see if a projected balanced budget actually occurs. The prospect of future tax cuts would also dampen the temptation to undo some spending cuts. But the Republicans aren't likely to delay the tax cut, in part because they fear that doing so would trigger a voter backlash. This could be true, despite polls showing that tax cuts rank behind deficit reduction in popularity. Americans are so cynical about politics that they'll seize almost any reason to vindicate their cynicism.

But there is a next-best policy: strip the tax cut to its bare political minimum, the child tax credit. The cost would drop sharply (to about $163 billion over seven years, which is almost exactly the size of CBO's expected ''dividend'' from balancing the budget). And it would be much harder to attack as a giveaway to the rich. The result would be to refocus the budget debate where it belongs: on what government should—and shouldn't—do.

FACTS BEING OVERLOOKED ON PROPOSED TAX CUT

The SPEAKER pro tempore (Mr. FOX of Pennsylvania). Under a previous order of the House, the gentleman from Tennessee [Mr. DUNCAN] is recognized for 5 minutes.

Mr. DUNCAN. Mr. Speaker, there has been so much talk lately about the proposed $245 billion tax cut that some key facts are being overlooked or lost in all the political rhetoric.

First, this is not an all-at-once cut. It is spread over 7 years. This comes out to $35 billion per year. This amounts to slightly less than 2 percent of Federal spending over this period. Federal spending has gone up almost 300 percent since 1980. The first Reagan budget was $581 billion. We are at a figure almost triple that now, and will be at more than triple that during this 7-year budget period; in other words, a 300 percent increase in Federal spending in the last 15 years, while inflation during that time has averaged about 3 percent a year, or roughly 45 to 50 percent over that period.

Federal spending, in other words, Mr. Speaker, has increased at a rate roughly six times the rate of inflation over this period. Surely it is not asking too much for Federal bureaucrats to give back 2 percent a year when they have had such whopping increases, and an almost 300 percent increase over the last 15 years.

Federal taxes now take almost half of the average person's income. We are talking about the average person here, not the wealthy, but almost half of the average person's income when you consider taxes of all types: Federal, State, local, sales, property, income, gas, excise, Social Security, and so forth. When you consider the indirect taxes that we all pay in the form of higher prices because corporations do not pay any taxes, they have to pass their taxes on to the consumer in the form of higher prices for shirts, tires, shoes, food or everything that we buy.

Second, most of this proposed tax increase, over 70 percent, would go to people making less than $50,000 per year. Somehow we never hear about that.

Third, one of our leaders, the gentleman from Texas [Mr. ARMEY], has proposed a flat tax which would totally exclude all income under $38,000 for a married couple and $26,000 for a single person. In other words, most of the people I represent would be totally excluded from Federal income taxes. They would still have to pay other taxes, but what this really means is that the position of most Republicans is that we would exclude lower income people from Federal income taxes altogether. Somehow, we never hear about that either.

Now, I voted for the $245 billion tax cut, this 2 percent tax cut. But I also happen to be one of 10 Republicans who voted for a so-called compromise budget which would have put off any tax cut until we get the budget balanced. I am willing to accept less, but we should not exaggerate this $245 billion tax cut all out of proportion just for partisan political purposes. We should not constantly call this a tax cut for the wealthy, when by far the majority of it goes to middle and lower income citizens.

Our very biased national media is reporting this tax cut in a very biased, very unfair manner. I believe the people of this country know better how to spend their money, far better how to spend their own money, than the bureaucrats in Washington do. I know, too, that even with this proposed 2 percent tax cut, the Federal Government would still be spending over $1.6 trillion, rising to almost $2 trillion over this next 7 years, even if we pass this very modest 2 percent tax cut.

The choice is simple: Are we going to side with the ordinary, hard working people and give them back 2 percent of their money, or are we going to side with the bureaucrats and say you really do not have to tighten your belts. You have had just a 300 percent increase over the last 15 years, but apparently that is not enough.

Despite the lies, despite the demagoguery, despite the distortions, despite all the propaganda, I believe the people still want us to cut spending and cut taxes and give some of their money, their hard earned money, back to them.

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

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

MEDICARE REFORM MUST BE BIPARTISAN

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas [Ms. JACKSON-LEE] is recognized for 5 minutes.

Ms. JACKSON-LEE. Mr. Speaker, the Ways and Means Committee has finally completed marking up the Republican Medicare reform bill which has had no wide-spread review by all of those to be impacted by such drastic legislation. And as demonstrated throughout this saga, my Republican colleagues have shown a propensity for distorting the truth and stretching the facts. As evidence, I submit the following:

At the beginning of debate, Democrats protested that the Republican majority had delivered a new version of the bill with nine pages of revisions in the morning and had not explained them.

The changes proposed include a stipulation that any savings must be used to shore up the Medicare System, but this has been attacked by critics, as budget gimmickery because much of the Medicare revenues likely can still be tapped for other budget needs, under their plan.

It was brought to the attention of the Nation and the committee that a letter from Health Care Financing Administration head Bruce Vladeck claims the Republican proposal and the Democrats' cutting $270 billion dollars from Medicare plan to reduce Medicare spending by $90 billion over the same timeframe, both would extend the ailing Medicare trust fund to exactly the same date—2006. The question then is why this enormous cut by the Republicans is required.

Ways and Means Committee counsel Charles Kahn conceded during the markup that because of a bill passed by the House earlier this year rescinding a tax under which proceeds were earmarked for the Medicare trust fund, the net Republican savings would extend the life of the trust fund to only 2006, rather than 2010 as the Republicans have been claiming.

The committee's Democratic members unveiled a substitute consensus bill. It would continue to beef up the anti-fraud and abuse efforts, revise the way Medicare pays for graduate medical education, and create new Medicare benefits to pay for increased mammography screening, screening for colorectal cancer, and supplies for diabetics. Republicans rejected separate amendments to include the new benefits.

An amendment by Representative RANGEL to provide tax credits to primary care doctors and other health professionals who agree to serve patients in areas with a shortage of medical personnel was offered in a good faith effort to insure good health care for all Americans.

Medicare can be reformed in a bipartisan manner. Where are my Republican colleagues to join me in this effort. Do not destroy Medicare!

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

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