

budget and then come back to the Congress.

Mr. HOKE. Reclaiming my time, I do not necessarily disagree with the gentleman, but you cannot have it both ways, then, and then blame the shutdown of the Government on the Republicans because, in fact, it is the President's veto that is shutting down the Government. And he has vetoed it, he said he has vetoed it, strictly because it has this 7-year balanced budget language in it.

Mr. BALDACCI. Mr. Speaker, I just want the gentleman to understand, I am not blaming anybody for the shutdown. I am blaming all of us. The resolution was to keep working together. It was not making any claims about the Republicans or the Democrats, but it was stating we should work together to get through this.

Mr. ANDREWS. Mr. Chairman, will the gentleman yield?

Mr. HOKE. I yield to the gentleman from New Jersey.

Mr. ANDREWS. Mr. Speaker, if I could offer my own observation as to why we are at this point of stalemate, in all candor, I think the first continuing resolution failed because your party chose, for whatever reason, to attach issues regarding environmental regulation and Federal criminal appeal habeas corpus review, and some other things.

Mr. HOKE. It had the Medicare Part B premium. I thought that was the one the President really hung his hat on.

Mr. ANDREWS. He did, but the party chose to put veto bait on the bill.

The failure of the second resolution is the fault of our party, frankly, because I think the President chose to send a political signal to his democratic base that he would not buy into your 7-year number because that was an important symbol for his base, so strike one on you, strike two on us, so here we are with nothing.

It just occurs to me that if the five or six of us here at 11:35 tonight had the power to make this decision, I think we would make a decision that would be fair and reasonable and probably get the people back to work by Monday. I do not see why we cannot do that.

Mr. HOKE. Reclaiming my time, I think what you have said is quite fair and correct, but I really do think that ultimately it boils down to the President not being able to live with a 7-year balanced budget and maintain his political base, and that is really what is going on. What we are talking about is \$800 billion of difference. That, really, is finally what it boils down to.

Mr. ANDREWS. If the gentleman will continue to yield, Mr. Speaker, I agree with the gentleman that there is a philosophical divide here that has to be dealt with. I think the proper place to deal with that is on the debate over the reconciliation bill. I think we ought to have that debate while the Government is running.

Mr. HOKE. Exactly. I totally agree with that.

Mr. ANDREWS. And we should make that resolution. Between now and Monday, and I hope we can for family reasons finish by then, but we ought to make it our mission to get that done by Monday, and I think the 300 of us who want to see a 7-year balanced budget will win, which is as it ought to be.

Mr. BALDACCI. If the gentleman will continue to yield, I do not think the President opposes a balanced budget over that period of time.

Mr. HOKE. Why do you say that?

Mr. BALDACCI. Let me just say, I do not think he does. When you start adding tax breaks to it—

Mr. HOKE. That is not in there. It is not in the CR.

Mr. BALDACCI. You know it is in the budget reconciliation.

Mr. HOKE. It does not go to the details, it does not say how. It just says that we will.

Mr. BALDACCI. Let me say honestly to you, so we can cut down to the chase, when you add the tax breaks to it, even among us, it makes it so that you push it so it would have to be 8 years, because you really cannot do any more in 7 years and balance the budget and make the cuts. We have through it with the gentleman from Texas [Mr. STENHOLM] and others, and it cannot be done.

Mr. HOKE. Mr. Speaker, reclaiming my time, I do not doubt that we disagree about these things, profoundly, and that they could be real problems. Maybe that means the President will veto this and we will never come to an agreement, and we will just have to keep running the budget or the Government by a CR, but the fact is that the CR does not say that. It does not say how you get there. It just says that you are committed to it. The President refused to sign that, or he says he is going to veto it. He has made it very clear.

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

[Mr. DORNAN addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

THE BUDGET AND THE MEDICARE PRESERVATION ACT

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

Mr. GANSKE. Mr. Speaker, I was proud to vote for the Balanced Budget Act today, which included the Medicare Preservation Act. I do not want to sound like a broken record, but this bill does not cut a dime of spending on Medicare or Medicaid. In fact, both programs, in both programs, spending increases every year. Medicare spending will increase by 45 percent over the next 7 years. That is more than twice

the rate of inflation. Medicare spending in the last 7 years was \$926 billion. Over the next 7 years, we will spend \$1.6 trillion on Medicare. I defy any of my colleagues to explain to the American people how that is a cut.

The same is true for Medicaid, which has grown an astronomical 11,000 percent in the last 30 years. Medicaid spending over the last 30 years was \$443 billion. Over the next 7, we will spend almost double that amount, \$785 billion. I renew my challenge to the other side: Tell the American people how that is a cut.

Mr. Speaker, in April the six Medicare trustees, concluded that Medicare is going broke. The trustees included three Members of the President's Cabinet: Donna Shalala, Secretary of Health and Human Services; Robert Rubin, Secretary of Treasury; and Robert Reich, Secretary of Labor, and the President's appointed head of Medicare, Bruce Vladek, they all concluded that Medicare is going bankrupt in the year 2002.

Now, what does the Medicare Preservation Act do and what does it not do? Mr. Speaker, the Medicare Preservation Act will not raise Medicare copayments and deductibles, other than an increase in premiums for the very wealthy. It will not reduce services or benefits in the Medicare program. It will not force anyone to join an HMO.

The Medicare Preservation Act will retain the current fee-for-service plan, which means that beneficiaries can retain their choice of health providers and not be forced into an HMO. It will insure the solvency of Medicare, until at least the year 2010. It will increase the average annual spending per beneficiary, from \$4,800 this year to \$6,700 in the year 2002. It will require Part B beneficiary premiums to cover 31.5 percent of the program costs, the same that it is doing today. It does ensure that core benefits in the current Medicare program will be retained and must be offered to all beneficiaries, regardless of health status or age.

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It will increase the amount to be spent over the next 7 years by \$659 billion over that spent in the last 7 years, and it will attack fraud and abuse in tough new programs that have criminal penalties.

The Medicare Preservation Act will provide new and attractive choices for beneficiaries, provider-sponsored networks, medical savings accounts, but, Mr. Speaker, the plan will provide for significant patient and consumer protections.

Many have raised questions regarding increases in their Medicare Part B premiums. In 1988, Medicare Part B premiums were \$24.80 per month. This year the premium is \$46.10 per month. Premiums have doubled in the last 7 years, and if nothing is done, they will increase to \$87 in the year 2002. But, Mr. Speaker, let me also add that

monthly Social Security benefits for retired workers will increase from \$702 a month today to \$965 a month in the same program in the same period.

Mr. Speaker, a top priority of this bill is combating Medicare fraud and abuse. I am on the Subcommittee on Health and the Environment and we held several hearings on this subject. The General Accounting Office has estimated that we can save possibly 5 or 10 percent in Medicare spending. From now on seniors will have the right to review their Medicare bills and if they discover fraud, they can receive a portion of the savings.

Mr. Speaker, by providing seniors with added choices, while not increasing their share of the percent of the premiums, the Medicare Preservation Act will be good for senior citizens, and for taxpayers.

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

[Mr. FLANAGAN addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

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

[Mr. SCARBOROUGH addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

REPUBLICANS MEET BUDGET CHALLENGE

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

Mr. LEWIS of Kentucky. Mr. Speaker, today, November 17, this House passed a balanced budget, the 1995 Balanced Budget Act. Twenty-six years it has taken to reach this day. Mr. Speaker, 26 years of spending, and spending, and taxing, and spending. Today we met the challenge, we stood up for the American people, and we have decided that we are going to bring the fiscal policies of this country into order.

Mr. Speaker, 40 years, though, this House has been controlled by one party, 40 years. What do we hear when we now are trying to do what the American people sent us here to do, and that is to balance the budget? We hear the status quo being preached from the other side; that we are going to ruin this country; that we are going to hurt our senior citizens; that we are going to hurt children; that we are going to do harm to this great country.

Mr. Speaker, why is it after 40 years, why is it after 30 years of the war on poverty and the design for the Great Society that was initiated in 1965, why is it that we have the highest crime rate in the world? Why is it that illit-

eracy is growing and SAT scores are going down? Teenage pregnancy, illegitimacy is growing at an alarming rate. Drugs are out of control. Poverty is going up. Medicare is going bankrupt. Taxes for the average family are 40 percent.

Mr. Speaker, 38 percent of our gross domestic product is consumed by the public sector. We are \$5 trillion in debt, and we hear from our colleagues across the aisle that we are going to ruin this country.

Mr. Speaker, I submit tonight that the Great Society that was started in 1965 is a failure. The Great Society that was started in 1965, promised to win the war on poverty. As I said a minute ago, there are more in poverty today than when that started. The Great Society has taken us down the primrose lane to a society that is in trouble today. \$5 trillion. \$5 trillion was spent to win the war on poverty. The tragedy today is that we lost that war, and we are \$5 trillion in debt.

Today, I think we have started down the right road to a new future, to a truly new Great Society, a society that is going to depend on personal responsibility, on community responsibility, on State responsibility. We have started down a road where we are going to lower the taxes on middle-income families. We are going to give back to mothers and fathers and children their own money that they can spend it the way that they see fit. We are going to save Medicare for our senior citizens. We are going to turn the welfare problem around. We are going to reform it.

Mr. Speaker, that is what I was sent here to do, and the reason that I wanted to come here, to try to solve these problems. I have a 13-year-old daughter. I have a 24-year-old son, and they have no future unless we do something. I think we started to do it today.

Mr. Speaker, if I look down through the years, and if we do not solve these problems, my daughter, sometime midway through her work career and through her life, she will be seeing a \$4 trillion deficit for one year of spending for this government in the year 2030. We cannot go down that road. I think we are doing the right thing as we started down the right road today.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Lundregan, one of its clerks, announced that the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2491) "An Act to provide for reconciliation pursuant to section 105 of the concurrent resolution on the budget for fiscal year 1996," fails.

The message also announced that the Senate recedes from its amendment to the bill from the House (H.R. 2491) "An Act to provide for reconciliation pursuant to section 105 of the concurrent resolution on the budget for fiscal year

1996," and concur to the above entitled bill with an amendment.

THE BALANCED BUDGET ACT

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Connecticut [Mr. SHAYS] is recognized until midnight as the designee of the majority leader.

Mr. SHAYS. Mr. Speaker, I guess I have 12 more minutes, and I am delighted that you are willing to stay and allow me to have this special order with my friend from Kentucky. I would just like to express extraordinary gratitude for the opportunity I have, and my colleagues have, to serve in this House at this historic moment in the history of our country.

For the last 30 years, our national debt has gone up from \$375 billion to over \$4,900 billion, a 13-fold increase. During a good part of that time, I served in the State House and I wondered how Congress could do such a thing to its children. I could not comprehend how they could do it. The White House as well, of both parties.

We have seen this incredible deficit increase, continue every year adding to the national debt 13-fold and this Congress has decided to put an end to it. Today, we passed the Balanced Budget Act of 1996, which gets us on a glide-path to a balanced budget in 7 years.

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When we first started out last election, we had a Contract With America and a number of people said that will cause the defeat of moderate Republicans in particular and that it was not a very wise thing to have done politically.

I remember being asked by one of my editorial boards how I could have signed it. I asked this question, what do you think of the Contract With America that the majority party at that time has? And there was deafening silence because they did not have any program in the opening day for reforms.

They did not have 10 major reforms during the first 100 days. They had nothing. I wondered why people would be critical of a contract that did not criticize the President of the United States, did not criticize the Democrats in Congress, but was a positive plan for what we wanted to accomplish.

After we got elected with no incumbent Republican losing, fighting for a very positive program, people said, well, you used it to get elected but you will not implement it.

We started to implement it. And then they said, well, you are not going to be able to, moderates, of which I think I am one, pretty much more in the center, and I think my colleague from Kentucky would probably consider himself more to the right and more conservative, they said, you all will not get along well together.

We get along tremendously, because there is so much common ground that