I think that when you look at this bill that we are going to vote on tomorrow, there are things that I can support and that I do support in this bill, but there are some things that truly will cause unneeded suffering for Americans and really things that are just out of place when you look at the facts.

Yesterday evening I talked about one of them. I talked about the Medicare program, the fact that the $270 billion in cuts has nothing to do with what the actuaries say. The 7-year actuarial life, in 12 of the 30 years it has had a shorter actuarial life.

Tonight I want to focus in on something that has no place in that bill, and that is, it is not in a couple of thousand page bill, it is really probably just a page and a half, and that is repealing the 1987 Nursing Home Protection Act. That is one of the many things this bill does that really is unprecedented and really, truly tragic.

Prior to 1987, I think there are many people who are listening and watching remember reading and seeing stories, really horrible stories, stories about nursing home patients being tied down in nursing homes, being in their own feces, in their own urine, being drugged so they would not move, nursing home residents really dying in nursing home facilities because of lack of fire exits, nursing home facilities that had no 24-hour staff, I mean, horror stories on, if not a weekly basis, definitely on a monthly basis throughout the country.

There is a reason we do not hear those horrors today, because in 1987 this Congress passed a law providing nursing home residents, the weakest of the weak, the most vulnerable of the most vulnerable in our society, protection against things like being tied down, like being drugged, like making sure that there was 24-hour nursing facility and a trained person in that facility, three meals a day, fire exits. You know, if that is overregulation, then I am for overregulation.

But I do not think most Americans think that that is overregulation. I think most Americans think that that is sound public policy that really is in the public interest.

Let me just go on in terms of what this regulation prevents from happening. I served in the State legislature for 10 years, from 1982 to 1992. Prior to that I served as a director of a Medicare advocacy group, 1982 and 1981. During that period, about once a week I would get a call from either the spouse or the child of someone who was being evicted from a nursing home, and I will tell you, I remember as if it were today, those phone calls because I have never heard since really just the tragedy. You can imagine what it means, someone's spouse, their parent is being evicted from a nursing home, and they called me and they asked me to do something. My response had to be there was nothing I could do, because the law did not protect those people either in Florida or in the United States. That does not exist today. People cannot be evicted from nursing homes in the United States of America today. No one gets those calls in the United States of America today.

The tragedy that happened to thousands, tens of thousands of families in this country, does not happen, and in fact, the facts are that there was just lots of empirical evidence that was pointed out in hearings for this legislation in the 1980's that people died when evicted from nursing homes. That does not happen today, because of a piece of legislation that is going to be repealed tomorrow by that bill, and it should not be.

My colleagues on the other side of the aisle, and I propose this as an amendment to the Committee on Rules, my colleagues on the other side of the aisle say, well, the States can do better; the States know better; we want to return this issue to the States.

You know, my colleagues on the other side of the aisle really have selective memory when they think about the States doing better. They pick and choose the issues they think the States can do better on.

Two hundred years of tort law in America, forget that, the Federal Government knows best in the areas of medical malpractice. We are going to obliterate 200 years of States' rights in that area. My colleagues on the other side of the aisle, there is one mandate, one State mandate in the Medicaid bill, in this bill. There is one State mandate, and that State mandate is that States cannot choose to spend money for abortions.

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It is an amazing concept when you think about that. Mandating that issue, which they prioritize, but they say we cannot mandate, that there cannot be nursing home evictions.

I urge my colleagues tomorrow to really defeat this legislation for this and other reasons, and hopefully that people who are listening and watching will call their Members to let them know this is a provision in this bill that they do not want to see enacted.

CONGRESS' MARCHING ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Washington [Mr. TATE] is recognized for 60 minutes as the designee of the majority leader.

Mr. TATE. Mr. Speaker, I am excited tonight to talk about what is truly a historic day that is going to occur tomorrow, and I have four of my colleagues here this evening. I have the gentleman from Spokane, Mr. NETHERCUTT, the gentleman from up north Washington State, in the second district, Mr. METCALF, and what I call an honorary member of the Washington delegation, my good friend the gentleman from Pennsylvania, Mr. FOX, and also Mr. WHITE here from Washington State as well.

The reason we are all here tonight to talk and really have a dialog among ourselves, but with the American people, is about what is going to occur tomorrow. It is truly a historic day. It really brings to a close in really a grand finale of what we have said is our motto, ''Promises made, promises kept.''

That is what we have done. We all ran and campaigned with the Contract With America because we believed it was the right thing to do. When we got here, we started on day one and began implementing the Contract With America, many of those issues we believe that are important. Between now and the time that we conclude, some time in mid-November, the sooner the better, to get the people's work done, there are four main issues we are going to accomplish, and those are embodied in this Reconciliation Act we are going to be working on tomorrow and passing.

The four main issues, and really they are Congress' marching orders, first and foremost, obviously, is to balance the budget within 7 years. The second is saving Medicare from bankruptcy, not for just this generation of seniors but the next. Reforming the welfare system, to get people on self-dependency. Last, but definitely not least, is allowing people to keep more of their hard earned money.

All of us here tonight engaged in this colloquy can bring personal experiences from people we talked to at home about these important issues. The first issue we will talk about is the whole issue of balancing the budget.

I know the gentleman from the second district in Washington State has probably been working on this issue longer than all of us in his elected career. He has done a phenomenal job. I would like to ask the gentleman from the second district of Washington, to tell us a little bit about what you have heard at home, why balancing the budget is important and why you are looking forward to casting an aye vote tomorrow and what this will really mean to working people at home, not just using the overall numbers, but what it will mean to families.

Mr. METCALF. Mr. Speaker, this is in fact more than just how it will impact the individuals, and it will. We have to solve this problem. I look at it from my point of view basically as more about my grandchildren. What are we leaving for them?

Norma and I have really in a small way realized the American dream. We own our own home, we use our own home for our own small business, and we were able to gain our home and we own it free and clear. I worry about that for my grandchildren. I think that the debt, the huge debt, the payments of $1,300 per person per year, not taxpayers, $1,300 per man, woman, children, all over America, I believe that is destroying the American dream for our children and grandchildren. I think

their chance to own a home is 10 percent of the chance that I had to own a home.

I think that this American dream is a thing that I resent most about year after year of overspending, needless, wasteful overspending, by people who voted over and over and over for unbalanced budgets and raising the debt limit. I believe that they are busily destroying the American dream for our children, and we intend to fix that.

Mr. TATE. The point that I have heard at least when I have been home, and the point that really drives it home more than anything, is the first point on why the Republicans are balancing the budget, and it is for our children. My daughter, Madeleine, and I use this number over and over but it drives a point home, in her lifetime she will have to spend $187,150 in taxes just for her share of the national debt.

Mr. METCALF. Just for her share of paying the interest on the national debt.

Mr. TATE. The gentleman is correct, not for defense, not for Social Security, but just her share of the interest. I know the gentleman from Spokane was home this weekend and had a chance to talk to constituents through the Fifth District of Washington. Mr. NETHERCUTT, give us some of your insights of what you have heard and why you believe this issue is so important back home to working people back in Spokane?

Mr. NETHERCUTT. I thank the gentleman for yielding and for your leadership in trying to meet the goals of this Republican Congress, and that is to balance this Federal budget. That is the overriding concern that I think all of us have as we look at the fiscal responsibility that we exercise here and the fiscal responsibility that the Federal Government needs to exercise.

I spoke with a constituent today who communicated with me after watching the debate on the reconciliation bill today. His name is Rich Kuling. He made a comment to me after watching this debate, he quoted Aristotle, and he said, ''It is not ignorance, but false knowledge that is the greatest impediment to human progress.''

We are seeing a lot of that today, as we listen to the debate on this issue of reconciliation and the rhetoric of the critics of balancing the Federal budget.

The gentleman is right. I hear from my constituents on a daily basis, several hundred letters a day, just like all Members do in the Washington delegation. They see, ''Keep going. Be true to your promises and your commitments that got you elected, and balance this Federal budget, not only for our generation, mine, but for my parents' generation and for my children's generation.''

So it is just a simple fact that we need to keep in mind as we look at the debate and the issue-by-issue examination of the reconciliation bill. Is it a perfect bill? Probably not. But certainly the overriding purpose is perfect, and that is to balance this Federal budget.

Mr. TATE. The gentleman is correct. It is for our children. We have heard about that at home. It will accelerate long-term growth, we know that, by lowering interest rates. It will strengthen financial markets, when the markets know we are actually serious this year about balancing the budget. It is going to raise productivity, when people can keep more of their own money, they can spend more money on their families and business. It will reduce inflation, make products a little more affordable, and strengthen the dollar.

I know the gentleman from Pennsylvania, though he is 3,000 miles away from Washington State, I know he has heard some of these same kinds of things from his constituents.

Mr. FOX of Pennsylvania. I thank the gentleman. The gentleman has been a leader in our freshman class and this 104th Congress in helping us move ahead toward a balanced budget. Whether one is a Republican or Democrat, we have a historic opportunity this week to actually balance the budget and do some things that I think my constituents and your constituents in Washington State want us to achieve for the first time since 1969. That will be to lower housing costs.

If we balance the budget, according to a study by the National Association of Realtors, the average 30-year mortgage will drop by almost 3 percent. Our car expenses, your car loan rates for your constituents and mine, will lower by at least 2 percentage points. That is on a $15,000 5-year car loan, at about 9.75-percent interest, that is an extra $900 in the family budget. We will have lower college costs as a result of balancing the budget. Student loan rates will drop at least two points. A college student who borrows $11,000 will pay $2,500 less for the car loan, student loan, and even more when it comes to the mortgage. We will also, by lowering interest rates and having a balanced budget, will create 6.1 million in new jobs.

Mr. TATE. If the gentleman would allow me, we are basically paying a deficit tax. We are paying higher interest rates because the budget is not balanced. Higher interest rates on a car, an average car loan, $180 a year; on a student loan, an extra $216 a year; on an average mortgage, $2,162 a year, for a grand total, most people have a car loan, many people out there still paying their college loans, most of us have a home loan, on average, $2,558 more per year that we are paying in basically a deficit tax, higher payments to a particular financial institution, because interest rates are higher because of the Government borrowing so much money.

Mr. FOX of Pennsylvania. If the gentleman will yield further, the fact is our State governments have to balance their budgets, county budgets, school districts, townships, towns, boroughs, they all have to balance their budgets, and so do our families. But the Federal Government, from many years of not balancing the budgets, now has a $5 trillion debt. As said by the gentleman from Washington [Mr. NETHERCUTT] and the gentleman from Washington [Mr. METCALF], we are now having to have our children pay $187,000 over their lifetime just on the interest. That is going to end, or we are not going to have the salvation that this Congress can bring for the economic future for senior citizens, for working families, and for the children who are going to take over the positions of leadership across this United States.

Mr. TATE. I appreciate the gentleman's comments. The gentleman has been a real leader as well in the freshman class. I appreciate that.

I know the gentleman from the First District of Washington State has four children, and is very interested in the future of this country. Tell us what you have heard at home and what are the constituents of the First District of Washington saying and why is it important to balance this budget and pass this reconciliation act tomorrow?

Mr. WHITE. I thank my friend. I also congratulate the gentleman for being a leader. I also say that when you really sit down and think about why we have to balance the budget and why we have to make some decisions on our spending priorities, I think the way the gentleman from the second district has put it several times in the past is probably the most telling way to talk about it. Because when he talks about it, he says do we need this program or do we need to spend this money so badly that we should borrow money from our children to pay for it?

Frankly, that is the way we have to approach every single nickel of Federal spending. There is only one way to get our spending under control and I think we have all talked about this at some length, and that is to make sure that every nickel of spending with nothing sacrosanct is on the table, and that we make fair cuts across the board, so all of us are participating in this program and setting the priorities which we should set for the Federal Government.

I think this bill we are going to vote on tomorrow takes a very good step in that direction. It is not perfect, and I think we have heard the people talk to us all day about how there is one particular thing in this bill that just about everybody can find not to like. But the fact is it takes 218 people to get anything done in this Congress, and we are not going to have a much better product than the bill we have before us tomorrow, with all the millions and billions of dollars that it deals with, to actually balance the budget.

From my perspective, I think the Speaker of the House was right this morning when he said to all of us gathered here this morning, ''If you are not prepared to vote for this bill, which balances the budget for the first time

in 30 years, why in the world are you here?''

We gave our word to the American people last year when we ran for office that we were going to balance the budget, somehow, some way. We have worked for 10 months on a program to do that. We have had to make a lot of decisions, we have had to set a lot of priorities, and we have probably made a few mistakes.

But the bottom line is we have a product that will balance the budget, and, frankly, I am going to be very proud to support it.

Mr. TATE. Could the gentleman answer a question: When was the last time the budget was balanced?

Mr. WHITE. I believe it was in 1969 was the last time the budget actually balanced, and I think that actually might have been a bit of a fluke. I do not think the budget that was passed that year actually anticipated it to be balanced. It happened to work out that way because of revenue.

Mr. TATE. So only in Congress was the last time the budget was balanced was in 1969 by happenstance or mistake. Only in Congress could that occur.

Mr. WHITE. By dumb luck. We have had a quote from Aristotle. I might mention a quote from Socrates I like to use sometimes, which is that democracy only works as long as the electorate does not figure out that they can continue to vote themselves benefits from the public treasury, because a majority of people, theoretically, once they figure it out, can decide they are going to vote to increase benefits to themselves.

You had to kind of wonder last year whether we had found the Achilles heel of democracy, whether unfortunately the American electorate figured that out and whether democracy was really going to work. Had a majority figured out a way to borrow money into the future? I think what were are seeing in this bill we are going to pass tomorrow is the answer is no. We have decided to make democracy work, exercise some fiscal responsibility, and come up with a balanced budget.

Mr. TATE. The gentleman is exactly right. I believe the public has known it all along we are in a time where we need to make tough decisions. We were elected to do that. That is what I heard.

People at home when I am at home, I do not care whether I am at the local grocery store, standing in line at the ATM machine, people come up to me and say, ''Randy, just keep going. My biggest fear is you will not go all the way, as opposed to we are going too far.'' Their biggest concern is they are all for the balanced budget, but are we really going to do it. Tomorrow we are going to do it. They are concerned, are we going to reform welfare? Tomorrow we are going to do it. They are concerned with tax relief. Tomorrow we are going to do it. Are we going to save Medicare? Tomorrow we are going to do it.

I know the gentleman from Pennsylvania is dying to get a word in.

Mr. FOX of Pennsylvania. I just wanted to add to this dialog in this sense. As we approach the budget this year, to make it balance, there were two overriding concerns I think all of us had who were freshmen Members of this 104th Congress, and that is one, if the Government is involved with an activity now, could it be better handled by the private sector? If it could not be the private sector, is there another level of government that can give that service better, more efficiently, more effectively, less expensively and more directly to the people. That has been accomplished to some extent in this budget.

But second, and I think just as important, if not more important, we have looked to find ways to consolidate, downsize, privatize, to eliminate waste, fraud, and abuse that has been in this budget for many yeas. By doing that, we are retaining the actual services that we want to get back to people.

We do not want to have $30 billion of fraud, waste, and abuse in Medicare. We want $30 billion of that savings to go back for health care for our seniors. That is exactly what we have done. It has not gotten through in the media as much as we wanted it to, the real facts, but, frankly, this group of 104th Members, both sides of the aisle, I think, are dedicated to their seniors, working families, and our children, to make sure that we provide the services, without overtaxing, overspending, and overregulating.

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Mr. TATE. The gentleman is exactly right, Mr. Speaker. When I am home talking to folks, I always hear that the government that is the closest to their home, their government, their city councils, their county councils, their State legislators, whoever, better know their needs. They know where Tacoma is, they know where Everett is, they know where Spokane is, they know where the cities are in your district. They know best what is needed.

The question I always ask is, well, can this program best be done in the private sector? If not, what level of local government can it be done by? The Federal Government should be the last resort, but for the last 60 years it has been the first resort. We have always said, boy, if we just had more money at the Federal level, if we had one new program, but it has not worked. And we do not have to look further than welfare.

The gentleman from Spokane, Mr. NETHERCUTT, as a member of the Committee on Appropriations, they have scoured through thousands of Federal programs looking for areas to reduce, putting money into those programs that work, but taking away from those that do not or change them.

I would yield to the gentleman from Spokane.

Mr. NETHERCUTT. Mr. Speaker, I thank the gentleman for yielding. This is a huge, huge Government. As appropriators looked at the breadth and scope of the Federal Government, it was astounding how many programs and agencies within agencies within agencies we fund. I think what the American people have to realize is that it is not the Government's money that funds these programs, it is the taxpayers' money. It is their money, and my money and everybody else who writes a check on April 15th and sends it to Washington and trusts us in the Congress to do what is right with their money.

So we hear discussion about, well, we do not want to give any kind of a tax cut. What those critics are saying, and the party on the other side is saying is, we want to keep all that tax money that the taxpayers send us because we want to spend it, and the Government wants to spend it and not let the American people spend it.

The majority leaders made statements, and all of us have made statements over the past months saying how can the Government decided how best decide to spend our money? Is that not something that we can decide as citizens better than the Federal Government?

That is what we are trying to do is have a recognition, and we need to have a recognition that it is the taxpayers' money that we are dealing with here. And if we feel we do not want to take more of their money, then I think that is to the taxpayers' best interest and we all have to understand that, especially the critics of this balanced budget concept.

Mr. TATE. Mr. Speaker, the gentleman is right on in his message on that. The point is there are good people working for the Federal Government, and I am not here to bash Federal workers, but they do not know where the cities are in our State. They do not know our children. We know our children. We know what their needs are. We know if they need a vacation or a new pair of Nikes or a little money put away for health care or a little away for higher education. We know best.

That is what this is about, sending programs out to the States to empower people, not to build bureaucracies here along the Potomac that are filled. A person cannot go anywhere without running into a Federal building. They are full of people working here. We need to send that power out to the States and let them make the decisions.

I want to touch on one point. I know there is so much rhetoric from across the aisle about these terrible cuts we are making. I want to point out that over the last 7 years we have spent $9.5 trillion, if we add up all the spending that has occurred. Over the next 7 years, under our balanced budget plan, we spend $12.1 trillion. If we did nothing, if we did things just how we have always done, the status quo, and we

would not have a balanced budget and the kind of change we really want to see, we would spend $13.3 trillion.

So we are slowing the growth by about $1 trillion. Spending will increase but it will be spending that is directed at people and helping them out and empowering folks back home in our districts.

I can tell my colleagues as we are dealing with this whole issue of changing the way Government works, there is probably no more volatile issue than the whole issue of Medicare. I think we are all aware that it needs to be saved, protected, preserved, and I know the gentleman from the second district of Washington, Mr. METCALF, has a very special interest in the program. I know he is actually on Medicare, but tell us why and start up a dialog on why we need to save and protect Medicare.

Mr. METCALF. Well, Mr. Speaker, as I say and said the other day, I am the only one in the delegation who has a particular interest because not only do I qualify for Medicare, my wife qualifies for Medicare, my brother is on Medicare and three older sisters are. So I am absolutely dedicated to seeing that this program is not damaged, not put in jeopardy, does not go bankrupt, and it is there for those people counting on it. Because there are millions of people across this Nation that are truly counting on it and it has to be there as they need it.

Mr. TATE. Mr. Speaker, if the gentleman would allow me, I hear the rhetoric from across the aisle that somehow Medicare is being cut. Could we answer that question?

Mr. METCALF. Well, only in the Congress could a 6-percent increase be considered a cut. It is the new math that they learned and it does not work very well.

Mr. TATE. Exactly. I have a chart here to really illustrate. If an individual is on Medicare today, they will receive on average across this country $4,816 a year. In the year 2002, they will receive $6,734. Now, like we just said, when we went to school and we received more the next year than we had the last year, that was an increase.

Talk about new math. Maybe it is just verbal grenades that are being thrown from across the aisle trying to scare senior citizens, and that is too bad, but the bottom line is Medicare spending will continue to rise.

I know the gentleman who serves on the Committee on Commerce, Mr. WHITE, I know he has been real active in this debate, really in the cat bird seat as we have been working on it. Tell us a little about what the trustees have said, why this is important and why seniors will actually be better off under this plan than if we just buried our heads like ostriches and ignored the problem.

Mr. WHITE. Well, Mr. Speaker, the gentleman is absolutely right. The Medicare bill came to our committee, and although I did not know a whole lot about it until I got involved on the committee, I have sure learned a heck of a lot about it in the last 2 or 3 months, and I would say a couple things about it.

First, I hope people understand how significant it is what we are trying to accomplish today. A year ago, when I was running for office, there were lots of people who would tell me it is basically impossible as a political matter to balance the Federal budget. Why? Because nobody will ever dare touch Medicare, nobody will ever dare touch Medicaid, nobody will ever dare touch welfare. Three entitlement programs that basically are the biggest problems we have in the Federal budget.

And everybody knows unless we get those problems under control, we cannot balance the budget. And a year ago people were saying it is politically impossible to do so.

Well, tomorrow, and actually last week when we voted on Medicare, we started to prove those people wrong. I think we did so in a way that when people look at the changes that we have made in the Medicare program, for example, they will be proud, proud as I am, of the sort of solution that we have come up with.

What we have done is basically say if an individual likes the current Medicare system the way it is, they get to keep it. That is end of it. If they like what they have right now, they will keep it. The same percentage basis of premiums, same arrangement with their doctors, same paybacks by the Federal Government. The whole system stays the same. But if they would rather have some of the other choices that most modern health care plans make available to other people in the current health care system, they will have some of those choices, too. And we have five or six choices: Medical savings account, managed care, provider service networks, and several other possibilities that people can choose from.

So, really, by modernizing this program we are able to save some money, provide health care more efficiently, but for people who are not comfortable making that transition or want to keep what they have now, they are entitled to do that.

Mr. TATE. So, Mr. Speaker, what the gentleman is stating very clearly is that seniors will have more choices next year under this plan than they currently have today.

Mr. WHITE. They will have the same choices everybody out in the economy already has.

Mr. TATE. Mr. Speaker, what I like about the plan is, if an individual does not want to change, they can stay on the plan. If they do not fill out the form, they are automatically on your current plan.

The other frustrating thing I have seen, and I think we have all been attacked in some capacity back in our districts, that these are somehow tax cuts for the rich; that somehow we are cutting taxes for the rich and we are paying for it out of cuts out of Medicare.

If the gentleman would respond. I know the other gentlemen, Mr. FOX and Mr. NETHERCUTT, will want to respond as well.

Mr. WHITE. I will be happy to say a couple of words about that. The fact is this budget does not cut anything, as your charts have shown. It just allows things to increase a little more slowly than they otherwise would have.

We have saved, is the way I like to talk about it, we have saved about $900 billion, almost $1 trillion over the 7-year period. And we are going to use that money for lots of different things. We are going to use it to bring down the deficit, so that we get the budget under control. We will use it to provide some fairly small tax cuts to a number of people, primarily people with children, so that they can do a better job of raising their own families. We will use that money for lots of different purposes.

So it is a mistake to say that the Medicare savings are going to go for tax cuts for the rich. In fact, the Medicare bill we passed last week says it is illegal to use those savings to pay for a tax cut. We have to use them to provide for additional benefits to Medicare beneficiaries.

Mr. TATE. So the attacks on the other side, as well as those attack ads we have seen at home in some capacity, are just blatantly false.

Mr. WHITE. I would like to say they are, unfortunately, misguided.

Mr. TATE. That might be a nicer way to say the same thing.

Mr. WHITE. A subtler way of saying the same thing.

Mr. TATE. I know the gentleman, Mr. FOX, has had a number of townhall meetings back in his district. The gentleman has a senior advisory committee that helps him on Medicare. If he would tell us what he has heard.

Mr. FOX of Pennsylvania. Yes, our Preservation Task Force looked at the problem last April. The President's trustees came out and said in 7 years we will be out of money in this Medicare Program. So what can we do about it? We said, how did we get this problem? Well, health care goes up 4 percent a year, but Medicaid goes up 10 percent a year. What is the problem? We found out there is $30 billion a year in fraud, waste, and abuse.

This legislation, for the first time, is going to create the Federal offense of health care fraud. If it is violated by a provider, they will not only be out of the Medicare Program as a provider, but they can go to jail for 10 years. This is the first time we have attacked that problem. And under the lockbox, which Congressman WHITE just talked about, the savings we get from getting the fraud and abuse and waste eliminated has to go back to the Medicare Program.

I think it is important to point out, and, Congressman TATE, we appreciate your bringing this issue forward, but we want to separate the myth from the facts. The myth is that it will not be a

better program. The facts are it will be a much better than we have today. Besides the fact we have fee-for-service and other choices for medisave accounts and managed care, it will not raise Medicare copayments or deductibles, it will not reduce services or benefits for the program, it will not force anyone to join an HMO. They can stay in the fee-for-service that we have now. We will retain the current fee-for-service plan. It will ensure the solvency of the program for the first time.

And as the gentleman stated earlier, it will increase from $4,800 a year to $6,700, which is a 40-percent increase, and it will increase the amount of money spent in the program $659 billion over that spent in the prior 7 years. And with the lockbox and the savings we are going to get from fraud, abuse, and waste elimination, we will make sure that Medicare is strong for this generation of seniors and the ones that follow.

Mr. TATE. And, Mr. Speaker, that is what it is all about. The gentleman has hit it on the nose. Medicare is going broke. The trustees said it is. The Clinton-appointed trustees. We are going to save, protect, and preserve it. Seniors are going to get more money next year and the year after and the year after, and every single year, and they will have more choices and less waste, fraud, and abuse.

Mr. WHITE. If the gentleman would yield, there is one other great thing about this program that we overlook sometimes. We should focus on what is going to happen to beneficiaries, but this program will have some real big benefits for our medical care system as a whole.

Right now the Government, under the Medicare Program, writes the checks for 30 percent of all the health care in the United States. The Medicaid Program is another 20 percent. So between those two programs, we, right now, are buying half of the medical care that Americans get in the United States.

We have been saying for the last 40 years that we think it is going to go up about 15 percent next year, and so that is why we have to raise the budget every year. It is about time for the Federal Government to exercise a little fiscal restraint. It becomes a self-fulfilling prophecy. If someone is selling something to someone and they tell them that they think they will have to pay 10 percent more for it next year, we can be sure they are going to have to pay 10 percent more because they are going to charge them 10 percent more. That is what the Federal Government has been doing.

So one of the things we do under this plan is to say we will not continue those old ways. We are going to try to exercise some restraint, maybe save a little money, and we are going to say it should rise at about 6.5 percent next year. I think that is a real step in the right direction.

Mr. TATE. Mr. Speaker, I would now yield to the gentleman from Spokane.

Mr. NETHERCUTT. I was going to say this is a 30-year-old system. This was begun about 30 years ago, and Congressman WHITE made mention of it a moment ago. This is a courageous step. Without being too self-serving here, this is a courageous step to tackle this monster program and try to get our arms around it and fix it, because it is broken.

When the private sector is only growing at about 4 percent a year, and have reduced actually a little over 1 percent last year, but yet the Federal system grows at 10½ percent a year, it is not working. And I think we in the Congress, this reformed Congress have stood up and said this can be a better system, and that is what we do have is a better Medicare system. It will give my mom and your parents and Jack and his family a greater range of choices. What is wrong with that? That is a good system, a good system change.

□ 2115

As the gentleman from Washington [Mr. WHITE] says, senior citizens who want to stay on the existing system can do so. And that should give everybody in this country of senior citizen age a great satisfaction, that they can either keep what they have, or get something better. We think it is a better Medicare system.

One other quick point. In 1993, President Clinton made mention about his tax increases, that they were too much. They affected directly the senior citizen population that the critics of Medicare reform and preservation are arguing so hard to protect.

Mr. Clinton raised, and the Democrat Congress increased the tax rate from 50 percent to 85 percent on Social Security benefits for individuals with incomes in excess of $34,000 and couples in excess of $44,000. This reconciliation bill repeals that tax increase.

So, I do not agree with anybody who says that we are not trying to protect senior citizens in this tax bill, not only through Medicare reform and preservation, but through the repeal of the Clinton and Democrat Congress tax increases.

Mr. TATE. If my colleagues listen to the administration, someone who makes $34,000 a year or $40,000 a year would be under the title of rich. I know in my town hall meetings, the issue comes up about the tax cuts and I ask everyone in the room that makes under $200,000 a year, that has kids under 18, to raise their hand, and I tell them to keep their hand up. I say, you are looking at the rich. These are the people that are rich.

We are trying to give more money back to working people and senior citizens. They are the people that helped us get through World War II and were the backbone of this country through some of the darkest times, the Depression. We should let them keep more of their money. They worked for it, they pay for it, they should keep it.

Mr. Speaker, I know that the gentleman from the First District of Washington [Mr. WHITE] has some comments on that.

Mr. WHITE. Mr. Speaker, I was going to say that those comments reminded me of a great political cartoon some may remember from last year. There was a poor, old farmer going out to the rural route on the road to open his mailbox and see what he has got in his mail today. he is there with his wife and he is opening the rickety mailbox. He is on a small farm and proud of himself, but he is obviously struggling. He takes out of the mailbox an envelope that is marked ''Clinton Tax Increase,'' and his comment is, ''Oh, no, we're rich.''

That is about the way some people are approaching this; everybody is rich if they have got some money to be taxed.

Mr. TATE. The statement has always been, ''There are two certainties in life, death and taxes, but death does not get worse every single year.'' That is the point. The taxes keep going up and there is less and less income at the end of the month.

Mr. FOX of Pennsylvania. I just wanted to add to this dialogue that you are having about the overall approach. Not only are we trying to make sure we balance the budget for all the reasons that you stated earlier, Congressman TATE, to help our families, to help our jobs, to reduce mortgage costs and reduce college costs, but in addition the tax reform proposal that the majority party have presented will not only help seniors as far as preserving Medicare, but we are going to make sure that we roll back that unfair 1993 tax on Social Security. As well, over the next 5 years, we are going to raise the amount of money that seniors under 70 can earn from $11,280 to over $30,000 in the next 5 years, without having deduction from the Social Security.

This is going to keep seniors independent to the extent to be able to do what they want to do with their lives. While many of them are volunteers, some of them want to continue working, and we should not have a disincentive with our Social Security system not allowing them to make up to $30,000 a year.

Our proposals that have been adopted by the House, if adopted by the Senate as well and signed into law by President, are two more ways that we are going to try to help seniors.

Mr. TATE. The gentleman from Pennsylvania is right. I know the gentleman from Spokane is very interested in providing more money for working families. We talked earlier about the issue of a tax credit for those who want to adopt. I yield to the gentleman.

Mr. NETHERCUTT. Mr. Speaker, in my former life as a lawyer in Spokane, WA, 10 months ago, I did probably 100

adoptions a year. It is the greatest service that anybody can provide in our society for another human being, that is to adopt a child and give that child love and care and attention for his or her lifetime.

This bill, this reconciliation bill that is coming in before us tomorrow, which we will pass, provides a tax credit as an incentive for people to ease the burden of adopting a child. Sometimes hard-to-place children, children with health problems and others are difficult to place in a home with the ability to provide the resources necessary to raise that child.

And make no mistake about it, it does cost more money to raise children than to not raise children. That is why we are providing some tax relief to families with children. Along with that, we provide assistance to people to encourage adoption and encourage security for young people in this country for their future life in a loving family.

That is admirable in this tax bill and this reconciliation package that we are putting together. This is a good thing for families. It is a good thing for children. So do not let anyone tell us that we are not sensitive about the children of this country. We are, and we will be as we pass this bill tomorrow.

Mr. TATE. The gentleman is correct. That is why we are providing the tax relief for families, the $500 tax relief. I know the gentleman from the First District is real interested and I know his constituents have talked to him about that issue, I am sure.

Mr. WHITE. They absolutely have, and I wanted to make a comment to my friend from Spokane. The gentleman mentioned that he was a lawyer and the fact is, I try not to emphasize it too much, but I was a lawyer too about 10 months ago. Unlike my friend, I was a bankruptcy lawyer.

As I told people when I was running for Congress last year, frankly, that is pretty darn good training for coming to Congress. Over my legal career, I probably dealt with 100 or 200 companies that had financial problems and I had to figure out how to solve their problems, how to cut their budgets, how to get them to live within their means and find out what programs were working and what programs were not working.

If there is any institution in the world that is a financially troubled institution, it is this Congress. I have frankly found that that has been pretty good experience to come to this body and find out: What programs do we need to have? We are not going to shut down the whole Federal Government. There are some things that the Federal Government needs to do. But there are also some things that are lower on the priority list.

Mr. Speaker, I always say, and what we have done in the reconciliation bill tomorrow is to say: What should the Federal Government do? Let us make sure we do those things well. Let us not do everything in a mediocre way. Figure out what we should do and do those things well.

But the things that we should not do, things for example that maybe the Commerce Department was doing, or in my view some of the education programs, which I think are better done at the State level, things that really can be better done by people in their families or by State and local governments, let us not do those at the Federal level. Let us not do those at the Federal level, and concentrate on what we should be doing.

Mr. Speaker, I think this budget is a good first step in that direction. It does not take us all the way there. We have plenty of work to do, but I do think it does take us part of the way down the road.

Mr. TATE. The message I heard at home from people was that they elected us because they did not want more of the same, but they did not also just want less of the same. They wanted things to be done differently than it has been done for the last 40 years, and definitely since 1969, when the budget was last balanced.

Mr. Speaker, I would ask the gentleman from Spokane to talk to us a little bit more about what the tax cuts really entail. The capital gains tax cut, the family tax cut, what will that mean to folks at home?

Mr. NETHERCUTT. It is going to mean more money in their pockets and a better economy for this country, especially for eastern Washington.

Mr. TATE. So it is not just for the rich?

Mr. NETHERCUTT. Certainly not. It deals with agriculture too. Agriculture is a very important part of my district in the eastern part of the State of Washington. It is going to help farmers and storekeepers and small businesspeople. It is going to help single moms and single dads raise children, recognizing that that is the most important thing we can do in this country, is raise a good child to be a good citizen.

We are encouraging that as we devolve this, transfer this Federal authority to State authority and local and county authority. That is all in the best interest of local citizens; people in Spokane and Walla Walla and Colville and Colfax and every other city in my district.

It affects the broad range of people in this country; not only by a balanced budget, but by the tax relief we are trying to provide to people and leave more money in their pockets so they can spend it as they deem appropriate.

Mr. TATE. I hear quite often, ''Tax cuts for the rich. Oh, it's tax cuts for the rich.'' We are really talking about working people. The capital gains tax cut, who does that help? Small business owners. Someone who owns a family farm, they sell their house. It affects all of us. The people we know next door or people we work with or people at church. It is just everyday folks.

I know that Mr. METCALF would like to make a few comments on this as well.

Mr. METCALF. My comments are related more back to the children, and that is something that I would just like to comment briefly on, as far as this irresponsible spending over decades. That is what has racked up this $5 trillion debt. But in actual fact, it is worse than that.

There is $5 trillion national debt, over $3 trillion of unfunded liability for pensions and retired military Federal employees, hundreds of billions that we have borrowed from the Social Security funds. It is far more serious than just the deficit. We have to solve them all and we do not have a lot of years. That is why our start now, and the vote we will take tomorrow, is one of the major steps along the way.

I worry more. There was a previous speaker that said, ''The most important three things, the three most important responsibilities are our children, our children and our children.'' What we have done, what we have allowed as people to have happen is to extend this huge debt, load this huge debt on the backs of our children. As I mentioned before, we are destroying the American dream for our children.

It is more than that, even. The continued inability of Congress to balance the budget has become a national disgrace that threatens to permanently destroy public trust in our government. More than that, more than just public trust, if we cannot stop it, it will destroy the government itself.

Mr. Speaker, we cannot continue to borrow more money. I just want to harp on this a little bit more and sort of close with this. What we are doing is selling our children into debt slavery. This is something we have got to consider. The $187,000 that a child born in 1995 will pay in interest on the debt would buy a pretty respectable house for $187,000.

That is what has been taken from them, probably, by the previous Congresses that have racked this huge debt that takes these terrible interest payments.

When it comes to interest, I guess I will close on this by saying the people of England are still paying interest on the money that they borrowed to fight Napoleon. They paid that money over 13 times as much as they borrowed, but they still owe it. That is the kind of debt slavery we are promising for our children, instead of the American dream, if we do not fix it.

Mr. Speaker, I am proud to be a Member of a Congress that plans to fix it, because we owe this to the future.

Mr. TATE. The gentleman is exactly right and I appreciate the gentleman coming out.

Mr. Speaker, there is one last issue that I want to talk about in closing and then we will wrap up for the evening. It is the whole issue of welfare reform. It is an issue I have been involved in in trying to reform at the

State level. It is really, to me, not about balancing the budget. We can talk about the $5 trillion we have spent since the 1960's on welfare programs. We spend somewhere around $300 billion a year, if we add up all the programs that are really related to welfare, whether it be health care, direct payments, or AFDC.

That is three times what it would take just to pay people to get above the poverty level, if we could give direct payments. What we have done in the process by these programs, to me it is worse than anything we could do to people. It takes away their self-esteem. It takes away their dignity and destroys families and promotes illegitimacy and irresponsibility, because once they get on the system, they are punished. If they get a job, we cut them off. If they have more children, we give them more money.

It has been said as long as I can remember, we tax more of what we want less of; we subsidize what we want more of. We have subsidized a system that really breeds dependence.

Mr. Speaker, I know there are several provisions in this particular bill. We all have our interests: Time limits; work requirements, and so forth; sending it back to the States. I know our State in the legislature this year, there was a comprehensive bill that passed the State House. It did not pass the Senate. We should turn it back to the States.

I know the gentleman from the First District would like to comment on that as well. I know the gentleman is interested in welfare reform.

Mr. WHITE. Mr. Speaker, I am interested in welfare reform and I agree with my good friend's comment that this has really very little to do with balancing the budget. Sure, we want to make this program as efficient as possible. But the fact is we have spent $5 trillion on this program since 1965 and the problems we are trying to solve are a little bit worse than they were in 1965.

If we assume there are 50 million people in poverty in the United States, that is 20 percent of the population. That is probably far too much. The fact is, if we have spent $5 trillion on 50 million, that is about a million per person over this 20-year period. Frankly, if we gave these people a million dollars, that would probably do more to get them out of poverty than anything else we could do.

So, really, this is not about the budget; it is a moral imperative. At some point, we can try things for a long period of time and then we have to admit that, by golly, it has not worked. And if it has not worked, then we need to try something else.

That is what we are trying to do in this bill.

Mr. TATE. Exactly. The gentleman from Spokane?

Mr. NETHERCUTT. Even here in the State of Virginia and I think in New Jersey there is an experiment of giving the States the ability to experiment with welfare reform and have more flexibility from the Federal system.

In those two States I mentioned, they have had people who have been on welfare and also have had an incentive to work while continuing to receive some welfare benefits. That is work. They are now filling out tax returns and actually getting into the habit of working, instead of just receiving welfare money or welfare assistance and having a disincentive to work.

□ 2130

I think our plan is very clearly designed to provide an incentive for people to ease themselves off welfare. Two years will be an ample time.

While America, I believe all of us would agree, needs to take care of people who need our help, we do not need to take care of people who just want our help. That is what this bill is intended to do, is to create incentives for people to be off the system and to make our entire national system of free enterprise and capitalism work better, and it will.

Mr. TATE. The gentleman is right. I could not have said it better myself, even if I had attempted to. The point is well taken. There is no better feeling. It is a human feeling, that you are doing something, that you are getting up and going to work, getting up and contributing to society. We need to do everything we can to encourage them to go out there and work.

Doggone it, a 2- or 3-year time limit, there has got to be an end. Eventually you have got to say, if you are able-bodied, maybe I should get out there and get a job, give a little something back. That is what this welfare reform is all about.

I know the gentleman from Pennsylvania has been an active participant in this particular issue.

Mr. FOX of Pennsylvania. I think it is very clear.

First, I appreciate your bringing this dialog forward because, without having welfare reform, we are not going to attack one of the biggest issues in the country; and Republicans and Democrats alike, as well as the Congress and the President, know that this welfare system is not working. Everybody has said so.

What are we going to do about it? The President recommended in the food program and WIC that we have a 3.1-percent increase. The other side of the aisle said 3.6. We adopted a 4.5-percent Republican majority position for an increase in those food programs. But, more importantly, we said we are going to block grant those programs to the States but with a 15-percent administrative cost we used to spend in administering at the Federal level. We said to the Governors, you can only spend 5 percent. But with the additional 10 percent we are giving you, you must feed more children more meals.

Going back to the States, back to the individual local levels, we are going to give them more money, going right to services. That is what the welfare reform bill is all about. The fact is there are able-bodied people who will be given the opportunity under this legislation to have job training, job placement, job counseling, and day care, if necessary.

So those are very important points. It is a compassionate bill that gets service to those who need it, but those that do not deserve to be on welfare and are not really qualifying should be removed from those rolls.

Mr. TATE. I thank the gentleman from Pennsylvania [Mr. FOX].

I know the gentleman from Illinois [Mr. WELLER] is here. I appreciate you taking the time to come out this evening.

Mr. WELLER. I welcome the opportunity to join with you. I see my colleagues here from Washington State and Pennsylvania. Of course, I come from the heartland, the State of Illinois, the land of Lincoln. Let me tell you, I have heard so much frustration coming from the taxpayers that I represent regarding our welfare system.

Today, we have a welfare system in which, over the last 30 years, the taxpayers have invested $5 trillion. That is T, as in trillion dollars. What have we gotten as a result? Higher rates of juvenile crime, more children living in poverty today than ever before and higher rates of teenage illegitimacy. That is the result of our current welfare state.

It has failed. We have got to change it. Like you, I am committed to changing our welfare system. I am proud to say that our welfare plan that passed the House this year emphasizes family and responsibility and emphasizes work and goes after those deadbeat parents that are not meeting their obligation to their own flesh and blood, their own children. I am proud to say that we passed a good welfare reform.

But, at the same time, if we are going to say, okay, folks, it is time to get off welfare, it is time to go to work, we have to make sure that there are jobs there for them to go to work at.

Under our program, our balanced budget, there are so many benefits for people who want to work. In the last few days, I have met with building tradesmen, members of a local labor union in my district, with the African-American leadership in my district, with the farmers, the small businesspeople and the students; and they all say, jobs are important. If we are going to move people off welfare and put them to work, we have got to make sure there are jobs there for them.

It was interesting, there has been some what you would call independent statistics that really show why our economic plan is so important and why it is so important to balance the budget. These are not plans that come from the Democrats or the Republicans or information that comes from the Office of Management and Budget appointed

by the President so it has got political leanings. You understand that. They say, if we balance the budget, we will lower taxes, lower interest rates and also have a stronger economy as a result.

McGraw Hill, a respected think tank, an independent organization, released a study that they did for the National Association of Realtors which concluded that a balanced budget would result in a 2.7 percent drop in mortgage interest rates. What that means for a family in Illinois, in my home State, is that a family with a 30-year $50,000 mortgage at just a little over 8 percent interest would save $32,000 over the life of the loan. That is over $1,000 annually. That is an even bigger tax cut just by lowering interest rates.

A college student, student loans, giving young people the opportunity to go to school, a college student borrowing $11,000 at 8 percent interest, a lower rate than they currently would get at their local bank or through the direct lending program, would save $2,100 over the life of the loan.

Lower taxes, lower interest rates will create a stronger economy and create jobs.

In fact, the Joint Economic Committee estimates that by lowering interest rates, brought about by a balanced budget because the Federal Government is no longer competing with our small businesses, those who want to go to school or our local families by lowering interest rates over 2 percent it would create 6.1 million new jobs over the next 10 years just because interest rates are lower.

That is the best kind of tax cut. Lower interest rates, lower taxes, better-paying jobs. That is why I stand in support of balancing the budget for the first time in 26 long years, and I am proud to say I will be casting a vote tomorrow to balance the budget and live within our means just like every American family.

Mr. TATE. I thank the gentleman. I know the hour is late. The gentleman from Washington [Mr. NETHERCUTT] would like to make some closing remarks as we finish up our evening colloquy.

Mr. NETHERCUTT. I just want to say as new Members of Congress, all of us have cast some very serious votes in this 104th Congress. It is a historic Congress. Tomorrow's vote probably will be bigger than any of the votes we will have made thus far, the last of which was on our Medicare vote.

This is an important vote. It means the future of the country for the next 7 years. It means we will balance the Federal budget in 7 years and this is the starting point as we go each year and meet our financial obligations for the country.

I think this is a proud moment for all of us as freshmen. It is a difficult moment as we all have said. This is not a perfect bill, but it has got so much good in it and so little bad, I think as you really balance it out. But I think we have no choice but to vote for the future of the country and vote in favor of this reconciliation bill.

I thank the gentleman for his leadership on this and certainly the gentleman from Washington [Mr. WHITE], the gentleman from Pennsylvania [Mr. FOX], the gentleman from Washington [Mr. METCALF], and the gentleman from Illinois [Mr. WELLER] for all the work we have done as freshmen. I know there is a lot more work to do, but we will meet the task.

Mr. TATE. A few closing remarks by the gentleman from Washington [Mr. WHITE] as your reflect on tomorrow's vote.

Mr. WHITE. I cannot resist the opportunity to make a few closing remarks.

No. 1, I would like to thank the gentleman for putting together this program allowing us to have this time. I would like to tell you and the other Members that have spoken tonight how proud I am to be a part of this class. We are all freshmen, all kind of learning our job, but frankly I think by and large we make good decisions and I think we are committed to doing what needs to be done.

Finally, I would like to say we are going to take an important vote tomorrow. I think we will vote to balance the budget, but let us not forget, that that is really only the beginning of our job. Because every day for the next 7 years after this bill tomorrow, we are going to have the opportunity to bust the budget again. This is not an amendment to the Constitution and every day Congress can undo what it did the day before.

So tomorrow is very important. It is essential that we take this vote and I know that we will but let us not forget the long term. Because we are going to have to keep the faith, keep our fiscal restraint, keep the discipline every day for 7 years if we are actually going to get this job done. I am committed to that, I think a majority of the Members of the House are committed to it. I just look forward to getting through that process and actually getting to a balanced budget in the year 2002.

Mr. TATE. I thank the gentleman from Washington [Mr. WHITE]. This bill will be binding by our vigilance and how hard we work on it. I thank you for your courage and involvement in this as a leader in the freshman class.

A few last comments by the gentleman from Pennsylvania [Mr. FOX] as we close out this evening, before our vote tomorrow.

Mr. FOX of Pennsylvania. I just want to say I appreciate, as the others do, that you have taken a central role here in the 104th Congress in bringing forth I think the vision that you had in Washington State here to Washington, DC. That is, to get our fiscal house in order, to be accountable to people back home, and to also make sure that the services that the people truly need from their Federal Government, they will get. But they will get them without the waste, without the fraud, without the abuse, without overregulating, without overspending. We can make a difference by working with both sides of the aisle, working with the President and in the end I think we are going to have a bill that starts with tomorrow's vote but will end sometime before the holidays, which I think will bring about a bipartisan effort which will be better for all of America.

I appreciate the fact that I know you will be at the table there making sure that your vision and that which the 104th Congress has to make the country stronger, fiscally more responsible will in fact be the reality.

Mr. TATE. I thank the gentleman for his kind words. I thank the gentleman from Pennsylvania [Mr. FOX], the gentleman from Illinois [Mr. WELLER], the gentleman from Washington [Mr. METCALF], the gentleman from Washington [Mr. NETHERCUTT], and the gentleman from Washington [Mr. WHITE] for taking the time to come out tonight. The fact remains seniors next year will have more Medicare than they had this year. Welfare recipients are going to get back to work. There are going to be more college loans next year than there were this year. And school lunches are still going to be there. All this kind of Chicken Little, the sky is going to fall, the threats of fiscal Armageddon if these things do not pass, we have been blamed for everything but the war in Bosnia. The bottom line is we are interested in making sure our kids have a brighter future. It is about providing more jobs. It has been mentioned several times in different ways, we want to lower interest rates, not just because it feels good and it is a great accounting thing. It affects people's real lives. It provides more jobs, more opportunities and that is what it is all about, the things that we are going to cover tomorrow.

We are going to balance the budget for the first time in 7 years, we are going to save Medicare not only for seniors on it today but for our children tomorrow. We are going to reform welfare, to give people dignity again, to get them off the system that really abuses them and to provide tax relief not only for families but for economic opportunities, allow people to spend more of their money. That is what it is all about. It is about opportunity. The question really tomorrow is do we borrow or do we balance? Opportunity or fear? That is what it is all about. This Congress is going to balance. We are no longer going to continue the ways of just borrowing ourselves into oblivion. I thank the gentlemen for taking the time. I look forward to casting this historic vote tomorrow.

FRENCH NUCLEAR TESTINGS A DANGER TO MORUROA ATOLL

The SPEAKER pro tempore (Mr. WELDON of Florida). Under the Speaker's announced policy of May 12, 1995, the gentleman from American Samoa