budget within seven years, and we said that we would go into truth-in-budgeting baseline reform. A third reform is even in this Congress, we had a historic first vote on term limits for all Members of Congress.

What we were able to do on opening day is we were able to establish term limits for the Speaker, committee and subcommittee chairmen; we banned proxy voting, one of the reasons that so many of us are getting so much exercise this year, we are running back and forth between the House and various committees, making sure that we as Members are present and voting in committees, and we do not have chairmen there with a stack of paper saying how they believe Members should vote. We had sunshine rules concerning committee meetings. All of our committee meetings have been open to the public and the media. We have passed a supermajority regarding limitations, or the requirement for a supermajority on any future tax increases.

More recently we have seen the result of one of those other reforms that we put in. We had the first comprehensive House audit, and I think we all recognize the disappointing results of that House audit, basically not getting a clean bill of health like private and public corporations around the country are required to get from their auditors, but basically telling us that we had significant work to do in this House to bring our standards of financial accounting up to what is expected in the private sector.

Then the last significant reform that we had on opening day was the Congressional Accountability Act, where we went through and said that it was time to take many of the laws that applied to the rest of the country and apply those laws to Congress, so that we would get a better understanding of what is happening to small businesses, medium-sized businesses, individuals around the country, with the different laws that we have put in place and we have never lived under.

So that is kind of a quick overview of the types of things we passed on opening day. In the last Congress, those would have been considered historic. In this Congress, they are now considered a footnote because we passed them all on the first day, and people are now saying, well, you did that on the first day, where are you moving to now? What is the next step?

Mrs. SMITH of Washington. Mr. Speaker, we have moved along so quickly, we have had to do so much. Even the audit was monumental, because this House has not been audited

in 40-some years. Can you imagine a business not being audited in that long?

So we have done a lot. But we had a meeting today of reformers, and there are a group of reformers, Democrat and Republican in this House, that want more and more, because we believe the American people want more and more. So we came to a conclusion today that we should eliminate PACs-giving. Now, that is historic, because it was a big enough group that we think that we can actually accomplish that if the American people come behind it and help us push.

We were asked, why eliminate PACs, and I am going to go back to the charts we were using in this meeting today to share them again, because I think the reason that people are unhappy with us is they think that once you get here, and I have not been here long, but once you get here, the money comes in, the committee chairs get more powerful, the people get more powerful, and the incumbents just stay because of that money and that power.

Well, Mr. Speaker, they are right. The American people are right. Right now, incumbents get 43 percent of their money from PACs, and that leaves individuals at 53 percent, and a lot of that is connected to both the lobbyists giving individually and the attorneys for those same entities, those same PACs. So when you start whittling this down and you take those out, very little, relatively, comes from the person's district from small contributions.

Now, look over here. That is the challenger on this side. The challenger, and no wonder not very many challengers win, get very little from PACs. PACs bet on the incumbents. The incumbents can sit here, never go home to middle-class America or to the streets of their districts, and they can just get reelected by fancy media campaigns and sending direct mail and never have to shake a hand of a constituent.

So, Mr. Speaker, we decided today some monumental things. I guess I would like to have you two share why you decided to participate in these reforms. I mean, this is pretty courageous, this is a pretty good sized group now of courageous people who have said, we are going to try to break the back of the old system and kick out the money brokers.

Mr. SANFORD. Mr. Speaker, I think the gentlewoman is exactly right, in that if you look at the number that you were just pointing at, the really interesting number is to look at the difference between incumbents and challengers. If you look at that 11 percent number that goes to challengers, what you really begin to see is corrosion of the democratic process.

For instance, in the 1992 election cycle, if you were to break the numbers which you would be looking at, is that roughly, challengers picked up around $15,000 per election cycle from PACs, while incumbents picked up about $212,000 per election cycle from PACs. That is not exactly what we call a level playing field back home in South Carolina. Mr. Speaker, again, $15,000 as compared to $212,000, and that is that kind of difference in terms of funding of campaigns that has a lot to do with the fact that we have a 90 percent reelection rate in Congress.

What people have been saying with the term limits movement is that we want to break the back of this sort of permanent political working class, and instead, they want to see a citizen legislature that goes in for a little while, tries to make a difference as best they know how, and then goes home. One of the keys to leveling that playing field is this money thing that we are talking about.

Mrs. SMITH of Washington. Mr. Speaker, I think the other piece that we decided on, although we have not decided exactly the mechanism, but we decided that most of the money, if not all, if we could get a constitutional okay on it, if enough people would say it was not unconstitutional, that we wanted all or most all of the money to come from the district or State of the voters that put that person into office, and no money to come from anywhere else. What do you think would happen next year if that were in place and the incumbents could not raise money from special interests here? What do you think would happen to those incumbents? What would they do, quite naturally?

Mr. SANFORD. They would either be in real big trouble or they would have to head back home to their districts, which is again how I think the finding fathers wanted it.

Mrs. SMITH of Washington. Or they would retire.

Mr. SANFORD. That is exactly right.

Mr. Speaker, on that point I would like to bring up the fact that a lot of people say well, there is no difference between PAC funding and individual funding, and as I think all three of us know, there is a fairly considerable difference, because a PAC is all about focused special, specific interests. That same amount of money coming from an individual; for instance, if I was to go back home to the fellow that runs the corner hardware store and say, well, it costs money to run a campaign and I sure would appreciate you helping out, and that person is not only concerned about business or concerned about that particular community, but they have children or grandchildren, so they care about education, they care about the Social Security system. There are 1,001 issues that make up that individual, and so you begin to get a general interest as opposed to a very specific interest, and I think that distinction is awfully important.

Mrs. SMITH of Washington. You know, I think it is common sense, as the first reforms we passed are common sense, that people are saying, other people used to vote by proxy and we did not know that, or why should a chair hold a committee chairmanship as long as he or she is alive and can be put in the chair? Mr. Speaker, that should be turned over every so many years so power does not get too tough.

Well, people know those things, but we seem to have kind of isolated ourselves here in Washington, DC, and forgotten some of those common sense conclusions.

Mr. HOEKSTRA. Will the gentlewoman yield?

Mrs. SMITH of Washington. Sure.

Mr. HOEKSTRA. Mr. Speaker, the discussion this evening is focusing on PACs, but I think if we go back and we take a look at, just for a moment, at the larger objective and the larger picture that we talked about today, we evolved to political action committee funding, but we started off with a vision of where we wanted to be, taking into consideration what we did on opening day, the process that we have gone through this year, and what we hope to accomplish yet during the next 15 months of this Congress.

Overall, where we want to move to is we want to move to an institution, a Congress, that the American people can feel good about, that they see that we have put in place a series of reforms, a series of change in procedures about how we go about doing our business that will reinforce to them that our primary interest, our only interest, is in doing what is good for the long term of this Nation, moving away from what I think a lot of people have perceived Congress has become and Congress people have become, which is focal points for special interest groups. That we are here, and we are about doing the people's business, and that what we are going to do is try to eliminate all of those things which detract us, or which move us from focusing on what is important, to focusing on special interest groups and no longer the good of the country. Political action committees are one of the primary things that do that.

We also talked today about a series of things about ethical reforms.

Mrs. SMITH of Washington. Let us go through those so that the American people know what is being talked about, and what we have been thinking about, because there are many things. I took a little bit of your time, but I will share all of the rest of it with you.

The American people are interested. Let us start talking about these other reforms, because even though we resolved on certain things today, we resolved on getting rid of PAC influence, returning campaigns to the streets of America, and eliminating all gifts and trips; other than that, then we got into things we wanted to add to strengthen, and let us talk about some of those.

Mr. HOEKSTRA. Well, we talked about things like ethical reform, what Members of Congress can do once they leave the institution; for instance, should they really be permitted to go work for foreign governments, taking the knowledge that they have gained

here. Should they be permitted to come back and lobby Congress? We talked about pension reform: How lucrative should a retirement from Congress be?

Mrs. SMITH of Washington. Mr. Speaker, I think we said that Congress people should not get any more pension than an ordinary person, and I think that is what we came to.

Mr. HOEKSTRA. Yes. I think there is another whole series of things that I think are going to provide a very fertile ground for us to explore, not only reforming this institution, but also reforming the size of Washington government and our relationship with the American people.

The gentlewoman is well aware of some of the ideas that I have been pushing, such as the opportunity for the American people to recall Members of Congress in the Senate; the opportunity for them to have initiative and referendum, and those types of things, and I think we may hopefully also, as we put this package together, a comprehensive package of reform, of building trust in a relationship with the American people, we can have an exciting package of reforms that demonstrate that we are serious about changing the way that Washington, DC, does business, and we are serious about changing the way that Washington, DC, relates with people at the grassroots level.

□ 1945

We are about change. We are about progress. We want to be about good Government.

Mrs. SMITH of Washington. I would like the gentleman to talk about the initiative referendum because it is something that was up last year. It has not been talked enough about this year, but you have been a leader in that. Then let us talk about that a little bit because it sure makes a lot of sense to me.

Mr. HOEKSTRA. The process we proposed 2 years ago, we came here 2 years ago with a smaller freshman class and with a different majority. And we recognized that we needed to put in place reforms. But we said, where do we get the pressure to really change and force Congress to act? How do we empower the American people?

One of the things we see is a total disconnect. People at the grass roots level no longer feel like they can really influence Congress because of things like PAC's. We said, there are a number of States, Michigan being one, where through a thoughtful, deliberative initiative and referendum process, people at the grass roots level have been able to put in term limits, put in tax limitation, put in good government measures, because they had a legislature that was unwilling do it so we provided them at the State level a mechanism to have an influence on legislation that would change the way government was done in the State of Michigan. We said, why can we not provide that same opportunity?

I think one of the things that we have a real opportunity to pass in this Congress is we have an unfinished agenda in the Contract With America. We passed much of what we wanted to do with the Contract With America. We fell short on one major item in the House of Representatives. That is term limits.

The Speaker of the House said that when we come back, if the Republicans are in the majority in the next Congress, the first legislative vote we will have in the next Congress is a revote of term limits. And I think an initiative process or a referendum process on term limits would be wonderful. Let the people, the candidates debate the pros and cons of term limits in the spring, summer and fall of 1996. Let them all go to the polls on the second Tuesday of November and advise us whether they think term limits is an appropriate piece of legislation. Take the results from that advisory referendum and in the first day that we are back in session in 1997, see if we cannot pass term limits and complete the agenda of this Congress.

This Congress has not heeded the call of the American people. The American people want term limits. This Congress said no. Let us give the American people one more chance to instruct us and see if the next Congress cannot get the message.

This is the process that we are looking at building yet during the next 15 months.

Mrs. SMITH of Washington. You can see it is a dynamic coalition.

Mr. SANFORD. If I may, you are talking about the American public getting the message or trying to send the message. Getting back to what we were talking about earlier with your charts in terms of PAC contributions, one of the messages that I think has been mixed are folks that say, there is really no difference, again, between an individual contribution and a PAC contribution.

One of the things that I think stands out on that front is not only the difference between the single issue and sort of the wide ranging issue, wide range of issues held by an individual, but as the recent Forbes article pointed out, it was here in the last year, I do not know if you saw it. I think it was very interesting. It tells a tale about how specific money is tied to certain issues in a way that is destructive to our democratic system.

It was a study done by the American Tort Reform Association on, of all things, the American Trial Lawyers Association. This is a Forbes article of October 24 of last year.

What was interesting about this study was they studied contributions by the American Trial Lawyers Association to California, Texas, and Alabama. Between the dates of January 1990 and June 1994, during that period, they contributed $17.3 million. By election time it was right at $20 million. And if you took it across all 50 States, you would be at about $60 million.

What is interesting about that number is the point of the article was, did these folks get a good return on their investment. The answer was, absolutely yes, because most attempts at sort of meaningful reform in terms of tort reform have been stymied in large part due to the $60 million. So I think, one, it is interesting the way the money flows to specific issues, but as well the bundling factor which is not talked about often with PAC's, which is that PAC's can contribute up to $5,000 per election cycle to a campaign, which means, for instance, in my race I had a primary and then a runoff and then a general, they could give $5,000 in the primary—$15,000.

Mrs. SMITH of Washington. One group?

Mr. SANFORD. One group.

Mrs. SMITH of Washington. And you would say that had no effect.

Mr. SANFORD. Exactly. They could get together with three other PAC's and you could be looking at $45,000 from one group, and the American public is looking at it and saying, wait, this does not pass the common sense test.

Mrs. SMITH of Washington. I have to say that people that are standing here have to be commended simply because we have been thrown into the system, a lot of freshmen, and you are a freshman too, as I am. We are standing up against it.

Now we have recruited, I call it the older reforms that got beat down. All of a sudden they are standing up with the freshmen saying, ''We do not like the sewer either.'' They are talking about it from within. This is historic. Never, never before have they really pointed to the institution and themselves. They have always pointed to somebody else on the other side of the aisle or they got out of politics and then talked afterward.

Mr. SANFORD. Right.

Mrs. SMITH of Washington. So you are saying those things about your campaign is really historic, that you would be willing to step out.

Mr. SANFORD. Hopefully, that is what is different about our class. People will actually step to the plate, whether it is on term limits or whether it is on campaign finance reform, and stay that for too long people, as you have said, have just pointed the finger saying we need to reform all of this out here but never us. Hopefully we are beginning this cleansing process for beginning with ourselves.

Mrs. SMITH of Washington. I think that I really do commend you because I know that some of the folks have been afraid of pointing to it for fear that those that are not so kind will say, but you came in in a PAC system. What I say to them is, if you are willing to stand up now, I believe the American people will stand up with you. You ran against PAC mania, and if you challenged an incumbent they were raising it there. So it is quite natural.

Then you come in with a debt, and the PAC's are here, and they are paying off the debt. And your opponent has already filed against you the day after your last election. They are getting PAC money. So no matter where you are, are you courageous enough to stand up in it and say, no.

Mr. SANFORD. Speaking for PAC mania, I was looking at numbers from the Federal Election Commission showing numbers for PACS; December 31, 1974, they were right at basically 89 corporate PAC's total, 89 corporate PACS; July 1, 1994, 1,666 PAC's. You can see this explosion in terms of the way special interests have manifested themselves. So you are right when you say the word PAC mania.

Mrs. SMITH of Washington. We want to get our good friend here, the gentleman from South Carolina [Mr. GRAHAM].

But take a look at this. A total of PAC contributions just to the House for 80 million in 1984. There are 132 million just to the House in the last election. And it is going up just about the sharpest, just about like the national debt did. I wonder if it is connected.

Mr. GRAHAM. This is the upstate version. Mark is from the coastal area of South Carolina, and I am from upstate.

Mrs. SMITH of Washington. Good State.

Mr. GRAHAM. One thing we agree on is that the system needs to be changed. The gentlewoman has done a good job bringing the debate on the floor for the House tonight and throughout the Congress. Let me say why PAC contributions have gone up in my opinion.

We tried to reform giving in the past, and this was a loophole that we limited individual donations, so PACS were formed. They have replaced individual giving, corporate giving. We said corporations could not give in their own name so they created political action committees that will allow you to give in the same manner that you were before when corporations were giving directly.

When it comes time to evaluate whether we have done things differently in this Congress, I would like people at home to think about what the debates are now. The debate now is how much do we reduce Government, how much do we cut spending, how much do we deregulate, how quickly do we reform Medicare, how quickly do we balance the budget. I can tell you that 6 months ago that was not the debate in this country.

So there has been a substantive change in the way we are looking at national issues. I think our class had a lot to do with it. There are people that have been fighting for a long time in this institution to bring better Government about. But the whole debate has changed. I am proud to be a part of the new debate.

The only group of people that I know that has serious doubts about the merits of term limits at the national level happen to reside here. When you go out in my district, it is not a real serious debate as to whether or not you need term limits. There are people that genuinely believe that term limits is something that we should not do. Certainly not going to cure every Government ill, but the vast majority of Americans, 70 to 80 percent of them, believe it is time to experiment with our Government and try a new form of serving in Congress, make it an opportunity to serve your citizens and come back home.

Mrs. SMITH of Washington. Why do you think they want term limits?

Mr. GRAHAM. I think a recent example of someone who has been up here for a very long time, term limits and arrogance go together. I think the public sees it as a way to control the arrogance for power. The average committee tenure for chairmen tenure in Congress was 26 years on average. Committee chairmen had held their jobs for 26 years. And I do not see those people losing their jobs unless you change the institution.

Mrs. SMITH of Washington. What is wrong with that? What is wrong with all that experience? I had somebody say, well, that is experience.

Mr. GRAHAM. Well, experience is good in many areas, but in Government, the power centers are dominated by a few people. And literally, it has been true in Congress that if a handful of people did not like the idea, regardless of its merits, it could never see the light of day.

Mrs. SMITH of Washington. What kind of people?

Mr. GRAHAM. A handful of committee chairmen and the power structure here. As a freshman, we have been beat on a little bit. We are not always right, but we want change to come about quickly. We want change to come about, and it would be real change. I have been in the State legislature, and I know that enthusiasm that you get with a new job. It is irreplaceable.

After 12 years, I ran on 12-year term limits. At this pace I do not think I will last that long, but I guarantee that I will be part of the problem so that it will be good for this institution to have new people recycle through.

In my district there are a lot of people that could be good Congressmen. I am certainly not the only one, and I would give them a chance to do it. But term limits was the only item in the Contract With America that was failed, and it was the only item that affected our political future.

I hope and pray that people will not give up on this issue. We have an inclination in this body to still protect ourselves. There is no doubt in my mind if PAC reform gets to the floor for the House that campaign finance reform gets to the floor of the House. It will be a slam-dunk vote.

People in this institution are afraid to vote against the mood of the times, but our problem is getting it out on the floor for a vote. When it comes out and sees the light of day, these reform measures are going to pass. Our leadership is very busy now trying to balance the budget and reform Medicare, but I hope they will listen to us. More importantly, I hope they will listen to people back home and get real reform that affects Members themselves on the floor so that we can profess to people finally that we are serious about not only changing the way the Government works but the way we serve in Government.

If we can establish credibility at that level, then everything is possible. We can balance the budget. We can reform Medicare because we live by example, and I am optimistic that we are not too far away from that date happening.

So folks at home need to take some encouragement. The debate has changed, and we are going to get the Government back on track sooner or later. I think it is going to be sooner.

Mrs. SMITH of Washington. Has it not been exciting to be a part of freshman reformers on both sides of the aisle. I was thinking about that as we were setting a meeting today with reformers, Democrat and Republicans. I was looking at these people that were saying things, like I do not care if I get reelected, we have to do this, and that were willing to take on the old committee structure.

Some of the more difficult folks to change are going to be some of those that have been chairs forever or because Republicans took control, finally have chairmanship but who have been here for years. It is going to be hard for them to accept the change. But when I looked around that room and I saw the determination, I do not know how you feel, but I thought, I think that if the American people give us the support, we are going to be able to make sure that the leadership understands this has to get to a vote.

Did the gentleman fell good about the dynamics for the meeting today?

Mr. GRAHAM. Yes, I felt good about the fact that the people did seem very sincere. And I would be the first to admit, I enjoy my time in Congress. I limited my own term, and I am going to live by that if the people allow me to come back.

I am concerned about getting reelected but not at all costs. I would like to see this revolution through for several terms so that we can make sure that what we start today does not die next term. We need to sustain a majority with people of the right mind and right spirit.

I would rather be beat than not to balance the budget. I would rather be beat than to walk away from the Medicare system that is going broke. I would rather be beat than not to fund the military adequately. There are certain things that mean more to me than my political career because I can see the future, and the future is at stake now.

We are going to take one or two paths. We are going to deal with entitlement issues in this country in an

honest way, or we are going to turn our back to them and worry about the reelection solely on the idea that, if you do not give the American people everything you perceive they want, they will not vote for you.

□ 2000

What I perceive the American people wanting is honesty in government, to be honest with them about Medicare, to give reforms that are sincere, that are meaningful, and to get away from the rhetoric. I think the American people are our best ally. I am not afraid of them at all. I think we are way behind the power curve and they are way ahead of us.

Mrs. SMITH of Washington. I have been home a lot. I go home every weekend, 3 or 4 days a week. I find this place is so far removed from the American people. There is a lot of common sense. They want solutions. They do not want the polarization. What they consider common sense seems to be different than what is here.

Can you imagine if we had the American people here right now, we had them all in this room and they took a vote on whether lobbyists should be giving us money at all, what the vote would be?

Mr. GRAHAM. I came from a State in South Carolina where 16 to 18 people in the State legislature went to jail for taking bribes on their votes, for taking gifts illegally. We have the strongest ethics law in the country in South Carolina. You cannot take anything of value from a lobbyist. We were able to operate State government, I think, better.

If the American people could vote by television or some other device on these issues, it would be a slamdunk. It would be a slamdunk if this body had the opportunity to vote on campaign reform. So the message has to be: Call your Congressman, tell him that you are insistent that a vote come about.

We will have another vote on term limits, and I honestly believe that the American public is going to demand that this issue be resolved in favor of national term limits; that those people who consistently oppose term limits are going to lose their job through the democratic process.

The public has an agenda of its own. I think we have embraced that agenda in the Contract With America, but we have a lot more to do. Medicare to me is kind of a defining moment in this Congress. I believe this about Medicare: that if you take more money out of the system than you are putting in on average per couple, that the system is going to be subsidizing you. The number they tell me that is accurate is that the average American senior citizen couple takes out $10,000 more than they put in the system, which means their children and their grandchildren are paying the difference.

What we are trying to do up here is to even the playing field, reform a system that most of us believe does not work. The sicker you get in Medicare, the more money the doctor and the hospital gets. The incentives are all wrong. There is no opportunity to get reimbursed for preventive medicine, so we are going to create a system that has different incentives behind it and prevents the future generations from going bankrupt from subsidizing the system that really does not provide quality of medicine in an efficient manner. That is what the Medicare debate is about.

I think senior citizens in this country are going to step up to the plate and help us solve the problem. They won World War II, most of them lived through the Great Depression, they have seen the Great Society grow and interrupt their individual freedom. Can you imagine being a senior citizen in America and your sole source of income is Social Security, which the Government has its fingers in, and the only way you can get health service is through Government-sponsored health care? Who wants to be in that boat? You surely do not want that for your children and grandchildren. That is no place to be. We are trying to change that dynamic.

Mrs. SMITH of Washington. I think the exciting part for me about Medicare is this has been a Congress of courage. Instead of doing what was recommended by the President, just do nothing for a while, let us just do nothing until the next election, they decided to do it in spite of elections. Any time before we have tried to reform the major systems of Medicare and Social Security, the—I will just call them people that like to scare older people—have gone in there and one things, so they have not done it year after year.

When we all got here as freshmen, we had to face what they should have done 15 years ago in stabilizing these systems. Instead of us backing up and saying ''We just got elected,'' we look at them. I went through the financials on Medicare. Serious problems. Anybody who has been here for 10 or 15 years that did not take a stab at really fixing them or trying to stabilize them before is really responsible. Here we were to handle them.

Instead of our freshman class and a lot of colleagues coming in saying, ''Oh, my goodness, we are going to lose our elections,'' they said, ''It is not responsible to not stabilize it and make sure it is there for the most vulnerable people. We have to do that.''

Therefore, we have to talk about it. It did lay us open for criticism, but a leader that does not get criticized is probably not doing anything, or lying to both sides anyway. I appreciate that about the freshman class, being the motion behind that.

Mr. GRAHAM. I think that truly is the spirit of the class. The bill is now due for 30 and 40 years of socialism. The bill has finally come due and it has come due on our watch. What are we going to do?

Mrs. SMITH of Washington. Instead of our grandchildren's.

Mr. GRAHAM. Now is the time to change it. By the time they inherit it, it is too late. We have the incentives all wrong. If you are a senior citizen and you make over $11,000, we start dipping into your benefits and punish you for staying in the work force. That is a crazy program. I would like every senior citizen in America that can work to keep working and pay taxes, Social Security taxes, for the rest of their live until they decide not to work; not have the Government punish you because you continue to work.

Welfare, we have a system now where you have to pick between dependence and independence. If you are a mother with a couple of children, the main reason that you want to stay on welfare is for health insurance. If you get a part-time job and you make $1 too much, we take your Medicaid benefits away from you. If you want to live together as man and wife, we take your benefits away from you because you went over a magic threshold.

I would like to see the Government help people help themselves. Do not have it all or nothing. Let us help you, and you work and help yourself, and as you go up the economic ladder we will reduce the benefit package but allow you to work and receive public assistance so you can be independent and feel good about yourself. The incentives in this system for the last 30 or 40 years have tried to keep people tied to it.

The entrepreneurial spirit and independence is a threat to the Great Society because the whole reason it has existed is extracting votes from the American public, because they are tied to Government, and I want to change that incentive. I want your vote because I come up with good policies, not because you are dependent on me for a check.

Mrs. SMITH of Washington. Today many of us met with Ross Perot, the head of United We Stand, and we talked about a poll of the independents, and how the independents, what they are looking at. They want strong change, they want real change, and they want us to do it now. They are not willing to wait very long, and I think that what we are doing is strong change that is constructive strong change. They are basically behind that change.

The one loose cog we have there, though, is they really want to eliminate PACs because it builds the confidence in the solutions. You made a really good comment during that meeting, that without the confidence, and I will not quote you, because you are here, something to do with the confidence we need of the American people in these solutions. I certainly do agree with you: if they do not trust us in the solutions, no matter how good they are, it is like trying to heal a patient that does not believe in the cure. They

can have the best cure and die from a lack of trust in the cure, at times.

Mr. GRAHAM. The question is what makes us different. Rhetoric abounds in politics, but the public is not going to be satisfied until they see substantive changes. We have talked about concepts that are long overdue for change, but one thing we have to prove to the American people is that we are willing to change the way we serve, the length of time, and the benefits that we are getting from serving. If we are willing to do that, if we are willing to change our pension plans, if we are willing to change the way we get our elections financed, if we are willing to change the career nature of being in politics——

Mrs. SMITH of Washington. And no more gifts?

Mr. GRAHAM. And no more gifts, I think people will respond in a positive fashion and accept the other changes we are asking them to do in their daily lives. There is nothing wrong with politics that cannot be fixed. The only way we are going to win this war is for the people to stay involved and insist on change. And watch what we do when we vote, not just what we say up here talking; follow our voting records, follow what bills we sponsor. I take PAC money right now because I am the first Republican in 120 years to get elected from my district.

Mrs. SMITH of Washington. You want to give somebody PAC money? That is kind of the way the game is played.

Mr. GRAHAM. The Democrat Party spent as much as I did in PAC money, but the Democrat candidates have traditionally outspent Republican candidates 5 and 6 to one. I am and I was competitive. I want to change the rules of my game, but I am not going to take my helmet off when I play football until everybody in the circumstances takes their helmet off.

I believe our class is willing to put the measures forward to vote on this floor and that we will win, but do not be too hard on us because we are unwilling to play by a different set of rules when the people who have run this place for 40 years will not.

Mrs. SMITH of Washington. That is what was exciting about the meeting with Ross Perot is that he said, ''Just change the game.'' He really was not critical of us, because everyone came in running against people with PACs, and if you did not compete that way, it was like fighting with a B-B gun against a bazooka. But I think the scenario that came closest, he said, maybe before you were there or during the day, something to the extent of being thrown in a sewer and liking it. If you are there very long and it starts smelling good, you have a problem. If you are thrown in and you are trying to swim out and keep your nose above water, that is quite different, but you are not going to be willing to sink.

Mr. GRAHAM. There is nothing wrong with politics that a few good people working with their constituents cannot fix. And honest to goodness, we have changed the debate in this country, and I am committed now more than ever to reforming the government. I believe it is possible now more than ever, because we have changed the whole debate of what is going on in Washington within a 6-month period. To follow will be substantive changes in the law, but things do not happen overnight. We are well on our way.

The number one comment I get in my district in South Carolina is, ''Do not turn back. Do not give up.''

Mrs. SMITH of Washington. Do it faster?

Mr. GRAHAM. That is right. It excites me. I live in a district where the average per capita income is less than $14,000. I did not run on a campaign promising them more benefits from the Federal Government, an increase in the minimum wage. I ran on a platform of getting the Government out of your life, decentralizing the role of the Federal Government, giving you choices to raise and educate your children, giving you an opportunity to start your own business and succeed or fail based on your own merits, deregulating the society so we can be competitive internationally, and I won by 60 percent, by people who have traditionally been written off by the Republican Party. I think that is a shortcoming of our party. We are truly the hope of the future. The entrepreneurial spirit lies with this new generation of politicians. Let us bring it back to life.

The thing about democracy is that you give people opportunities, and when you have an opportunity, you can blow it and you can fail. We have to be willing in this country to allow people to take chances and fail, and understand that that is just the nature of competition.

Mrs. SMITH of Washington. So they sent you as a candidate for change?

Mr. GRAHAM. That is right.

Mrs. SMITH of Washington. They sent me as a candidate for change. My election was only 2 weeks in the primary, and then 6 or 7 weeks.

Mr. GRAHAM. You were a write-in candidate?

Mrs. SMITH of Washington. I was a write-in candidate. I came back from vacation and all people knew about me in the State, other than my direct Senate district I already represented, was that I had passed campaign reform and spending control, and that I was close to people. The polls afterwards show the people elected me to go and change Congress. They saw hope in me to be a change for this level, because I was at the State level.

I am a very, very strongly known person for being opinionated a little bit, maybe a whole bunch, you know me.

Mr. GRAHAM. It is not all bad.

Mrs. SMITH of Washington. If you follow the old political wisdom, they say, ''If you have strong views, keep them to yourself because you do not make anybody mad.'' I did not follow that in my State, so in Washington State they know where LINDA stands on most everything, but they did not care on the things they disagreed with me on, as long as I would go in and clean house so the system would work, like we did in Washington. I look at our colleagues that have come in with us and some that came before us, and there has been a whole wave for 2 years of people sending people they want to change this place.

Mr. GRAHAM. The thing that amazes me about our class is that when we first got together at the very first part of Congress, I did kind of an informal poll. I think our campaign literature was absolutely the same. Whether you were in the deep South or in Washington or in Minnesota, you had the same view of what the problems were in this country; that you wanted a balanced budget amendment, and I want a balanced budget amendment in the Constitution to protect the public even from the Republican Party.

I want term limits not just for Democrats, but for anybody that wants to serve. I want to give the President of the United States the line item veto. I am very disappointed——

Mrs. SMITH of Washington. Even though he is a Democrat?

Mr. GRAHAM. I want to give it to President Clinton now, and I think we have sat on that issue far too long. It is time to act.

Mrs. SMITH of Washington. We passed it through the House.

Mr. GRAHAM. We did in the House. The Senate has a version, and they need to come together and get a version signed into law. Speaker GINGRICH has made a commitment to try to do that by the end of the year. Those types of reforms serve the country well, because you need the line item veto even if Republicans are in charge, because there is a habit up here of spending money to get reelected, and I would like to have somebody sitting over the shoulder, regardless of the party, saying, ''That is not good for the country, even though it may be good for your district.''

The balanced budget amendment, if I write a bad check as a private citizen I go to jail. If I write a bad check as a politician, I get reelected. I do not trust any party enough not to have institutional control.

Mrs. SMITH of Washington. It is not funny, but the ways of the past, all you can do is laugh about them.

Mr. GRAHAM. When you think things are not going so well, go home. I have been home every weekend but two. I went home and met with Senator THURMOND. He is 93 and he can run circles around me. He is for term limits. He said 12 more years and he is getting out.

They say, ''How can you support Senator THURMOND and be for term limits?'' I said the problem is not whether Senator THURMOND goes or TED KENNEDY goes, it is the institution. I am

looking at institutional changes. There is no use picking on one person.

The thing that is great about this job is I got to go to the 100th anniversary of Saluda County, and I met a woman who used to babysit STROM THURMOND. She is 103. She said, ''I want you to go to the old folks home with me, because they need cheering up.'' She goes every Sunday and pushes people around in a wheelchair. She has a lot of spirit.

Mrs. SMITH of Washington. Does she still believe in America?

Mr. GRAHAM. She believes in America now more than ever. She saw STROM THURMOND grow up. She said he was a nice young man. That was a great opportunity to see what is good about America. If anybody from the EPA wants to change the water in that area, they had better call me first, because the gentleman that sang the song at the end of the ceremony sang the same song at the 50th anniversary. Senator THURMOND laid the stone at the 50th anniversary when he was Governor, and his babysitter was at the same ceremony, so there is no problem about the water in my district, and they had better stay out of it.

□ 2015

Mrs. SMITH of Washington. It sounds like you are getting real personal on that one. But when you go home you find out the truth of what people are wanting. They want us to be truthful and they want strong reform.

I think that today we turned, you might say, the corner when we put together the coalition that says we are going to ask the leadership to take strong votes before we leave for Thanksgiving on campaign and ethics reform, and we want votes and strong action, moving forward. To me that is a confidence builder for the American people like nothing else because they can trust our solutions. When we go home, they can say, job well done.

Mr. GRAHAM. I am going to go and jog with Senator THURMOND here in a second.

The only thing that will keep us from not passing campaign reform will be the lack of an opportunity to vote on it, because if it gets on the House floor it is going to pass, because nobody wants to face the wrath of the American people on this issue. So I really do believe the leadership is going to give us that opportunity the first part of next year and that when it gets on this floor, you are going to see some amazing votes.

Mrs. SMITH of Washington. And you are going to be one of the ones that pushes it to the top of the hill, are you not?

Mr. GRAHAM. I will be there cheering it on.

Mrs. SMITH of Washington. With that, I thank the gentleman. Good night. It has been a great day for America. We are moving ahead and turning the corner for real reform.

PASSAGE OF CAREERS ACT RELATIVE TO ECONOMY IN TRANSITION

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

Mr. OWENS. Mr. Speaker, today we passed the CAREERS Act. I was proud to vote against the CAREERS Act. The CAREERS Act is a consolation of job training programs, some adult education programs, and the programs for people with disabilities, the vocational rehabilitation programs. It is all merged into one program and given to the States in block grants.

The problem is that even if you agree that these programs should be merged, there are many small programs—and small is not necessarily bad, small can be very worthwhile—many of the small programs related to job training, like the small programs relate to education, were developed during the reauthorization processes of various reauthorizing committees. They represented a great deal of thought and care and interaction with community groups and professionals.

So many of the small programs that have been wiped out now and consolidated in one big set of block grants were good programs. To judge them by the fact that there were so many and they proliferated is to make a rather primitive assessment of the situation. That, nevertheless, has taken place already. I am sorry to say that the Clinton administration started some of that small is bad philosophy, and it just got of hand.

I agree that some consolidation was necessary and is desirable, especially if you are going to be flexible, and when you consolidate and you give the option to the States as to how they are going to run the programs, they also have something to work with in terms of resources. The problem with this consolidation is that whatever gains you acquire through consolidation, you lose because of the fact that the overall budget has been cut dramatically.

The amount of money available for job training and education programs has been drastically reduced by the same Congress that has focused on consolidation. We have cut $9 billion from the job training and education programs. The House of Representatives has passed an appropriation bill which cut $9 billion from education and job training programs.

No matter how you consolidate and how you reconfigure, you have a situation where less will be done. It is impossible to do as much as you were able to do before with such drastic cuts in resources.

I do not believe that throwing money at a problem is going to solve the problem or resolve any problems. Throwing money will not do it alone, but I assure you, you are never going to solve any problems unless you do have adequate resources. You do need some funds. You do need some reasonable amount of resources to deal with a problem.

Why am I opening with this particular recounting of today's activities. Because I think it is very appropriate in terms of what I have been talking about for the past few weeks. That is, that we are in an economy that is in a state of transition. The economy is changing in very rapid ways. It is changing in ways that are generating a great deal of upheaval, quite unsettling.

We have a phenomenon which is contradictory. The economy is robust and booming. The profits were never higher on Wall Street. The stock market is booming. Corporations are making tremendous profits. Yet at the same time the job market is being squeezed. The amount of jobs available is dropping dramatically, and the quality of those jobs in terms of the income that those jobs produce is changing rapidly. You have a contradictory movement, a Wall Street economy on the one hand, and on the other hand a job market that are going in different directions.

I had talked about this previously in terms of the very consolidated, solidified, economical way in which Lester Thurow stated this whole situation. I cannot help but come back to the quote that I have made several times in the last 2 weeks from Lester Thurow's article that appeared in the Sunday, September 3 issue of the New York Times on the op-ed page. I cannot help but begin with that first paragraph, because it is very appropriate for what happened today on the floor where we were cutting opportunities for people to get education.

We were cutting opportunities for people to be retrained so that they can fit into this new rapidly changing economy. We were cutting opportunities for people to move from the industrial age into the age of information. We were saying that the Government is going to play less and less of a role in preparing people for making these adjustments.

If Government does not provide the resources and the funding for job training programs, if Government does not provide the resources and the funding for adult education programs, then who will? The corporations are not going to do it. The corporations will only train the people they need to do the work they have available at a given moment. They are laying off these people. They are downsizing and getting rid of people who will have to be retrained. They will not devote any resources to those people that they are putting out of their doors, the people they are giving pink slips to.

In the more benevolent corporations, those that have some compassion, they give people a few months' pay and let them go. Some they may even give them half a year or a year of health benefits. In various ways some corporations do try to ease the burden of downsizing and streamlining which affects human beings. But the manner in