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WE MUST NOT PRIVATIZE
MEDICARE

The SPEAKER pro tempore (Mrs. MORELLA). Under the Speaker's announced policy of January 19, 1999, the gentleman from Ohio (Mr. BROWN) is recognized during morning hour debates for 5 minutes.

Mr. BROWN of Ohio. Madam Speaker, the National Bipartisan Commission on the Future of Medicare is poised today to vote on a proposal that would end Medicare as we know it.

The Commission's charge was to come up with a scheme for putting Medicare on solid financial footing and improving its value to seniors. They definitely came up with a scheme, a scheme to privatize America's best government program.

Under the Commission proposal, known as Premium Support, Medicare would no longer pay directly for health care services. Instead, it would provide each senior with a voucher good for part of the premium for their private health insurance coverage. Medicare beneficiaries could use this voucher to buy into the fee-for-service plan sponsored by the Federal Government or to join a private plan.

To encourage consumer price sensitivity, the voucher would track to the lowest cost private plan. Seniors then would shop for the best plan that best suits their needs, paying the balance of the premium and paying extra if they want higher quality health care. The Commission proposal creates a system of health coverage but it abandons Medicare's bedrock principle of egalitarianism.

Today, Medicare is income blind. All seniors have access to the same level of health care. The Commission proposal, however, is structured to provide comprehensiveness, access and quality only to those who can afford them.

The idea that vouchers will empower seniors to choose a health plan that best suits their needs is quite simply a myth. The reality is that seniors will be forced to accept whatever plan they can afford.

The Medicare Commission is charged with ensuring Medicare's long-term solvency. This proposal will not do that. Proponents of the voucher plan say it would shave off 1 percent of the Medicare budget per year over the next few decades. It will only do that by charging senior citizens more. In fact, Bruce Vladeck, a Commission member and former Medicare administrator, doubts Premium Support will save the government even a dime.

The privatization of Medicare is nothing new. Medicare beneficiaries have been able to enroll in private managed Medicare plans for some time now, and their experience does not bode well for a full-fledged privatization effort. Managed care plans are

profit oriented, and the theory that they can sustain significantly lower costs than traditional Medicare simply has not panned out.

Profit-driven managed care plans do not tough it out when those profits are unrealized. Last year, 96 Medicare HMOs deserted 400,000 Medicare beneficiaries because the HMOs' customers did not meet the HMOs' profit objectives.

Before the Medicare program was launched in 1965, more than one-half of America's senior citizens did not have health insurance. Private insurance was the only option then for seniors. Insurers simply did not want seniors to join their plans because they knew the elderly would use much of their coverage. The private insurance market still avoids high-risk enrollees and, whenever possible, dodges the bill for high cost medical services.

What is perhaps most disturbing about the Commission's Premium Support plan is what it does not tell us. It does not tell us how we can make Medicare more efficient while still preserving its egalitarian underpinnings. It does not tell us how much the Nation can or wants to spend on health care for seniors. It does not give us options for reconciling what the Nation wants with how much we have or are willing to spend.

If we privatize Medicare, like the Commission wants, we are telling America that not all seniors deserve the same level of care. The wisest course for the Medicare Commission is to disband without delivering a final product. We should go back to the drawing board and we should construct a plan that builds on Medicare's strengths and ensures its long-term solvency. Selling off Medicare to the managed care industry is the easy way out and it is wrong.

REPUBLICAN AGENDA IS TO
STRENGTHEN SCHOOLS, LOWER
TAXES AND SAVE SOCIAL SECURITY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 19, 1999, the gentleman from Illinois (Mr. WELLER) is recognized during morning hour debates for 5 minutes.

Mr. WELLER. Madam Speaker, I appreciate the opportunity to address the House this morning.

I have the privilege of representing a diverse district. I represent the south side of Chicago and the south suburbs and Cook and Will Counties, bedroom communities like Morris, the town where I live, and a lot of corn fields and farm towns. Representing such a diverse district of city and suburbs and country, I have learned to listen, to try to find the common concerns and ideas and suggestions of the folks back home.

I find one very common message whether I am in the city, the suburbs

or the country, and that is that the folks back home want us to work together to find solutions, and they are looking for real accomplishments as we face the issues that are before us here in the Congress.

I am proud to say that over the last 4 years this Congress has met that challenge. I am pretty proud of what we have accomplished over the last 4 years. We did some things that people told us that we could not do. We balanced the budget for the first time in 28 years, we cut taxes for the middle class for the first time in 16 years, we reformed welfare for the first time in a generation, and we tamed the IRS for the first time ever. Those are real accomplishments.

I find as I talk about those accomplishments, folks say, well, that is pretty good, but what will the Congress do next? What are the next challenges? Where will we look to find solutions for in Washington that really matter to the folks back home? And I find as I listen to the concerns of the folks back home, they really offer a simple series of questions and a simple agenda that they want us to be working on here.

My constituents tell me they want good schools, they want low taxes, and they want a secure retirement, and that is our agenda here in this Congress, I am proud to say. Our agenda, particularly on the Republican side, is simple, just like the agenda of the folks back home. We want to strengthen our local schools, making sure that our dollars get into the classroom and that our schools are run by local school boards and local school administrators and local teachers and local parents. We want to lower taxes, recognizing the tax burden has never been higher than it is today. We want to help the middle class by allowing them to keep more of what they earn, because they can spend it better than we can for them here in Washington. We also want to provide for a secure retirement by saving Social Security and rewarding retirement savings.

It is an important agenda, but it is a simple agenda, and that is our focus this year. But we also have another challenge and another opportunity before us. Thanks to the fiscal responsibilities of this Congress, we balanced the budget for the first time in 28 years. We have now produced a surplus of extra tax revenue, an estimated \$2.6 trillion of extra money. It is burning a hole in Washington's pocket and a lot of people want to spend it. The challenge and the opportunity really is what do we do and how do we do the right thing?

The President gave a great speech back in January in his State of the Union. He said a lot of great sounding things. He said we should take 62 percent of this surplus, this extra tax revenue, and use it for Social Security. That sounded pretty good. But if we

look at the fine print, that 62 percent means he wants to spend the rest on new government.

Now, we Republicans want to take a different approach. We say we want to take 100 percent of the Social Security money and use it for Social Security. The money that is left over, the income tax surplus, we want to use for other purposes. But the reason that is important to point out is because when the President says 62 percent of the surplus for Social Security, what he is not telling us is that he wants to take \$250 billion in Social Security surplus trust fund monies and spend them on other purposes.

Now, back home, the senior citizens that I have the privilege of representing on the south side of Chicago and the south suburbs and rural Illinois tell me that is called raiding the Social Security Trust Fund. The President wants to raid the Social Security Trust Fund by \$250 billion. We on the Republican side of the aisle want to put a stop to that. We believe that 100 percent of the Social Security Trust Fund should go to Social Security. That is the contract of Social Security. We believe it is time to wall off the Social Security Trust Fund so that Social Security dollars only go to Social Security, as they were promised when we all paid our payroll taxes.

Also, I want to point out that in the first few years of the surplus that almost 100 percent of that surplus, extra tax revenue, is Social Security Trust Fund dollars. So when someone wants to create new government programs, they are borrowing, as they would say, or raiding, as senior citizens would say, to create new government. They are raiding the Social Security trust funds. We need to keep an eye on that.

We also need to look at the tax burden, recognizing that the folks back home who tell me they want lower taxes, to see why the tax burden is so high today. I have been told that for the average family in Illinois that almost 40 percent of the average Illinois family's income today goes to government. We need to lower taxes.

Let us eliminate the marriage tax penalty, let us save Social Security, and let us wall off the Social Security Trust Fund.

Madam Speaker, I rise today to highlight what is arguably the most unfair provision in the U.S. Tax code: the marriage tax penalty. I want to thank you for your long term interest in bringing parity to the tax burden imposed on working married couples compared to a couple living together outside of marriage.

Many may recall in January, President Clinton gave his State of the Union Address outlining many of the things he wants to do with the budget surplus. Although we were prepared to dedicate 90 percent of the budget surplus to saving Social Security, we agree with the President that at least 62% of the Budget Surplus must be used to save Social Security.

A surplus provided by the bipartisan budget agreement which: cut waste, put America's fiscal house in order, and held Washington's feet to the fire to balance the budget.

While President Clinton paraded a long list of new spending for new big government programs—we believe that a top priority after saving Social Security and paying down the national debt should be returning the budget surplus to America's families as additional middle-class tax relief.

This Congress has given more tax relief to the middle class and working poor than any Congress of the last half century.

I think the issue of the marriage penalty can best be framed by asking these questions: Do Americans feel it is fair that our tax code imposes a higher tax penalty on marriage? Do Americans feel it is fair that the average married working couple pays almost \$1,400 more in taxes than a couple with almost identical income living together outside of marriage? Is it right that our tax code provides an incentive to get divorced?

In fact, today the only form one can file to avoid the marriage tax penalty is paperwork for divorce. And that is just wrong!

Since 1969, our tax laws have punished married couples when both spouses work. For no other reason than the decision to be joined in holy matrimony, more than 21 million couples a year are penalized. They pay more in taxes than they would if they were single. Not only is the marriage penalty unfair, it's wrong that our tax code punishes society's most basic institution. The marriage tax penalty exacts a disproportionate toll on working women and lower income couples with children. In many cases it is a working women's issue.

Let me give you an example of how the marriage tax penalty unfairly affects middle class married working couples.

For example, a machinist, at a Caterpillar manufacturing plant in my home district of Joliet, makes \$31,500 a year in salary. His wife is a tenured elementary school teacher, also bringing home \$31,500 a year in salary. If they would both file their taxes as singles, as individuals, they would pay 15%.

MARRIAGE PENALTY EXAMPLE

	Machinist	School teacher	Couple	H.R. 6
Adjusted gross income	\$31,500	\$31,500	\$63,000	\$63,000
Less personal exemption and standard deduction	\$6,950	\$6,950	\$12,500	\$13,900 (Singles x 2)
Taxable income	\$24,550 (x .15)	\$24,550 (x .15)	\$50,500 (Partial x .28)	\$49,100 (x .15)
Tax liability	\$3,682.5	\$3,682.5	\$8,635	\$7,365
Marriage penalty			\$1,270	
Relief				\$1,270

But if they chose to live their lives in holy matrimony, and now file jointly, their combined income of \$61,000 pushes them into a higher tax bracket of 28 percent, producing a tax penalty of \$1,400 in higher taxes.

On average, America's married working couples pay \$1,400 more a year in taxes than individuals with the same incomes. That's serious money. Millions of married couples are still stinging from April 15th's tax bite and more married couples are realizing that they are suffering the marriage tax penalty.

Particularly if you think of it in terms of: a down payment on a house or a car, one year's tuition at a local community college, or several months worth of quality child care at a local day care center.

To that end, U.S. Representative DAVID MCINTOSH (R-IN) and U.S. Representative PAT DANNER (D-MO) and I have authored H.R. 6, The Marriage Tax Elimination Act.

H.R. 6, *The Marriage Tax Elimination Act* will increase the tax brackets (currently at 15% for the first \$24,650 for singles, whereas married couples filing jointly pay 15% on the first \$41,200 of their taxable income) to twice that enjoyed by singles. H.R. 6 would extend a married couple's 15% tax bracket to \$49,300. Thus married couples would enjoy an additional \$8,100 in taxable income subject to the low 15% tax rate as opposed to the current 28% tax rate and would result in up to \$1,215 in tax relief.

Additionally the bill will increase the standard deduction for married couples (currently \$6,900) to twice that of singles (currently at \$4,150). Under H.R. 6 the standard deduction for married couples filing jointly would be increased to \$8,300.

H.R. 6 is enjoys the bipartisan support of 230 co-sponsors along with family groups, including: American Association of Christian Schools, American Family Association, Christian Coalition, Concerned Women for America, Ethics and Religious Liberty Commission of the Southern Baptist Convention, Family Research Council, Home School Legal Defense Association, the National Association of Evangelicals and the Traditional Values Coalition.

It isn't enough for President Clinton to suggest tax breaks for child care. The President's child care proposal would help a working couple afford, on average, three weeks of day care. Elimination of the marriage tax penalty would give the same couple the choice of paying for three months of child care—or addressing other family priorities. After all, parents know better than Washington what their family needs.

We fondly remember the 1996 State of the Union address when the President declared emphatically that, quote "the era of big government is over."

We must stick to our guns, and stay the course.

There never was an American appetite for big government.

But there certainly is for reforming the existing way government does business.

And what better way to show the American people that our government will continue along the path to reform and prosperity than by eliminating the marriage tax penalty.

Ladies and Gentleman, we are on the verge of running a surplus. It's basic math.

It means Americans are already paying more than is needed for government to do the job we expect of it.

What better way to give back than to begin with mom and dad and the American family—the backbone of our society.

We ask that President Clinton join with Congress and make elimination of the marriage tax penalty a bipartisan priority.

Of all the challenges married couples face in providing home and hearth to America's

children, the U.S. tax code should not be one of them.

Let's eliminate The Marriage Tax Penalty and do it now.

Madam Speaker, I include for the RECORD a copy of a newspaper article dealing with the Tax Code and handling the budget surplus.

[From the Chicago Tribune, Jan. 31, 1999]

HOW TO HANDLE THE BUDGET SURPLUS

WASHINGTON.—Four years ago when I was first elected to Congress, I ran on the need for fiscal restraint in Washington, D.C., and a return of power to people back home. We fought for our belief that we could balance the budget and provide a tax relief for America's working families. For months we were told by Washington insiders and the media that it couldn't be done. Well, we proved them wrong, and we did it ahead of schedule.

Today Congress has a great opportunity as well as a significant challenge before it. A massive surplus of extra tax revenue is projected as a result of a balanced budget. The challenge lies in what Congress chooses to do with the budget surplus.

Saving Social Security is the first priority for the surplus. It's a bipartisan consensus. Last fall, House Republicans showed tremendous responsibility and leadership by passing a plan that earmarked 90 percent of the surplus for Social Security. President Clinton used this month's State of the Union message to call for setting aside a minimum of 62 percent of the surplus (\$2.7 trillion over 15 years) for Social Security.

Although we were prepared to set aside much more to save Social Security, Republicans agree to the president's request to set aside 62 percent of the surplus for Social Security. But the question remains of what to do with the rest. President Clinton proposes to spend it on big, new, expensive programs; Republicans want to give this back as tax relief.

Those who oppose tax cuts will fight tooth and nail against lowering today's tax burden. According to the U.S. Treasury, the total income tax take from individuals and families has increased 63 percent since 1992. In fact, according to the Tax Foundation, if you add up the local, state and federal tax burden, taxes are almost 40 percent of the average family's income. Wouldn't most people agree that today's tax burden is too high?

We can save Social Security and cut taxes at the same time. Some say we can't—they were the same ones who opposed balancing the budget and cutting taxes. We proved them wrong. For example, using only 25 percent of the surplus (allowing for an additional 13 percent of the surplus to be dedicated to shoring up Social Security or paying down the national debt) we could enact a 10 percent across-the-board tax cut for all American taxpayers while still eliminating the unfair marriage tax penalty and relieving family farms and family businesses of the inheritance or "death" tax.

The president's step gives us a window of opportunity to save Social Security. We commend the president for his new-found willingness to work with us to save Social Security, secure retirement savings, provide sorely needed tax relief and equip the next generation to compete in a global economy. But now that we have agreed on the first step in saving Social Security, we need to focus on the details. It is irresponsible to spend the people's surplus on new, big government programs. We must give this money back to the American people. Saving Social Security, paying down our national debt and

offering real and substantial tax relief to all working Americans are three strong ways to spur our economy and lead the way into the next century.

—U.S. Rep. Jerry Weller (R-Ill.).

2000 CENSUS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 19, 1999, the gentleman from Florida (Mr. MILLER) is recognized during morning hour debates for 5 minutes.

Mr. MILLER of Florida. Madam Speaker, a previous Speaker talked about his concerns that the Medicare Commission is going to be unsuccessful today, and that is very unfortunate. I think that Senator BREAU, a Democrat from Louisiana, and Senator KERREY, a Democrat from Nebraska, and other Members are advocating a way to save the Medicare program for the future. Ten of the 16 Members, according to the newspaper, will support a Premium Support plan, which is a way to really modernize Medicare and bring it into the 21st century. It is disappointing that they are not going to be able to get this supermajority, but we need to continue to try, because Medicare is too important a program to let fail as it is moving towards bankruptcy.

But, Madam Speaker, today I rise to talk about the upcoming 2000 Census. One year from this month the forms will go in the mail and we will begin the process of counting everyone in this great country. After wasting millions of dollars, the Census Bureau had planned for an illegal census plan to use sampling. The Supreme Court ruled this past January that they cannot use this illegal plan to only count 90 percent of the population.

Thank goodness the Supreme Court ruled when it did, because now we will at least have an actual count of the population. But sadly, the Census Bureau is going to advocate a two-number census. They are going to advocate a number, as approved by the Supreme Court, where they will count everyone, and then they want to adjust those numbers and have a second set of Clinton numbers. So we will have the Supreme Court approved numbers of actual counts and then the adjusted or manipulated numbers of the Clinton administration.

Wow, what a disaster we are going to face with this census. And the census, I think we could call it, the DNA of our democracy, because most elected officials in America are dependent on this census for drawing their lines to represent, whether it is a school board, a State legislator or a city council person. Billions of dollars are allocated by this money, based on the census.

A two-number census is bad for several reasons. First of all, it is terrible public policy; second of all, it is illegal; and, third, it is less accurate. As far as

public policy, the Census Bureau has argued for years that we should only have a one-number census, and now they have flip-flopped. Due to political pressure they have flip-flopped to go to a two-number census. It will add confusion and create a lack of trust in this system.

Imagine that. I am from Bradenton, Florida. My city will have two numbers. Not just the city, every census block in the city; every census track in the city. A block may have 20 or 50 people. There will be two numbers, one by the Supreme Court approval and one that Clinton says, these are my numbers, use these. Talk about confusion. The Census Bureau was right, until they flip-flopped, and now political pressure has caused them to change.

Well, I expect the Supreme Court will rule that the second set of numbers will be illegal anyway. Reading the ruling by Supreme Court Justice O'Connor in the majority opinion in January, talking about the issues of one man, one vote issues, talking about the technical statistical issues of taking a census track where we may have 20, 40, or 50 people living and then adjusting it, it is going to be torn apart in the courts and thrown out. So, again, they are proceeding down an illegal route.

And then the statistics. I used to teach statistics for many years, and I have a lot of confidence in sampling. The problem is, when we start using statistics and sampling and adjustment for redistricting, we have to work with census block data. There are millions of census blocks in this country, and when we start drawing lines based on a block, whether it is a city block or whatever the dimensions are in an individual's area, and then those are adjusted, the accuracy is not very accurate.

When they analyzed the attempt to do this back in 1990, they said it was less accurate, and yet that is what they are advocating, and that is what is so disappointing. Well, the Republicans in Congress have been advocating some improvements to the 2000 Census plan, and I am puzzled why Democrats would oppose ideas to improve the plan. It is just puzzling why they do not want to improve it.

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For example, one proposal made is the Census Bureau is only going to publish the forms in five languages. They say that accounts for 99 percent of the people. There are a lot of different languages out there representing a lot of other people living in this country that are going to have a hard time completing the form.

We had a hearing in Miami. There are over 100,000 Haitians living in the Dade County area in Miami. They do not publish the form in Creole. So how are you going to count this undercounted area? How do you tell these people,