Roman Catholic, he was a colonel in the Marine Reserve, and I pointed out to him in a radio debate in 1982 at a station in Pasadena, KRLA—how is that for a memory—I said, you know something my State Senate friend, reaching out and grabbing any kind of flesh, whether heterosexual or homosexual, lust is lust. It is one of the seven deadly sins. It is all a mortal sin whether normal or abnormal.

He went ballistic. Would not accept that. Then I found out he had a scandal brewing. He had two college students where he taught as a professor, a marine officer, who were pregnant with children out of wedlock. He bragged, quite properly, at least he was pro-life. I could not understand why he took such exception to saying that God is not going to judge a promiscuous homosexual any more harshly than he will judge a promiscuous heterosexual. It is all lust. It is all the ceremony of innocence being drowned as we do this to our children.

So there it is, when I am a teenager rationalizing Cary Grant and arguing on a radio show in a California Senate race in 1982. Here is my point for telling those two little tangential tales. My eyes jump above all the bylines of these people, Steve and Peter and Claudia and Mark and Nadine and Martha, and here is the last line of this disgusting, vile, decadent piece from the Graham empire of the Washington Post Newsweek magazine and other small newspapers.

It says in the last paragraph, in San Francisco recently Tim Horing—remember him, Roman Catholic, parents retired New York narco cop father—he was telling his friends about how he changed his approach to picking up boys. How old was Horing? 21. Hey, Newsweek, did you slip here in your investigative reporting? Telling his friends how he had changed his approach to pick up boys? Is he a 21-year-old chicken hawk hitting on runaway young men on the street who also, in most cases, until recently, when peer pressure overwhelms even good attentive Jewish Christian mothers and fathers. In the old days, last year, last decade, it was young boys who never knew a father's masculine touch, a mother's hug, a mom or dad taking them to a baseball game or fishing. It was young men who ran away from inattentive alcoholic families that ended up on the street of once glamorous Hollywood Boulevard to be preyed upon, P-R-E-Y-E-D upon, to be taken off for porno films and turned into midnight cowboy male street whores all along Selma Boulevard behind beautiful Jesuit Blessed Sacrament Church in Hollywood.

I drove down that street when I did Michael Reagan's show a month ago, and there they are, still huddling in the driveways with less business because now most of them are infected with AIDS. So Tim Horing—I have to check if he was 21. Yes, he is 21. He says the boys that I pick up now—he has changed his approach. ''I used to say are you queer? Then I switched to, do you like boys? Now his favorite line is, do you like me?''

As he sees it, ''I have gone from the political to the historical attraction to the very personal. All that matters is if they like me.'' This is the new bisexual moment, Newsweek says. This is their close in a nutshell.

And I close with this line, Mr. Speaker. ''Hard fought, hard thought, and distinctively individual. It is a thorny narrative, fraught with questions of identity and belonging. And in the end, it is really about the simple, mysterious pull between warm human bodies when the lights go out.''

My teenage rationale for Cary Grant. We are in advanced moral decay, Mr. Speaker, and I am going to stay in the Presidential race as long as I can, because there is not anyone in the race like Congressman ROBERT K. DORNAN at age 62.

BALANCING THE BUDGET

The SPEAKER pro tempore (Mr. FOX of Pennsylvania). Under the Speaker's announced policy of May 12, 1995, the gentleman from Connecticut [Mr. SHAYS] is recognized for 60 minutes as the designee of the majority leader.

Mr. SHAYS. Mr. Speaker, I appreciate the opportunity to address this Chamber in a special order, and to say that I am interested in talking on a very different issue than the previous speaker, and to say for those who are in staff and want to know what time we are going to end, I do not intend to use the full hour. Twenty minutes is my goal.

Mr. Speaker, I have been in public life for 20 years. I have served 13 years in the statehouse and now 8 years in Congress, but I was in the statehouse and I looked at Congress, an institution that I revered as someone who in high school and college was an American history major, and wondered why Congress would not do its most basic responsibility, and that is to get its own financial house in order. I knew we had to do that at the State level, but I saw Congress continually deficit spend and wondered why it was happening.

I realized it was not the fault necessarily of one party or the White House versus Congress or the Congress versus the White House. Republicans did not want to control military spending, and Democrats did not want to control the growth of what we call entitlements, Medicare, Medicaid, food stamps, other programs. By law, you were entitled to the benefit, entitlements never being voted on by Congress on automatic pilot.

So Republicans did not give on defense. Democrats did not give on entitlements, and then they got together each year to vote on budgets with large deficits, Republicans and Democrats together, the White House and Congress.

During these 8 years I have served in Congress, I have noticed and felt a real privilege of being part of a small group really championed by JOHN KASICH, our Budget Committee chairman, who 8 years ago introduced budgets to get our financial house in order and only 30 Members at that time supported it.

But each year I notice something very distinct. Each year I notice that more and more Members were troubled by the fact that we were increasing our national debt to such a point. It went up in the last 20 years from $800 billion to now $4.9 trillion.

□ 1415

Each year I would notice 30 would vote for it, then 50, then 70, and during the last Congress, we had a hard core of 160 who were concerned about getting our financial house in order. In fact, at one point, there was a bipartisan effort, unique in this Chamber, comprised of Democrats and Republicans, called the Penny-Kasich proposal, which sought to make over $100 billion of cuts in Government spending.

I went to the White House to encourage them to support this proposal, and if they could not support it, to at least not oppose it. They opposed it. It was defeated by only four votes, Republicans and Democrats uniting to get our financial house in order. We needed 218 votes, and we had about 213.

We now as Republicans have an opportunity to lead Congress, and it is the first time in 40 years. We have, under our watch, the opportunity to get this country back in balance. We have three basic goals. One of our goals is, first, to get our financial house in order and balance our Federal budget.

Our second is to preserve, protect, and strengthen our trust funds, particularly Medicare, which we will see shortly is going bankrupt in 7 years. It is starting next year to go bankrupt. The Medicare trust fund is the trust fund that working people pay into, 1.45 percent is their share; if they are self-employed then they pay double that, 2.9 percent, into a trust fund that pays for the hospital costs of Medicare.

Our third effort is to transform our social and corporate welfare state into an opportunity society, where the most disadvantaged in our communities can have a better future.

Mr. Speaker, as a moderate Republican I am very comfortable using an opportunity society, because that is what we need and that is what we are seeking to have. When we try to get our financial house in order, this first chart basically shows that overall, we are going to spend more money. When we talk about cuts, we are going to cut some programs. Foreign aid is going to be cut. We are going to spend less next year than we spend today. There are certain programs in what we call discretionary spending that are going to be cut. We are going to spend less in those programs than next year. We are going to eliminate some programs. We are going to consolidate some departments.

There are some programs that are going to stay even. Defense spending

under our proposal stays even. I would like it to be a reduction, but it is a hard freeze for the next 7 years. In real dollars it is a cut. In absolute dollars it is the same.

In some programs, like Medicare and Medicaid, we are going to spend more dollars. We are not cutting Medicare and Medicaid, we are increasing it. It is only in Washington, when we increase spending but do not spend as much as some people say we should spend, we call it a cut.

One of the ironic things that I found when I became a Member of Congress 8 years ago was that if Congress spent $100 million for a program, in the next year to run the same level of service it has to spend $105 million. If we spend $103 million, even though we were spending $3 million more, Congress, the White House, and the press would call it a $2 million cut in spending, whereas most people I know back in my district would say, ''My gosh, you spend $100 million this year, next year you are going to spend 103, so that sounds like a $3 million increase.''

In our original spending we are at $1.5 trillion. Under our proposal in the seventh year we are going to be spending $1.8 trillion. We are going to be spending more dollars in the seventh year than we spend now. We are going to change, though, the spending line, which is in red, so it automatically, in 7 years, will intersect revenues, which is in blue.

That green line is our conference agreement. We are tilting down the spending level of Government, still allowing it to increase, but knowing that it will intersect revenue and therefore have a balanced budget in 7 years.

The challenge for us when we balance our budget, and in this pie chart it illustrates it quite well, the purple colors are what we call entitlements: Social Security, which we are not going to change at all; Medicare, Medicaid, other entitlements. If you fit the law, you get the benefit of the program.

What you see in yellow is interest on the national debt. Because of Congress' and the White House's failure to control spending, having annual deficits, at the end of each year the annual deficits are then brought over to the national debt, the national debt keeps increasing.

These added deficits added to our national debt that have meant we spend $235 billion this year in interest on the national debt, 15 percent of our budget, is interest on the national debt. We cannot spend it on programs for children, we cannot spend it on programs for the middle class, we cannot spend it on programs for the elderly. We are having to spend $235 billion on interest on the national debt.

Interestingly enough, now, we pay more in interest on the national debt than we have as a deficit. If we did not have to pay so much interest on the national debt, we would not have deficits. What I vote on as a Member of Congress is about a third of the budget. I vote on defense spending, which is about 17 percent; foreign aid and the State Department, about 1.4 percent of the budget; and I vote on 16 percent of the budget, domestic discretionary spending, all what we call, in the pink, discretionary spending, and what we vote on in the Committee on Appropriations every year, I just vote on the pink, it is a third of the budget.

Then I am making decisions on what we spend on defense, what we spend to run the executive branch and the administration in its entirety, all the branches. I vote on what we spend for the judicial branch and what we spend for the legislative branch. In the executive branch, I am voting on all the grants that I have to make decisions on, but it is only, basically, one-third of the budget I vote on.

The blue I do not vote on. It just happens. It is on automatic pilot. We refer to what is in blue and what is in yellow. Two-thirds of the budget is mandatory spending, and we have not touched it in years.

When people say how come those of you who remember Gramm-Rudman, you were going to control deficits and eliminate them and not keep adding to the national debt. The reason Gramm-Rudman failed is that it only focused in on the pink, it only focused on domestic discretionary spending and defense spending, foreign aid. It ignored all the entitlements.

Now what we are looking to do is to focus in on other programs, Medicare and Medicaid in particular Medicare and Medicaid are 17 percent of our budget. These areas here, 17 percent of our budget, just two programs, are equal to all domestic spending. We are not looking to slow the growth. We are looking to not have Medicare and Medicaid grow at 10 percent a year. For a few years it actually grew at 20 percent a year.

As these programs become larger and larger, and they are mandatory, they are entitlements, what is in the pink, what I vote on every year, becomes smaller and smaller.

The budget is just simply getting out of control. We want to improve and protect and strengthen Medicare and Medicaid. We think, and we believe with all our heart and soul, we can have a better Medicare and Medicaid Program at an increased cost, but not have a 10-percent increase each year.

What is our budget doing? Our budget is having an annual decrease in domestic discretionary spending of 1.6 percent a year. We are having an annual decrease in foreign aid of 4.5 percent a year. Defense spending is not going up, and it is not going down. Some people would say, ''How can you have such a large program and not cut it at all, just keep it constant?'' I would like it reduced, but there is one serious issue that we are faced with. The Congressional Budget Office says that the defense budget in the next 7 years is over $100 billion oversubscribed. We have weapons system that if we funded all the weapons system that we have authorized, we would have $100 billion over what we are going to be allowed to spend. The Government Accounting Office, the GAO, says we are $150 billion oversubscribed. We are going to have cuts in defense spending just to stay at a constant no increase in spending.

Finally, we have interest on the national debt, which under our plan is going to grow at 2.7 percent a year. That is the interest payments that we have to pay. By the way, when we pay interest, we are not reducing the national debt, we are just carrying the cost. If it was your home mortgage, you are setting some aside on interest in the national debt and you are paying off some of the principal. We are not paying off the principal, we are just paying off the interest and trying to stay harmless. Other entitlements are going to grow at 4.1 percent a year, Medicaid, and going to grow at 4.9 percent a year, basically 5 percent each year.

We are not cutting Medicaid. Medicaid is health care for the poor, it is nursing care for the elderly. It is going to go up at basically 5 percent a year. Medicare, health care for the elderly, is going to grow at 6.3 percent a year. You have heard that Republicans intend to cut Medicare and Medicaid. It is not true. What we intend to do is slow their growth. In the process, we are looking to change these programs.

Basically, Social Security is going to grow at 5.3 percent a year. We have not looked at Social Security. We are not going to touch Social Security. We are going to focus in on these other parts of the budget. What are we looking to do with Medicaid? We intend to have Medicaid go from $89 billion in this year, to the year 2002 when it is going to go up to $124 billion. That is a significant increase in the seventh year.

It continually goes up, but what we have done is we have reduced the rate of increase. We are not cutting Medicare, we are increasing Medicare spending quite significantly. In fact, Medicaid spending in the next 7 years, we are going to spend $773 billion. In the last 7 years we spent $444 billion. We are going to spend $329 billion more in the next 7 years than we spent in the last 7. Only in Washington, when you spend $329 billion more, do they call it a cut. I know nowhere else in the country, when you spend more money do people call it a cut. We are going to spend $329 billion more.

With Medicare part A, which is health care for the elderly, money that goes to hospital costs, what we know from the trustees report, five of the members were appointed by President Clinton, three of them are Cabinet officials, and one is head of Social Security, all appointed by the President, and they issued a report earlier this year. They said conservatively that Medicare will start to have more money going out of the fund, Medicare part A trust fund,than comes into the fund. Remember, what comes into the

fund is what you pay, that 1.4 or 1.5 percent every week or every 2 weeks or every month out of your paycheck. That goes into a fund and it should be building up, but we have 136 billion this year, it is going to go down $1 billion, and by the year 2002, 7 years from today, that blue line goes to zero. There will be no money in the trust fund. Then the only way we fund Medicare would be as the money comes into the fund, it immediately gets taken out. The Medicare part A trust fund is going bankrupt.

We have four ways to save this fund. We can affect the beneficiaries, those that get the service, we can affect the providers, those who give the service, we can decide to raise taxes on those who are working today. However, we must realize that if you are self-employed, 15 percent of your paycheck—before—you pay your income tax is going into Social Security and Medicare. We have intention whatsoever in increasing that tax. We are not going to increase the tax.

We have one other choice. We can change and transform the system and, in the process, benefit beneficiaries and benefit providers. We are looking to transform the system. We are looking to protect it. We are looking to preserve it. We are looking to strengthen it. We are looking to allow Medicare patients to have the same kind of health care that everybody else has. What their children and their children's children have, we want for seniors. If they want to stay in traditional fee-for-service, the traditional Medicare program, what they have now, they will be able to do that, but we are going to try to encourage more Americans in Medicare to get into the private sector, where they can have a variety of new services, and we believe at less cost. Medicare part A is going bankrupt. We are looking to preserve, protect, and strengthen that program.

Are we going to spend less on Medicare? We are going to slow its growth. We are going to spend more on Medicare. We are going to have it go from $178 billion to $274 billion in the seventh year. We are looking to spend 50 percent more, over 50 percent more on Medicare than we spend today in the seventh year. It is going to go up that much.

□ 1430

In fact, in the last 7 years, we spent $926 billion on Medicare and we are looking to spend $1.6 trillion, $1,601 billion more, in the next 7 years. That represents $675 billion of new money. Only in Washington when you spend $675 billion of new money do they call it a cut. We are not cutting Medicare. We are going to spend $675 billion more, a total of $1.6 trillion, in the next 7 years. It goes up from the sum of $178 billion to the sum of $274 billion.

The President had at first said that we should not, quote-unquote, cut Medicare and Medicaid. He described the efforts of Congress to slow the growth of Medicare and Medicaid as a cut. But then a few months ago he came in with what he called his 10-year budget.

I want to say without any hesitation that I am very grateful, and I mean this sincerely, that the President has weighed in and said, yes, we need to balance the budget, we said 7 years, he said 10 years. But there are some of us who believe it should be 5 years, not 7, some of us stretched out into 7, but the President said we should balance the budget in 10 years.

He also said that we should slow the growth of Medicare and Medicaid. So he has weighed in on admitting and acknowledging that we need to slow the growth of these two programs, and he said we are going to spend more but we cannot spend as much as we were originally intending.

What was interesting, though, was when the Congressional Budget Office looked at the President's 10-year plan, they said it does not get balanced in 10 years. They said he is more optimistic on revenue than he should be, he is more optimistic that we can control other costs than he should be, and they said his budget never gets in balance in those 10 years.

One of the reasons why I am here today is the President constantly is referring to his 10-year budget and that he has weighed in on the balanced budget. The Congressional Budget Office says it is not balanced.

How does he say it is balanced? Because the Office of Management and Budget with their numbers, done out of the White House, have said that it is a balanced budget. They are using different economic projections.

When the President was at that dais there when he spoke to us, he said that it was important for us to sing out of the same hymnal, he said it was important for us to use the same referee, the same umpire, and he said it should be the Congressional Budget Office. We have dealt with the conservative projections of the Congressional Budget Office, in part because that is our obligation, in part because the President said that is who it should be. When we look at what the Congressional Budget Office has said about what is under current law, current law is what passed last year and the year before, if you remember, there were tax increases 2 years ago, there was a lot of disharmony, there was the thought that tax increases would slow the deficits, the Congressional Budget Office has weighed in and said under current law, the national debt is $175 billion today, the deficit, excuse me, will be $175 billion. Remember, deficits are the annual difference between revenue and spending, and they say it will be $175 billion. They say the next year under current law it will go to 210, to 230, to 232, to 265, to 296, to 310, to 340, to 372, to 408, to 454. That was the President's tax plan of 2 years ago. It does not begin to head us in a balanced budget. It is the top line, it is in black, it is current law, it goes in this direction. That is the whole debate. We have got to get that line which is headed up to head down so it gets to zero and does not keep going up.

The President's budget of February, which is hard to see, it is just below the current law, and it is only a 5-year projection, they say that the President's February budget, which the President asked us to act on, would have a deficit of basically $177 billion, 211, then it goes to 232, 231, 256, 276.

The President's budget of February keeps going up. What do they say about the President's 10-year budget? That is in red. When CBO scored the President's budget, they said it goes from 175 to 196, 212, 199, goes down, then it goes up, 213, 220, 211, 210, 207, 209, 209. It never gets below $200 billion a year. That is the President's 10-year budget. That is the budget that he says balance in 10 years.

He can say it because the Office of Management and Budget have given him numbers that allow him to say it. But when the Congressional Budget Office scores it, the organization he said should judge our budget and his budget, when we look at that budget, it never is in balance. It is in a constant deficit of over $200 billion.

When the Congressional Budget Office scores what we intend to do, and what we intend to do is have cuts in discretionary spending, cuts in foreign aid, eliminating some programs, consolidating other programs, eliminating some departments and agencies, reducing others, having a freeze on defense spending, allowing Medicare to go up, allowing Medicaid to go up, they say that our budget goes from $175 billion to 170 to 152 to 116, to 100, to 81, to 33, to minus 6 in the 7th year. Obviously we are estimating. We could be off, we could reduce the deficit a little sooner, it could go out a little more. so every year we are going to have to look at it and be firm that we get to a balanced budget in the next 7 years.

Some people said that when Congress voted for a balanced budget amendment and said they would vote to balance the budget that we, Congress, boxed ourselves in. We did box ourselves in. We felt that if we were in support of a balanced budget in 7 years, a balanced budget amendment, which is the easiest thing to vote for, all you have to do is vote for saying we will balance it, we said that the important thing is that we vote to balance the budget, and so we boxed ourselves in.

We were much like Cortez when he left the old world for the new world and was to conquer the new world. He landed in this new world and he came with sailors and soldiers and the sailors and soldiers looked back at the old world longingly, Cortez did something quite dramatic, he burned his ships. He said there is no retreat.

We have no retreat. We did box ourselves in. We have committed to balancing this budget. We are not looking back at the old world. We are looking at the new world. We are looking to get

our financial house in order, we are looking to balance the budget, we are looking to save our trust funds, particularly Medicare which is in the most trouble, and we are looking to transform this social corporate welfare state into an opportunity society where the poor have a future, and we have boxed ourselves in eagerly so. There is no retreat. There is no going back to the old world. We are in the new world and we are out to conquer the new world and to transform our society. The worst that could happen is we would fail. What is the alternative, to go back to the old world?

When the Congressional Budget Office and OMB's numbers are put together, you can learn some very interesting information. Thr red line that goes parallel horizontal is the President's budget scored by the Congressional Budget Office. The red line with black dots is the President's budget scored by the Office of Management and Budget, the President's own office. They say he balances his budget in 10 years.

Now, when we look at the congressional budget, scoring our budget, they say we balance, this green line here, they say we balance the budget in 7 years. If we use the Congress's numbers using the Office of Management and Budget, in other words, have the Office of Management and Budget score our budget using the same projections, then they say we balance the budget in 6 years.

My greatest fear, or one of my greatest fears is that we will have a budget disagreement and people call it a train wreck, I do not call it a train wreck, a train wreck implies tremendous destruction and it is pretty irresponsible to have a train wreck.

What we have is a disagreement between the White House and the President. The President says he wants us to balance the budget in 10 years but it is never balanced according to the Congressional Budget Office. We want to balance it in 7 years. The President has opinions about our spending cuts and our changes to the growth in spending. We have opportunity to have dialog on that issue.

There are things that Republicans are going to, and this majority in Congress is going to hold firm on and there are other issues that I think should be open to debate. One thing that is firm in my judgment is that we need to balance the budget in 7 years. My goodness, we should balance it in 5 years.

I think another issue that clearly is one in which we will hold to strongly, we need a tax cut. When we talk about a tax cut, understand that $145 billion in the next 7 years of loss in revenue. In a spending of over $11 trillion in the next 7 years, we are going to spend over $11 trillion in the next 7 years and we are saying let us just reduce taxes by $245 billion. Half of that tax cut is going to be a $500 tax credit to families under $200,000 for every child. If you have 3 children, you will get $1,500 back from the Federal Government. Now some people might think of that as a gift. I do not.

Mr. Speaker, I notice I am going over 20 minutes. I apologize. I am getting to my end here. Some people think of it as a gift. I do not think of it as a gift. I think of it as trying to direct money where it is nost needed, for families.

I come from a family of 4 boys. I happen to be close to 50. In fact, my biggest shock was I got an invitation to join AARP a few months ago. I do not know if you know what that is like, to get an invitation to be a member of AARP when you are still in your 40's. But my family, my dad and mom, were able to deduct in today's dollars per child from their income tax over $7,000 per child. The laws in the 1950's and early 1960's allowed you to deduct per child over $7,000 per child. Today you are only allowed to deduct $2,450, I believe, per child. So that meant in today's dollars if you were a family of 4, you could deduct $28,000 from your income, you would subtract it, and if you made $50,000, then you had only $22,000 that was taxable. That is if we had the same system now that we had when my family was raising their 4 boys. We were far more family friendly then.

People say, well, we need to be more family friendly. We need to help families. What is the best way to do it? To have a government program where the government takes off a certain amount of money before it directs it to a child? Or to allow families to decide how to spend money on their family? What we want to do with half the tax cut is to give $500 per child. If you have 5 children, you can figure out pretty clearly what you are going to be able to get from that. The other is we want a capital gains exemption.

What do I think is going to basically happen in this budget disagreement? Republicans are going to hold firm to 7 years, Republicans are going to hold firm to a tax cut. The President should weigh in and say I do not like where you are making your spending cuts and tell us how he would do it differently and we can come to some agreement, he may say we are having too large a tax cut, but ultimately I think the issue should be can we make the tax cut apply to families that are not as high income.

For instance, the President has advocated having the child tax credit apply to families with $75,000 income or less. That is an area that it seems to me makes sense for there to be compromise. Have the tax cuts, just have it apply to families that make less income, so we get away from any argument that he may have that it is going to wealthy people.

What is going to happen with Medicaid and Medicare? We are going to spend in Medicaid in the 7th year $124 billion. He has suggested spending $150 billion. There is not much difference between us. But what the President does is he says he is saving $54 billion from Medicaid and Republicans are saving $182 billion. The problem is his $54 billion is scored by OMB and he is using our $182 billion scored by CBO. If we are going to be fair, if we use the number that we are reducing the growth in Medicaid by $54 billion, that is his number, then our number has to be $114 billion. We are not that far apart. If we use our number of $182 billion of slowing the growth of Medicaid, then CBO says his number is $122 billion. We are simply not that far apart. We have the ability to work out our differences.

Finally, with Medicare, the President says he wants to slow the growth, he wants to spend $260 billion in Medicare in the 7th year and we want to spend $244 billion. There is a difference. The program if we made no change would be over $300 billion on the 7th year. He uses the number of $127 billion, OMB says he is reducing the number $127 billion, then he says Republicans in the majority want to reduce it $270 billion.

In fact, if we use OMB to OMB, if he uses $127 billion scored by OMB, then our number is $205 billion. We are simply not that far apart. If we say we are slowing the growth $270 billion using CBO, his number is not $127 billion, that is scored by OMB, we have to use CBO's number. They say he is slowing the growth of Medicare by $192 billion.

□ 1445

We are simply not that far apart. On a per beneficiary basis, we are spending $4,800 per beneficiary today to Medicare, and in our 7th year we would spend $6,734 per beneficiary. Not only did we have a 50-percent growth in Medicare, but a 40-percent growth per beneficiary. The President wants to spend $7,128 per beneficiary. We are simply not that far apart.

In conclusion, Mr. Speaker, and thank you for this time, I know you have other things to do and I appreciate it. Mr. Speaker, in conclusion, we are going to get our financial house in order. We are going to balance our Federal budget and we are going to do it in 7 years and we are going to have a tax cut.

I am hopeful that the President will weigh in and make that tax cut more responsive to low-income people. I am hoping he will weigh in and look at some of our spending reductions and make suggestions that we can compromise on. There is no reason for us to have ultimately a disagreement.

But I do know this. As a Member of this majority party, when our debt ceiling, the amount that we are allowed to borrow based on our national debt, being at $4.9 trillion, when the President comes in and says, ''I need you to raise the debt ceiling, because we have to increase the national debt above $5 trillion,'' myself, NICK SMITH, and a whole host of other Members on this side of the aisle intend to not raise the debt ceiling. We will not allow this House to increase the debt unless the White House weighs in on a 7-year budget.

Is that a train wreck? Is that gridlock? In one sense it is gridlock. We have never had gridlock on the budget. When I started out, Republicans and Democrats agreed. Democrats did not want to control the growth of entitlements and Republicans didn't want to control the growth of defense spending. So they both agreed to pass budgets with large deficits.

These budgets with large deficits have been agreed to by both Republicans and Democrats, but you have this majority Congress agreeing that we are going to get our financial house in order. It is an unprecedented thing to have Congress say it wants to spend less. Usually Congress wants to spend more.

We do not intend to waste this opportunity that we have. We have been in the minority for 40 years. We are in the majority. It is under our watch, and we look forward to getting our financial house in order.

We will have gridlock until the White House recognizes that we are determined not to increase the debt ceiling, we are determined to balance the budget in 7 years, we are determined to have what we consider a very fair tax credit. But that gridlock will end when the President agrees to a 7-year budget using real numbers, not numbers cooked by OMB, and then the debate will be in my judgment how we spend those dollars and how we effect the tax cut.

Mr. Speaker, I would like to thank you for the opportunity to address the House.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. VOLKMER (at the request of Mr. GEPHARDT), for after 11:30 a.m. today, on account of illness of spouse.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. LUTHER) to revise and extend their remarks and include extraneous material:)

Mrs. SCHROEDER, for 5 minutes, today.

Mr. OWENS, for 5 minutes, today.

Ms. JACKSON-LEE, for 5 minutes, today.

(The following Members (at the request of Mr. POMBO) to revise and extend their remarks and include extraneous material:)

Mr. MCINTOSH, for 5 minutes, today.

Mr. COBURN, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. LUTHER) and to include extraneous matter:)

Mr. FRANK of Massachusetts.

Mr. JACOBS.

Ms. DELAURO in three instances.

Mr. ACKERMAN in three instances.

Mr. FARR.

(The following Members (at the request of Mr. POMBO) and to include extraneous matter:)

Mr. WALSH.

Mr. CRANE.

Mr. RIGGS.

Mr. KIM in three instances.

(The following Members (at the request of Mr. SHAYS) and to include extraneous matter:)

Mr. EHRLICH in two instances.

Ms. DELAURO.

Mr. VISCLOSKY.

Mr. DEUTSCH.

Mr. MENENDEZ.

Mr. ORTON.

Mrs. MALONEY.

Mr. UNDERWOOD.

ADJOURNMENT

Mr. SHAYS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 48 minutes p.m.), under its previous order, the House adjourned until Tuesday, September 12, 1995, at 10:30 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1395. A letter from the Director, Office of Management and Budget, transmitting notification of the President's intent to exempt all military personnel accounts from sequester for fiscal year 1996, pursuant to Public Law 101–508, section 13101(c)(4) (104 Stat. 1388–589); to the Committee on Appropriations.

1396. A letter from the Assistant Secretary of Defense, transmitting notification that the Department of Defense will terminate its leasehold interests in the former emergency operating facility at the Greenbrier Hotel, White Sulphur Springs, WV; to the Committee on National Security.

1397. A letter from the Director of Defense Research and Engineering, Department of Defense, transmitting a report entitled, ''Fiscal Year 1996 Department of Defense Master Plan for Science, Mathematics, and Engineering Education,'' Public Law 101–190, section 829(a); to the Committee on National Security.

1398. A letter from the Secretary of the Treasury, transmitting the Department's fourth monthly report to Congress, as required by section 404 of the Mexican Debt Disclosure Act of 1995, pursuant to Public Law 104–6, section 404(a) (109 Stat. 90); to the Committee on Banking and Financial Services.

1399. A letter from the Acting Director, Office of Thrift Supervision, transmitting the 1994 annual report on enforcement actions and initiatives, pursuant to 12 U.S.C. 1833; to the Committee on Banking and Financial Services.

1400. A letter from the Secretary of Education, transmitting Final Regulations—Administration of Grants to Institutions of Higher Education, Hospitals, and Nonprofit Organizations; Direct Grant Programs; State-administered Programs; and General Provisions Act—Enforcement, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Economic and Educational Opportunities.

1401. A letter from the Secretary of Energy, transmitting the quarterly report on the Strategic Petroleum Reserve for the second quarter of 1995, pursuant to 42 U.S.C. 6245(a); to the Committee on Commerce.

1402. A letter from the Fiscal Assistant Secretary of the Treasury, transmitting notification that no exceptions to the prohibition against favored treatment of a government securities broker or dealer were granted by the Secretary for the calendar year 1994, pursuant to 31 U.S.C. 3121 note; to the Committee on Commerce.

1403. A letter from the Director, Office of Legislative and Intergovernmental Affairs, Federal Communications Commission, transmitting a report on the progress on reinventing the FCC; to the Committee on Commerce.

1404. A letter from the Secretary of Energy, transmitting a report on the status of coal-fuel mixtures; to the Committee on Commerce.

1405. A letter from the Secretary of Health and Human Services, transmitting a copy of a report entitled, ''Alcohol and Other Drug Abuse Prevention: The National Structured Evaluation,'' pursuant to Public Law 100–690, section 3522(a); to the Committee on Commerce.

1406. A letter from the Director, Office of Management and Budget, transmitting OMB's estimate of the amount of discretionary new budget authority and outlays for the current year (if any) and the budget year provided by H.R. 1944, pursuant to Public Law 101–508, section 13101(a) (104 Stat. 1388–578); to the Committee on Government Reform and Oversight.

1407. A letter from the Assistant Secretary for Indian Affairs, Department of the Interior, transmitting a proposed plan related to the use and distribution of the Mission Indian's judgement funds in Docket 80–A, before the U.S. Court of Federal Claims; to the Committee on Resources.

1408. A letter from the Under Secretary for Oceans and Atmosphere, Department of Commerce, transmitting a report related to the economic conditions of the U.S. Gulf of Mexico and South Atlantic shrimp fishery; to the Committee on Resources.

1409. A letter from the General Counsel, Department of the Treasury, transmitting a draft of proposed legislation to authorize the Secretary of the Treasury to establish a flexible procedure for facilitating timely payment on claims on account of Government checks; to the Committee on the Judiciary.

1410. A letter from the Administrator, General Services Administration, transmitting informational copies of various lease prospectuses, pursuant to 40 U.S.C. 606(a); to the committee on Transportation and Infrastructure.

1411. A letter from the Commissioner, General Services Administration, transmitting a report on Federal building consolidations; to the Committee on Transportation and Infrastructure.

1412. A letter from the Director, Office of Personnel Management, transmitting the 1993 and 1994 combined annual report on Veteran's Employment in the Federal Government, pursuant to 38 U.S.C. 4214(e)(1); to the Committee on Veterans' Affairs.

1413. A letter from the Secretary of Agriculture, transmitting notification of the intention of the Departments of the Army and