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NO TAX CUTS WHILE TRYING TO BALANCE THE BUDGET

(Mr. GENE GREEN of Texas asked and was given permission to address the House for 1 minute to revise and extend his remarks and include extraneous matter.)

Mr. GENE GREEN of Texas. Mr. Speaker, an editorial ran in yesterday's Houston Chronicle that affirmed what a lot of us have been saying for months. It is ridiculous to cut taxes at a time when the Federal Government is desperately trying to balance its budget. In fact, Congress' own analysts pointed out that the tax cut would needlessly add almost $100 billion to the swollen national debt and increase taxes for working people who make under $30,000. No one likes to pay taxes. It would be great to give every taxpayer a tax cut. We should balance our budget first.

Speaking of the budget, the new majority has been backslapping and congratulating themselves for weeks about passing a balanced budget, but wait a minute, there is a problem. I see on page 3 of the budget conference report, it says in the budget document in the year 2002 that we will have a $108 billion deficit. Only in Washington could a deficit of $108 billion be considered balanced in the year 2002, when we are supposed to have a balanced budget.

In their heart they know the budget is not balanced. All this pomp and celebration is one big joke on the seniors of this country. Do they know why? Yes, because that $108 billion will come out of the Social Security trust fund to balance that budget.

Mr. Speaker, I include for the RECORD an article from the Houston Chronicle of Tuesday, October 24, 1995.

[From the Houston Chronicle, Oct. 24, 1995]

BREATH AND TAXES—BALANCED BUDGET SHOULD COME BEFORE ANY TAX CUT

Democrats are arguing that Republicans in Congress are trying to cut the taxes of the rich and the benefits of the poor. Republicans counter that the Democrats are waging a campaign of fear and class warfare.

There is some truth to both these charges, but most Americans are neither rich nor poor. They should view the political battle as logic vs. irrationality. So far, logic is losing.

Take for instance, the recent vote of the Senate Finance Committee to cut taxes by some $245 billion. No American enjoys paying high taxes, but a large majority of Americans believe that the nation's No. 1 priority is lowering the federal deficit, a goal that the tax cut would make more difficult.

Republicans say they can cut taxes and still balance the budget in seven years. But Congress' own analysts point out that the tax cut would needlessly add almost $100 billion to the swollen national debt—debt that no balanced budget will ever diminish.

Balancing the budget requires hard choices, such as the necessity to curb spending on Medicare. But why make the choices any harder than they have to be?

While the GOP tax cut would give parents a tax credit of up to $500 per child, the Medicare plan would increase fees—taxes—on the elderly. What's the point of giving with one hand only to take away with the other?

The Republicans in Congress deserve the credit for their efforts to balance the budget. The Democrats who held sway for decades had the power to balance the budget—even when Republicans occupied the White House—but never did.

But with the tax cut, the Republicans erode the chances that the budget will actually be balanced in seven years and signal a fragile economy that their spirit may be willing, but their commitment is weak.

President Clinton has done little to clarify the debate. While vowing to veto the GOP tax cuts, he worried in Houston recently that he might have raised taxes too much in 1993 in his successful attempt to temporarily bring down the deficits. If taxes are too high, then why his opposition to reducing them? Now the president says he just misspoke, but such wavering at the top will not produce public understanding.

One can debate whether the GOP tax cuts amount to a ''giveaway for the rich'' (much of the money will flow out in dribs and drabs to the middle class). However, one feature of the Republican agenda would drastically affect the large number of Americans who make up the working poor.

There is a national consensus that the federal welfare system needs reform. Congress' proposed welfare reform would limit and eventually end welfare for hundreds of thousands of families, but the Republicans' inconsistent budget plan would reduce the Earned Income Tax Credit program that helps keep poor Americans on the job and off the welfare rolls.

How can members of Congress insist on passing a tax credit for middle-class parents if they have to make things tougher on the poorest families in order to pay for it and still balance the budget?

Conservatives argue that the Earned Income Tax Credit is rife with fraud and abuse, but the proper response is to step up enforcement against the abusers.

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

Mr. MILLER of California. Mr. Speaker, the reconciliation legislation, that legislation which will end up controlling all spending and tax cuts to come before the Congress this year, is about choices. It is about choices that the Republicans have made for millions and millions of Americans. It is about the choice that they made to cut Medicare by $270 billion. It is about the choice they made in those Medicare cuts, Medicaid cuts, to remove nursing home standards for the protection of our elderly, to remove our elderly from the entitlement of having nursing home care paid for if they and their families cannot afford it in the twilight of their lives. It is about the choices that they made to cut $10 billion from student loans so that now America's students, their families, are deeper in debt to pay educational costs than any time in the history of this country. It is about the choices that they made to cut the school lunch program and to cut back on nutrition programs for those who are the most vulnerable in our society.

Mr. Speaker, those are the choices of the Republican Party in this budget reconciliation bill. Those are the choices that they made about this generation of Americans. Those are the choices they made about that generation of Americans that fought the world wars, that fought the Korean conflict, that fought in Vietnam, who fought hard for democracy, who fought hard to save Western civilization in its time of need, but the Republicans are not prepared to fight for their Medicare.

Mr. Speaker, we should fight as hard for their Medicare as they fought on the beaches of Normandy, or the beaches of Iwo Jima, or Okinawa, or in Korea. But we are going to cut that Medicare $270 billion.

Why? Because the Republicans did not want to make other choices. They chose not to have high-income Americans continue to pay their fair share. In fact, what they chose was what the Wall Street Journal points out. The choose to give them a tax cut. As the Wall Street Journal said to the rich of this country, ''Don't do anything yet, but start salivating.'' Why should they start salivating? Because the tax bill passed on Wednesday by the House of Representatives could turn out to be the biggest tax saving bonanza in years for upper-income Americans so we have $270 billion in cuts in Medicare to pay for $245 billion in cuts to some of the wealthiest people in this country. As we see, under the Republican plan, Mr. Speaker, 64 percent of the wealthy families in this country get a tax break, but 86 percent of middle-income families get a tax increase or they pay the same.

Those are choices that the Republicans have made in this proposal. They have chosen to give the wealthy, the rich, those who do not need a tax cut, a tax cut. They chose to pay for it by cutting the health care to our elderly, by cutting the health care to our poor, by cutting the health care to millions of Americans' children. They chose to pay for it by cutting student loans, and they chose to pay for it by cutting school lunches. They chose to create millions of desperately poor Americans so that they could take care of the wealthiest in this country.

They also chose to hold the Defense Department harmless. Everybody else has to contribute to balancing the budget, but not the Department of Defense.

They also chose to hold harmless corporate welfare, the large timber companies, the large mining companies, the large oil companies on which this bill lavishes billions of dollars in subsidies to those who do not need it, to some of the most profitable companies in this country. But those were the choices that the Republicans made. They chose to lead those people out of

the sacrifice that millions of Americans will be making in the coming years to balance the budget, to balance the budget so we can have a prosperous economy, but they chose that some would not have to enlist in that fight.

Mr. Speaker, I say to my colleagues, If you're very wealthy, you won't have to enlist in that fight. If you're a defense contractor, you won't have to enlist in that fight. If you're on the corporate welfare dole, you won't have to enlist in that fight. But if you're aged, or if you are a student seeking an education, or a child seeking nutrition, or a family seeking a safe, a safe and healthy, nursing home for your grandparents, or your parents, or your spouse, you have to enlist, and you have to pay, and you have to pay more because the Republicans chose that many of the well off in this country would have to pay less and not contribute at all.

THE REPUBLICANS ARE MAKING TOUGH DECISIONS WHILE BALANCING THE BUDGET

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

Mr. MCINNIS. Mr. Speaker, I cannot believe the gentleman from California [Mr. MILLER]. What? Are you putting your head in the sand and forgetting the deficit: This country is facing a deficit at a rate of $37 million an hour. I ask the gentleman from California go out and show me one of your constituent families out there that can overspend their budget at the same percentage rate or proportionate to their own budget as this Federal Government overspends its budget. When are you going to come to your senses, my colleagues? We got to get this budget in balance. If we do not, there is no greater threat to the future of this country. There is nothing greater that is going to break the backbones of the working people of this country than allowing this country to continue to spend, and spend, and spend, and spend.

You can divert all the attention you want to away from what I am saying, but the fact is, if you do not do something about this deficit, the people in this country are going to face a fiasco, a financial fiasco the likes of which we have not seen.

Now the gentleman talks about Medicare, how horrible that we do something about a Medicare. My colleagues, we better do something about Medicare. It is going to be bankrupt. It was this body that created Medicare. It is a good program, it was intended for good purposes, but, as many other Federal programs, it has gotten out of hand, the spending has gong crazy. The trustees, bipartisan by the way, Democrat and Republicans, some of the trustees appointed by President Clinton, have come to a mutual agreement, and that is if we do not do something with Medicare, if we do not reform Medicare, that system will be bankrupt, bankrupt by the year 2002.

Now sure it is easy to stand up here, and use lots of fancy charts, and quote this newspaper and that newspaper, but who is doing the hard work back here to stand up to government spending and say, ''Enough is enough; you can't spend more than you bring in''?

I stopped one time a rancher. He told me in Colorado; Meeker, CO; said to me, ''Scott, before you put any more water in the bucket you better plug the holes,'' and I venture to say to the gentleman from California that is exactly what this Republican bill does.

The Democrats have had an opportunity to bring this budget in balance for 25 years. They have refused to do it. We are not going to refuse to do it. Sure we are going to take heat from you, sure we are going to take cheap shots about this and that, and sure we have to make tough decisions, not necessarily between good and bad programs, but between good and good programs, but we are willing to make those decisions because, if we do not, you will not, and if you will not, this country faces a fiscal disaster.

Mr. Speaker, the people of this country deserve a government that can control its spending. The people of this country deserve a government that knows how to balance its checkbook. The senior citizens of this country deserve a Medicare Program that is not going to go bankrupt in 7 years.

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The people of this country can expect their Congress to act in a responsible, a fiscally responsible manner. I would urge all Members to set aside the partisan politics and take a look at the best interests of this country. The best interest of this country is that this country quit spending more than it brings in.

SPEAKING FOR THE POOR CHILDREN OF AMERICA

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

Mr. DURBIN. Mr. Speaker, I take the well this evening on behalf of a special interest group. This is not an ordinary special interest group. In fact, it is not a very effective one here in Washington. This special interest group does not have a Political Action Committee, they do not own a fax machine. In fact, they do not even vote. Yet, they are an interest group which is going to be affected by a bill which is on the floor of the House of Representatives tomorrow. I am speaking for them because, frankly, very few people this evening on the Republican side of the aisle want to acknowledge this group.

The special interest group I am speaking on behalf of are the poor children in America, the poor children in America who rely almost exclusively on a program known as Medicaid. It is a health care program for kids from lower income families. The Medicaid Program provides for immunizations for these children, health screening, examinations, and if they get very sick, it provides for their hospital care.

The Republican plan, which the gentleman from Colorado just described, is going to make a massive cut in this Medicaid Program. As a direct result of it, many of the poor children in America who are sick will not have health care, quality health care, available to them.

Yesterday morning I visited La Rabida hospital in Chicago. It is an amazing hospital. Eighty-five percent of the revenue to this hospital comes from this Medicaid Program. It is a beautiful hospital with wonderful people, doctors and nurses and administrators, and they took us on a tour and gave us a chance to meet some of the children; great kids, very sick children, but kids who, with their parents, are fighting a struggle every day to make it. They are fighting it, and the resources they use are the Medicaid Program.

I met Robert. Robert is a perfect kid, perfect except for diabetes. But if you meet him and you see his smile and his attitude, you think ''I want to give this kid a chance. I want Medicaid to be there to pay his hospital bill, so that he has a chance in life.'' Yet, the Republican side is suggesting that Robert and many like him are, frankly, casualties of this budget debate.

The gentleman from Colorado a few minutes ago was chiding us for saying the Democrats can never tell us where to cut spending. Let me give a couple of examples in his own Republican reconciliation bill where they can cut spending. First, let me go back to this chart. Do you not think at a time when we are cutting health care for Robert under Medicaid, that we ought to think twice about giving 64 percent of the wealthy families in America a tax break, a tax cut? These are the wealthiest families in this country, making over $150,000 a year, and the Republicans believe they need a tax cut. This is not new. The Republicans have traditionally believed that if you make the rich rich enough, it will help working families.

Democrats see it a little differently. We are worried about the fact that 86 percent of middle-income families are going to see a tax increase. If you want to come up with some money to pay for Robert and for other children under Medicaid, let me suggest to my Republican friends, take out the benefits for the fat cats in your bill, take out the tax breaks for the wealthiest families. if we are going to reduce the deficit and not hurt poor children like Robert, do not go after those kids for the benefit of wealthy families.

Let me also give you another idea, if you want to save $17 billion. The Republicans close a loophole which has existed in the law. They are going to