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GOP SLASHES MEDICARE AND MEDICAID WHILE INCREASING DEFICIT

The SPEAKER pro tempore (Mr. WELLER). Under the Speaker's announced policy of May 12, 1995, the gentleman from New Jersey [Mr. PALLONE] is recognized during morning business for 5 minutes.

Mr. PALLONE. Mr. Speaker, last week the Republicans passed their budget plan which actually increases the deficit starting next year. Projections show that the 1996 deficit will be approximately \$130 billion, but under the GOP plan it will increase to \$153 billion in 1997. The GOP deficit is also higher in 1998 than this year's deficit.

I ask why. The reason is because the GOP are intent on their large tax breaks for the wealthy, part of which are paid for through excessive Medicare cuts.

In 1992 the deficit was \$290 billion and in 1993 it was \$255 billion. Under Democratic leadership the deficit has actually dropped 4 years in a row to the projected \$130 billion of this year.

What is the reason for the Republican deficit increase? Misplaced priorities, tax breaks for their wealthy friends, and a slush fund for future unnecessary tax breaks. While the Republicans claim to be deficit hawks and the saviors of Medicare, the facts indicate that they are intent on pushing this country further into debt and making large and unnecessary cuts in Medicare.

This Republican deficit-increasing budget also makes extreme cuts of \$72 billion over 6 years to the Medicaid Program and allows States to cut an additional \$178 billion, for a grand total of \$250 billion in Medicaid cuts. We are talking about major cuts in Medicaid as well as Medicare.

Many people look at the Medicaid Program as primarily for the poor, and, of course, it does assist poor people, but it also pays about 50 percent of all nursing home care for senior citizens. Without Medicaid, many middle-class adult children of nursing home parents will have to pay for their parents' expensive care, while at the same time trying to send their own children through college.

Last Thursday, Mr. Speaker, the Committee on Commerce, of which I am a member, voted on the Medicaid Repeal Act, which I vigorously fought. The Medicaid Repeal Act will eliminate all current guarantees of health care coverage and eliminate current guarantees of nursing home benefits to the elderly. This is the Medicaid Repeal Act that the Republican leadership is putting forward.

I offered an amendment to this act that would return these guarantees in this terrible legislation, but it was rejected by every Republican. Other Democrats offered similar amendments to continue health care coverage for the disabled, for children, for pregnant women, but again all those amendments were defeated by the Republicans.

On top of all this, the GOP Medicaid Repeal Act will sharply reduce payments to hospitals for care. Compounded with the extreme Gingrich-Dole Medicare cuts to hospitals, many will be forced to close their doors, especially hospitals that receive a majority of their income from Medicare and Medicaid.

Many hospitals in my home State of New Jersey are in this situation. They are highly Medicare and Medicaid dependent. I am very concerned about their being able to survive these steep cuts that have been proposed by the Republicans in Medicare and Medicaid.

Again, the Republican plans will reduce access to health care services. At a time when Congress should be seeking ways to decrease the number of uninsured and underinsured, the Republican leadership's answers will make these problems worse.

I thought it was interesting to see Speaker GINGRICH take the floor this morning and talk about how he is trying to increase portability and also increase health insurance for those with preexisting health conditions through the Kennedy-Kassebaum legislation. But that reality is that the Speaker and the rest of the Republican leadership have been insisting on including medical savings accounts in this Kennedy-Kassebaum health care reform.

What that will mean is that the healthy and the wealthy will opt out of the traditional health insurance programs and the cost for everyone else for health insurance will go up. So again, even though the Republican leadership talks about how they are trying to expand health care options, in fact what they are doing is making those options fewer because more and more people will not be able to afford health insurance.

Mr. Speaker, I just wanted to say in conclusion that in the past Democrats were able to decrease the deficit and preserve Medicare and Medicaid. The Republicans have misplaced priorities and values. The Democrats have a proven track record of reducing the deficit and ensuring that senior citizens have adequate health care. I remain committed to fighting these Republican efforts that would raise the deficit while at the same time slashing Medicare and Medicaid.

HEALTH INSURANCE REFORM HELD HOSTAGE

The SPEAKER pro tempore (Mr. STEARNS). Under the Speaker's announced policy of May 12, 1995, the gentleman from Illinois [Mr. WELLER] is

recognized during morning business for 5 minutes.

Mr. WELLER. Mr. Speaker, I represent probably the most diverse district in the State of Illinois. I represent part of the city of Chicago, the south suburbs in Cook and Will Counties, industrial communities like Rockdale and Bradley and La Salle/Peru, farm towns and a lot of cornfields.

Because my district is so very diverse, I am always looking for commonality, common concerns that the working people of my diverse district have.

I find that a major concern of working families, of course, is finding ways to make health care work better for working families and reforming health care. Of course my predecessor talked about Medicare.

Frankly I want to make it very clear that we Republicans are committed to saving Medicare from Bankruptcy. The trustees just a few weeks ago say if we do nothing, Medicare goes bankrupt in 5½ years. In fact, the Republican budget increases funding for Medicare by \$724 billion, a 62 percent funding increase for Medicare. We are committed to saving Medicare.

We are also committed to raising take-home pay for working families, increasing the opportunity for working Americans, and also helping small business and their employees. As that common concern which resonates in my district, and, that is, making health care better by improving access and by improving health care, of course, that is a concern I have got.

I know it is a priority in this Congress to reform health care. Over the last 16 months I have held town meetings and talked with a lot of my neighbors about what we can do to make health care better. When you listen and you learn the concerns of the people that I represent, frankly you learn, No. 1, that there are 40 million Americans today that do not have health care insurance. When you listen to those 40 million Americans you learn something that frankly is a surprise for many people, and, that is, that 85 percent of those without health care coverage are self-employed, they are small-business people, they are employees of these small businesses, and they are families.

The chief reason they are unable to obtain health insurance is because they cannot find affordable rates of health insurance. We are committed to making health care more affordable because we recognize that that will improve access for working Americans to our health care system.

This Republican House and the Republican Senate have responded and passed health care reform that makes health care more affordable by making it easier for small employers to band together and pool their employees so they get more affordable group rates on insurance; increasing the self-employed tax deduction, and, thanks to