

Federal credit union that is open and available to provide interest free loans to Federal employees if things are pretty tight.

I certainly would like to get my Federal employees back to work as soon as possible. I think that I will only speak for myself, I am not speaking for the Republican conference when I say this, but if the President would truly bring to the table a balanced budget, that is certified as balanced by the Congressional Budget Office, and if there are not any funny gimmicks in it, then I personally would consider that to be a good faith effort on the part of the President.

Mr. SHAYS. And so would I.

Mr. GANSKE. And I personally think that that would be the time then that we should bring the Federal employees back.

I think it should be noted, though, that I am not saying that the President has to agree with our plan. I am not saying we have to come to agreement on that. All that I personally would ask is that the President finally honor his commitment and bring a plan, his own plan to the table, so that we could get on with the job of comparing apples to apples and oranges to oranges in this budgetary process.

It is hard to make progress unless the President makes that first step and honors the signature he put on the line.

Mr. SHAYS. The commitment that the gentleman has made is one that I share. The President submits the balanced budget, scored by the Congressional Budget Office, using real numbers, not necessarily our numbers, his numbers, his priorities, and then we know that we can go to our conference in good conscience and say that we need a temporary continuing resolution.

I want to inquire of the Chair. I know we were given 55 minutes. We are prepared to speak a little longer or we are prepared to end our discussion.

The SPEAKER pro tempore. The gentleman has 6 more minutes unless the other party shows up.

Mr. SHAYS. I understand.

Mr. Speaker, I am happy to yield back to my colleague.

Mr. GANSKE. And I would just like to point out some of the facts versus the myths that we have heard so much of over the last several weeks.

The first myth is this: Congress' budget is cutting Medicare spending.

Mr. SHAYS. Not.

Mr. GANSKE. What is the fact? What are the numbers in the last 7 years we spent? \$926 billion. And we propose spending \$1,600 billion in the next 7 years.

Mr. SHAYS. Sounds like a significant increase.

Mr. GANSKE. Myth: Congress' budget guts student loans. What is the fact? The fact is that in 1995 we spent \$24 billion; in 1996 we spend \$26 billion; in 1997, \$28 billion; 1998, \$30 billion; 1999, \$32 billion; in the year 2000, \$33 billion; the year 2001, \$34 billion, and we end up

spending \$36 billion a year in the year 2002. Every year it increases.

Mr. SHAYS. And the total increase, if I might add, of 50 percent during that time. From \$24 billion to \$36 billion. Only in this city would someone call that a cut.

Mr. GANSKE. Let us talk about the next myth. The next myth is Congress' budget makes draconian cuts in welfare funding. I think I have heard that word draconian about a thousand times in the last 3 weeks. Well, how much did we spend on welfare in the last 7 years? We spent \$492 billion. How much do we propose spending in the next 7 years? This will just flabbergast most of the viewers. We propose spending \$838 billion.

Mr. SHAYS. I wonder if the gentleman could give me those numbers again? This is on welfare?

Mr. GANSKE. This is on welfare reform. Spending on welfare. And this is a combination of the welfare programs. And this is a combination of the welfare programs. In the last 7 years we spent \$492 billion. We propose in our budget spending \$878 billion. That is an increase, folks, of \$386 billion in welfare spending.

Mr. SHAYS. Another myth?

Mr. GANSKE. If we go from 492 to 878, I do not know anyone in my district that calls that a decrease.

Mr. SHAYS. My colleague has pointed out a number of myths. We have presented our program. We are proud of our program. We are looking to the President to be an author and not just a critic.

We stand ready to work with the President and with our colleagues on the other side of the aisle to have a true balanced budget.

With that, Mr. Speaker, I would be more than happy to yield back the balance of our time.

THE JOURNAL

The SPEAKER pro tempore (Mr. METCALF). Pursuant to clause 5 of rule I, the pending business is the question de novo of agreeing to the Speaker's approval of the Journal of the last day's proceedings.

The question is on the Speaker's approval of the Journal.

Pursuant to clause 1, rule I, the Journal stands approved.

IMPACT OF BALANCING THE BUDGET ON THE LARGEST STATE OF THE UNION

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

Mr. DREIER. Mr. Speaker, I want to take just a few moments, as we prepare to file a rule, which will be considered here on the floor tomorrow morning at 10 o'clock, to talk about a very important issue to me. I am privileged to represent one fifty-second of California. I am one of 52 members of the Cali-

fornia congressional delegation, and I want to discuss the impact of our attempt to balance the budget on the largest State of the Union. It clearly would have an incredible impact.

It seems to me that we need to look at what balancing the Federal budget would do to the State of California. If the Federal budget is balanced in 7 years, \$140 billion in debt, California's share of the \$1.2 trillion in additional Federal borrowing, would not burden our future. Each of California's 11 million children will not see their share of the Federal debt increased by \$13,000 over the next 7 years.

The balanced budget bonus of lower interest rates will create jobs, free local and State resources and increase the buying power of California families.

Now, Alan Greenspan, the Chairman of the Federal Reserve Board, has stated on several occasions recently that the 2 percent drop that we have seen in interest rates is directly related to simply the discussion, the commitment and our quest for a balanced budget. Now, lower interest rates, and by the way, there is a direct line that can be drawn if one looks at election day 1994 downward, because this question for a balanced budget has led interest rates to drop further, and I am convinced that if we actually do put into place a balanced budget that we will see a further drop, and this has been predicted by many, of a percentage point or two.

Lower interest rates will create over that 7-year period 497,000 new private sector jobs in California. The cost of borrowing by the State of California will be reduced by over \$3 billion, resources that could be used to address real needs in California, which would provide a benefit of \$262 in a State tax cut per household.

Now, the point being that as interest rates drop, Mr. Speaker, we clearly would see a very beneficial impact in decreased interest burden paid by our State. The cost of borrowing by local governments within California will be reduced with the 12 largest cities in California seeing a savings of \$1.38 billion alone, resources that, again, could be used for education, health care, and local law enforcement.

The average California family that owns a home will save \$4,757 per year through lower mortgage interest rates, freeing family income to provide for themselves a higher standard of living. A California student, with the average college loan in our State of California, would save \$858 over the life of a 10-year student loan, if we were to bring about a balanced budget with those lower interest rates which would follow.

California families will obviously pay less in Federal taxes. 6,138,000 California children live in families that are eligible for the \$500 per child tax credit, if we put our package through. The Republican family tax relief will reduce the taxes of California families by \$21.6 billion over the next 7 years, money