

HOUSE OF REPRESENTATIVES—Wednesday, March 17, 1993

The House met at 10:30 a.m.

The Reverend Bernard Coughlin, president, Gonzaga University, Spokane, WA, offered the following prayer:

Lord of all nations and all peoples, we celebrate today your servant Patrick, bishop of Ireland. We wear the green of spring and life, the color of new vegetation, proclaiming renewal to those of us weary of winter's snow and ice.

We ask Your blessing on our Nation and its leaders. In this Chamber decisions are made that influence the lives and fortunes of the American people and people everywhere. Let our public servants serve wisely and decide justly. Give them the wisdom to know that all authority derives from Your divine authority, and that in some way they are instruments of Your work on this Earth.

This, Lord, we pray, in Your holy name—who lives and reigns forever and ever. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

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

Mr. McHALE. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. McHALE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 249, nays 140, not voting 41, as follows:

[Roll No. 73]

YEAS—249

Abercrombie	Barrett (WI)	Brewster
Ackerman	Bateman	Brooks
Andrews (ME)	Beilenson	Browder
Andrews (NJ)	Berman	Brown (FL)
Andrews (TX)	Bilbray	Brown (OH)
Applegate	Bishop	Bryant
Archer	Blackwell	Byrne
Bacchus (FL)	Bonior	Cantwell
Baessler	Borski	Cardin
Barlow	Boucher	Carr

Chapman	Johnson (GA)	Peterson (MN)
Clayton	Johnson (SD)	Pickett
Clement	Johnson, E.B.	Pickle
Clinger	Johnston	Pombo
Clyburn	Kanjorski	Pomeroy
Coleman	Kaptur	Poshard
Collins (IL)	Kasich	Price (NC)
Collins (MI)	Kennedy	Rahall
Combest	Kennelly	Rangel
Condit	Kildee	Ravenel
Conyers	Kiecicka	Reed
Cooper	Klein	Reynolds
Coppersmith	Klink	Richardson
Costello	Kopetski	Roemer
Coyne	Kreidler	Rose
Cramer	LaFalce	Rostenkowski
Danner	Lambert	Rowland
Darden	Lancaster	Roybal-Allard
Deal	Lantos	Rush
DeFazio	LaRocco	Sabo
DeLauro	Laughlin	Sanders
Derrick	Lehman	Sangmeister
Deutsch	Levin	Sarpalius
Dicks	Lewis (GA)	Sawyer
Dingell	Lipinski	Schenck
Dixon	Long	Schumer
Dooley	Lowey	Scott
Durbin	Maloney	Serrano
Edwards (CA)	Mann	Sharp
Edwards (TX)	Margolies	Shepherd
Engel	Mezvinsky	Sisisky
English (AZ)	Markey	Skaggs
English (OK)	Martinez	Skelton
Eshoo	Matsui	Slaughter
Evans	Mazzoli	Smith (IA)
Fazio	McCollum	Smith (NJ)
Fields (LA)	McCurdy	Snowe
Finer	McDermott	Spence
Fingerhut	McHale	Spratt
Fish	McKinney	Stark
Foglietta	McNulty	Stearns
Frank (MA)	Meehan	Stenholm
Frost	Meek	Stokes
Furse	Menendez	Strickland
Gedjenson	Mfume	Studds
Gephardt	Miller (CA)	Stupak
Geren	Mineta	Swett
Gibbons	Minge	Synar
Gillmor	Mink	Tanner
Glickman	Moakley	Tauzin
Gonzalez	Mollohan	Tejeda
Gordon	Montgomery	Thornton
Green	Moran	Thurman
Gunderson	Murtha	Torres
Gutierrez	Myers	Torricelli
Hall (OH)	Nadler	Towns
Hall (TX)	Natcher	Trafficant
Hamburg	Neal (MA)	Unsoeld
Hamilton	Neal (NC)	Valentine
Harman	Oberstar	Velazquez
Hastings	Obey	Vento
Hayes	Oliver	Visclosky
Hefner	Ortiz	Volkmer
Hilliard	Orton	Waters
Hoagland	Owens	Watt
Hochbrueckner	Oxley	Waxman
Holden	Pallone	Wheat
Houghton	Parker	Wise
Hoyer	Pastor	Woolsey
Hughes	Payne (NJ)	Wyden
Hutto	Payne (VA)	Wynn
Inglis	Pelosi	Yates
Inslee	Penny	
Jefferson	Peterson (FL)	

NAYS—140

Allard	Barton	Bunning
Armey	Bentley	Burton
Bachus (AL)	Billirakis	Buyer
Baker (CA)	Bliley	Callahan
Baker (LA)	Blute	Calvert
Ballenger	Boehlert	Camp
Barrett (NE)	Boehner	Canady
Bartlett	Bonilla	Castle

Clay	Hutchinson	Quinn
Coble	Hyde	Ramstad
Collins (GA)	Istook	Regula
Cox	Jacobs	Ridge
Crane	Johnson (CT)	Roberts
Crapo	Johnson, Sam	Rohrabacher
Cunningham	Kim	Ros-Lehtinen
DeLay	Klug	Roth
Diaz-Balart	Knollenberg	Roukema
Dickey	Kolbe	Royce
Dreier	Kyl	Schaefer
Duncan	Lazio	Schiff
Dunn	Leach	Schroeder
Emerson	Levy	Sensenbrenner
Everett	Lewis (CA)	Shaw
Ewing	Lewis (FL)	Shays
Fawell	Lightfoot	Shuster
Fowler	Linder	Skeen
Franks (CT)	Manzullo	Smith (MI)
Franks (NJ)	McCandless	Smith (OR)
Gallely	McDade	Smith (TX)
Gallo	McHugh	Solomon
Gekas	McInnis	Stump
Gilchrest	McKeon	Sundquist
Gingrich	McMillan	Talent
Goodlatte	Meyers	Taylor (MS)
Goodling	Mica	Taylor (NC)
Goss	Michel	Thomas (CA)
Grams	Miller (FL)	Thomas (WY)
Greenwood	Molinar	Torkildsen
Hancock	Moorhead	Upton
Hansen	Morella	Walker
Hastert	Murphy	Walsh
Hefley	Nussle	Weldon
Herger	Packard	Wolf
Hobson	Paxon	Young (AK)
Hoekstra	Petri	Zeliff
Horn	Porter	Zimmer
Huffington	Pryce (OH)	

NOT VOTING—41

Barcia	Grandy	Quillen
Becerra	Henry	Rogers
Bereuter	Hinchey	Santorum
Bevill	Hoke	Saxton
Brown (CA)	Hunter	Slattery
de la Garza	Inhofe	Swift
Dellums	King	Tucker
Doolittle	Kingston	Vucanovich
Dornan	Livingston	Washington
Fields (TX)	Lloyd	Whitten
Flake	Machtley	Williams
Ford (MI)	Manton	Wilson
Ford (TN)	McCloskey	Young (FL)
Gilman	McCrery	

□ 1055

So the Journal was approved.

The result of the vote was announced as above recorded.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore (Mr. MONTGOMERY). Will the gentleman from Massachusetts [Mr. NEAL] please come forward and lead the House in the Pledge of Allegiance.

Mr. NEAL of Massachusetts led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair wishes to inform the Members that there will be 15 1-minutes allowed on each side.

The Chair recognizes the gentleman from Massachusetts [Mr. MOAKLEY].

SUPPORT VOICED FOR THE NORTHERN IRELAND BILL OF RIGHTS RESOLUTION

(Mr. MOAKLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOAKLEY. Mr. Speaker, I rise to join with my Massachusetts colleague, Representative JOE KENNEDY, to endorse the Northern Ireland bill of rights resolution, House Concurrent Resolution 61, on this St. Patrick's Day. What could be more noble, enriching, and farsighted than for this body to stand in recognition of basic human rights and civil liberties in Northern Ireland? For well over 200 years, Americans have enjoyed freedom of speech, assembly, freedom of the press, the right to trial by jury and due process of law. Sadly, the same does not hold true for our brothers and sisters in Northern Ireland.

Since the British partition of Ireland in 1920, Northern Ireland has denied basic civil liberties to its residents based on the yearly renewal and reinforcement of emergency legislation. This cannot be permitted to continue and it is high time that the United States Congress conveys the strength of its conviction to the British Government on this enduring human issue.

Last night I was pleased to stand on the same stage with President Clinton at the annual Ireland fund dinner and heard him pledge to do his best to reaffirm traditional American values so clearly lacking in Northern Ireland today. We all agree that peace, reconciliation, and unification are goals we should clearly be moving toward, and I share Congressman KENNEDY's belief that the Northern Ireland bill of rights legislation will clearly give that movement impetus.

THE PRESIDENT'S FISH ATLASES

(Mr. EVERETT asked and was given permission to address the House for 1 minute.)

Mr. EVERETT. Mr. Speaker, President Clinton's emergency economic plan includes research that will eventually yield, of all things, two fish atlases.

Why is President Clinton including this in his emergency supplemental? Are the fish lost? Do they need a map to find out where they are going? Do these fish want to take a vacation, and do they require government money for

a road map? Or are two schools of fish suddenly without an atlas and President Clinton thinks it is an emergency situation?

Seriously, Mr. Speaker, we need to know what emergency warrants research into a fish atlas. This research will cost the American people about \$3.2 million. How many millions more are being wasted on emergency situations of this sort?

Mr. Speaker, in my mind, the only atlas we need is one that includes a road map to greater spending cuts. Let the fish find their own way.

□ 1100

BILL OF RIGHTS FOR IRELAND

(Mr. KENNEDY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KENNEDY. Mr. Speaker, on this day, when we are all Irish, when we like to drink green beer and sing a happy tune, let us not forget that Ireland is not only a place of fun, but it is a place of terrible suffering. Catholics in the north of Ireland are denied basic human rights that we in this country take for granted, rights such as the right to remain silent, the right to trial by jury, the right to a free press, and the right to due process of law.

Clearly, the British presence in Northern Ireland is not without blame. It is responsible for many injustices. That is a conclusion of Amnesty International, the Helsinki Watch, and other human rights monitors.

Northern Ireland needs what we in America take for granted: a bill of rights. Yesterday several of my colleagues joined me in filing a resolution calling on the British Government to provide a bill of rights to all Irish—Protestant and Catholic alike.

In addition, I urge President Clinton to appoint a special envoy to Northern Ireland.

If we take these steps, then I truly believe that we can bring peace at long last to Northern Ireland and have a truly happy St. Patrick's Day on into the future.

EMERGENCY SUPPLEMENTAL NO EMERGENCY

(Mr. COLLINS of Georgia asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COLLINS of Georgia. Mr. Speaker, either today or tomorrow this body is going to take up what has been termed the emergency supplemental appropriation. I don't think that the folks at 911 would take kindly to our definition of an emergency. In fact, I do not even think they would bother to respond.

Three years ago we entered into an agreement with the other side of the

aisle to cut the deficit. And part of that agreement was to adhere to strict caps on 1993 discretionary spending unless an emergency was declared.

Well, I don't know about you, but \$3.25 million to renovate a pool, \$4.5 million to replace a gym and \$5 million to build a beach parking garage is not exactly what I would call emergency spending. I mean there are enough cats and dogs in this bill to fill a kennel.

An emergency is an urgent need for assistance or relief. The only relief this bill offers is to the special interests.

Mr. Speaker, let us relieve the American people of this bill and put an end to this farce.

IRISH BILL OF RIGHTS

(Mr. NEAL of Massachusetts asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NEAL of Massachusetts. Mr. Speaker, I rise in support of legislation filed yesterday by the gentleman from Massachusetts [Mr. KENNEDY] and I that would call for the establishment of a bill of rights for Northern Ireland, where, indeed, the longest standing political dispute in the Western world is acknowledged today.

I could say without hesitation that in a period of time where we have witnessed the fall of the Berlin Wall, the end of the yoke of Marxism around the necks of the people of Eastern Europe, and the demise of the Soviet Union, that today in Northern Ireland human rights are still violated, and much of the world looks the other way.

Today there are 40 million Americans who at least in some part call themselves Irish. On the feast of St. Patrick, we acknowledge the gross inequities that occur every day in the human rights violations that occur almost hourly in that tiny province, the size of the State of Connecticut, comprised of 1.5 million people, where rights that we take in America for granted are routinely violated there.

Mr. Speaker, I ask today that my colleagues join in support of a bill of rights for that tiny nation that has given so much of its fortune to this Nation, and I ask the American people to join with me in support of a bill of rights for Northern Ireland.

O' WILLIE BOY

(Mr. SHAW asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SHAW. Mr. Speaker, today in honor of this great St. Patrick's Day and also our common Irish heritage, I would like to read an additional verse to O' Danny Boy that has been prepared in honor of this day.

O' Willie Boy, the taxes, the taxes keep rising,

From Class to Class, and Down the Income Line
 The Winter's not gone, but all your spending is coming
 Our debt is high, and your plans must go
 O' Come ye back
 When your spending is in the shadow
 And when your taxes are fair and reasonably low,
 Yes, we'll be here
 In sunshine or in shadow,
 O' Willie boy, O' Willie Boy
 Your plans must go.

ENDING THE CONSPIRACY OF SILENCE

(Mr. MENENDEZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MENENDEZ. Mr. Speaker, as an American of Cuban descent, I have long fought to promote freedom, democracy, and respect for human rights in Cuba. I rise today on behalf of those same issues, so long overlooked by this Government, in Northern Ireland.

Mr. Speaker, in my opinion, the United States has been guilty of a conspiracy of silence in continuing to ignore the issue of human rights in Northern Ireland. That is why I am proud to be a cosponsor of both H.R. 712, requiring compliance in Northern Ireland with the MacBride Principles, and Congressman KENNEDY's House Concurrent Resolution 61, calling for the adoption of a bill of rights for Northern Ireland.

Mr. Speaker, as a member of the Foreign Affairs Committee, I believe these efforts are an important step in rationalizing American foreign policy, and facing up to the reality of the unfortunate and unconscionable situation in Northern Ireland. It ought to be the policy of the United States to recognize and condemn human rights violations wherever they occur, whether perpetrated by friend or foe. The denial of basic and inalienable human rights to the residents of Northern Ireland by the British Government is intolerable. The United States must demand an end to the cycle of violence that continues to wrack both communities in Northern Ireland. Peace—real peace—can begin only when the last boot of the last British soldier is lifted from Irish soil.

WHAT ARE THE PRESIDENT'S PRIORITIES?

(Mr. McKEON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McKEON. Mr. Speaker, as you examine the President's stimulus package, you have to wonder how he defines an emergency.

I think he has included \$23 million for EPA Green programs because today is St. Patrick's Day.

I guess he wants \$148 million for the IRS, so he can improve the Government's ability to take money from the middle class. This is an emergency, with April 15 less than a month away.

I assume that our Olympic whitewater canoeing team is in pretty bad shape. That is why we need \$800,000 to start preparing for the 1996 Olympics.

With summer coming up, I guess the President felt the need to spend \$3.5 million for pool renovation.

The question I have is: Do these things really constitute an emergency? Will they really create any jobs?

In my mind, our top priority should be to cut spending. I wish the President felt the same way.

END CIVIL RIGHTS VIOLATIONS IN NORTHERN IRELAND

(Mr. MEEHAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MEEHAN. Mr. Speaker, since 1920, the people of Northern Ireland have awaited a constitution and bill of rights. For 73 years, the absence of formal protection for basic civil liberties has deepened the underlying antagonism many residents of Northern Ireland feel toward the British Government, exacerbating an already difficult set of political problems.

The people of Northern Ireland want a legal framework to support their civil rights. They want the right to a trial by a jury of their peers. They want freedom of speech and the press without government censorship. They want due process of law. In short, they want the fundamental rights that are the hallmark of a free society.

That's why I'm joining my colleague from Massachusetts in cosponsoring House Resolution 61, which urges the President to help initiate momentum in the constitutional process in Northern Ireland while enlisting the support of the European Community to end civil rights violations by the British Government. I urge the President to provide leadership on this issue.

BILL CLINTON AND THE IRS

(Mr. BAKER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BAKER of California. Mr. Speaker, I would like to alert the American people about one aspect of President Clinton's emergency supplemental spending plan.

He wants to give \$148 million to the IRS to improve its tax collection system.

The old joke about the Democrats is they have got what it takes to take what you've got.

Well, Mr. Speaker, it appears President Clinton wants to improve that ability to take what you've got.

The Declaration of Independence reminds us of an earlier "emergency," "He has erected a multitude of new offices, and sent hither swarms of officers to harass our people, and eat out our substance."

With April 15 less than a month away, it is apparent that the President feels it is an emergency to help the IRS.

But, Mr. Speaker, in my mind, the real emergency is our pressing deficit.

I urge the President to spend less time worrying about raising taxes, and more time worrying about cutting spending. That is our Nation's real emergency.

□ 1110

BILL OF RIGHTS FOR NORTHERN IRELAND

(Mrs. MALONEY asked and was given permission to address the House for 1 minute.)

Mrs. MALONEY. Mr. Speaker, I am proud to join many of my colleagues on this St. Patrick's Day to express my strong support for House Concurrent Resolution 61, which calls for the adoption of a bill of rights for Northern Ireland.

The freedom we take for granted in the United States is unknown to Northern Ireland. The people of Northern Ireland have endured human rights violations for far too long. They need and deserve the protection which a bill of rights provides.

Protecting human rights and working to end discrimination in Northern Ireland are legitimate concerns for our Government.

That is why I have cosponsored this resolution and why I also support the MacBride Principles and the appointment of a special United States envoy to Northern Ireland.

Our Government must act now to give new urgency to the search for peace among the Irish and British Governments.

It is time to impose the full weight of United States diplomacy and economic sanctions on the injustices that continue to take place in Northern Ireland.

A REAL SNOW JOB

(Mr. MICA asked and was given permission to address the House for 1 minute.)

Mr. MICA. Mr. Speaker, as Washington digs out of the so-called storm of the century, I would like to alert my colleagues of another storm that is brewing this week.

President Bill Clinton, in the name of investment, is pushing for a blizzard of new spending.

But the emergency supplemental, unlike the real crisis we had this weekend, is no emergency.

It is just another excuse for more spending.

The President has given the American people a real snow job.

Spending to help the whitewater canoeing team prepare for the 1996 Olympics is not an emergency. Nor is \$3.2 million for fish atlases. Nor is \$28 million for District of Columbia debt relief.

In this winter wonderland atmosphere, President Clinton must seem like Santa Claus to his special interest friends. I urge the American people to plow through the fiction as we consider the emergency supplemental bill this week. We don't need a Clinton spending snow job.

IN SUPPORT OF RIGHTS FOR NORTHERN IRELAND

(Mr. GUTIERREZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GUTIERREZ. Mr. Speaker, I rise today to join my esteemed colleague Congressman KENNEDY to say it is time to allow the people of Northern Ireland the same rights, the same freedoms, the same justice that we have come to expect—that we were born to respect in the United States.

On this day of special significance to all Irish people, it is only fair that the people of the United States not turn our back on the nation that has sent so many people, who have accomplished so much, to these shores.

As an Hispanic, I understand what it means to come from distant shores looking for a new life in America. People have come from all over the world to make up the mosaic that is America.

People have come from all over the world to make up the mosaic that is the Fourth Congressional District of Illinois.

And while many people think of immigrants from Mexico, and from Central America, and Cuba when they think of my particular district, I also think of our thousands of neighbors of Irish heritage.

And just as I encourage our Government not to allow unfairness and oppression in the governments of our neighbors in Managua or Havana, I believe it is essential that we fight to allow our neighbors in Belfast the same freedoms.

I am proud to join Congressman KENNEDY in that effort today.

MISLEADING THE AMERICAN PEOPLE

(Mr. LINDER asked and was given permission to address the House for 1 minute.)

Mr. LINDER. Mr. Speaker, it is difficult to take someone seriously who

uses words so carelessly in politics. We have learned that a tax is now a contribution. Spending is called investment. And today's stimulus is nothing but pure pork.

It is important that we put money forth and work on problems such as AIDS and the homeless and extending unemployment benefits. But to put it in a program and call it stimulus and job creation simply is not telling the truth, Mr. Speaker.

We have misled the American people to long.

CHICAGO'S TRAGIC FIRE

(Mrs. COLLINS of Illinois asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. COLLINS of Illinois. Mr. Speaker, yesterday a tragic fire swept through the Paxton Hotel in my district in the northside of Chicago. Sadly, the residents of this single-room-occupancy hotel were largely very low income and mostly elderly people living off small Social Security checks who were terribly vulnerable to the rapid pace of this powerful fire.

Thankfully, the Chicago Fire Department responded swiftly and with outstanding bravery to prevent an even greater tragedy from occurring. With exceptional courage, the firefighters helped dozens of the hotel's occupants safely escape from the burning building. I wish to commend Fire Commissioner Ray Orozco and all of the Chicago firefighters who acted heroically throughout the chaos and terror of this raging fire.

In the days and weeks ahead, officials in Chicago will be working to determine the exact cause of the blaze. I hope that we learn something about this fire that will help us take measures to prevent a similar tragedy from happening again.

At this time, Mr. Speaker, I would like my colleagues to join me in taking a moment of silent prayer for the victims of the fire, their friends and family who are mourning today.

KEEP THE PACKAGE INTACT

(Mr. MAZZOLI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MAZZOLI. Mr. Speaker, first off, I wish a happy St. Patrick's Day to all my colleagues. With a name like Mazzoli, it is hard to believe I am Irish, but I did go to the University of Notre Dame, the home of the Fighting Irish, so indirectly I am Irish.

Mr. Speaker, the message today is keep the economic package together. The budget resolution, which has in it \$63 billion of additional cuts in Federal spending, a total of \$500 billion over the 5 years and the economic stimulus

program. They were put together, crafted together, as a package. They are harmonious.

Losing any element would cause harm to the other elements, so let us keep the package together. The package is paid for. The package is needed.

We have what some would say is an oxymoronic situation of a jobless recovery. The economic stimulus will help put people back to work.

The program is targeted at both human investment and capital investment. We have in it the human programs for Head Start, for WIC and for child immunization, as well as the Community Development Block Grants to get the concrete poured and the bricks laid on capital projects.

So let us keep the package together and let us get America back on the trail to economic health.

□ 1120

SUPPORT URGED FOR EFFORTS TO CONVENE WAR CRIMES COURT IN BOSNIA

(Mr. GOODLATTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GOODLATTE. Mr. Speaker, I rise today to express my support for House Concurrent Resolution 16. As a cosponsor of this legislation, I believe that Congress must call upon President Clinton to convene a war crimes court to bring those who have caused the ethnic cleansing concentration camps, mass rapes, and murders in Bosnia to justice.

The world community can no longer turn its back on the senseless violence that has plagued Bosnia for over a year. While I do not advocate the use of American troops to intervene in a civil war rooted in age old divisions, the United States must act diplomatically and politically in coalition with our European allies to isolate Serbia even further.

Here we are at the dawn of the 21st century and once again the world is confronted with yet another case of ethnically motivated crimes. The memory of war crimes victims from 40 years ago in another conflict demands action. I urge my colleagues to vote for this resolution.

THE BUDGET RESOLUTION AND STIMULUS PACKAGE

(Mr. LEWIS of Georgia asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEWIS of Georgia. Mr. Speaker, I rise today to speak about new beginnings. For much too long, political gridlock has hindered the will of the American people. When our Nation elected President Clinton last Novem-

ber, the American people sent a message that it was time to end gridlock.

I firmly believe that we have the opportunity to deal gridlock a deadly blow by passing the budget resolution and the investment package this week. We have a President who wants to turn this Nation around in a new and better direction. We, as a Congress have the responsibility of helping chart this new course for our Nation. We must let it work. We must give it a chance.

Mr. Speaker, I urge my colleagues to pass the investment package. It is a fair and a just plan. The people in my district have spoken and they say put aside partisan politics and act quickly.

Mr. Speaker, I remind my colleagues that the American people want us to govern. The campaign is over. It is time to govern. Let us pass the investment package.

CONGRESS SHOULD SET EXAMPLE BY CUTTING COMMITTEE STAFF

(Mrs. FOWLER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. FOWLER. Mr. Speaker, I am joining many of my freshmen Republican colleagues in support of an effort to reduce committee staff levels here in the House by 25 percent.

I was disappointed to learn that the accounts subcommittee yesterday rejected our proposed cut and instead opted for just a freeze.

Throughout today and tomorrow, Members will take to this well to debate the budget resolution. I can guarantee you there will be a lot of talk about sacrifice, cutting back, and fairness.

Mr. Speaker, let us back up that talk with some action right here in our own House. Let us show the American people that we are willing to make the first sacrifices.

As someone who began her career as a legislative assistant here in the House, I have a great appreciation for the work done here on the Hill. While no one doubts the contribution made by these dedicated people, the current budget crisis requires we do more with less; that means less staff.

I would urge my colleagues, particularly those on the House Administration Committee, to let us set the example that we are already asking the rest of the Nation to follow.

FREEDOM OF THE PRESS

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, New York Post writers are battling an evil force. This new force is bigger, they say, than King Kong. It is the most vicious, two-headed beast ever to stalk

the streets of New York. It is their owner, Abe "The Axe" Hirschfeld.

That is right, Mr. Speaker, it is so bad in New York that Post reporters are terrorizing the board room. There is one good thing about all this. They are very consistent, these New York Post writers. They treat everybody alike; like dogs, but alike.

Three cheers for freedom of the press, and right on to the Post reporters.

URGING SUPPORT FOR PEACE IN NORTHERN IRELAND

(Mr. WALSH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALSH. Mr. Speaker, all over America people will be saying "happy St. Paddy's Day." But for some in Ireland it will be another bleak day in a continuing history of oppression, bigotry, judicial persecution, and poverty. In Northern Ireland, the forces of evil on both sides continue to thrive, spawning hatred and revenge as a legacy for the children. We in the United States who are of Irish descent remind ourselves often enough of this tragedy. And I would ask my colleagues to consider that on this day they would be part of a prouder nation if we in the United States were to take some positive action in settling this ages-old political dispute.

The horror of the history of Northern Ireland tells us eloquently why one side hates the other. In an island nation where the haves and the have nots have been identified by their religion, a minority in Northern Ireland suffers injustice under the Protestants who are the land owners and factory owners over the whole island.

But the blame for the trouble is also to be shared by militant Catholics. The IRA, the Ulster constabulary, the British-administered courts are all at odds not only with themselves but with peace and humanity. They all must take responsibility. But they will not. They operate from self-interest and righteousness. They are not capable of compromise. They are not equipped to forgive, or to lead.

There is a role for America. Congress must pass the Northern Ireland Fair Employment Practices Act. American business must get the message that our Nation will not take part in an economy that finds strength in religious discrimination. Although I am a second-generation American, I am an Irish-American as are my children and my wife. We are proud of our heritage but saddened by the continuing life and death struggle being waged for freedom of heart and body. This is a drama which we can affect. I ask my colleagues, who come from all corners of all continents, to lend their support in finding a way to peace in Northern Ireland.

TIME FOR CONGRESS TO RESPECT THE WILL OF THE VOTERS

(Mr. OWENS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OWENS. Mr. Speaker, the President who now occupies the White House was elected because the voters appreciated the fact that he was a man of vision; he is a man of vision. The budget and investment program before us in the next 2 days is a budget and investment program of this President with vision. This Congress must demonstrate that it is worthy of a President with vision. Without any further sabotage, this Congress must support the vision initiative of a new administration.

For the sake of a Nation, every Member of this House should put aside his own conventional wisdom and try to break free of his obsolete thinking. Vote to cut Star Wars and vote to cut the CIA, but vote to invest in Head Start, vote to invest in libraries, vote to invest in highways.

It is now time for Congress to catch up with the President. It is time for the Congress to respect the will of the voters and to exercise the will of the voters.

THE \$30 BILLION FIG LEAF

(Mr. SMITH of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Texas. Mr. Speaker, tomorrow we vote on the first half of Mr. Clinton's \$30 billion fig leaf.

The administration would like to use their stimulus plan to hide the fact that the economy is doing just fine on its own and then claim credit for recovery later.

Of course, like any fig leaf, it reveals more than it covers. What this one reveals is the fact that the Government cannot create real jobs, only the private sector does that.

What the Government can do is tax and borrow and spend and spend—practices the new administration has quickly mastered.

In this case, the Clinton administration would have us use a sum that could create 750,000 private sector jobs in order to pay for just 209,000 Government-created jobs—a cost of \$93,000 per job.

The good news is that it shouldn't be hard to find takers for \$93,000 jobs. The bad news is that the bill's whole cost goes straight onto the deficit.

A \$30 billion fig leaf is too high a price even for an administration so in need of cover for its rhetoric.

BUDGET RESOLUTION OUTLINES SIGNIFICANT DEFICIT REDUCTION

(Mr. HOAGLAND asked and was given permission to address the House

for 1 minute and to revise and extend his remarks.)

Mr. HOAGLAND. Mr. Speaker, we begin one of the great debates of this session today and tomorrow as we start consideration of the Clinton economic package. We have an opportunity today and tomorrow to enact a budget resolution outlining the most significant deficit reduction we have had since the fall of 1990.

Deficit reduction is the most important thing we can do to bring renewed prosperity for working families in America. I am particularly please by the additional budget cuts added by our Budget Committee under the far-sighted leadership of the chairman, the gentleman from Minnesota [Mr. SABO], that total over \$70 billion and help significantly to reduce the deficit.

□ 1130

Now the Clinton plan, since it was first brought out by the White House, has already helped to bring long-term interest rates down over eight-tenths of 1 percent. That means a decrease in the mortgage interest payments of the average family in America by \$30, \$40, or \$50 a month.

The best thing we can do for America, Mr. Speaker, is to realize this deficit reduction and continue the long effort to get the economy back on the right track.

H.R. 796 IS WRONG SOLUTION FOR ABORTION CLINIC VIOLENCE

(Mr. HUTCHINSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUTCHINSON. Mr. Speaker, the violent death at the Pensacola abortion clinic reminds us that no cause is well served by a turn to unjustifiable violence. During the civil rights movement, Dr. Martin Luther King courageously and heroically urged the civil rights movement to appeal to the better nature of their adversaries and abjure violence.

Dr. King's example is emulated by the overwhelming majority of activities in the pro-life movement. We cannot right a wrong by committing a wrong. And that message should resonate with us in this Chamber as we consider legislation in the wake of the Pensacola tragedy.

Killing is wrong. But the clinic access bill would make Federal felons out of persons who engage in nonviolent civil disobedience—but on only one issue. H.R. 796 thus does violence to the Constitution.

These are the penalties under this law: Up to 3 years in Federal prison; fines of up to \$250,000 per offense; and awards of unlimited civil damages for emotional distress, which would be automatically tripled, to clinic clients, owners, or staff.

Clearly, this bill would have a severe impact on those who seek to peacefully protest. And that is the true agenda behind H.R. 796. Picket a coal mine—go right ahead. Rally outside a college administration building—it's your right. Hold AIDS funding signs outside the Department of Health and Human Services—that's what freedom is all about. But dare to protest the taking of unborn life—go straight to jail.

SUPPORT FOR HOUSE CONCURRENT RESOLUTION 61, RESTORING BASIC HUMAN RIGHTS TO CITIZENS OF NORTHERN IRELAND

(Mr. MORAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MORAN. Mr. Speaker, I would like to speak on behalf of House Concurrent Resolution 61 that would simply give the English Government an opportunity to gain credibility in their foreign policy and end their hypocrisy by granting their Irish brethren in Northern Ireland the same rights that are guaranteed to every English citizen. These basic human rights are taken for granted in the United States, but their pursuit of these rights has cost the lives and the dreams of thousands of our Irish brothers and sisters. If we are serious about peace in Ireland we should be working for justice in Ireland.

St. Patrick's Day is a good day to talk about peace in Northern Ireland. Let us spend the other days of the year working to achieve it.

NO POT OF GOLD

(Mr. QUINN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. QUINN. Mr. Speaker, today is St. Patrick's Day, which reminds me of that old Irish tale about leprechauns, rainbows, and pots of gold.

As you know, legend has it that leprechauns hide their gold at the end of the rainbow.

Well, apparently, President Clinton thinks the rainbow ends here on Capitol Hill.

Looking at his investment package, which includes such important items as research grants fish atlases, D.C. debt relief, funding for the 1996 whitewater canoe team, and expanded arts education, I guess he thinks we have just found a huge pot of gold.

Unfortunately, Mr. Speaker, there is no pot of gold here in Congress, just some Members who seem to be willing to continue to expand the deficit.

I hope President Clinton realizes on this St. Patrick's Day, that we cannot afford to keep spending. We have to cut spending before we even think about raising taxes.

SOUTH DADE'S DOUBLE WHAMMY

(Mrs. MEEK asked and was given permission to address the House for 1 minute.)

Mrs. MEEK. Mr. Speaker, I rise today to call this Congress' attention and that of the Nation to the double whammy my community has suffered in recent months.

A little more than 6 months ago Hurricane Andrew and its 200 mile-per-hour winds swept through south Dade taking with it much of everything in its path: Uprooting homes, businesses, and some 86,000 jobs.

As the rebuilding effort began to pick up speed, and many basic and essential services were being reestablished and families had begun putting their lives back together again and some degree of normalcy had begun to return my community, then like a thief in the night, yet another blow was dealt to south Dade as the March monster, the storm of the century roared its ugly wind through south Dade destroying tent cities and trailers used to house those left homeless by Hurricane Andrew.

I am concerned about the physical and mental health of south Dade residents. The people of this community need help to cope with the problems that have loomed large in the last 6 months and those that still lie ahead.

Domestic violence and the incidence of suicide have increased threefold. Housing continues to be the single largest need in south Dade. Thousands are homeless. Many more are living in tents, trailers, with friends and relatives, and other temporary quarters. They are under particular distress today because of Hurricane Andrew and the storm of the century.

And, Mr. Speaker, as if my community has not suffered enough, word Friday of the proposed shutdown of Homestead Air Force Base did to south Dade's psyche what Andrew did to the base itself 6 months ago. The proposed shutdown of Homestead Air Force Base will take with it 8,700 jobs, and an annual payroll of \$152 million with an economic impact on the local economy of \$430 million.

We need help from the Congress in assisting this community in restoration. Initiatives such as housing, economic development and health care are direly needed. I appeal to the Congress—please help.

CONTROLLING GOVERNMENT SPENDING

(Mr. CRAPO asked and was given permission to address the House for 1 minute.)

Mr. CRAPO. Mr. Speaker, to paraphrase the president of the Institute for Research on the Economics of Taxation:

The last things the American economy needs now are tax hikes and new Federal

spending programs. No matter its form or the taxpayers on whom it is imposed, any tax increase will impede the burgeoning economic recovery and slow the growth in jobs, production, and income. New Federal spending programs, no matter how small they are to begin with, will quickly grow and become additional drags on the Nation's economic growth and vitality. To revitalize the economy, we need real, substantial, and sustained cuts in Government spending. If we really want to remove the road blocks to economic progress, we must make fundamental changes in existing spending programs to curb their expansion, not raise taxes.

Mr. Speaker, the problem is not that we have too little of the taxpayer's money to spend in Washington. The problem is we cannot control our voracious spending appetite.

IN SUPPORT OF PRESIDENT CLINTON'S ECONOMIC STIMULUS PLAN

(Mr. TUCKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TUCKER. Mr. Speaker, I rise today in support of the budget resolution for fiscal year 1994 and the President's economic plan.

Mr. Speaker, what we have heard today from many of our Republican colleagues is that the economy is recovering and that we do not need an economic stimulus. I invite my Republican colleagues to come to where I live, in the real America, not necessarily inside of the beltway here, but in places like Compton, and Carson, and South Central Los Angeles, and they will find out that the economy has not recovered.

In fact, Mr. Speaker, the President's plan provides for increased funding in the important areas of job programs, training, defense conversion, R&D, education, and lifelong learning programs, mass transit and highway programs.

Mr. Speaker, we debated this and we will debate this today and tomorrow, and I hope that during this debate the Members on the other side of the aisle will come to find out what investment really means: putting and utilizing something today for future advantage and future benefit tomorrow. We have to invest today in child immunization, Head Start, the WIC Program, the Ryan White AIDS Program, and the Mickey Leland Hunger Program, and after we have done all of that, Mr. Speaker, we can still say at the end of 5 years that we will have saved \$510 billion in Federal budget deficit reduction.

AN IRISH PRAYER

(Mr. DORNAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORNAN. Mr. Speaker, I will be cosponsoring with your kind consent, and the unanimous consent of my colleagues on H.R. 61. Since all of my great-grandparents and two of my grandparents come from Ulster, the beautiful County of Donegal, free Donegal I will be proud to cosponsor H.R. 61, the Northern Ireland Bill of Rights.

Mr. Speaker, 47 years ago Sister Josepha, my grade school principal and eighth grade teacher at Good Shepherd School in Beverly Hills took me out in the hall for a chat because my Viking-Irish hair had once again overcome my judgment. I was rambunctious and energetic to a fault and the good sister said, "I believe you only have two career choices in life, Mr. DORNAN, the cloth or politics."

□ 1140

And then she gave me a wee bit of constructive memory work. I was not laden down with holy cards for being a quiet and pliable lad. Just the contrary, but I was the lucky one who was guided to memorize all those beautiful psalms.

Therefore, in humble gratitude to Sister Josepha, a fellow redhead, who teaches to this very day, I would like to offer that prayer in addition to the lovely prayer with which we began our session today. I think an extra prayer now and then is fitting because of all the pain in the world. From Bombay to Beirut to Bosnia to Bogota, every little prayer surely helps a wee bit, and this one, Mr. Speaker, is most appropriate today. It is traditionally called "The Breastplate of St. Patrick" or "The Armorplate of St. Patrick," and it appeals for the total protection of the Prince of Peace, the Son of God, Jesus Christ who redeemed us all with His precious blood.

"The Armorplate of St. Patrick": Jesus before me, Jesus protecting my back, Jesus to the right of me, Jesus to the left of me, Jesus supporting me, Jesus above me, Jesus in all I see, Jesus in all I hear, Jesus in my touch as I reach out to others, Jesus in my every utterance, Jesus Christ in my every thought.

St. Patrick, you lovely man, bless us one and all on this your great feast day.

Mr. Speaker, I dedicate that recitation of that unique prayerful plea to my Sallie, our five grown and very wonderful children, and to our eight grandchildren, Rick, Tara, Anna, Kevin, Colin, Erin, Haley, and Robby III. And also to soul No. 9, our youngest Kathleen's first, probably a Liam or Declan but in God's wisdom maybe a beautiful little colleen.

NEW TAXES DEPRESS THE ECONOMY

(Mr. GEKAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GEKAS. Mr. Speaker, in my close consultations with the people back home during the last several weeks, the topic of discussion has, of course, been the President's economic proposal.

I must say to you that although there is a divergence of views on the necessity of some parts of that package, there is a unanimous opinion among all those with whom I have spoken that there should be no consideration of new taxes which themselves can depress an economy, nor talk of new taxes of any type until spending cuts have been put in place.

What is wrong with what is about to happen in the Chamber with us here in the Congress is that the President's proposal puts the package together, new taxes, massive new taxes, new spending, massive new spending, and spending cuts of an unspecified variety that may or may not take place. The history of our economy and our process in this House shows that taxes overcome the rest of the package each and every time.

TIME TO BE RESPONSIBLE

(Mr. APPELGATE asked and was given permission to address the House for 1 minute.)

Mr. APPELGATE. Mr. Speaker, it is said you can fool some of the people some of the time and all of the people some of the time, but you cannot fool them all, all of the time. Let me say this: I think the Republicans keep trying.

I hear Republican Member after Member after Member get up here to the floor and offer a balanced budget about cutting everything with no new taxes, no new revenues, no new anything, like this is going to happen.

And that is a pretty good trick since they got us here with the increased spending and the big tax cuts to the fat people of this country. Now they want to protect the fat cats again and cut those good programs to a lot of the people who need the programs in this country, those who need to house, clothe, and feed their families and they cannot do it, cut them out.

And then the middle income is going to get stuck with the bill again.

I think that they know that if they had a majority in this House and they had a President in the White House, none of them would be up here talking about these ridiculous programs that they are talking about, and I say that it is time to be responsible.

PROVIDING FOR CONSIDERATION OF HOUSE CONCURRENT RESOLUTION 64, CONCURRENT RESOLUTION ON THE BUDGET, FISCAL YEAR 1994

Mr. BEILENSEN. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 131 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 131

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for consideration of the concurrent resolution (H. Con. Res. 64) setting forth the congressional budget for the United States Government for the fiscal years 1994, 1995, 1996, 1997, and 1998. The first reading of the concurrent resolution shall be dispensed with. All points of order against the concurrent resolution and against its consideration are waived. General debate shall be confined to the congressional budget and shall not exceed ten hours, with seven hours (including four hours on the subject of economic goals and policies) equally divided and controlled by the chairman and ranking minority member of the Committee on the Budget, two hours controlled by Representative Mfume of Maryland, and one hour controlled by Representative Solomon of New York. After general debate the Committee of the Whole shall rise without motion. No further consideration of the concurrent resolution shall be in order except pursuant to a subsequent order of the House.

The SPEAKER pro tempore (Mr. MONTGOMERY). The gentleman from California [Mr. BEILENSEN] is recognized for 1 hour.

Mr. BEILENSEN. Mr. Speaker, I yield the customary one-half hour of debate time to the gentleman from Florida [Mr. GOSS] pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, House Resolution 131 is the rule providing for the consideration of House Concurrent Resolution 64, the concurrent resolution on the congressional budget for the U.S. Government for fiscal years 1994 through 1998.

This rule governs only the time for general debate on the budget resolution and provides for a total of 10 hours of general debate time.

Seven hours will be equally divided and controlled by the chairman and ranking minority member of the Committee on the Budget, with 4 of those 7 hours being yielded, by tradition, to the chairman and ranking minority member of the Joint Economic Committee for purposes of debate on economic goals and policies.

Two hours of general debate will be controlled by the gentleman from Maryland [Mr. MFUME] representing the Congressional Black Caucus, and 1 hour will be controlled by the gentleman from New York [Mr. SOLOMON].

The rule waives all points of order against the bill and its consideration and provides for the committee to rise without motion after all general debate is completed. Finally, the rule prohibits any further consideration of the bill except by a subsequent rule.

Mr. Speaker, I wish to take this opportunity to commend the chairman of the Budget Committee, the gentleman from Minnesota [Mr. SABO] for developing a budget resolution which not only meets the President's goals for making much needed investments in the Nation's children, infrastructure, and economy, but also responds to the calls of the overwhelming majority of Americans for deeper cuts in existing Federal programs.

The budget resolution does cut an additional \$63 billion from the President's budget plan over the 5-year period from fiscal year 1994 through fiscal year 1998. In all, it will reduce the Federal deficit by \$42 billion in fiscal year 1994 and by \$510 billion over the next 5 years.

The savings that are achieved by this budget resolution represent real, substantive cuts in existing Federal programs. Under this plan, we will be spending less in actual dollars on discretionary programs in every year from 1994 through 1998 than we spent in 1993—thus, discretionary spending will be frozen, with no increase for inflation, for the next 5 years.

The resolution achieves the remainder of the \$510 billion in deficit reduction through reconciliation instructions to 13 authorizing committees. These savings will thus be enacted this year in a single, omnibus reconciliation bill through permanent changes in law.

The Budget Resolution is an ambitious package which follows the President's lead in calling for much needed long-term investment in our economy, and in addressing the single biggest obstacle to our Nation's long-term economic health: the Federal deficit.

Mr. Speaker, I reserve the balance of my time.

Mr. GOSS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank my distinguished colleague, my friend, the gentleman from California [Mr. BEILENSEN].

Mr. Speaker, there is a saying that "you should kill no snake on St. Patrick's Day"—and so I suppose we are fortunate that today, for the first time this year, we have a rule that is more benign than the usual serpents we have seen come slithering forth from the Rules Committee of late. A bit of the luck of the Irish? Perhaps. But in the interest of comity and in recognition of the importance of today's debate on the budget resolution, I know all Members are eager to proceed with the substantive discussion about budget priorities and the future economic health of our Nation. Clearly, there are many

different perspectives and important additions that can be made to this debate; and, to the extent that this rule is designed to provide time for an airing of those views, I am pleased to support it. Thus 10 hours should afford numerous Members opportunity to express numerous thoughts. Of course, I continue to object to the manner in which important, complicated, and controversial legislation, such as this budget resolution, is brought forth to this House on a forced march, to the point where rules are being granted before bills and reports have even been printed.

In this case, it is hard to pick this up let alone look at it in 1 day, and we are being asked to waive the layover requirement to rush the budget resolution to the floor. Once again, Members are asked to consider an enormous piece of legislation that many have likely fully never seen, and for those who have not, here it is.

Mr. Speaker, today we formally launch into our No. 1 job as Members of Congress: managing the Federal budget. So far, and certainly in the time that this Member has served here, our collective job performance on this task has been dismal. If we were working in the private sector, even the most tolerant boss would have fired us by now.

In fact, our approval rating with our bosses, the American voters, hovers around 20 percent.

The Federal budget deficit is still soaring despite Gramm-Rudman, despite the October 1990 budget deficit reduction act, despite promises to cut wasteful spending, promises still unmet to the degree of hundreds of billions of needless bloat per year.

□ 1150

The fact is we all know it. The numbers are so huge that it takes a dozen zeros to enumerate the entries on our charts. Under this budget resolution, we are staring at a Federal budget of \$1¼ trillion in 1998. We could be applauding if this were a balanced prosperity budget, but in my view the President has given us a program that is nowhere close to balanced and one that may well be a blueprint for national bankruptcy.

Even after we implement the biggest tax bite ever, we are still looking at a climbing annual budget deficit in 1998—5 years from now—of \$200 billion or more to add to the national debt which will exceed \$5 trillion by then under this resolution.

President Clinton asks for \$280 billion in new taxes and \$127 billion in new spending as a starter course—with the promise of budget cuts sometime later—as in much later or maybe never. And we have not even seen what sort of taxes may be coming with the administration's health care reform plan due out sometime in May.

The fact is, our national track record in these kinds of buy-now, pay-later

budgets demonstrates that higher taxes and new spending stick while spending cuts manage to slip away, as the snow is slipping away in Washington today. It is worth nothing that conservative estimates are that the President's program will actually result in \$3 of spending for each new dollar of taxes raised.

It is true, debate and commentary in recent weeks have focused more on where to cut spending. This is good news for most Americans. Many of my colleagues on this side of the aisle particularly have accepted the President's challenge and proposed specific ways to cut waste and redundancy and to reprioritize our Federal spending—reducing the deficit without raising taxes on the American people.

I repeat, reducing the deficit without raising taxes on the American people is the goal of this side of the aisle. As the distinguished ranking member of the Budget Committee, the gentleman from Ohio [Mr. KASICH], said, we have set a new standard for budget cutting specifics this year.

In this Member's book that is good. That is a change for the better—as long as we live up to the demands our constituents are making to cut wasteful spending first. First, before we raise taxes. First, before we set out on new spending adventures. There are many of us in this House—and especially among the 110 new Members—who believe a line-item veto and a balanced budget amendment are crucial to holding Congress to its pledge to cut the deficit.

As I speak, the Rules Committee is meeting to determine the structure for tomorrow's debate on specific amendments to this budget resolution, and it is my sincere hope that we will see a process that is open and fair and allows for ample opportunity to consider all legitimate amendments. After all, it is the collective wisdom of this body that should work its will on the biggest challenge of this session. If we short-change that, I daresay that we inevitably diminish our chances of fullest success.

I understand the majority is requesting something less. In fact, the majority wants only entire substitutes made in order, noting that to do so has generally been our practice in the House for many years.

Well, Mr. Speaker, dare I say that the people of our country want change. I keep hearing about it, change—and yet the majority seems to be using business-as-usual practices to justify muzzling those who would add valuable amendments to the debate—which may well be the mother of all debates this year.

Certainly the American people are expecting that.

People are willing to sacrifice for the good of our country, that is clear—and that is wonderful. We cannot keep

abusing that generosity by wasting tax dollars on frivolous projects, redundant programs, bureaucratic bloat, special interest rewards, and the like. We must redefine our national priorities and shape our funding fairly and prudently. Now is that time. Tax dollars are not endless and they are not forever.

Our Rules Committee has an important job to do in ensuring that this debate we begin today does not diminish the American people's right to have the whole Congress carefully consider all the legitimate options to produce the most responsible budget blueprint. Those of us in the minority of the Rules Committee are ready to debate this crucial subject for as long as it takes—but the simple math of nine majority votes to our four means that it is up to the majority of the Rules Committee to make those responsible choices. I encourage them to rise to the challenge.

Mr. Speaker, I reserve the balance of my time.

Mr. BEILENSEN. Mr. Speaker, for purposes of debate only, I yield 5 minutes to the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Speaker, we are here now in chapter 11.

Members of Congress are official trustees presiding over the greatest reorganization of any bankrupt entity in world history, the U.S. Government.

We are setting forth hopefully a blueprint for our future. There are some who say it is a coroner's report that will lead to our demise.

I am going to support the rule. I am not sure yet if I will support this budget. I want to hear an awful lot more, not being a member of the committee, and I am not going to vote for things I do not understand or do not like, but let there be no mistake. After 12 years of Ronald Reagan and George Bush, we are standing here.

Let me say this to the minority party. Every program that Ronald Reagan wanted in 1981, he got. Reagan got it. There was a Republican Senate majority and there were 70 Democrats in this House that might as well have been Republicans, and we have the program.

The major assumption was very simple. We are going to cut taxes, put money in the pockets of the American people, and when they spend this money our gross national product is going to rise so great that even though we reduced your tax liability on a percentage basis, we will balance the budget, quoting Ronald Reagan, in 1982. It is going to take the fall of our Congress, I think, for that to happen.

Mr. Speaker, let us give this new administration a chance. Democrats gave Ronald Reagan a chance.

But let me give one word of caution here today. America already has race wars, let us be honest about it. We already have gender wars, let us be hon-

est about it. We already have age wars, let us be honest about it.

One thing this Congress had better not get involved in and get trapped into is a class war on money. In America, if you can not earn all that you can, there is something wrong and there is no more a spirit of free enterprise.

I want to say this to the Members. We may talk about taxing the rich, but the rich people have already taken their companies and their jobs out of America. Be careful that the rich people do not take their money out of America, because the government already raises our kids, defends our families, educates our kids, feeds our kids, houses our kids, and the government is doing a very poor job of it. I think mom and dad would be better utilized there once again.

So I am going to listen to the debate. I do not know if I will vote for this budget.

Finally, I do not know if the budget makes one damn bit of difference, because we waive it all the time and I do not think we have ever followed it. I think we have an excellent chairman who worked hard. If we are going to have budget, we should follow it. If not, we once again as Members waste both our time and the people's time.

Let me say this just in closing. Today is not the mother of all debates and the mother of all decisions. When that tax package comes, you will have the mother of all votes on the floor.

Let me say this, I am not for voting any more taxes on the backs of the American people, because I believe the tax of 1990 put on right here today, and I am very concerned about the tax package being discussed in this Congress.

I am one Democrat who believes we should stimulate the private sector. We already have more government jobs than factory jobs, and I think that is an indictment of our Congress.

One basic tenet to this Constitution is life, liberty, and the pursuit of happiness, and there can be no life, liberty, or pursuit of happiness in America without jobs.

I would like to see the mother of all debates center around the jobs bill.

Mr. GOSS. Mr. Speaker, I yield 4 minutes to the gentleman from Georgia [Mr. GINGRICH], the distinguished minority whip.

Mr. GINGRICH. Mr. Speaker, I appreciate the opportunity to speak, and I appreciate my friend, the gentleman from Florida, yielding me this time.

Let me say first of all, the American people apparently today and tomorrow are going to see a very, very sad spectacle of the Democratic leadership attempting to pass two rules that are as restrictive, as narrow, as tight and deprive Members on both sides of any opportunity to offer legitimate amendments. I think that is sad. I think it is

the opposite of what Ross Perot ran on. It is the opposite of openness. It is the opposite of allowing every citizen to see what is going on. I think that as a procedure is sad.

□ 1200

Second, people are going to see a choice between a \$31 billion, unpaid for deficit increase for pork barrel with things like \$4½ million for a municipal garage, and \$3½ million to take care of some politician's theater that needs to be renovated, and another \$5 million to take care of swimming pools for another politician that needs to have a good press conference and, apparently, will be no opportunity for any Member in either party to offer to cut spending, which I think people will find fairly amazing.

And then, finally, they will be offered a choice between the budget which raises taxes on virtually every American except the homeless. It says, "If you use electricity, have a light bulb, use air conditioning, use heating oil, if you warm your house, cool your house, drive a car, or buy any product carried by a truck anywhere in America, you're, in fact, going to pay higher taxes under the Democratic budget," and I think that is a mistake.

We have a budget that the gentleman from Ohio [Mr. KASICH] and the Republicans of the Committee on the Budget have developed which both the New York Times and Washington Post have praised as intellectually more honest than the Democrat budget, a budget which gets \$25 billion higher in deficit reduction without a penny in new taxes, does not have an energy tax, does not tax senior citizens, does not tax people getting Social Security, does not tax small business, does not tax agriculture. It is a much better budget than the Democratic budget.

But that is not why I got up to speak.

We are able to talk about dramatic changes in the cost of Government because on the Republican side, frankly, we are trying to learn what General Motors, what Ford, what Chrysler, what Xerox, what IBM, and what Sears Roebuck are learning, and that is that we have to have a fundamental transformation of the way we do business. There is dramatic downsizing going on in private business. We are trying to become more competitive. We are recognizing the need for real change.

Mr. Speaker, this morning we had the privilege of having Dr. Edwards Demming visit with the House Republican conference and then have a meeting with a number of Members. Dr. Demming is the man who, over 40 years ago, taught the Japanese the concept of quality and of profound knowledge. He is the man who helped revolutionize productivity in the modern world. He is today, at 93, as an American citizen born in Cody, WY, passionately committed to renewing his own country.

He spent several hours with us here today, and I would urge every Member, Democrat and Republican, to come to a series of seminars that we hope to set up with Dr. Demming to look at the techniques of changing, not just cutting, not just increasing, but changing the whole process of Government.

Mr. Speaker, there is no reason we in the Congress cannot be as smart, as aggressive and as effective as the best of American management. There is no reason we cannot study profound knowledge under Dr. Demming and apply the ideas to the government that have been so powerful in Japan and have been so powerful at some American companies.

Let me say that requires rethinking how we spend money, not raising taxes on the American people. We got \$1 trillion 75 billion in revenues this last year. We will have about a \$55 billion increase in revenues because of economic growth.

Now it may be a sign that I am a radical, but I believe with \$1 trillion 128 billion, under Dr. Demming's concept of profound knowledge, we should be able, in fact, to control the government and not raise taxes.

Mr. BEILENSEN. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER. Mr. Speaker, the American people elected Bill Clinton. Now it is our imperative to give the Clinton budget plan a chance. It is put up or shut up week in the House of Representatives.

After over a decade of sitting idly while our deficit roared out of control—after over a decade in which Congress and the President have graphically defined gridlock by rarely choosing to make the difficult choice—decision time has arrived.

This week we will be voting on a budget resolution that is far better, far gutsier, far more specific than anyone in this House could have imagined 6 months ago.

The budget bill cuts \$150 billion from the deficit over 5 years. Under the resolution, not a single penny of tax increases or mandatory savings will be used for new spending. All discretionary increases above baseline are offset by discretionary cuts.

It is a very good budget blueprint.

The American people voted for Bill Clinton and they support his budget plan. They may not agree with every single item of the Clinton plan, but they all agree that the deficit must be cut and that gridlock must end—right here, right now.

And this week we can end the gridlock.

No more partisan bickering for the sake of partisan bickering. No more finding political excuses not to solve real problems. No more choosing delay over than action; argument over solution.

This week Members have a choice. They can smugly play the role of naysayer, continue business as usual, aspire to the least common denominator, grasp for gridlock.

Or they can support the most far reaching budget package that the Congress has ever considered.

The President did his job, and the Budget Committee made the package even better. The American people overwhelmingly want Congress to give the President's plan a chance.

So, now it is our turn. It is put up or shut up time for Congress.

Mr. GOSS. Mr. Speaker, I yield 3 minutes to my senior Member, the gentleman from Claremont, California, [Mr. DREIER].

Mr. DREIER. Mr. Speaker, I thank my Rules Committee colleague, the gentleman from Florida [Mr. GOSS], for yielding this time to me.

Mr. Speaker, it is fascinating to see where we have come in this process. We had this great speech given to us by President Clinton in his address to the joint session of Congress in which he charged us with being specific when it comes to the question of cuts, and yet the proposals which he has brought forward and the proposals that have been brought forward from my good friends on the other side of the aisle lack all specifics. In fact, his proposal has spending cuts without specifics, but there are \$112 billion simply labeled "from defense." We have proposed spending cuts from Democrats on the Committee on the Budget: \$63 billion, but where are the specifics?

Mr. Speaker, what we have heard from President Clinton time and time again is: "No more hot air. If you don't like my plan, show me where."

Mr. Speaker, Republicans on the Committee on the Budget have come up with several packages. Every single one of the proposals that have come from minority members of the Committee on the Budget and other non-Budget Committee members of the minority side have been specific.

It is not easy to be specific, and we had a debate on that. Did we want to alienate certain constituencies by proposing specific cuts? Well, those of us on our side of the aisle decided, yes, we would step forward and make those hard choices. Tragically the President and Members of the majority have failed to do that.

Now this rule under which we are considering this measure as we proceed with general debate is a very bad precedent. It is not unprecedented. What it is is a two-part rule. What we are doing is we are simply allowing for general debate, but, Mr. Speaker, as general debate proceeds, Members will not know what amendments are going to be considered when we get to the process of actually debating those individual proposals. So, this is a very bad pattern.

Also, Mr. Speaker, once again we are waiving this 3-day layover. We have

proceeded in the last 20 years with larger pieces of legislation for Members to read, and yet we have given them less time to consider it because we have consistently waived this 3-day layover provision.

So, I think this is a very bad procedure under which we are considering this, and I think it remains to be seen as to whether or not we are going to have very firm opportunities to propose these minority options. But I hope very much that we will vote down this rule so that we cannot continue with waiving the 3-day layover provisions and tragically proceeding with these two-part rules.

□ 1210

Mr. BEILENSEN. Mr. Speaker, for purposes of debate only, I yield 5 minutes to the gentleman from New York [Ms. SLAUGHTER].

Ms. SLAUGHTER. Mr. Speaker, I thank my colleague for yielding this time to me, and I rise in strong support of the House budget resolution for fiscal year 1994.

Last year, the American voters sent a powerful message to the White House and to the White House and to the Congress. They called for an end to politics as usual, challenging us to take bold actions to reduce the Federal deficit that threatens our economic security, and challenging us to invest in America again.

Mr. Speaker, this budget resolution we are considering today answers those challenges.

By adopting this resolution, the Members of the House will take a critical step along the path of long-term deficit reduction.

There is no question that we must get the Federal deficit under control. Left unaddressed, the deficit will climb to more than \$600 billion over the next 10 years.

We know that inaction will continue to sap our wealth, drain our national savings, intensify our dependence on foreign capital, and severely limit any productivity-enhancing investments by the private sector.

Because our economic security and prospects for continued economic growth are inextricably tied to the reduction of the Federal deficit, we must take action now.

As a member of the Budget Committee, I can assure the Members that this plan is bold, fair, and real.

The plan is bold. The Budget Committee included \$63 billion more in spending cuts than the President called for. In all, the Federal deficit will be reduced by \$510 billion over the next 5 years.

The resolution meets the spending caps established in the 1990 Budget Enforcement Act for fiscal years 1994 and 1995.

In addition, this resolution freezes discretionary spending for the next 5

years by capping outlays at the level enacted last year for 1993.

The plan is fair. The sacrifices called for in the resolution do not fall disproportionately on any one group. And this resolution restores progressivity in our Tax Code, which was eroded during the past decade, by requiring a fair share from those most able to pay.

The plan is real. The CBO has certified that this resolution meets the President's objective and, furthermore, the reconciliation process included in the resolution will ensure that the pay-as-you-go requirement and spending caps are extended and strengthened.

At the same time we are reducing the deficit, the resolution enables us to invest in America again.

It supports President Clinton's new strategic investment agenda that puts people first. It creates new jobs and develops human capital. The resolution includes these initiatives to stimulate small business expansion, to rebuild our transportation infrastructure, to expand educational opportunities for our children, and to rebuild our cities.

The implementation of the resolution will require the House to make difficult choices this year and in future years.

But, it demands that our Federal spending priorities reflect post-cold-war realities by shifting our resources from weapons of destruction to new investment for long-term economic growth.

Every dollar we allocate must be invested wisely. We cannot afford to continue to spend for weapons that do not shoot or for planes that will not fly, and certainly we have to look at science projects that have enormous cost overruns. This budget resolution provides the discipline we need to get Federal spending under control and our country on a sound economic course. I urge its adoption.

Mr. Speaker, I would like to close with just one paragraph that appeared in my paper this morning. A citizen who wrote in to the paper said this, and I quote:

Let your elected officials know that if President Clinton's plan is tried and fails, we will blame him, but if the plan gets hacked to pieces and never gets a chance, we will blame them. Let's take responsibility for this mess like adults and keep after our children in Washington so they know it's OK for them to grow up too.

It is time for that, Mr. Speaker.

Mr. GOSS. Mr. Speaker, may I inquire as to how much time remains on each side for debate?

The SPEAKER pro tempore (Mr. MONTGOMERY). The gentleman from Florida [Mr. GOSS] has 16 minutes remaining, and the gentleman from California [Mr. BEILENSEN] has 16 minutes remaining.

Mr. GOSS. Mr. Speaker, I yield 2 minutes to my friend and colleague, the gentleman from Pennsylvania [Mr. GEKAS].

Mr. GEKAS. Mr. Speaker, let me say to the Members that everywhere I go in my district the subject is the same: the President's economic package. Almost unanimously, the people are horrified by the massive new taxes that will be imposed thereby.

They are equally horrified when they learn that when the new taxes are imposed, the first thing that will be done with these moneys is to engage in new spending. Then when they get over that horror, then we start to talk about spending cuts.

Some people even venture to say to me, "I would be willing to pay new taxes and more taxes if only I could be assured that spending cuts, an end to waste in Government, and a slowdown in the excesses of Government will take place, and if all these spending cuts were put in place, then I would be willing to consider new taxes. It is cut now and tax later, if you must tax at all."

But the rule of debate that is being fashioned here and forced upon us will not permit us to propose reasonable plans for doing exactly that, to demonstrate to our citizens that we are willing to cut down to the barest bone, and then, if we have a shortfall in our targets for reducing the deficit, then and only then should we engage in the exercise of imposing new taxes.

This is a simple message, and it is heartfelt by the masses of people back home. We owe it to them to at least allow debate on the floor on the various proposals for this type of an approach—cut now and tax only later, if you must. If you cannot even permit reasonable, promising types of proposals of that nature to form part of the debate, then the debate rounds out to one thing—all or nothing at all, the President's proposal or the Democrats' proposal, all or nothing.

Mr. Speaker, I cannot subscribe to that.

Mr. BEILENSEN. Mr. Speaker, I yield such time as he may wish to consume to the gentleman from Minnesota [Mr. SABO], the very distinguished chairman of the Committee on the Budget, who has done an excellent job under difficult circumstances.

Mr. SABO. Mr. Speaker, I thank my good friend, the gentleman from California [Mr. BEILENSEN], who also serves on our Committee on the Budget.

I simply want to say to him and to the members of the Committee on Rules that they have produced a rule that is fair for general debate. We will debate the substance of our resolution later today.

I think we have a budget resolution that clearly moves this country forward. This rule is fair. It gives ample opportunity for debate.

Mr. GOSS. Mr. Speaker, I have no further speakers on the floor at this time, and unless it develops that other Members require time, I will close by

yielding myself such time as I may consume.

The SPEAKER pro tempore. The gentleman from Florida [Mr. GOSS] is recognized.

Mr. GOSS. Mr. Speaker, I think it is clear that we have a rule for this part of the debate on this very critical subject of our budget and our country's economic future that is reasonable. As I said previously, I am going to support that, and indeed I am supporting it.

But I also think it is true that the budget resolution is an integral part of President Clinton's economic program for our Nation's future, and I think we have to view what is in that total package. From my perspective, though I wish the President well, because I wish our Nation well, as we all do on this subject, I do not believe that this budget resolution is going to lead to the hopeful conclusions that the advocates of its advertise. I believe it is going to add the biggest tax bite ever that this country has had. The facts would indicate that in terms of the figures.

It does not balance the budget. It does not balance the budget in the next 5 years. In fact, 5 years from now, we will still have a budget deficit close to \$200 billion by conservative estimates, and climbing. And that is the sad part of it.

It does not necessarily produce jobs efficiently at all. We are talking about somewhere around 220,000 jobs in this period at a cost of \$90,000 per job. We can do better without Government manipulation at that level in the job market.

□ 1220

I am not sure it really invests in our economy as much as this program extends welfare and waste in a great number of projects. We have heard some of those projects enumerated in the debate today so far. I read that there is going to be a \$28 million bailout of the D.C. government, at the same day that I read that there is more trouble in the D.C. government and they are letting top government managers go from the D.C. government.

Then, of course, hidden in this is the question of extending the debt ceiling. Whether or not we will have a vote on that remains to be seen. There is an automatic process which means we might not have a vote in the House on that.

If this is economic stimulation, I suggest the patient may never wake up, and that concerns me very much. Of course, we will have the debate on the merits of this budget resolution. The important part of what I have said is there are so many things that are serious that are of concern to conscientious Members about this, that I hope we have as open a rule as possible and that we do not stick to this measure of having to have a whole substitute; that

we can talk about things like the line-item veto, that we can talk about things like balanced budget amendments. I think these are critical factors.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. BEILENSEN. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 1335, EMERGENCY SUPPLEMENTAL APPROPRIATIONS ACT OF 1993

Mr. DERRICK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 130 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 130

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for consideration of the bill (H.R. 1335) making emergency supplemental appropriations for the fiscal year ending September 30, 1993, and for other purposes. The first reading of the bill shall be dispensed with. Points of order against consideration of the bill for failure to comply with clause 2(1)(6) of rule XI or clause 7 of rule XXI are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations. After general debate the Committee of the Whole shall rise without motion. No further consideration of the bill shall be in order except pursuant to a subsequent order of the House.

The SPEAKER pro tempore (Mr. MONTGOMERY). The gentleman from South Carolina [Mr. DERRICK] is recognized for 1 hour.

Mr. DERRICK. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from California [Mr. DREIER], pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, House Resolution 130 will allow the House to begin consideration of H.R. 1335, making emergency supplemental appropriations for 1993. The rule provides for 1 hour of general debate equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations.

The rule waives clause 2(L)(6) of rule XI requiring a 3-day layover of the bill. In addition, the bill waives clause 7 of rule XXI which requires that the relevant printed hearings and report be

available 3 days prior to consideration of a general appropriation bill.

These waivers are necessary because the committee could not obtain unanimous consent to file the bill and report last Friday. However, both the bill and report were made available to all Members last Friday by the committee.

Finally, the rule prohibits further consideration except by a subsequent order of the House.

Mr. Speaker, H.R. 1335 is the President's economic stimulus package. The bill provides \$16.3 billion in appropriations for fiscal year 1993 as the first part of the President's economic investment plan. The bill invests in the improvement of our Nation's infrastructure by providing over \$3.2 billion for road construction, repair, and airport improvements.

The bill also invests in people through education and job training and includes \$2.6 billion for the Pell grant and the chapter 1 compensatory programs. The bill further includes \$500 million for a new Head Start summer program.

The bill appropriates \$4 billion to fund the extended unemployment benefits enacted earlier this month and includes \$1 billion to create 675,000 additional summer jobs and \$32 million to fund additional community service jobs for older Americans.

Mr. Speaker, recent economic reports show that significant risks to recovery still exist. Many large firms expect to layoff more workers in 1993. For example, Sears, Roebuck & Co. will eliminate some 50,000 jobs and Boeing will cut up to 20,000 jobs. Private business construction is still in a slump, falling 1.6 percent in January, and dropping 26.5 percent since the recession began. Many office buildings and shopping malls remain half-occupied. Factory orders for big-ticket items still lag behind the rate seen in past recoveries.

Moreover, there are still more unemployed people today, after 23 months of recovery, than at the worst point of every other post-war recession but one. Nearly 9 million people are still unemployed. Another 6.5 million people are working only part time because they cannot find full-time jobs. These underemployed people do not show up in the official unemployment rate.

Mr. Speaker, the economic stimulus package is quite simply an insurance policy. Although the recession technically ended 2 years ago, we are still producing jobs at a pitifully slow pace. We have already seen the recovery stumble; we cannot afford to fall back into recession again. The President's modest stimulus, coupled with the effects of already lower interest rates, will kickstart the economy, help businesses produce jobs, and make a down payment on the investments we need to prosper in the future.

Mr. Speaker, House Resolution 130 will expedite consideration of this im-

portant package that will boost a weak economy, create jobs, and begin to invest in the future. I urge my colleagues to support the rule and the bill.

Mr. Speaker, I reserve the balance of my time.

Mr. GOSS. Mr. Speaker, the gentleman from California [Mr. DREIER] has been detained and will be here momentarily. In the meantime, I yield 4 minutes to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise with some concerns about this rule, although I believe it is probably part II of the rule that will be of greatest concern to this Member and I really am not concerned about moving this particular rule through and proceeding on with the debate.

I am concerned, however, with some of the things that are going to be debated as a part of this rule's procedure. There is no doubt that the American people in the latest election gave this Congress and this Government a mandate for change. We Republicans were on the wrong end of that particular mandate and President Clinton was elected, and there is no doubt the American people want change.

However, if you look at the bill that is being brought to the floor under this particular rule, you will find that this ain't change; it is more of the same. And the reason why I say that there is no part of this supplemental appropriation or stimulus that is a change is because when you look at the details, you will find that this is the same old spending game that Congress has gone through for years and years and years and years and it is the reason why we today have massive deficits and have massive debt.

Mr. Speaker, let me give a few examples that are down in this supplemental appropriation bill. For example, there is a large amount of spending that comes under the jurisdiction of the Committee on Science, Space, and Technology that is in this bill that is unauthorized.

We have a problem in this Congress when we begin to spend money that has not been properly authorized under law, when in fact what we do is spend money that is being spent over and above the obligations of law.

We have had several discussions in the Joint Committee on Reorganization of the Congress on which I serve where authorizing chairmen and the distinguished chairman of the Committee on Appropriations, the gentleman from Kentucky [Mr. NATCHER], who is here on the floor today, have come before our Committee on Reorganization and stated flatly that we ought not have any more unauthorized money being passed in appropriations bills, that it is time to reform this process, that the Congress and the country are being badly abused by what is going on.

□ 1230

And yet, in the package that will be brought to the floor and debated this afternoon, I find the following items:

There is \$103 million for ADP, that is under the American Technology Preeminence Act, which is \$70 million over the \$100 million of fiscal year 1993 statutory authorization that was in Public Law 102-245.

There is also \$47 million in energy conservation, all in excess of the \$358.2 million of statutory authorization in Public Law 102-486, the Energy Policy Act.

There is also \$81 million for the National Oceanographic and Atmospheric Administration, which is over and above, that is, \$81 million over and above Public Law 102-567.

There is a new Commerce Department information highway that is a brandnew program that has not been authorized by anybody that is at \$64 million.

In addition, it is my understanding that there is a \$94 million add on for EDA, which is unauthorized, and \$188 million for Amtrak, which is also unauthorized.

Now, just the items that I have talked about here is \$500 million, over \$500 million of money that has not been properly allocated by law. If the American people and middle-class American workers wonder why the debt is piling up, it is because Congress goes on spending money that has not been properly authorized under law.

We are doing so in the bill that we have brought to the floor today. It is wrong. It is the reason for deficits. It is the reason for debt, and it should be stopped.

Mr. DERRICK. Mr. Speaker, I reserve the balance of my time.

Mr. GOSS. Mr. Speaker, I reserve the balance of my time.

Mr. DERRICK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, these next 2 days could well be 2 of the most important days in the economic history of our country.

Unfortunately, beginning back in the 1940's, particularly right after the Second World War, we have had very few times when the budget of our country has been in balance. Through the Democratic administrations, the Republican administrations, through times when the Democrats were in charge of the Congress, through times when the Republicans were in charge of the Congress, we have seen deficits pile on and multiply every year. And every year as it grows, we have seen the interest on our national debt become a larger and larger part of our annual budget.

The interest is money that could be used for many worthwhile purposes, such as Head Start, national defense, a varied array of services for our people. However, that money is no longer available to us because of the need to

service debts that have been accumulated.

Unfortunately, these are not debts that were largely accumulated during hard times, during times of depression or times of recession. The largest part of our deficit, some three-fourths of our total indebtedness in this country, was accumulated during seemingly prosperous times, the 1980's.

The fact of the matter is over the last 45 years, by not paying attention as we should have in this country, on the part of both political parties, we find ourselves in a fix. We are looking at \$300 billion annual deficits and over \$4 trillion of debt.

For the first time in the post-war history of this country, we have a President who has come forth with a serious plan to slow the growth of that budget deficit and begin to put our economic house in order, including budget cuts, economic stimulus, and even additional taxes largely borne by those who got off easy during the 1980's and are thus best able to pay them today.

We can pick the cuts apart. We can pick the stimulus apart. We can pick the taxes apart. But the fact of the matter is, this is the only plan that we have before us by a President, the only chance.

And although I do not want to overstate the situation, I believe in my heart that it is the only opportunity that we will have, the last opportunity that we will have to take a clear shot and make a significant impact on the economic health and well-being of this country.

I suggest today that we give serious consideration to voting for the budget, voting for the rule for the budget, which will be fair, and voting for the rule for the stimulus package, which we believe will be fair. All of them will be in the best interest of our country.

Mr. Speaker, for the purposes of debate only, I yield 6 minutes to the gentleman from New Mexico.

Mr. RICHARDSON. Mr. Speaker, I thank the gentleman from South Carolina for yielding time to me and acknowledge his effort in convincing this body and the Congress to support the President's package. I hope we will today.

Mr. Speaker, I rise in support of the rule and encourage all Members to support the investment supplemental. As we begin debate on the President's plan to jump start the economy and get America back to work, we must all remember that the President's plan has two parts: extensive budget cuts and a package of short- and long-term investment.

For the economic plan to work, we have to pass both parts of the package. One without the other dooms us to certain failure.

The President has forcefully made the case for just and fair burden sharing and new investment in the future.

This investment package seeks to reinvigorate the economy, spur job creation, rebuild crumbling infrastructure and raise hope for those whose dreams of a job or a better life for their children have all but deserted them.

This plan is a commonsense plan, and common sense tells us that President Clinton was elected just 4 months ago in order to focus on the economy. He has done that, drawing up a solid two-part plan.

Now we must stand with the President and pass his package. The American people voted for change in November. President Clinton has a package for change.

By a 2-to-1 margin, the American people support his plan.

□ 1240

It is our responsibility to pass it. The American people have made their position clear. In town meetings and national polls, as I have cited, we see that the vast majority of Americans support his package. In fact, in the Wall Street Journal, a recent poll shows that by a margin of 62 to 30 percent the public prefers the Clinton plan to a Republican alternative.

It is time for us as Members of this body to stand and deliver. We know the overall plan makes sense. We know the plan moves us in the right direction. We know if we miss the opportunity it will be a long, long time before we can deal with this responsibly and powerfully again.

I urge my colleagues to support this package. This is a package that contains a lot of positive elements in the domestic agenda.

For instance, through the able leadership of the gentleman from Kentucky [Mr. NATCHER], the stimulus package contains a lot of important domestic stimulus spending:

Three billion dollars for highways from the highway trust fund. This creates jobs, restores our crumbling infrastructure, and makes sure that urban and rural America have a piece of the action;

Mass transit for our cities, discretionary grants to proceed with very needed mass transit, surely an investment for the future;

Summer jobs. This was our legacy after Los Angeles. We promised to create summer jobs for the millions of unemployed youth in our ghettos. These are not make-work jobs, these are jobs that hopefully will lead to future jobs in the days ahead;

Emergency unemployment benefits for those who have been left behind;

Community development grants. These are funds that our counties and cities can use to repair our crumbling infrastructure, for important grants that our cities and counties have been aching for over the last 12 years;

Wastewater treatment construction;

Small business loans;

Pell grant shortfall funds for education;

Full funding for Head Start, compensatory education;

Investment tax credit for small businesses, R&D tax credits for high tech and computers, for industries in the future.

Mr. Speaker, the time has come that we, as a Congress, are going to be judged. Are we going to stay in gridlock? Are we going to stay in constant bickering with the executive branch, or can we as Americans, not Republicans and Democrats, come together and support a President that we have duly elected, and a President who stands very high in public opinion polls. Our constituents have sent us a simple message: "Give the President a chance."

President Clinton is the only game in town. He has presented a tough plan, one that has caused pain, but also one that calls for common sacrifice. It is a plan that is needed for this country in the area of deficit reduction and job creation.

The question before us, today and tomorrow: Is the Congress going to continue the 12 years of gridlock, of fighting, or are we going to go ahead with a new beginning where we give this President a chance, a chance that the American people want us to give him?

Mr. Speaker, I would once again ask all my colleagues in a bipartisan way to get behind President Clinton's plan, his budget resolution and the investment package so that America can start its economic recovery.

Mr. DREIER. Mr. Speaker, I yield 6 minutes to the gentleman from Indianapolis, IN [Mr. BURTON].

Mr. BURTON of Indiana. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, if all of our colleagues here in their offices are paying attention, they would believe that this package is the best answer, the best solution to all of our economic ills. However, I would like for my colleagues to take a little closer look and examine this a little more thoroughly.

President Clinton's package contains \$325.5 billion in new taxes. It contains another \$74 billion in hidden taxes and fees, for a grand total of \$399.5 billion. That is money we are going to take out of the collective pockets of America, almost \$400 billion.

The last huge tax increase we had was about \$182 billion. That put us into a recession. This is more than double, more than double the largest tax increase in U.S. history. It does not include Hillary Rodham Clinton's proposal for health care reform, which is going to be another \$90 billion.

We are looking at \$400 billion in new taxes. When we take \$400 billion out of our collective pockets, America, that is money we cannot spend. We do not buy \$400 billion worth of products, so

they do not sell \$400 billion worth of products, so they do not make \$400 billion worth of products, so the people who make those products are out of work.

The Btu tax alone they are talking about, which we call the "big time unemployment tax," the Btu tax is going to cost farmers their livelihood. A lot of farmers are going to go out of business, a lot of foundries are going to go out of business.

The airline industries are going to pay 15 cents more a gallon for jet fuel. U.S. Air just recently had a deal with British Airways to keep themselves solvent, to keep themselves above water. A lot of these airlines are teetering. That is a very important part of commerce in this country. They are going to load 15 cents a gallon onto their jet fuel. That is going to put a lot of them out of business.

Then if we talk about the trucking industry, 15 cents a gallon or 10 cents a gallon more for gas or diesel fuel, that is all added to the cost of the clothes we wear, the food we eat, the cars we drive, the refrigerators we buy. The taxes they are talking about, more than double the largest increase in history, are going to cause more unemployment, another recession, and major economic problems.

President Clinton stood right there just a couple of weeks ago, a few weeks ago, and he said, "It is not what is good for me, it is what is good for us," meaning all Americans. It rang very similar to what John F. Kennedy said when he said, "Ask not what your country can do for you, but ask what you can do for your country." It is the same basic thing, a little different approach.

The American people said, Yes, we have a big deficit. We have a huge national debt that has gone from \$1 trillion 10 years ago to \$4 trillion now. It took us 200 years to get to \$1 trillion, and in 10 years we have quadrupled it. We are on our way to astronomical deficits, and we have to do something about it, because we do not want our kids to have to live a less successful life than we have. We want them to have the same opportunities we have.

The American people said, Yes, we are willing to share. We are willing to go along with whatever it takes to get this deficit under control. But this is not going to solve the problem, America, because every time we raise taxes we spend more than we take in.

Since 1948, for every \$1 in new taxes we have spent \$1.58. Since 1990, for every \$1 in new taxes which was supposed to control the deficit, we have spent \$2.70. So if we raised \$400 billion, all the spending and all the taxes are on the front end, the cuts are 5 years out, and there will be three Congresses elected before we get to that. We know that is going to change.

How do we deal with the problem? We have a solution. It is called the freeze

plus 2 percent, freeze plus 2 percent. We freeze all spending at last year's spending levels plus no more than a growth rate of 2 percent. If we did that, we can balance the budget by the year 1999 at the current growth rate of tax revenues of 2 percent a year. If we have an increase in the growth rate of tax revenues because GDP increases to 3 percent, where it has been before, we could have a surplus of \$38 billion by the year 1999.

We have to bite the bullet some way. I say we should bite the bullet in the area of spending cuts. When I talk to my constituents and people across this country, they say, Government is too big. It is out of control. You have to do something about spending.

What is the answer? The first thing we should be talking about around this place is not \$400 billion more in new taxes, more than double the largest tax increase in history. The first thing we ought to be talking about is taking a meat cleaver to Government spending that is running away, running away with itself.

It took us 200 years to get to \$1 trillion in debt, and in 10 years we are \$4 trillion in debt. Let me just say, a lot of people say, You don't have enough taxes coming in. Ten years ago we brought in \$500 billion a year in tax revenues. Do the Members know that today it is \$1.2 trillion? We have almost tripled the amount of tax revenues coming in, yet we are still running \$350 to \$400 billion in the red every year.

It is not because we do not have enough taxes, America. It is because we are spending too much. The President comes up with his proposal and says, Burden sharing for all of us. I am for burden sharing, because that is the only way we are going to solve this problem, but the way to solve it is to cut spending, have a 2-percent growth rate, no more than 2 percent above actual spending over the last few years, and we can get to a balanced budget.

□ 1250

There will be pinching of toes, but it will not cause massive unemployment, companies leaving America and jobs right along with them.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 4 minutes to the distinguished gentleman from New Jersey [Mr. TORRICELLI].

Mr. TORRICELLI. Mr. Speaker, there are many who believe that in our system of government it is no longer possible to forge answers to great national problems, that the bickering, the divisiveness has so overwhelmed our system of government that consensus can no longer be reached, no matter how great the public demand, no matter how large the problem. Those who have come to believe this of our system of government will be coming forth here today because we are witnessing again that even in the very shadow of a na-

tional judgment on new leadership some refuse to follow those who the people chose to lead, for this is opposition for opposition's sake only. The Republican Members will come to the floor outraged at the idea of national debt, while for 12 years they presided over a national debt that did not simply increase but was quadrupled, offended at the idea of Federal spending to meet national needs, while for 12 years they came to the floor with budgets that more than doubled Federal spending. And of course, today, outraged at the very idea that we would raise Federal taxes to deal with these problems, while twice in those 12 years they brought to this Congress, under Republican Presidents, the largest tax increases in American history.

This is no outrage of principle, no stand on high issues of moral ground. This is division for division's sake. They are against it because a Democratic President is for it.

But they are so, my friends, at their own peril, because this Congress is as different from the last, the governing consensus of this country as sharply divided from last year as if separated by generations, not years. The American people have come to judgment after years of postponing dealing with great national problems, accumulated debt, postponed answers to great social dilemmas. They have decided that it is time to begin dealing with these problems, and in this endeavor they have chosen Bill Clinton as their leader.

What faces us today is his plan. In truth, it is not the only plan. Others could have been written and will be suggested by other Members. There are other answers, other Members will raise them, and some will have great merit. But this is the plan of the man who the American people chose to be their President. It deserves not only to be heard, it deserves to be tried, and that is what we ask.

Maybe it is the time indeed when we could come together as a country, Democrats and Republicans together. Maybe it is not all that it used to be, but certainly in these opening months of a new administration we can give this man, who received the mandate of our people, this attempt.

Division for division's sake, oppose our plan because it is a Democratic President, you can do so if you want, but I do not think that is what the American people expect of you, or of this institution or of this country. That is not America anymore.

Mr. DREIER. Mr. Speaker, I yield myself such time as I might consume.

Mr. Speaker, this resolution is the first of two rules for considering the emergency supplemental appropriation stimulus program. While the economy has clearly shown strong signs in recent months, unemployment remains a major problem in many parts of the country. For example, in my Los Ange-

les County we tragically are still saddled with a 10.4-percent unemployment rate that is well, well above the national average. That is why I continue to believe that legislation which encourages real job creation has got to be our highest priority.

This two-part rule separates much of the debate on the President's stimulus proposal from the amendment process. And, Mr. Speaker, we are right now upstairs in the Rules Committee, and I hope very much that our committee makes amendments in order so that Members will have the opportunity to modify and change this stimulus program so that the will of the House can be put through. Therefore, it detracts from the presentation of these very important issues by having a two-part rule.

Two-part rules are very bad for procedures, as I said when the gentleman from Florida [Mr. GOSS] was handling the last rule, and in this case I have very deep reservations about the type of rule that our committee upstairs is preparing for this measure.

Mr. Speaker, there is no Member of this House, and I am happy to see that he is here on the floor, whom I hold in higher esteem than the very distinguished chairman of the Appropriations Committee. I have had the honor on many occasions to praise the gentleman from Kentucky [Mr. NATCHER] here on the House floor, and he and I have had many conversations about procedure as it exists. And I respect the fact that he is one of the Members on the other side of the aisle who consistently tries to recognize the rules of this House.

Last week I was very proud to hear his testimony before our Joint Committee on the Organization of Congress which supported appropriations that respect the rights of all Members of the House.

I am very saddened to say this, and I have told the gentleman from Kentucky [Mr. NATCHER] that I was deeply concerned when I read a letter that he had submitted to us in the Rules Committee for basically a closed rule which, unfortunately, prohibits any Member, Democrat or Republican, and remember, we have 110 new Members of this House, prevents them from having the opportunity to offer amendments to this measure. Tragically, the letter implies that the amendments would have to be submitted to us by way of the Clinton administration. Maybe we should submit the amendments out through the Rayburn Room, where a lunch is taking place right now, and then possibly those could be made in order.

The need to make such an uncharacteristic request illustrates just how much this spending bill is in need of improvement, and the Rules Committee would be wise to respectfully deny the request to offer, and in

fact offer Members the right to amend this measure.

Many of my colleagues on this side of the aisle, Mr. Speaker, very sincerely support President Clinton's stated goal of encouraging job creation and economic growth. However, it is our responsibility then to do more than just approve the President's plan. With the separation of powers, we have the obligation to improve the President's plan.

In this particular case, there is bipartisan consensus. But additional deficit spending is not the way to go, and it is not what the American people have asked for.

Mr. Speaker, this so-called emergency stimulus package is proof that the English language has been twisted by Washington spin doctors well beyond recognition. Words like "emergency," "stimulus," "jobs," and "investment" have lost all meaning. We know that the "Saturday Night Live's" Subliminal Man would get to the point by saying that all four of those words mean nothing more than "spend." Polls and focus groups have become so important to politicians trying to find popular labels that it no longer matters whether the labels bear any relationship to the plan whatsoever. It has gotten to where the American taxpayers need a special decoder ring to decipher the right meaning of what is actually going on.

□ 1300

The Committee on Appropriations has reported out a bill that is really quite simple. It is a \$19.6 billion spending increase that funds 75 different programs by simply adding to the deficit.

Of course, who wants to advertise their plan as a \$19.6 billion add-to-the-deficit plan which will give people more government? Emergency stimulus jobs and investment are nothing but rhetoric and labels used to sell this bill.

Yes, this measure is designed to fund unemployment compensation, but it also includes millions for emergency stimulus jobs investment like historical preservation, compiling fish atlases, studying ultrasonic texture, buying new computers for the Internal Revenue Service—and most of my constituents consider that a very important emergency item—developing alternative fuel vehicles, and forgiving the District of Columbia's debt. It adds \$2.5 billion in additional community development block-grant funding when there is already \$4 billion in unspent funds in the pipeline. It even provides, Mr. Speaker, \$845 million for the Environmental Protection Agency's wastewater treatment, which just happens to be one of the programs that the Clinton budget includes under, and I quote, "programs that don't work and are no longer needed."

If you do not consider the \$4 billion for unemployment compensation, a full

80 percent of the funding in this bill does not even occur in 1993. Really, if you look for short-term emergency stimulus in the bill, it reminds you of what that great author, Gertrude Stein, said about Oakland, "There is no there there." The fact that most of this \$19.5 billion in deficit spending is being sold under false pretenses does not even begin to address the fact that make-work spending bills have historically been miserable failures.

The Clinton Office of Management and Budget now estimates that the bill will create 209,000 jobs, well below the promise of 500,000 jobs, and the original estimate of just under 315,000 jobs. That comes to a total cost of \$93,000 per job. Now, that is based on the OMB's estimate.

When we passed a similar emergency jobs bill in 1983, \$8 billion in Federal spending created just 35,000 jobs at a remarkable \$257,143 per job. At that rate, this bill can be expected to create 75,833 jobs. The private sector, on the other hand, creates jobs at a cost of around \$40,000 per job.

Mr. Speaker, now, the economy is finally creating jobs, 345,000 alone in February. Even if the Office of Management and Budget is correct and this bill does create 209,000 make-work jobs, the private economy will make as many permanent jobs in just 17 days without adding a dime to our staggering Federal deficit.

The reality is that this spending bill will not create jobs. It will destroy jobs, 487,000 according to some economic estimates.

Mr. Speaker, killing two private-sector jobs for every new government-funded job is a bad deal no matter how you cut it. This job-killing bill may actually create another economic emergency.

Mr. Speaker, tomorrow I look forward to coming to the floor to support an open rule for amendments to this measure. A number of Members, both Democrats and Republicans, want to improve this bill and, Mr. Speaker, constitutionally, we have an obligation to protect their rights.

I hope very much that the wisdom of our Committee on Rules will come forward and will do just that.

Mr. Speaker, I reserve the balance of my time.

Mr. DERRICK. Mr. Speaker, I yield 4 minutes to the gentleman from Illinois [Mr. DURBIN].

Mr. DREIER. Mr. Speaker, I yield 30 seconds to the gentleman from Illinois [Mr. DURBIN].

The SPEAKER pro tempore. The gentleman from Illinois [Mr. DURBIN] is recognized for 4½ minutes.

Mr. DURBIN. Mr. Speaker, I certainly hope that my friends and Republican colleagues will understand that it is very difficult for many of us to listen to you giving us economic counseling as to what this economy needs. Most of

America still recalls that in the last 4 years we had less economic growth than we had at any time in the last 50 years. Most Americans know from personal experience that in the 4 years of the last Republican administration we had slower job growth than at any time since World War II.

America's business men and women know that there were more business failures last year in the United States of America than in any year since 1927.

What I have just told you is the cold, hard facts and the record of the last Republican administration.

Now, for my Republican colleagues to take the floor and say they have got a great idea on how to turn this economy around, I have to tell them this: The American voters made their choice in November. They said they wanted a change. They wanted new leadership. They wanted to try new ideas. They want to invest in the people of America, creating good-paying jobs for this country and people living here.

Mr. DREIER. Mr. Speaker, will the gentleman yield on that point?

Mr. DURBIN. When I am finished.

They do not want to turn their backs on struggling working families who need health care and a helping hand to pay the college expenses of their kids.

We tried trickle-down economics for 12 years.

Mr. DREIER. Mr. Speaker, will the gentleman yield on that point?

Mr. DURBIN. I will not yield at this moment.

We tried trickle-down economics for 12 years, and it failed.

President William Jefferson Clinton has asked for his day in court and his opportunity to get this economy moving forward again.

Mr. DREIER. Mr. Speaker, will the gentleman yield on that point?

Mr. DURBIN. What the President has said is that we have got to get America back to work. We have got to get people in good-paying jobs, and if the Government can help move it forward to get people off the unemployment rolls and back to work, it is good for America.

When I hear the specious arguments from the other side suggesting how much money per job it takes to create them, give me a break. Let me give you an example: We are talking about building infrastructure.

Mr. DREIER. Mr. Speaker, will the gentleman yield on that point?

Mr. DURBIN. No. I will not. And I ask the Chair for regular order.

The SPEAKER pro tempore (Mr. MONTGOMERY). There will be regular order.

Mr. DURBIN. Mr. Speaker, I did not interrupt the gentleman during his speech. I have said that I will yield when I am finished, and I hope that he will not continue to interrupt me. Thank you.

What the President has said is that investment in infrastructure in this

country, building rural housing where I come from, making certain that people have the roads and bridges and highways to rebuild their communities and attract business, making certain that we have investment in water and sewer facilities so smaller communities can provide the kind of infrastructure that families need and attract businesses, those are investments in America.

Now, the Republicans would take the entire cost of the highway, the number of people who build it, and divide it and say, "Oh, for goodness sakes, that is \$127,000 of investment per job." What they forget to tell you is that after the job is finished you have permanent infrastructure in place to help America grow.

Mr. Speaker, I want to give my colleague from California an opportunity to ask his question, so I will close by saying this: I hope that this economy is in recovery. I hope this recession is over. I hope that this economic stimulus investment package is unnecessary.

But if the other side of the aisle is wrong today as they have been for the last 4 years about the state of the American economy, I say let us stand behind the President. Let us make this investment in America. Let us try his approach to reducing the deficit and getting the economy back on track. The American people asked for it in November. We should give it to them in this House of Representatives.

Mr. DREIER. Mr. Speaker, will the gentleman yield?

Mr. DURBIN. I yield to the gentleman from California.

Mr. DREIER. Mr. Speaker, I thank my friend, the gentleman from Illinois, for yielding.

Mr. Speaker, the reason I was so insistent on trying to gain time a few minutes ago was that my friend referred to the fact that there was an election last November. We all know that. Bill Clinton was elected President. He is sitting in the next room. We all know that.

President Clinton has, in fact, reneged on major campaign promises that were made to the American people. Now, would my friend, the gentleman from Illinois, care to tell our colleagues what the promise was that the President made as it related to the middle-income tax cut?

Mr. DURBIN. I will tell what the President said clearly in this campaign was that he was sick and tired of trickle-down economics.

Mr. DREIER. Did he have anything to say at all about middle-income taxes?

Mr. DURBIN. And ignoring the working families, and when he came on after the election and found the deficit was \$50 billion more than President Bush had said during the course of the campaign—

Mr. DREIER. And Leon Panetta was not aware of that?

Mr. DURBIN. He was forced to suspend his own effort to put in a middle-class tax cut. I might add that your side of the aisle knocked that middle-class tax cut every chance you got.

Mr. DREIER. Mr. Speaker, I yield 2 minutes to my friend from East Petersburg, PA, the gentleman from Pennsylvania [Mr. WALKER].

□ 1310

Mr. WALKER. It has been an interesting debate, it has been very fascinating to hear a couple of gentlemen, the gentleman from New Jersey and the gentleman from Illinois, come up here and bash Republicans for what we are doing. I think we ought to understand exactly what is going on here. We are having an extended debate here in hopes of being able to go through without interfering too much with the St. Patrick's Day luncheon that is taking place in the Capitol Building.

Why is that an important factor? Because the Democrats are hoping at some point to get a vote on this rule. Why did they want to vote on this rule? Is it because of something that is happening on the Republican side of the aisle to divide them? No, they want to go to the rule so their whips can come to the floor and whip the Democratic Members of the House who are recalcitrant on the suspension bill that is about to come to the floor—or, I should say, on the supplemental bill that is about to come to the floor.

The problem that the Democrats have, the thing that they are blaming the Republicans for, is the fact that there is division in the Democratic ranks and they do not have the votes to pass President Clinton's package on their side of the aisle. It has nothing to do with the Republicans. Republicans have said from the outset we think middle-class America is going to get hammered by these tax increases. Their problem is they cannot get the votes among the Democrats to do this, and we are about, maybe, to put the House into recess in order to get them the time they need to round up the votes on the spending bill that they themselves cannot get through at the present time.

Now, I love all the speeches, it has been a lot of fun to hear all this partisan rhetoric on this floor. But the fact is the Democrats are in a muddle. They cannot get enough votes among the Democrats to support their own President. Now they are coming to the floor with a lot of loud speeches, blaming us.

Just watch what happens in the next few minutes, see whether or not we have an extended debate to try to get this rule passed, see whether or not they do not call a vote on the rule themselves in order to allow their whips more time. Or if they do not have any more extended debate, if they run out of time, see if they do not call

a recess. It is all because they are in a muddle. It has nothing to do with the Republicans.

Mr. DERRICK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the previous speaker, the distinguished gentleman from Pennsylvania [Mr. WALKER] is absolutely incorrect about the Democrats not having enough votes. I am chairman of the task force to get the Clinton economic package through the House. I have been whipping for the last 2 or 3 weeks, and I will assure the gentleman we have the votes. The Democrats are solidified, unified behind the President and the President's economic program.

So what the gentleman from Pennsylvania said is—unfortunately for him—incorrect.

Mr. Speaker, I recall in 1981 we were told that the Reagan economic package would increase the personal savings rate, stimulate the economy and that we could spend our way in that direction.

I did not think we could do that at the time, but quite frankly I voted for that package. I took the position that the American people had elected President Reagan and a lot of his platform was based on his economic ideas. And I could not say absolutely that it would not work.

I did not think it would work. If I had to do it again I would not vote for it, because it has not worked.

Well, President Reagan's plan passed the Congress with the support of many Democrats. The Democrats, at least in the House, held the majority. The plan did not work, and it has not worked. And what we have seen over the last 12 years is our national debt increased from just under \$1 trillion to over \$4 trillion.

Now it took the United States a little over 200 years, through the First World War, through the Depression, through the Second World War, through all the catastrophes, economic and otherwise, that this country has experienced, to accumulate a national debt of \$1 trillion.

Over the last 12 years, that debt has increased to \$4 trillion. Yet now, the same group who rained this economic catastrophe upon our country is asking us to go along with their idea of what is best for our country economically.

Mr. Speaker, I have no additional speakers, and I reserve the balance of my time.

Mr. DREIER. Mr. Speaker, I am extraordinarily honored to yield 1½ minutes to my very good friend, the gentleman from North Carolina [Mr. COBLE].

Mr. COBLE. I thank the gentleman from Claremont for having yielded to me.

I want to mention a little bit about what has brought us to where we are. Now, I realize the majority controls,

and I have no problem with that; if you have more numbers, you are going to prevail. But something that I think is sometimes overlooked is the staffer input that gets us where we are now.

We are staffer-plentiful on this Hill, most of whom I will readily admit are adept and able. But the manner by which these staffers are assigned—that is, through the Democrats vis-a-vis the Republicans—is inequitable at best. I do not want this to be overlooked during this debate.

The Democrats are blessed with far more staffers per capita than are we, which means, of course, when we Republicans go to the board and hammer out our alternatives, we must oftentimes do it without the benefit of 50 staffers at our beck and call. In this town, if 50 staffers are amenable and adequate, you will end up with 125. That is not right. But neither is it right that we have to suffer in this regard in preparing to come to where we are today.

We have done our homework, in no small part without the benefit of staff. We have crossed every T and dotted every I. It seems to me that common sense would dictate that the plan that we have ready to go, that is, less tax increase, more spending cuts, is the course, Mr. Speaker, that we should pursue.

I thank my friend from Claremont.

Mr. DREIER. I thank my friend from Greensboro for an excellent statement.

Mr. Speaker, I yield myself such time as I may consume, to underscore the gentleman's statement, if I might, Mr. Speaker, by saying on this side of the aisle with an extraordinarily limited number of staff members we have been able to come up with specific proposals, and yet my friends on the other side of the aisle, with hundreds and hundreds and thousands of staff members, and those down at the executive branch on Pennsylvania Avenue, with even more thousands of staff members, have yet to come up with specific proposals.

Mr. Speaker, I am happy to yield 1 minute to my very good friend, the hard-working gentleman from Atlanta, GA, [Mr. LINDER], who is a new Member of the House.

Mr. LINDER. I thank the gentleman for yielding. I was listening to some of this debate in my office. I heard it said that the Republicans have just got to realize that the Democrats won. The people voted for this.

Well, I paid some attention to the campaign in the last election, and I did not hear candidate Clinton say he wanted to raise the Social Security tax on Social Security recipients. I did not hear candidate Clinton say he wanted to increase the gas tax. In fact, he said exactly the opposite and ridiculed Ross Perot for saying that. I did not hear candidate Clinton say he wanted to increase taxes on everyone making \$30,000 a year or more; he in fact ridi-

culed that when President Bush said he might.

I did not hear candidate Clinton say he was going to cut the military \$127 billion, that he was going to keep it strong. I did not hear candidate Clinton say that he was going to increase the debt in his first term by \$916 billion, even providing that he creates the jobs he hopes to create.

□ 1320

No, he made fun of the Reagan deficits and yet the Clinton debt in his first term will be \$183 billion more than the Reagan debt in its first term.

The Clinton deficit in his first term will be \$238 billion more than the Reagan deficit in its first term.

Mr. Speaker, I respectfully suggest that this is not what the people voted for. They voted for a campaign that said exactly the opposite.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 2 minutes to the gentleman from Pennsylvania [Mr. BLACKWELL].

Mr. BLACKWELL. Mr. Speaker, I have been sitting in the back. I am amused at the Republican Party. This is a party that shifts all American jobs to foreign countries and now suddenly that want to create jobs for Americans. That is why we had the change.

We had veterans sleeping in the streets, veterans who fought the Vietnam war sleeping in the streets. We have little old ladies who cannot pay their gas bills, their electric bills, but yet the Republicans now want to save America.

We elected one President. President Clinton is now the President. He has the right to set the tone for what happens in this country and we ought to cooperate.

How anyone can stand here after destroying this country for the last 12 years, giving tax breaks to the rich and the super rich, to the detriment of middle-class people and poor people, how you can say now that you are the saviour of America?

America is tired of your policies. They want change. They have change and you can stand here all day long with your hypocritical statements. It is not going to work. America is tired, too much gloom and doom. They want to be happy again. They want to work again. They want America back for the American people and not for the 2 percent that you gave it to, and we intend to give it back.

Mr. DREIER. Mr. Speaker, I yield 1 minute to the very hard-working ranking Republican on the Budget Committee, the gentleman from Ohio [Mr. KASICH].

Mr. KASICH. Mr. Speaker, I appreciate the gentleman yielding me this time.

Let me say that we are talking about change here today. It is not a change in Congress, unfortunately, that we are

compiling fish atlases, studying ultrasonic texture, buying new computers for the IRS, forgiving the D.C. debt.

I mean, this is unbelievable. This is not change. This is more of the same that we have been getting in this House now since the day I came in here 10 or 11 years ago.

But the thing that is really the most amazing to me is that when the President came up to Capitol Hill he said that he wanted to be for change, and I believe the President is for change.

The President said the reason we cannot have any change is because, frankly, the traffic will not bear the cuts, referring to the Democrat Party. The traffic will not bear the cuts.

I said, "Mr. President, you are for change. We are for change. Let us pull the agenda our way."

He said, "Well, I'll tell you what. Send me your specifics."

Well, we laid them down, 84 pages worth of specifics. And what has happened?

Unbelievably so, they sent us \$63 billion worth of unspecified cuts to try to get under the caps that is required in the Senator NUNN 1990 budget deal.

The bottom line is we got all the specifics. You have none. You bring a stimulus package. You call it change and it is nothing like that.

What is unbelievable is if the people across this country understood that we were forgiving the debt of the District of Columbia in a stimulus package and compiling fish atlases, I will tell you right now, well, they want term limits and the reason they want term limits is they are fed up because they aren't seeing any change.

What we are trying to say over on our side of the aisle is that we will give you the change, and the change that we are giving you is specifics. We have met the test.

Mr. DREIER. Mr. Speaker, I yield back the balance of my time, and urge a no vote on the resolution.

Mr. DERRICK. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore (Mr. MONTGOMERY). Pursuant to House Resolution 130 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 1335.

The Chair designates the gentleman from Idaho [Mr. LaRocco] as Chairman of the Committee of the Whole and requests the gentleman from Pennsylvania [Mr. BLACKWELL] to assume the chair temporarily.

□ 1325

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole

House on the State of the Union for the consideration of the bill (H.R. 1335) making emergency supplemental appropriations for the fiscal year ending September 30, 1993, and for other purposes, with Mr. BLACKWELL, Chairman pro tempore, in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Kentucky [Mr. NATCHER] will be recognized for 30 minutes, and the gentleman from Pennsylvania [Mr. MCDADE] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Kentucky [Mr. NATCHER].

Mr. NATCHER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, today we bring to the House floor the emergency supplemental appropriations bill dealing with the economic stimulus and investment initiative of the President.

This bill contains \$16,257,453,547. This is \$5,541,000 less than the amount requested by the President.

We added no new programs, no new projects. We bring it back, Mr. Chairman, exactly as it was requested, with only a few minor corrections that bring the bill total down to the \$5,541,000 below the President that I just pointed out to the committee.

This bill, as we know, is just one piece of the President's overall economic program. After we received the President's request, the 10 affected subcommittees of our Committee on Appropriations began holding hearings. Witnesses were called. We requested from these witnesses their viewpoints as to the entire bill and the separate parts we received testimony from many witnesses who expressed, very frankly, the need for the programs in this bill.

Mr. Chairman, the bill we present at this time provides, \$4 billion for unemployment assistance.

The highway and airport obligation ceilings are increased to enable \$3.2 billion of additional investment.

For community development block grants, we have \$2.5 billion.

In education assistance, we have Pell grants, Mr. Chairman, of \$1.86 million.

For summer youth employment, \$1 billion.

For infrastructure improvements, \$1.3 billion.

For compensatory education, \$735 million.

For summer head start, an additional \$500 million.

For the child immunization program and the Ryan White AIDS Program, \$500 million.

For the WIC Program and the Children's Nutrition Program, \$131 million.

The amounts contained in this bill are in 71 different accounts, and they are for hundreds of projects in the every state.

All the funds in this bill are designated as emergency requirements under the provisions of the 1990 Budget Enforcement Act.

This bill is under the 1993 overall spending limit as set forth in the 1990 Enforcement Act.

□ 1330

We are informed that the gross domestic product has increased 4.8 percent in the last quarter, and I would like to say to the members of the committee, when they return to their districts and talk to their people about this increase of 4.8 percent, their people will ask them, "Where is it? We don't see it."

Mr. Chairman, today we have a jobless recovery in the economy. We have over 9 million people unemployed.

Our new President, as has been pointed out on several occasions today, has only served 57 days, Mr. Chairman. He has only been in office for 57 days. He has made every effort, every day, every hour, to turn the economy in this country around, to do the best he can, and he is working hard at it.

Mr. Chairman, I say to my colleagues today that our new President should receive the help of this Congress from both sides of the aisle. Since I have been a Member of Congress, I have had the pleasure of serving with nine Presidents. I started out with President Eisenhower. I recall distinctly, Mr. Chairman, when President Eisenhower wanted to start the interstate highway system. He wanted to establish a new Department of Health, Education, and Welfare. And then President Eisenhower said, "I want to reform the Internal Revenue Code," a matter that every President for 40 years had walked around, Mr. Chairman. He said, "I want those reforms to take place." We joined with him in those days. We joined with him to help him, a new President, our President, our country, and that is the way it ought to be.

As my colleagues know, we do not have elections in Washington. They are back in our districts. Our districts are our country and it needs help today, and it needs it bad, and I say to my colleagues quite frankly, our new President should have the help and the assistance of every member of this committee.

I remember when John Kennedy was elected. John Kennedy wanted legislation for elementary and secondary education, higher education, and the environment. He did not live long enough to put them through. Lyndon Johnson, his successor, put those through, and we helped him.

Mr. Chairman, Ronald Reagan was elected President. During the campaign of 1980 he said to the people in this country, "I want tax reduction." We helped him with it. I sat in the same chair, Mr. Chairman, that you are sitting in for several days at that

time presiding while that bill was considered. For several days we had the Tax Reduction Act of 1981. It reduced taxes \$750 billion.

We had President Carter. When he came in as a new President, Mr. Chairman, he wanted a Department of Education. We helped him.

Mr. Chairman, all down through the years when a new President has presented programs to this Congress we tried to help him, and I say to my colleagues today that every member of this committee on both sides of the aisle ought to be for this emergency supplemental appropriations bill. It is a good bill. It is a clean bill. And, Mr. Chairman, we present it to the committee at this time and ask for its approval.

Mr. MCDADE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I just want to begin on a personal note by announcing that, as Members might know, the President of the United States is being hosted by the Speaker, and with him is the taoiseach of Ireland. As we celebrate St. Patrick's Day, Mr. Chairman, to all of us I hope everybody has a good St. Patrick's Day.

Having said that in an amicable mode, I must now depart that kind of a mode and rise, Mr. Chairman, may I say, in strong opposition to this appropriation bill.

Mr. Chairman, an appropriations bill is a lot like buying a car. Some of the salesmen would tell us what a fine-tuned, good-looking, affordable machine it is, but I say to my colleagues, before you put your cash on the barrel-head, you better pick up the hood and have a look around yourself.

Let me say that 650,000 taxpayers in our districts will be watching to see if they think, and my colleagues and I think, that this hot number is worth putting another, \$19.5 billion on a credit card that already has a balance due of \$4.1 trillion and is mounting by the second.

Mr. Chairman, we have heard the sales pitch: jobs, economic stimulation, investment, insurance on the recovery. Wow. Easy financing. Spend now; pay later. Have we ever got a deal.

Well, it is time to lift the hood, my colleagues, and it is time to kick a few tires. Let us go down a checklist and see what this bill is all about, and let me assure my colleagues it is not a pretty picture.

Let us take jobs first because I think Members on both sides of the aisle have that as our No. 1 priority. Using administration figures, sent to us by the Office of Management and Budget, this so-called emergency supplemental will create 219,000 jobs at a cost of \$19.5 billion. Even if my colleagues believe those figures on the jobs, the cost, my colleagues, is \$90,000 a job. That is \$90,000 per job.

My colleagues, take note of this: 219,000 jobs is the number of jobs that the economy created in 17 days in the month of February, on its own, without any help from Uncle Sam or the taxpayers, and, if we look at the full month of February, there were 365,000 new jobs created with no assistance from the taxpayers. There are 13 different programs in this bill, like \$28 million to reduce the deficit for the District of Columbia, that are not going to create any new jobs at all.

Economic stimulus? If the economy needs stimulus, my colleagues should know, unemployment insurance aside, the Congressional Budget Office, whose numbers the administration officially subscribes to—we heard the President of the United States say we accept CBO numbers—estimates that only 19 percent of the funds in this bill will be spent in this fiscal year. One-third, fully one-third, will be spent in 1995 and beyond, whether or not the economy needs stimulus at that point.

And, my colleagues, I need to say this: many of the programs in this bill have nothing to do with stimulus. For instance, there is funding in here for 28 drawings of historical structures.

Investment? Take a look at this one: There is \$148 million in this bill for the Internal Revenue Service to modernize a program that, listen to this now, our own watchdog agency, the General Accounting Office, has criticized as wasteful and has said it is obsolete now even before the Internal Revenue Service attempts to spend another \$148 billion of tax dollars. Some investment. Some job stimulus.

Insurance on continuation of the recovery? Well, this may be an odd trioka, but Alan Greenspan, Ross Perot, and the Village Voice all agree on one thing: \$19 billion in a \$6 trillion economy is not big enough to have any impact at all.

Easy financing? Oh, yeah, the interest costs on borrowing the money to pay for this package amount to more than \$1 billion a year from here to eternity.

My colleagues, there are no shortages of dubious spending in this bill. We cannot change it. They are, in the bill, going to create fish atlases, going to study large river populations of sicklefin chub. We are even making fiscal year 1994 and 1995 payments on a computer to free up money for other things.

□ 1340

There is money in here from arts education, to Olympic whitewater canoeing. And, listen to this one. There is a green program in here where we are going to use tax dollars to give to the Environmental Protection Agency. And guess what they are going to do? They are going to go out to the Fortune 500 companies—the last time I looked, their balance sheets looked

pretty good—and EPA is going to tell them how to be energy efficient, how to improve energy efficiency. EPA bureaucrats, those experts in efficiency, are going to tell the Fortune 500 companies how to do it right.

Every one of these programs is declared an emergency in this bill. The only way this bill could be considered is by declaring it an emergency, because it takes us over our supposedly inviolable 1993 domestic discretionary spending cap.

We are driving a truck through a loophole used in the past for hurricanes and natural disasters, and we are ending up with that truck funding parking garages.

Even the major programs in this bill are problematic. For the most basic infrastructure program in here, the \$4 billion for highways and transit, the committee report states that the program in this bill is neither the right choice as an efficient job program nor a qualitatively sound infrastructure stimulus.

The Head Start Program is already trying to absorb a \$600 million increase for this year that was President Bush's largest domestic initiative. With the \$500 million in this bill, that would amount to a 300-percent increase in the program in the past 4 years, at a time when the founder of the program says that only 30 percent of the Head Start programs are able to use their funds effectively. In a good program, Mr. Chairman, we are throwing so much money at it so fast that I hope, with all my heart, we are not looking at a scandal waiting to happen.

The \$2.5 billion for community development block grants would add to an unobligated balance in the program that is estimated to be between \$4 and \$7 billion. You do not need to spend \$2.5 billion. You have unobligated funds of \$4 to \$7 billion, and a total backlog in the HUD pipeline, according to the Secretary's testimony in front of the committee, that amounts to \$16 billion in unobligated funds.

This CDBG program will distribute funds by formula to cities that may not need it, be it Beverly Hills or Grosse Pointe.

According to the mayors themselves, projects it will be used for, include golf courses and beach parking.

We provided an additional \$500 million to summer youth jobs last summer, and \$250 million went unused, and now we are asked to appropriate \$1 billion.

When you step back and look at the package as a whole, remember this.

Past efforts by the Federal Government to stimulate the economy have not worked. The General Accounting Office, Congress' watchdog agency, analyzed the 1983 jobs bill and found it to be ineffective and untimely. Funds were spent slowly, few jobs were added to the economy, and the jobs did not go to the unemployed.

Not a single one of the GAO recommendations to improve future packages has been followed in this bill, even though they are all of record.

Finally, as with any major purchase, you have to ask the question, do we need it? Is it necessary now? Just about every economic sign is pointing up, from economic growth and industrial production trending upward robustly, to unemployment trending downward.

The most cautionary new signal is some sign that inflation is reawakening, with a 0.8-percent increase over the past 2 months. And of course, deficit spending only increases pressure on inflation. The need for this bill now, is at best weak.

Mr. Chairman, when you lift the hood on this bill, it becomes clear the vehicle is not worth the price tag. The American people don't want more questionable spending. They want less spending, not more. They want deficit reduction. They want Congress to act as a responsible body, not as a rubber stamp to anybody.

Mr. Chairman, I urge my colleagues in the strongest possible terms not to listen to that sales pitch, however tempting it may be, but to make their own judgment about what is under the hood of this particular bill. If they do so, it is clear that it is not a hotrod, but rather a lemon. And it is clear what we all need to do. I hope my colleagues on both sides of the aisle will vote down this bill.

Mr. Chairman, I reserve the balance of my time.

Mr. NATCHER. Mr. Chairman, I yield 2 minutes to the gentleman from Iowa [Mr. SMITH], the chairman of the Subcommittee on Commerce, Justice, State, the Judiciary, and Related Agencies.

Mr. SMITH of Iowa. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, the part of the bill that we are privileged to handle in the Commerce, Justice, State and Judiciary Subcommittee, that I have the privilege to chair, totals, \$507,555,000 in new budget obligation authority. However, that figure does not really indicate the importance of this supplemental at this time.

For example, \$140.9 million of that amount is budget authority for the Small Business Administration for the section 7(a) loan guarantee program. That drives \$2.6 billion in loans that banks will make. That \$140.9 million is net subsidy cost estimate of that program. SBA is going to exhaust their funds by May, and they need this \$2.6 billion in the economy for small businesses at this time.

In addition to that, there is money in here, \$93.922 million, for the Economic Development Administration. We have had a number of disasters as late as last week, and some of this money is for offsetting the impact of sudden and

severe economic disasters that are affecting several areas of the country. A vote against this bill would deny the funding that is needed to handle these disasters. There is also money in this bill for EDA for economic development planning purposes. That needs to be done now if we are to have an expansion in the economy.

Another thing I want to point out is the money in the bill, \$103.3 million, for the industrial technology services program of the National Institute for Science and Technology in the Department of Commerce. We need to do the supplemental now to get started on these additional efforts that we are going to make in advanced technology if we are going to be competitive in the world.

Mr. Chairman, so it is not just the number of dollars, it is a relatively small number of dollars involved here, but it is important that these funds be made available now so as to drive and open up the economy for jobs that we hope to get this fall.

Mr. Chairman at this point, I would like to insert additional material into the RECORD, which will provide Members with the detailed information about the funding in the bill for the programs in the jurisdiction of our subcommittee:

COMMERCE-JUSTICE-STATE SUBCOMMITTEE
ECONOMIC STIMULUS AND INVESTMENT SUPPLEMENTAL

I. DEPARTMENT OF COMMERCE

Total: \$358 million.

A. Economic Development Administration: \$93.9 million.

The supplemental includes \$93,922,000, as requested, for economic development assistance programs for fiscal year 1993. The funds provided are for economic development assistance and infrastructure investment. Of the amount provided, \$45,000,000 is for grants under the Title IX program for sudden and severe economic disasters, including additional funds for areas impacted by natural disasters, such as Hurricanes Andrew and Iniki, areas impacted by the outbreak of violence following last year's incidents in Los Angeles, and areas affected by the closure of military bases or the cutbacks in the defense industry. The remaining funds are for grants under the Title I, Public Works Program and for economic development planning purposes.

B. Minority Business Development Agency: \$1.9 million.

The supplemental includes \$1,878,000, as requested, to supplement the \$37,889,000 previously appropriated for the Minority Business Development Agency for fiscal year 1993. These supplemental funds are specifically provided for program management. The funds will alleviate a nationwide administrative shortfall so that the agency can more adequately continue to provide quality technical assistance and market-driven business services to minority-owned businesses.

C. National Oceanic and Atmospheric Administration: \$80.8 million.

The supplemental includes \$80,773,000 for the National Oceanic and Atmospheric Administration, as follows:

1. Weather Service Modernization: \$21 million.

The funds provided will allow the National Weather Service to expedite the staffing of NEXRAD Weather offices as well as make necessary timely office relocations into new facilities. Funds for these purposes would stimulate the economy through essential employee and office relocations into planned, modern facilities. This proposal will result in 118 positions being filled and an additional 17 stations being commissioned, as follows: St. Louis, MO; Dodge City, KS; Houston, TX; Goodland, KS; Kansas City, KS; Amarillo, TX; Little Rock, AR; Phoenix, AZ; Miami, FL; Jackson, MS; Tulsa, OK; Topeka, KS; Detroit, MI; Hastings, NE; Chicago, IL; Cleveland, OH; and Pittsburgh, PA.

2. NOAA Data System Modernization: \$15 million.

The current state of the Data System Management within NOAA is not capable of meeting the internal and external demands upon it. Planning efforts have been underway on updating NOAA's data systems to meet not only the current demands of NOAA, but also the future demands placed upon NOAA. Projects to be funded include computer hardware, workstations, system prototypes and archival architecture. Below is a listing of the proposed equipment and procurement source:

[In millions]	
Item	Amount
Listed on GSA schedule:	
Satellite and information workstations	\$1.7
NOAA inter-LO information access system proto-type (OAR)	3.0
Data access hardware	3.1
Coastal data system modernization3
8-A procurement: Pulsar Corporation (8-A) ocean data system modification workstations	1.1
Sole source procurement:	
Hughes/STX—and Federal data systems org.—satellite active data archive	2.7
NASA scientific workstations	1.9
3. National Marine Fisheries Service IT-95 Computer System (NMFS): \$9 million.	
NMFS is beginning implementation of a modern, distributed processing system which includes mainframes and scientific workstations linked by a wide-area network. This funding would permit the purchase of nine mainframes and approximately half of the required scientific workstations along with the initial development and conversion of essential software and telecommunications capabilities that are critical to support the management, conservation and protection of U.S. living marine resources and, thereby, to maximize fisheries productivity. The procurement process for the "IT-95 Computer Upgrade" is scheduled for completion by the end of March; revised cost proposals currently are due. Existing options can be exercised to provide for complete system delivery by May.	
4. High Performance Computing and Communications (HPCC): \$11 million.	
The funds will be used to upgrade the multi-parallel processing system to be installed at the Forecast Systems Laboratory in late spring and the purchase of advanced work stations for selected NOAA locations. This project will result in long-term improvements in NOAA's technical infrastructure, allowing for more accurate weather and climate forecasting. The HPCC will result in a stimulus to the U.S. computer industry which is currently facing recessionary conditions. Fast outlay of funds is possible by piggy-backing existing contracts or grants as follows:	

Grant to University of Colorado to support front range consortium research project, \$5,000,000.

8-A contract for procurement of high performance workstations, \$6,000,000.

5. Enhancing NOAA's Research and Prediction Capabilities: \$17 million.

A total of \$17.0 million is requested: (1) to purchase instrumentation required to better measure the state of the atmosphere and oceans to provide a scientific basis for balancing environmental policies and economic growth; and (2) to support the purchase of a next generation of tools for continuous improvement in the technological base for NOAA services, which will lead to more credible environmental forecasts.

Expedient outlay of funds is available through existing contract modification and off-the-shelf purchases of hardware and software. This project will stimulate high-technology industries and reduce the inventory of goods, thereby encouraging reorder and new production. A list of the equipment and procurement source is included below:

[In thousands]	
Environmental instrumentation and systems:	Cost
Instrumentation for environmental measurements (From GSA schedule and limited competition procurements) ...	\$4,500
a. Trace gas measurement systems	(1,200)
b. Ozone sondes equipment	(995)
c. Atmospheric Lidar system and atmospheric radiometric system)	(965)
d. Air quality and particle instrumentation (air quality field instrumentation, atmospheric particle analysis equip.)	(815)
e. Ocean/atmosphere flux measurement	(525)
Ocean observing system (three-way competition off the shelf) low-cost remotely operated vehicles	1,500
Computer networking and system upgrades (GSA schedule)	3,000
a. High-end lab workstations and networking (9 labs)	(2,340)
b. High-speed LAN and computing for CMDL observatories	(420)
c. WPL computer equipment upgrades	(240)
Atmospheric research and prediction:	
SELDADS upgrade (GSA schedule)	1,700
PROFs systems upgrades (GSA schedule)	2,450
Profiler system enhancement (some GSA schedule, sole source, existing contract)	2,850
Aircraft measurement and processing equipment (some GSA schedule, some sole source)	1,000
6. Geophysical/Fluid Dynamics Laboratory Computer Acceleration (GFDL): \$8 million.	
These funds will be used to make the FY 1994 and FY 1995 payments to buy-out the Class VI Computer at the NOAA Geophysical Fluid Dynamics Laboratory (GFDL). This will enable GFDL to stabilize its current computing environment and to move forward its planned purchase of a follow-on, next generation supercomputer by removing these payments from its base requirements for FY 1994 and FY 1995 and by reducing its interest	

payments by \$600,000. This next-generation system will enable GFDL to accelerate its world-leading "coupled model research" in order to improve regionally specific inter-annual climate forecasts (such as El Nino) and begin to make regional predictions of global warming effects. This is a modification of an existing contract.

D. National Institute of Standards and Technology (NIST):

1. Scientific and Technical Research and Services: \$14.1 million.

This program is part of the multi-agency High Performance Computing and Communications program. One objective of the NIST part of this program is to accelerate the development and deployment of high performance computing and networking technologies required for the national information infrastructure that will be the broad foundation for many new applications in education, libraries, manufacturing, and health care. A second objective is to apply and test these technologies in a manufacturing environment. NIST will establish a test facility to enable the accelerated application of information technologies to manufacturing to accomplish this objective.

These supplemental funds will accelerate the commercialization of new information technologies by enabling NIST to: (1) expand its research and development program in areas related to high-performance computing and high-speed networking for manufacturing applications, and (2) expedite associated standards development.

To implement this program an Advanced Manufacturing Systems and Networking Testbed (AMSANT) will be established at NIST to enable research and development into advanced manufacturing computer systems and networking.

Collectively, the results of this program will assist U.S. industry in the application of information technologies by establishing performance-based test techniques to encourage rapid improvement of the technology, to permit interoperability of hardware and software from various vendors, and to stimulate the export of U.S. products.

2. Industrial Technology Services: \$103.3 million.

These funds are provided for the NIST Advanced Technology Program (ATP). This supplemental is the first phase of an aggressive plan to broaden the scope and depth of technology areas and industrial sectors participating in the ATP. Approval of the supplemental will enable NIST to initiate approximately 80 additional projects before the end of FY 1993 for a total of approximately 100 projects started during the year.

The fourth ATP competition since the program was started has been announced, and proposals were submitted on February 24, 1992. NIST will use a portion of the supplemental funds to increase the number of awards made as a result of the fourth competition. Assuming that 220 proposals are submitted (the average number submitted in the three previous competitions), it is likely that 60-80 proposals would be of sufficiently high quality to merit funding. Without the supplemental, NIST would have funds available to make only 20 to 30 new awards in the fourth competition. If the supplemental is approved, a total of approximately 60 new awards could be made.

Second, a portion of the supplemental funds will be used to support a fifth competition that would be announced as soon as appropriations are approved. Assuming approval of the supplemental in March 1993, proposals would be due in June 1993 with

funding decisions made towards the end of this fiscal year. Approximately 40 additional projects could be funded in the fifth competition.

Third, a special ATP competition in the area of Advanced Manufacturing Technology Development will be announced approximately one month after supplemental appropriations are approved. This competition would focus on the creation of multi-year joint ventures to develop, refine, test, and transfer design and manufacturing technologies and associated applications, including advanced computer integration and electronic networks for manufacturing information exchange. ATP is currently funding four projects in this area and the supplemental would enable to support of 3-5 additional projects. The ATP extramural Advanced Manufacturing Development projects will be coordinated with NIST intramural activities to be supported in part by the Scientific and Technical Research and Services component of this supplemental.

E. National Telecommunications and Information Administration: \$63.9 million.

The supplemental includes \$63,867,000 for the Public Telecommunications Facilities, Planning, and Construction (PTFP) program under the National Telecommunications and Information Administration (NTIA) of the Department of Commerce. The funds are provided, as requested, for grants to promote the development of a telecommunications and information infrastructure linking the Nation's schools, libraries, governments and other public information producers. The funds provided in this bill would be awarded to States, local governments, universities, school systems, and other non-profit groups, to connect public facilities in interactive networks, or to develop plans for statewide, or potentially nationwide, interactive systems.

NTIA has received over \$77 million of telecommunications project proposals under the Public Telecommunications Facilities program in recent years. These proposals have gone largely unfunded. NTIA anticipates that only approximately \$4-5 million would, in the normal course, be available to fund the type of infrastructure projects that this initiative recommends. These additional funds would be devoted solely to projects promoting the development of the telecommunications infrastructure proposed in this initiative. Some of these additional funds would be used for pending proposals. In addition, NTIA would solicit: (1) planning proposals from states and other non-commercial entities (e.g. universities); and (2) new key infrastructure construction projects which would aid states and other non-commercial entities in meeting unmet education needs.

II. RELATED AGENCIES

A. Equal Employment Opportunity Commission: \$8.8 million.

The supplemental includes \$8,829,000 for the Equal Employment Opportunity Commission for fiscal year 1993. This amount will fund 156 additional Full Time Equivalents (FTE) to allow the Commission to handle the increased workload resulting from enactment of the Civil Rights Act (CRA) of 1991, the Americans with Disabilities Act (ADA), and the new federal EEO complaint processing procedures under 29 C.F.R. Part 1614.

B. Small Business Administration: \$140.0 million.

The supplemental includes a subsidy appropriation of \$140,883,000 to support an increase of \$2.575 billion in the fiscal year 1993 general business loan gross program level

(commonly known as the 7(a) program) from \$3.6 billion to \$6.2 billion. In fiscal year 1992, demand for general business guarantee funds totaled \$5.6 billion, a level 37 percent higher than that of fiscal year 1991. This increased demand has continued into fiscal year 1993 and at the end of the first quarter, SBA was forced to defer approved general business guarantee loan applications until second quarter apportioned funds become available. In addition, OMB recently approved a re-apportionment request that transferred third and fourth quarter program level authority to the second quarter. Given the continuing high demand in fiscal year 1993, the agency expects that without these supplemental funds, the current appropriation for the program will be exhausted by May, forcing a shutdown until fiscal year 1994.

Through the business loans program, SBA provides financial assistance to small business, guaranteeing to pay part of any loss sustained on loans made to small businesses. The loans guaranteed by SBA may be used to construct, expand, or convert facilities and obtain working capital required to expand a business. The job creation potential of this program is particularly important at this time in assisting economic recovery in the many areas of the country which suffered during the recent downturn.

The bill also includes language allowing up to \$2,000,000 to be used for administrative expenses related to the additional business loans guarantee authority. Any funds used for administrative costs would reduce slightly the amount of additional loan guarantee authority.

Mr. MCDADE. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Arizona [Mr. KOLBE].

Mr. KOLBE. Mr. Chairman, the title of this bill is "Making Emergency Supplemental Appropriations for the Fiscal Year 1993." Emergency is a word with certain meaning, when an emergency occurs in the community, bells ring, the sirens wail, the lights flash.

In the economy, most of us would think of an emergency as jobs being lost, unemployment soaring, personal income plummeting.

Mr. Chairman, none of those things are happening. So where is the emergency and why is this appropriation bill brought to us as an emergency, rather than under a straight supplemental appropriation?

The answer, of course, is simple: by declaring an emergency, we do not have to pay for it. Instead, we just do it with a credit card.

Now, this is from an administration that has said deficit reduction is a priority, a No. 1 priority. Yet we are doing this kind of economic stimulus package on a credit card.

It has been said, and correctly so, that this appropriation really is not going to have much impact on the economy, not \$16 billion of spending in a \$6 trillion economy. That is true, but it does have an impact on the deficit. When measured as a percent of the 1993 deficit, it is big—very big.

In terms of its long-term impact and its psychological impact on the markets, it is much greater.

Look at what we are doing here, what we are going to get with this emer-

agency. We are talking about subsidizing a shortfall in the District of Columbia budget with \$28 million. That is economic stimulus? That creates jobs?

We are talking about WIC, a good program, \$75 million. What jobs do we get with this spending?

Immunization, a terrific program, \$300 million. What is the economic stimulus we get from that?

When you get to the bottom line, we are talking about \$16 billion of added deficit spending. That translates to \$89,000 per job created with this package. \$89,000 per job created, and only for part of 1 year.

□ 1350

That is not economic stimulus. That is not responsible budgeting. That is not responsible appropriations.

Mr. NATCHER. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois [Mr. YATES], the chairman of the Subcommittee on Interior and Related Agencies of the Committee on Appropriations.

Mr. YATES. Mr. Chairman, I thank the chairman of our committee for yielding time to me.

I want to suggest to the gentleman from Pennsylvania [Mr. McDADE], my good friend and the distinguished ranking member of the full Committee on Appropriations, that he ought to look under the hood again, if he has looked under the hood.

Of all the programs in our portion of the bill, the Subcommittee on Interior, and he should know the Subcommittee on Interior and he does know what we have worked on for years, the program he picked out to criticize was the sickle fin chub and fish atlases, a \$100,000 appropriation in a \$749 million portion of this appropriations bill. If that is critical, I would suggest that he take another look under the hood.

I point out to my distinguished friend that the appropriation is for a fish atlas, for taking an inventory of freshwater fish, the kind of an inventory that was taken preliminary to cleaning up the Connecticut River. And the gentleman knows how instrumental our good friend Silvio Conte was in that in coming to our committee and the important part that inventory played in helping the Fish and Wildlife Service perform the necessary kind of appraisal that was necessary to make that river usable again for anadromous fish.

My good friend, and he is my good friend, knows how disappointed we have been from year to year, as we marked up the Interior programs, of our inability to place adequate appropriations in our bill to take care of the needs of the public resources of the Nation.

In our portion of the bill, I would point out to the gentleman, funds are going to take care of the long-needed maintenance in the National Park

Service, necessary construction of trails and bridges and highways in the forest system, and protection of the lands of the Bureau of Land Management.

My good friend knows that we have been placing in our appropriations bills for years funds for summer employment under the Youth Conservation Corps, which provides summer employment for the young people of our country in order to permit them to find jobs in the National Forests and in the Parks and spend their summers in very healthful surroundings.

We have a good bill here, Mr. Chairman, and I commend our portion of the bill to the House.

Mr. McDADE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I just wanted to say to my dear friend, and he is my dear friend, and I know of his long interest in the programs in Interior. And I think I share those interests. I do not believe any one of those programs that the gentleman has mentioned, which are basically research programs, belong in this emergency stimulation program. That is fundamentally what is wrong under the hood.

They ought to be in the regular bill. That is the only place they ought to be. They should not be in this emergency stimulation bill.

If they were in the regular bill, may I say to my friend, I would join in supporting them. I do not believe that what we ought to do is put this burden on the back of the taxpayers under the guise of emergency.

Although \$100,000, my friend says, is not a lot of money, in terms of the total bill he is right about that, but I do want to say that is the entire tax bill for 20 American families. And I do not believe any of these research projects, which are not related to jobs creation or economic stimulation in any sense, belong in this particular bill.

Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois [Mr. PORTER], the distinguished ranking member of the Subcommittee on Labor, Health and Human Services, Education, and Related Agencies of the Committee on Appropriations.

Mr. PORTER. Mr. Chairman, I thank the distinguished gentleman for yielding time to me.

This stimulus is not necessary. Unemployment is down. Employment is up by 380,000, the biggest monthly gain in 4 years. GDP is way up in the fourth quarter, 4.8 percent. Factory orders are up. Factory hours and overtime are at an all-time high in this country.

We have job gains in construction, in services, and retail. The stimulus simply is not necessary.

It will also be ineffective, Mr. Chairman. We have a \$6 trillion economy, a \$1.5 trillion Federal budget. We are already stimulating this economy this

year to the extent of \$330 billion in deficit spending.

Will \$16 billion of spending grow the economy faster than it is already growing? Of course not, Mr. Chairman.

Many programs in the stimulus do not create jobs. Those that do, the chapter 1 summer program, the Head Start summer program, the Summer Youth Employment Program, create only temporary, low-wage jobs. Much of this money cannot even be spent by the summer grantees.

The Packard amendment, which I hope will be made in order under the rule, recognizes that the real emergency should be funded by providing extended benefits for those who still cannot find jobs, as does the Stenholm package, but it also acknowledges that the remainder of the programs are not emergencies.

They will add billions of dollars to the deficit and frustrate our goal of deficit reduction, Mr. Chairman. They ought to be considered in the broader context of the President's economic recovery plan and the statutory budget process.

Are these programs emergencies? Amending chapter 1 to provide arts education. Is that an emergency? The \$9 million for new computers at NIH. Is that an emergency? Social Security Administration, building new restrooms. Is that an emergency? computer paper and disk purchases, new computer terminals at the Social Security Administration, new staff, are these emergencies? Postage equipment. I list these only as examples, Mr. Chairman, but there are many, many more. All of them should be considered in the regular budget process.

If these are the new administration's priorities, then my colleagues on the other side of the aisle ought to tell us what we should cut in order to fund them.

Mr. Chairman, many of these programs do not even meet the President's own criteria of creating jobs this summer: The \$2 billion for Pell grants creates no jobs; worker profiling, that duplicates an existing automation grant program, creates no jobs; Ryan White, creates no jobs; NIH computers, no jobs; SSA infrastructure, no jobs.

Mr. Chairman, no one disputes the merit of these programs. We ought to pay the Pell shortfall. We ought to improve the Social Security Administration's facilities. We ought to create advanced computer initiatives. We ought to support summer employment and education activities. But we ought to do these things within the context of the existing budget law and without adding to the deficit.

The gentlemen on the other side of the aisle simply do not get it. The problem is not with the merit of the programs. It is with adding them to the deficit.

Mr. Chairman, over \$9 billion or 60 percent of the funding in this bill re-

mains available beyond this year or until expended. How can that be economic stimulus? What it is is a long-term increase in the deficit and our debt.

Unfortunately, adding to the deficit is what this bill is all about. And it undermines the President's message and his attempt to bring down the deficit.

I think that this package is indefensible, Mr. Chairman. We ought to enact the Packard amendment and fund the unemployment benefits, yes, if it is made in order. But we ought to fund the remainder of the priorities within the context of the budget law and not add \$16 billion more to the deficit.

Mr. NATCHER. Mr. Chairman, I yield 2 minutes to the gentleman from Alabama [Mr. BEVILL], chairman of the Subcommittee on Energy and Water Development of the Committee on Appropriations.

Mr. BEVILL. Mr. Chairman, I rise to speak in support of chapter 5 of H.R. 1335, the Emergency Supplemental Appropriations Act of 1993, which provides funds for programs under the jurisdiction of the Energy and Water Development Subcommittee.

Mr. Chairman, the bill being debated today includes a total of \$93,922,000 for Corps of Engineers programs, the same as the amount requested by the President, broken down as follows: There is \$3,900,000 for construction, general; \$13,525,000 for flood control, Mississippi River and tributaries; and \$76,497,000 for operation and maintenance, general.

These funds will enable the Corps of Engineers to expedite construction of ongoing high priority water resources projects and will provide funds for needed maintenance of existing projects. The funds provided will create approximately 3,480 new jobs and represent a sound investment in the Nation's infrastructure that will return benefits for years to come.

The projects that will receive funding upon enactment of this legislation will provide flood damage reduction, inland waterway and harbor transportation, hydropower, and environmental restoration benefits to the Nation. This investment will ensure continued high levels of service and protection for our citizens and businesses.

The committee recommendation also includes the administration's request of \$47,900,000 for energy supply, research and development activities of the Department of Energy. The recommendation includes \$46,961,000 for cooperative research and development agreements and \$939,000 for Department of Energy in-house energy management.

The proposed \$46,961,000 for cooperative research and development agreements will be used to support non-defense multilaboratory collaborations to enhance U.S. competitiveness and contribute to the creation and reten-

tion of jobs for U.S. workers. This program will allow nondefense national laboratory scientists and technicians to work with industry, including small business partners and industry consortia, and will bring the resources of the Department's laboratories to bear on the technology problems of American industries.

The proposed \$939,000 for the in-house Energy Management Program will provide for survey audits in preparation for bringing more energy efficient technologies into Department of Energy buildings.

Mr. Chairman, the work to be performed using these funds is ready to go. Therefore, I urge all the Members to support the committee's recommendation, so we can begin to put people back to work.

□ 1400

Mr. MCDADE. Mr. Chairman, I am delighted to yield 4 minutes to the gentleman from Ohio [Mr. REGULA], my dear friend, the ranking member of the Subcommittee on Interior and Related Agencies of the Committee on Appropriations.

Mr. REGULA. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, this is a classic example of spend now, pay later. This will require that the U.S. Government borrow \$100 for every citizen of these United States to fund a bill that is not well thought out, a bill that the Congress, the legislative body, had absolutely no input in creating. Yet we are going to saddle every man, woman, and child with a \$100 obligation. It will not be paid, as the gentleman from Pennsylvania [Mr. MCDADE] said. We will be paying interest on this money forever, and generations to come will continue to pay interest so we can spend it today.

Mr. Chairman, I think there is something that should be pointed out here. Writing in the "Federalist Papers," James Madison, one of the great thinkers of our time, said "Each department should have a will of its own." He talked about the separation of powers and checks and balances and how important it is that each branch, executive, legislative, and judicial, do its share of the governing.

Yet in this bill the legislative branch has abdicated its responsibility. In our hearings we had no opportunity to hear from witnesses other than the administration's. The legislative branch, by rubberstamping the administrators bill, in effect had no input into the crafting of this legislation. It is totally a creation of the executive branch. I think it violates the doctrine of separation of powers. It certainly violates the spirit of what James Madison was talking about.

As Madison said: "This power over the purse may in fact be regarded as the most complete and effectual weap-

on with which any Constitution can arm the immediate representatives of the people"; that is ourselves. We are the representatives of the people. However, this bill is not our creation. We have abdicated our responsibility. We have laid down our arms.

In my years on the Committee on Appropriations, 18 plus, this is the first time that I can remember that we had a bill in which no changes were made.

Third, I think we should recognize that in the fiscal year 1993 appropriations process on which we had hearings, where the Members of this body exercised their collective judgment, we have presently in unobligated balances \$20 billion in programs proposed for additional funding in this stimulus package. That is more than is provided in this bill.

It seems to me that the right management approach would be to use the \$20 billion that has been thought out as being good government, as being constructive projects for the management of our Government. Let us do those programs. Let us get these funds obligated, and not go out and borrow an additional \$16 billion.

The last point I would like to make is this, that we are taking this money out of the private sector. There is only so much capital in the reserves of this Nation. Government does not create any wealth. It does not produce anything of value.

Therefore, if we borrow the \$16 billion to fund this bill and exercise the judgment of the executive branch only, because they created the bill, what we are in effect saying is that the people in the private sector that could otherwise borrow the \$16 billion do not know as well as we do how they should use this Nation's resources. That is \$16 billion we are going to suck out of the capital pool that could finance a new home for a young couple, could finance a new business that would create permanent jobs, not temporary jobs; could finance an education for a student that needs an opportunity, but it will not be there because we have taken it.

We have heard a lot about the shortage of capital, about the fact that our financial institutions have not been able to provide resources for the start-up businesses, for the homes that people want to buy. Yet we are exacerbating the problem by simply taking, again, an additional \$16 billion out of this capital pool.

I think it would be far better if we leave it there, let the people who produce this wealth use it, and create jobs that are permanent, jobs that add to the economic growth of this Nation, jobs that will make us more competitive in the global marketplace and certainly serve the needs of this Nation far better than this Band-Aid.

Mr. NATCHER. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. CARR], chairman of the

Subcommittee on Transportation of the Committee on Appropriations.

Mr. CARR. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, the Transportation and Related Agencies chapter includes approximately 25 percent of the total funding and spending authority recommended in the bill. I will briefly summarize the funding we are providing for transportation investment.

The majority of the funding is for the Federal-aid highway program. We recommend an increase of \$2,976,250,000 in the obligation limitation for the program, increasing the level to \$18,303,000,000 for the year. This is the amount that fully funds the fiscal year 1993 authorized level in the Intermodal Surface Transportation Efficiency Act of 1991 [ISTEA]. This amount will be distributed to the States under the existing apportionment categories contained in ISTEA.

For the Federal Transit Administration, the bill includes \$482,340,000 for formula grants. This will be distributed as follows: \$17,423,000 under section 16, specialized service formula capital; \$26,420,000 under section 18, nonurbanized area formula capital; and \$438,497,000, including \$15,850,000 derived from the highway trust fund, under section 9, urbanized area formula capital.

Additionally, the bill includes \$270,000,000 for discretionary transit grants. In line with the administration's request, these funds will be available only for bus purchases and bus-related facility construction.

The committee bill also includes the requested obligation limitation increase of \$250,000,000 for grants-in-aid for airports. This amount will be provided from the airport and airway trust fund. These funds will be distributed at the discretion of the Secretary of Transportation.

The committee also agreed to provide the request of \$187,844,000 for capital grants for Amtrak.

Let me make it emphatically clear that the transportation portion of the supplemental is not a jobs bill. But that does not mean that the transportation portion of the bill is not necessary or worthwhile. In fact, it is. The immediate jobs created by this bill will, in the larger scheme of things, be few. In addition, they are not targeted to areas of unemployment, like my own State of Michigan. The critics of the bill point this out. They are right, but they miss the point.

The point is that President Clinton won the election, in part because he made a commitment to the American people to increase investment in transportation infrastructure. It's not too soon to make good on that commitment. The people of this country paid lots of money into the transportation trust funds. The money is there. They want the investments made. They want

action, not delay. So let's pass this bill and get started on the job of investing in high economic output transportation projects for our future.

In this regard, I had a strong concern. As originally proposed, the bill would have put a premium on spending quickly rather than spending well. The administration requested that all the highway and transit formula funds would have to be obligated within 60 days or be redistributed to other States. Since these funds are only available until the end of the fiscal year in any event, I would have preferred no such use-it-or-lose-it requirement. But, in the spirit of compromise, we were able to work with the administration and agree to extend the 60 days to 90 days. Especially at the time that many States will be conducting their major bid lettings for the summer construction season, I believe the extra 30 days will help ensure a better chance that projects with high economic value will receive funding.

In conclusion, Mr. Chairman, I urge the Members to support this bill. Like many Members, I would have preferred to see some changes, including some rescissions to offset the cost of the bill. But, if we made all our changes and the Senate did the same, we might be in conference until the Fourth of July. If that happened, the summer youth program would suffer. The unemployment trust fund would run out of money. The summer construction season, especially for the northern tier of States, would be lost for the highway and other infrastructure programs. We cannot allow that to happen. We should pass this legislation and continue our investment in America.

Mr. TORRES. Mr. Chairman, will the gentleman yield?

Mr. CARR. I yield to the gentleman from California.

Mr. TORRES. Mr. Chairman, I would ask the gentleman from Michigan to engage with me in a brief colloquy.

Mr. Chairman, I note that the committee in its report recognized the need to provide additional support for cleaner buses. As you are no doubt aware, much of my State, California, has a serious air quality problem. The problem is significantly reduced by the use of zero emissions vehicles in our transit system.

California is currently the Nation's leader in the manufacture and use of zero emissions buses. Mr. Chairman, is it your understanding that the committee intended to encourage funding for zero emissions buses and related facilities, such as charging infrastructure, from the supplemental appropriations provided to the Department of Transportation?

Mr. CARR. Mr. Chairman, I would say to the gentleman, yes, that is my understanding. The committee is aware of these efforts underway in California and encourages their support.

□ 1410

Mr. MCDADE. Mr. Chairman, may I inquire as to the amount of time remaining on both sides of the aisle?

The CHAIRMAN. The gentleman from Pennsylvania [Mr. MCDADE] has 8½ minutes remaining, and the gentleman from Kentucky [Mr. NATCHER] has 15 minutes remaining.

Mr. NATCHER. Mr. Chairman, I yield 4 minutes to the gentleman from Maryland [Mr. HOYER], chairman of the Subcommittee on Treasury, Postal Service, and General Government of the Committee on Appropriations.

Mr. HOYER. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in strong support of this supplemental appropriation. It has been said that this is not an emergency and that the items in this bill are not an emergency. It was said a couple of years ago by former White House Chief of Staff Sununu that if Congress went home and did nothing, everything would be fine. That was the Bush administration's action plan.

It was said by former Treasury Secretary Brady that the recovery was just around the corner. The months came and the months went, and unemployment rose. And we urged President Bush to sign an Unemployment Compensation Extension bill, and the President did not. He did not do it the first time. He said things were going to get better. Some months later, he did not do it the second time. Things were going to get better.

The third time, he signed the bill because things had not gotten better. The American public on November 3 said, Mr. President, there is an emergency. I do not have a job. My children do not have job opportunities. My neighbor is out of work. My wife cannot find employment. My husband is laid off. They said there was an economic emergency in this country.

And furthermore, what did they say to us in Congress? Act, do not talk. Do not point the finger of blame. Take responsibility. Act.

President Clinton came here on February 17 and he said the time for assessing blame is over. The time for taking responsibility is here. This bill is about taking responsibility. The Budget bill is about taking responsibility, making hard decisions.

Dr. Tyson, the Chairman of the Council on Economic Advisers, testified today before my subcommittee that she believes that there will be approximately 500,000 new jobs created both directly and indirectly as a result of this program. And she said private sector analysis also has agreed with this figure.

Now I would say to my very close, good friend for whom I have unmitigated respect, the gentleman from Pennsylvania [Mr. MCDADE] and others

who have said \$90,000 per job, that is not a fair analysis. When you build roads as we do in this stimulus package, you create jobs with the roads, and those roads are of value for the next 10, 20, 30 years. That is economic growth long term.

Mr. MCDADE. Mr. Chairman, will my friend yield for one-half a second? I respect him greatly and do not want to take a lot of time.

Mr. HOYER. I yield to my good friend, the gentleman from Pennsylvania.

Mr. MCDADE. Mr. Chairman, I simply use that figure because that \$90,000 is more than double what it costs for job creation in the private sector, which is roughly \$40,000. So it is not an item that we ought to dispense with, but we ought to be aware of it as we decide on the bill.

Mr. HOYER. I appreciate what my friend has said. My point is in the private sector, to create that job you say it costs x number of dollars, salary, other expenses, but it produces a product, that product is bought, and then there is a leverage effect on creation of other jobs.

When you create these jobs they are doing something, building roads, for example, and not counting the value of the roads you receive in addition to the job you create I think is not an accurate portrayal of how much that job costs and the economic growth as a result.

Mr. MCDADE. I am not sure you and I are not talking apples and apples. But maybe we should give all this money to the private sector and let them create twice as many jobs at half the price.

Mr. HOYER. Mr. Chairman, as it relates to the Treasury Postal Subcommittee which I have the privilege of chairing, let me say, as it relates to the \$148 million for the tax modernization system, we had testimony on February 3 that because of our equipment we were not able to act as efficiently in the collection of revenues that are due and owing as we otherwise would be.

Let me say to my friend from Pennsylvania who said that the GAO said this was not a good expenditure in the area, and I quote from Jenny Stathis who is Director of Tax Policy Administration in her testimony to our committee:

In the area of TSM (Tax System Modernization) we believe that this is very critical to IRS and critical to tax administration of the future. The systems that we have are very old. They are very inefficient and have to be replaced.

There was no equivocation in this statement.

Mr. MCDADE. Can my friend yield to me again?

Mr. HOYER. I am running out of time, and I have to apologize. But this is a good bill and ought to be passed.

Mr. Chairman, I rise in strong support of this economic investment package for two simple

and straightforward reasons. First, our anemic recovery needs help right now creating jobs. This bill does that, while making a down payment on long-neglected public investments for long-term economic dividends.

Today, more than 16 million Americans are looking for, and not finding, jobs. Our economy is creating only half the number of jobs needed to sustain recovery. And last month, half a million Americans dropped off the statistical radar screen all together. They'd become too discouraged to find work.

This job-poor recovery urgently needs the shot in the arm this bill provides. For example, we create nearly 60,000 jobs nationally with the Community Development Block Grant Program; 9,000 in mass transit construction; 58,000 in highway construction over the next year and a half; 675,000 summer jobs for disadvantaged youth—with a new academic enrichment program included.

This summer program—combining learning and employment—is an example of the kind of innovation the Clinton administration is bringing to Government. As we've seen from the extensive cuts the President has proposed, this administration is committed to spending less money and spending it smarter and more effectively.

As someone who favors the balanced budget constitutional amendment, I know that we at the Federal level have to meet both of those challenges. H.R. 1335 does just that.

The Treasury, Postal Service, and General Government Subcommittee portion of this supplemental will not only provide a \$153 million investment in America, it will also increase the efficiency of the Government. Both the Internal Revenue Service and the General Services Administration have testified that all of the funds can be obligated by the end of this fiscal year.

The \$148 million investment in the IRS will expedite implementation in the IRS will expedite implementation of certain tax systems modernization projects and will replace equipment that in many cases is 10 years old, with up-to-date compatible technology. This investment will increase the efficiency of collecting revenue and will get funds into the Treasury at an accelerated pace. Additionally, this investment will enable IRS to improve service to the taxpayers by quickly providing them with more current information.

The investment of \$5 million in the Federal buildings fund for energy efficiency programs, will create jobs by funding alteration projects which will install or modify energy systems to increase energy efficiency in Federal buildings. Projects such as replacing old and inefficient heating and air-conditioning systems, will be funded with this \$5 million investment. Furthermore, by increasing energy efficiency, we will be helping Federal agencies lower their utility costs and save money.

In conclusion, this is an important bill which provides jobs and investment for American companies as well as improving the efficiency of the Government. I strongly urge my colleagues to vote in favor of this bill.

Mr. MCDADE. Mr. Chairman, I am delighted to yield 2 minutes to the distinguished gentlewoman from Nevada [Mrs. VUCANOVICH].

Mrs. VUCANOVICH. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman today we debate a so-called emergency supplemental bill and stimulus package. The purpose of this bill is supposedly to bolster a weak and uncertain economy.

However, I question the need for this type of stimulus at a time when our economy is showing growth and real recovery. The total of \$47 million in this bill, including such vague things as nondestructive evaluation instrumentation, ultrasonic characterization of texture, whatever that is. The unemployment rate has fallen from 7.7 to 7 last month.

The point is that although recovery may have been somewhat slow at the beginning, it is now growing at a much stronger rate.

I believe that our biggest problem is deficit reduction. If we want to stimulate the economy, we would do better to reduce the deficit. By reducing the deficit, we will be creating jobs, permanent jobs, not temporary jobs. The jobs created by this bill are almost all temporary.

All of the spending in this package is to be declared emergency spending. This will only increase our bloated Federal budget deficit.

It is clear from the facts that the economy is recovering. This is not an emergency package. It is a pork roast, and we all know what the effects of pork are if it is not thoroughly cooked.

I urge my colleagues to vote "no" on this legislation.

Mr. NATCHER. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. DURBIN], chairman of the Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related Agencies of the Committee on Appropriations.

Mr. DURBIN. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I acknowledge my Republican friends tell us that the recovery is here. We are hopeful that they are right.

There is some need of skepticism when one considers what we have been through in the last 4 years, the slowest economic growth in half a century, the slowest job creation since World War II, and last year more business failures than any year since 1927.

President Clinton wants to invest in this economy to put people back to work and to help those who need a helping hand.

□ 1420

In the Agriculture Subcommittee, there are several specific areas where I think he is right on target. In the first instance he wants to provide under the WIC Program, the Women, Infants, and Children supplemental feeding program, money for an additional 300,000 participants. These are pregnant women and small children and their mothers who are going to get help in

providing food in their households and nutritional information so that they can start off with a healthy life. That is a good investment in America.

Second, we have an additional \$4 million for Food Safety Inspection Service. What do we do with this? We will try to make up for the shortfall in meat and poultry inspectors that came about during the Reagan-Bush era. We lost some 500 inspectors during that period of time. We now know how critically important it is to food safety to have those inspectors on the job. The Jack in the Box scandal in the State of Washington which took the lives of some small children should be guarded against and will be if we have the professionals working through the Food Safety and Inspection Service.

Under the Farmers Home Administration, we are taking an innovative loan program to build rural housing. A \$4 million investment by the Federal Government is going to result in \$234 million in construction. That is a good leverage of our money to help build homes in rural areas.

Finally, in the rural areas and communities I represent, there is a need to upgrade water and sewer systems. Some \$2 billion has been requested of the Federal Government, a backlog of loans and grants, and the administration is seeking to put some \$730 million into that backlog. That is a good investment in our future.

Mr. MCDADE. Mr. Chairman, I yield 2 minutes to my good friend, the distinguished gentleman from Indiana [Mr. MYERS]. I want to publicly thank him for the job he did in carrying water for me during my absence from the House. I am very grateful to him.

Mr. MYERS of Indiana. Mr. Chairman, I thank the gentleman for yielding me this time, and I want to thank the gentleman from Pennsylvania for his words. It was not a very good job. The bill is on the floor today in the disaster state that it is in. So I thank the gentleman for the accolade.

Mr. Chairman, I rise in opposition of this particular piece of legislation.

Parts of it are very good, but I reminded my chairman, the gentleman from Kentucky, that we have had the honor of serving with for a number of years, and he has told the story about supporting nine Presidents, both Democrat and Republican. I agree with you 100 percent.

But I remember a story about another Kentuckian born in Hardin County, KY, not too far from the gentleman's home; he came to Washington during the War Between the States, and he was asked by a reporter one time about the dilemma of being the first Republican President, about the pattern, about the conditions, how he would change the country and try to bring it back together; faced with the situation of doing what is best for his country or what is best for his party,

without any question, he said, "What is good for my country will be good for my party." I completely agree.

I am not going to support a Democrat or Republican President when they are wrong, and I think President Clinton and each of you are wrong when you support this bill today.

Are you not listening to the American people today? I want to speak to the 110 new Members of the House of Representatives, 63 Democrats, 47 Republicans, most of whom, if not all, were elected on the promise of reform: "We are going there to Washington and clean house. We are going to change things"; \$16 plus billion, \$16.5 billion plus the other \$3.2 billion coming out of trust funds, \$16.5 billion we do not have that are going to have to be borrowed. Is that changing things like the American people are really asking, telling you?

Every poll I have seen, the American people are telling us, "Cut down spending."

Now, there are some good programs here. Without a question we will have to appropriate maybe not \$4 billion for unemployment. I did not vote for it last week because I thought it was not properly fashioned, but we will have to appropriate something.

The Summer Youth Program: Does anyone here think we really could spend \$1 billion between now and next September on Summer Youth Programs and spend it wisely? It is a good program, but it should not be that much money. We should come back and cut it down.

Immunization: My friend from Illinois talked about immunization. We questioned this morning the Food and Safety Administration, and we questioned yesterday about employing immunization people. Who is going to do the immunizations? Are you going to take somebody out of the unemployment line to give shots to our children? This is an ongoing program. Needed, yes, but can we spend \$1 billion in immunizations when there is \$300 million adding to this plus what we added last year? These things are unreasonable.

The gentlewoman from Florida [Mrs. MEEK] last week in the committee asked us, "Who is going to be hired here? How many of the hard-core unemployed, the untrained?" Good question. She did not get a good answer, because we know most of these jobs are going to take highly skilled people, not taking people out of the unemployment line. We are not going to reduce unemployment benefits. We are not going to reduce any of these things.

If we really want to save money and create jobs, we had better keep the defense dollars. That is where people are already working.

This is the wrong bill at the wrong time and \$16 billion we do not have. The right vote is to vote "no." We will come back next week with a good bill

with the essentials which are emergencies.

Mr. NATCHER. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. STOKES].

Mr. STOKES. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, chapter X provides \$4,336,617,000 for six agencies under the jurisdiction of the VA, HUD, and Independent Agencies Subcommittee. This is the exact amount requested by the administration for these agencies. The total represents a little more than 25 percent of the total amount included in the bill.

The major funding is provided for HUD, VA, EPA, and the National Science Foundation.

The largest amount is for the Community Development Block Grant Program. The bill includes \$2.5 billion requested for this program.

It is estimated these funds will create nearly 60,000 new jobs to help stimulate the economy—and create them quickly. During the hearings with HUD, Secretary Cisneros said:

I would predict that the vast majority of these funds, and indeed, I have made this commitment to the President, would result in dirt flying and people at work by this summer. So I fully expect it to be done in the time frames involved.

One other point, the language in the bill requires that the CDBG funds—and the supportive housing homeless funds—be obligated and disbursed by December 31, 1994. Funds that are not disbursed by that date will be deobligated and expire.

Mr. Chairman, I want to respond to statements made about CDBG projects that are alleged to be in the bill. It has been said that we are funding several specific projects that some Members don't agree with.

Let me assure the Members that the bill does not contain funds for any specific CDBG projects. That just isn't how this program works.

The bill does contain \$2.5 billion for CDBG. Under current law the use of these funds will be up to the local and State governments—in the same manner as the regular CDBG Program that we fund in our annual appropriations bill.

I believe the projects referred to come from a ready to go report compiled by the U.S. Conference of Mayors. That approximately 1,700-page report which was a bipartisan survey overseen by a Republican mayor, identifies over \$7.2 billion of community development and transportation projects that are capable of immediate start up.

Statements have been made by some Members that the bill contains funding for these specific projects—and that is not true. The report contains examples of projects ready for immediate start up. They could just have easily used other examples from that report such

as \$750,000 for a homeless shelter in Vancouver, WA; \$1,806,000 for acquisition and renovation of 88 units of locally owned public housing in Huntsville, AL; \$100,000 for installation of sewers in Central Falls, RI, where raw sewage is being dumped in the river; or \$2,300,000 for homeless housing for pregnant women. This bill doesn't contain enough money to fund even half of them. I wanted to set the record clear on that point.

The bill also includes the \$423,000,000 requested for the Supportive Housing Homeless Program. These funds will both increase economic activity by creating over 11,000 new jobs and have a visible impact on one of the Nation's most daunting social problems.

A total of \$235.5 million is requested by the Department of Veterans Affairs for approximately 1,100 small construction projects at most of the VA's 171 hospitals and six national cemeteries. The bill includes the amounts requested.

These funds will quickly create an estimated 4,700 new jobs. During the hearings with the VA, Secretary Brown said, and I quote, " * * * I think the vast majority of them [the construction projects] we can actually start in 60 days * * *."

Under EPA the bill includes the \$845,300,000 requested for construction of wastewater treatment facilities and the \$46,961,000 requested for the watershed resource restoration grants program. These additional funds will also spur economic growth through the creation of 5,200 jobs. I would point out that these funds have to be obligated by the end of fiscal year 1993.

The bill also includes the \$197 million requested for the National Science Foundation's research and related activities account. These funds will contribute to the Nation's productivity by generating new scientific and engineering knowledge, and the development of the next generation of scientists and engineers.

Mr. Chairman, that covers the major funding recommendations for the VA-HUD Subcommittee.

Mr. McDADE. Mr. Chairman, I yield 2 minutes to my dear friend, the gentleman from New Jersey [Mr. GALLO].

Mr. GALLO. Mr. Chairman, I thank the gentleman from Pennsylvania for yielding me this time.

Mr. Chairman, I rise in opposition to this \$16 billion supplemental spending package.

As a New Jersey resident who knows what happens when you raise taxes and increase spending, I can tell you that this bill is a bad bargain for the taxpayers of America.

It spends money today with the promise of cuts tomorrow.

This bill gives Congress another blank check to spend an additional \$16 billion today, with cuts promised for tomorrow.

But we have learned from past experience that, in Washington, tomorrow never comes.

If this bill becomes law, New Jersey taxpayers will pay \$2.5 billion in new taxes and will get \$342 million return on that "investment."

New Jersey is 41st among the 50 States in terms of the overall Clinton plan.

American taxpayers want change and the biggest single element of that change must be accountability.

Rather than creating permanent private sector jobs, this so-called emergency bill will create only very expensive, temporary public sector jobs—and at a very high cost per job.

The total package is supposed to create 219,000 jobs at an average of more than \$90,000 per job.

Some accountability is definitely in order especially for those footing the bill—the American taxpayers.

I offered an amendment to provide that accountability and I was told that it was not germane.

Mr. Chairman. There is nothing more germane, in talking about the budget, than the total absence of accountability in this spending bill.

This is irresponsible spending and it should be defeated.

□ 1430

Mr. NATCHER. Mr. Chairman, may I inquire as to the time remaining on this side?

The CHAIRMAN. The gentleman from Kentucky [Mr. NATCHER] has 3 minutes remaining; the gentleman from Pennsylvania [Mr. McDADE] also has 3 minutes remaining.

Mr. NATCHER. Mr. Chairman, I yield 1 minute to the gentleman from California, [Mr. FAZIO], chairman of the Subcommittee on Legislative of the Committee on Appropriations.

Mr. FAZIO. I thank the gentleman from Kentucky for yielding this time to me.

Mr. Chairman, I am really troubled by an assertion I continue to hear on the floor that the recession is over and that things are good again in America. I can tell you, in California our unemployment rate went up to 9.8 percent; it jumped three-tenths of 1 percent in the last round of data collection. That happened despite the fact that of the 300,000 jobs created, 100,000 of them were in California. The fact is we have so many people who had given up seeking employment that it has only been recently, with the hope engendered by this economic plan, that they have come back to seek work again, thereby overwhelming in the applications for assistance any benefit that these new jobs created for our State's economy.

We are in deep trouble. Well over 300,000 jobs are going to be affected by base closure. I think it is important that the Members realize that all across this country people are still

hurting; jobs are still not there. Only 30 percent of all the jobs that were lost in the recession have been restored in this modest recovery.

We need to enact this package for growth investment and stimulus, or we will never get our deficits down in the long run. If people aren't employed earnings and profits don't occur and our deficit grows instead of retracts.

Mr. Chairman, H.R. 1335, the Stimulus and Investment Supplemental Appropriations Act for Fiscal Year 1993 is a key component of the president's economic plan. It is an insurance policy for continued economic growth in those areas of the country that have already begun to see the fruits of recovery and it is the fuel needed to spur a recovery in California, which is still deep in recession.

This package promises to create at least 1 million jobs, 325,000 of which will be permanent, full-time jobs.

In California alone, the package will create 80,000 permanent jobs, and California needs each of these jobs if it is to join the ranks of those States now in recovery.

The recession in California has been the longest and deepest since World War II.

California has been particularly hard hit by the downsizing of major manufacturing industries such as aerospace and defense. Over 300,000 jobs alone will be lost in the State due to the closure of military bases in the State. But there are other problems as well. Construction and real estate have been hard hit during this recession. Over 30 percent of the construction jobs that existed in the State 2 years ago are gone.

The State all by itself, accounted for 38 percent of total U.S. job losses between June 1990 and December 1992. The five counties of the Los Angeles metropolitan area accounted for 27 percent of all job losses nationwide.

And, despite the recovery in other parts of the Nation, in California the job shrinkage is continuing.

Last month, California's unemployment rate rose while the national rate dipped. Total unemployment in the United States increased by 365,000 jobs, but California employment fell by 4,600 jobs.

And, finally, business failures in California grew 33 percent in 1992, nearly quadruple the average of all other States.

So, Mr. Chairman, this economic stimulus package is a critical, essential component of the President's economic recovery plan. It is not expendable. It is not something that can be haphazardly reduced simply to maintain some irrelevant perception of parity with agreements negotiated on the long-term budget plans. It must be preserved, that will lay the foundation for long-term shifts in Federal investments in transportation, in clean

water, in our inner cities, and I strongly urge my colleagues to support its passage.

Mr. MCDADE. Mr. Chairman, I yield 2 minutes to my colleague, the gentleman from California [Mr. PACKARD].

Mr. PACKARD. I thank the gentleman for yielding this time to me.

Mr. Chairman, at a time when President Clinton and the American people are asking for this Congress to reduce deficits, it is the worst time for us to add \$16 billion to the deficit and at the same time add another \$5 billion to \$15 billion of new taxes. I have an amendment that I presented to the Committee on Rules. I am not sure that they will give me the privilege of introducing it on the floor of the House, but I hope they will. And if so, I hope you will support it. It is an amendment that would simply require the Congress to accept this stimulus package on the basis of the budget agreement of 1990, where we have to have offsets if we are going to increase spending. That is all it would do. It would even exclude the unemployment bill that we passed a couple of weeks ago, and that is all it would do, to require this Congress to meet the requirements of the bipartisan agreement of 1990 that we simply offset those new spendings with other revenues.

Mr. BURTON of Indiana. Mr. Chairman, will the gentleman yield?

Mr. PACKARD. I yield to the gentleman from Indiana.

Mr. BURTON of Indiana. I thank the gentleman for yielding to me.

Mr. Chairman, I would like to point out to my colleagues that this says "emergency supplemental appropriation." Emergency? Mr. Chairman, if I were speaking to America, here is what I would say: America, here are some of the emergencies that got stuck in this thing: \$5 million for a beach parking garage. Now, there is a real emergency for you. Historic preservation of a movie theater, \$3.5 million. Gym replacements. Gym? Gym replacement? \$4.5 million.

A swimming pool renovation for \$3.25 million.

I mean, are these really priorities? Are these really emergencies? This is more pork, more pork.

The Ocoee River Olympic venue for whitewater canoeing. Whitewater canoeing, that is an emergency? \$1.8 million.

This is pork laden, this is business as usual around here. It is wrong. The people of this country want spending cuts, not more tax increases.

Mr. PACKARD. Reclaiming my time, there is no question that this bill, the only reason it is an emergency is to allow us to spend more money and vary from the budget agreement of 1990.

Mr. MCDADE. Mr. Chairman, I am delighted to yield 1 minute to the distinguished gentleman from Delaware [Mr. CASTLE].

Mr. CASTLE. I thank the gentleman for yielding this time to me.

Mr. Chairman, while I admire President Clinton's willingness to address the economic problems of this Nation, the supplemental appropriations bill is not the solution to these problems and I urge my colleagues to defeat this measure.

I believe that if Members of Congress are to spend a total of nearly \$23 billion of taxpayer's money—which will be added to the \$300 billion deficit for this year—they have a responsibility to consider the return on this investment. This expenditure will produce a poor return on our investment.

H.R. 1335 is intended to provide the funds for President Clinton's plan to stimulate the economy and create new jobs as soon as possible. However, the revised estimate for the number of new jobs it will create is now down to about 200,000 jobs. That works out to an average cost of about \$90,000 per job.

Last month, American businesses created 365,000 new jobs, without any Government intervention or deficit spending. We should allow our businesses to continue to create jobs—without burdening the economy by continuing to borrow money to finance deficit spending by the Federal Government.

Mr. Chairman, I have discussed the President's economic plan with many of my constituents in Delaware. They have told me that the most important part of the plan is to reduce the deficit. They are willing to forgo a limited-short-term spending program in return for policies that will create long-term growth in our economy.

The supplemental appropriations bill is not the right policy:

First, the economy is growing. Our gross domestic product grew 4.8 percent in the last quarter of 1992—the largest increase since 1987. Unemployment declined again in February and the economy has created over 1.5 million new jobs in the past 12 months.

Second, Government spending cannot create large numbers of good jobs that will last. The \$9 billion spent on the Emergency Jobs Act of 1983 produced only 35,000 jobs at its peak and most of those jobs were temporary.

Third, this is essentially more spending on a variety of existing Government programs. Thirteen of these programs will not create and new jobs. Other programs already have large backlogs of funds which have not been spent. The Community Development Block Grant Program has \$4 billion in funding for 1993. This bill would add another \$2.5 billion to that \$4 billion. Block grant funds cannot be spent quickly or efficiently enough to have a positive impact on the economy. But the billions in this legislation will certainly have a negative impact on the deficit.

Mr. Chairman, \$23 billion in additional spending in the face of a \$300 bil-

lion deficit is not responsible Government action. A better course would be for the President and Congress to review all fiscal year 1993 programs and to freeze and rescind unnecessary spending this year. Such an action would send an immediate signal to the American people that our Government is serious about reducing the deficit.

I want to join President Clinton in reinventing American Government to make it work for the people of this country. Let's begin that process today. Defeat the supplemental appropriations bill and pass legislation to reduce the deficit and reform our Government.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. MCDADE] has expired.

Mr. NATCHER. Mr. Chairman, I yield 1 minute to the gentlewoman from the District of Columbia, Ms. ELEANOR HOLMES NORTON.

Ms. NORTON. Mr. Chairman, I appreciate the generosity of the chairman in yielding this time to me.

Mr. Chairman, I come to the floor in order to correct false statements that have been inserted into the RECORD to the effect that \$28 million has been allocated in the President's stimulus package for deficit reduction for the District of Columbia.

The Congress appropriated \$30 million last session for the District of Columbia's part of its Federal payment package. That money fell out of the budget only because President Bush threatened to veto it. It would now be creating jobs in the District had it been included.

The President included \$28 million because there was a 6-percent reduction in all stimulus items on the condition that it be used for stimulus.

Mr. Chairman, I ask for permission to insert in the RECORD the letter from the mayor and the chairman of the city council of the District of Columbia, indicating the uses to which this money would be put.

Let me give you some examples: 100 civilian jobs in the police department to enable 200 police to go back on the beat; 300 social workers in order to address caseload requirements mandated by a variety of consent decrees; personnel for a program aimed at youths aged 10 to 14, keeping these kids in school and out of the juvenile justice system.

The characterizations that have been made on the floor as to the \$28 million are false.

THE DISTRICT OF COLUMBIA,
Washington, DC, February 26, 1993.
Hon. JULIAN C. DIXON,
Chairman, Subcommittee on District of Columbia Appropriations, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: We are writing to expand upon our testimony and respond to your request for additional information concerning the economic stimulus benefits which would accrue if President Clinton's proposal of \$28.2 million for the Government

of the District of Columbia is approved by the Congress.

The majority of the funds will be utilized to support efforts to provide for essential public safety, create job opportunities, stimulate business and economic development, expand health services and aid families and children at risk. A portion of the \$28 million included in the President's request will be utilized to employ 300 social workers in the Commission on Social Services. This additional staff will enable the Commission to begin to address the case load requirements mandated by a variety of consent decrees imposed upon the District. More importantly, the social workers will concentrate their efforts on family and children services to begin to identify issues and problems in the early stages when preventive techniques may be applied successfully.

The funds will also allow for the expansion of the "Turning Points" program, an intensive prevention/intervention program aimed at youth ranging in age from 10-14. Turning Points is designed to provide comprehensive services and targeted to keeping kids in school and out of the juvenile justice system. Developed by the Carnegie Foundation, the program consists of the most successful aspects of youth crime prevention programs that have been tried across the country. Turning Points, a collaborative effort with the Department of Recreation, the Courts, the Public Schools, and the Department of Human Services, is currently operating in four schools and these funds will enable us to expand to four additional schools. Already, we are seeing results of providing health screening and other health services, after school programs, and productive recreation opportunities to program participants.

Consistent with our commitment to youth and the President's economic stimulus initiative, the funds will support our Summer Youth Employment Program and will support 5,000 jobs for District youth who otherwise would not be eligible for the summer jobs program. In addition, we anticipate hiring 200 college students as recreation counselors and playground supervisors.

In the area of public safety, funds will be utilized to create approximately 100 civilian jobs in the Police Department. We have identified job functions currently performed by police officers which could be performed by civilians. Creating these civilian positions will have the further benefit of returning approximately 200 police officers to walking the beat and other neighborhood patrol duties. These funds will enable the District to double the number of police officers assigned to a successful crime prevention pilot program in D.C. public housing. We also plan to establish a new police resident training program to strengthen skills for the police department's younger recruits.

In the area of health, additional resources will enable the District to expand health services and hours at targeted neighborhood centers and support special efforts to immunize every 2 year old in the District of Columbia.

Lastly, we want to point out that should these funds not be made available, we will be forced to impose additional reductions in government services. Any further cuts will serve as a major disincentive for job creation and business development. Since 1991, we have made a series of structural and program reforms and reduced in excess of 4,000 positions. The number of persons on the payroll has been reduced by approximately 1,400 in the two year period January 1991 to December 1992. The fiscal year 1994 budget cur-

rently before the Council of the District of Columbia has identified approximately 2,300 positions which will be abolished. We must begin to address the issues of families and to redirect our spending to prevention and programs which provide improved and expanded educational, recreational and employment opportunities for our youth who are our hope and our future.

We were pleased that the Subcommittee approved \$28 million during Wednesday's deliberations and it is our hope that these essential funds will be forthcoming.

Sincerely,

SHARON PRATT KELLY,

Mayor.

JOHN A. WILSON,

Chairman,

Council of the District of Columbia.

Mr. FORD of Michigan. Mr. Chairman, I rise to support H.R. 1335, the fiscal 1993 stimulus and investment supplemental appropriations bill. The bill provides needed funding for a variety of programs long neglected by past administrations and immediately begins the process of setting progressive priorities for the coming years.

Of interest to the Committee on Education and Labor, which I chair, the supplemental would fund a \$1 billion summer youth employment initiative, which will finance 700,000 summer jobs for disadvantaged youth. Together with carryover amounts from the last fiscal year and 1993 appropriations, 1.3 million young people will have summer jobs this year.

The initiative includes \$500 million for a chapter 1 summer school programs to employ up to 63,000 teachers and aides serving up to 700,000 students. The program would help prevent students from backsliding over the summer.

It also includes \$235 million for chapter 1 to partially offset the loss of funds in communities caused by census changes. This will prevent the loss of up to 8,000 teaching positions and services to 250,000 students.

The bill would provide nearly \$1.9 billion for Pell Grant, almost enough to prevent the reduction in grants this spring and for the year starting in the fall. Unfortunately, the supplemental would reduce President Clinton's original request of \$2.023 billion by \$160 million. The original request would have closed the shortfall.

Head Start would receive an additional \$500 million for its summer program, providing for enrollment of up to 350,000 children and employment of up to 50,000 staff.

The Special Supplemental Food Program for Women, Infants, and Children, known as WIC, would receive \$75 million, which would permit another 300,000 participants to the program.

The bill would provide an additional \$33 million for the Community Service for Older Americans Program, financing more than 5,000 jobs in 1993.

The Community Development Block Grant Program would receive \$2.5 billion for basic street and bridge work, painting and resurfacing, building rehabilitation, and public service. The supplemental would create 60,000 jobs.

Finally, the bill adds \$2.9 billion in Federal aid for highway resurfacing, rehabilitation, and restoration.

Mr. Chairman, these are existing, proven programs that will create jobs. All of us are

encouraged by some of the economic indicators we have seen in recent weeks. But it is clear that growth in new jobs is not a part of the surge in economic activity. The dollars expended in this bill will multiply quickly in the communities that receive them. Unlike tax giveaways to the rich—the kind of stimulus proposed by Republicans—these funds are unlikely to end up in Swiss bank accounts.

Mr. KYL. Mr. Chairman, I rise in opposition to the so-called stimulus package.

The additional \$19.5 billion in spending and \$3.3 billion in loans that would be provided for fiscal year 1993 as a result of this bill amount to less than five one-hundredths of 1 percent of our \$5 trillion economy. If the intent is to stimulate the economy, this bill represents a most anemic response at best.

The Federal Government is already pumping 300 billion dollars' worth of money it doesn't have into the economy this year. It's called deficit spending. If \$300 billion is not enough stimulus, another \$19.5 billion certainly won't do the job.

Moreover, much of the spending in this bill isn't for stimulus programs at all. The \$28 million to balance the District of Columbia's books won't stimulate economic recovery. Neither will another \$148 million for IRS tax systems modernization.

If those expenditures are justifiable, let's be honest enough to say so, and not try to sell them to the American people as "economic stimulus." And, if they are justifiable, the associated costs ought to be offset by cuts in other parts of the budget. This bill simply adds to the deficit.

Mr. Chairman, let's be honest, too, about the cost of the jobs that might be created as a result of this bill. Even if it generates the 219,000 jobs that the Office of Management and Budget claims, those jobs will come at a cost to taxpayers of \$89,041 each. That compares to the 365,000 jobs created by the economy in February alone, at no cost to the taxpayers.

Furthermore, what this bill might create in the way of new jobs will be more than offset by the 600,000 jobs that the National Association of Manufacturers estimates will be lost by President Clinton's proposed Btu/energy tax alone.

This kind of stimulus proposal has been tried in the past, and has proven a failure. A \$9 billion emergency jobs bill passed in 1983 produced 35,000 jobs at most, and many of those lasted no more than 4 weeks.

The answer to the Nation's economic problems is not more Government spending as proposed in this bill. And, it is not substantially higher taxes as the President proposes in his budget. We need less spending, smarter spending, and a tax policy that encourages private sector investment and jobs creation.

Remember, it was the President who said in his State of the Union Address that "the first real engine of economic growth in this country is the private sector."

I urge my colleagues to oppose this bill and help the private sector create real lasting jobs for the American people.

Mr. SENSENBRENNER. Mr. Chairman, improving the economy and eradicating the deficit are laudable goals and I give the President credit for initiating a serious debate on these

subjects. It is about time the deficit receives the attention it deserves from the Congress and the administration. However, I strongly oppose the road the Clinton administration and the congressional majority have embarked upon. Increased spending and higher taxes do not constitute an economic recovery plan. The opposite is in fact the case and recent history proves this. Given the disastrous consequences of the 1990 budget fiasco, I find it incredible this Congress is giving the President the green light to take us further down the road to permanent debt and jeopardizing the ability of industrious Americans to achieve financial independence. The Clinton budget resolution before us today is certainly not a blueprint for "Putting People First," it is putting taxes first and then paying lip service to a variety of unspecified spending cuts. The President's proposal contains \$316 billion in tax increases over 5 years, compiled with \$186 billion in new spending. The Republican plan contains no new taxes and no new spending. Fundamental to the Republican proposal is the fact that Americans prosper most when they control the fruits of their labor.

The President's dubious interpretation of taxable income is as contrived as calling a tax a contribution. By adding to taxable income employer-provided health and life insurance and imputed rent the President exaggerates taxpayers' income in order to increase the tax burden on families at lower income levels. The administration's highly touted claim that 70 percent of the tax burden would fall on people making over \$100,000 is accomplished by placing families making \$60,000 in the higher category.

The energy tax hits the middle class, the poor, and the elderly the hardest. The increased cost for a gallon of gas will result in lost jobs and higher costs to the consumer. It also punishes rural Americans without access to public transport and those living in colder climates, like Wisconsin. Energy is 7 percent of the consumer price index and this means higher inflation.

The budget resolution also assumes revenues from the proposed tax increase on Social Security benefits, this tax increase is dubiously labeled a spending cut. so much for the President's contention his plan uses real numbers. This proposal means-tests Social Security through the back door, turns the Social Security Trust Fund away from providing social insurance and into a traditional Government welfare program. It is also double-taxation. The idea of placing a lopsided burden on the Nation's senior citizens is a major theme of the Clinton plan.

By all accounts, the Republicans on the House Budget Committee have put together the most detailed and sound budget proposal. The cuts are tough and specific and the tax hikes and pork programs are nonexistent. The deficit reduction is real and accomplished without sticking it to over-taxed middle class Americans.

Mr. Chairman, lower tax rates and spending restraint will make the current recovery a real one. The President's plan is nothing new—slash the Nations' defense, increase spending, and tax the heck out of the middle class to make up the difference. I reject this approach.

Mrs. FOWLER. Mr. Chairman, someone once said "just because everything is different doesn't mean anything has changed."

That's surely the case here in Washington where we have a new administration, but an old congressional leadership who are up to their old tricks.

The trick today is the so-called Clinton stimulus package.

It's a trick on the American people who have been told this is a jobs bill.

The administration says this bill will create 219,000 jobs this year while adding \$19.5 billion to the deficit. That's more than \$89,000 of deficit spending for each job this bill creates.

In just 17 days last month, the private sector created that same number of jobs, and it didn't cost the American taxpayer one dime.

So if we're not really creating jobs with the stimulus package, what are we doing?

What are we doing giving the District of Columbia \$28 million to pay off their debt?

What are we doing spending \$845 million on a wastewater program that even President Clinton has said is not needed?

What we're doing, Mr. Chairman, is doling out pork. I urge my colleagues to reject this business as usual and reject the supplemental appropriation.

Mr. NATCHER. Mr. Chairman, I move that the committee do now rise.

POINT OF ORDER

Mr. WALKER. Mr. Chairman, I have a point of order.

The CHAIRMAN. The gentleman from Pennsylvania will state his point of order.

Mr. WALKER. Mr. Chairman, a point of order: If general debate has been completed on the bill, and it appears that it has, the rule, House Resolution 130, under which the rule is being debated, would not permit this motion.

The CHAIRMAN. The gentleman from Kentucky [Mr. NATCHER] still has 1 remaining minute on his side.

The motion is in order at this time.

The question is on the motion to rise offered by the gentleman from Kentucky [Mr. NATCHER].

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. NATCHER. Mr. Chairman, I demand a recorded vote.

□ 1440

A recorded vote was refused.

So the motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore [Mr. BONIOR] having assumed the chair, Mr. LAROCO, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1335) making emergency supplemental appropriations for the fiscal year ending September 30, 1993, and for other purposes; had come to no resolution thereon.

CALL OF THE HOUSE

Mr. NATCHER. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members responded to their names:

[Roll No. 74]

Abercrombie	Dickey	Jefferson
Ackerman	Dicks	Johnson (CT)
Allard	Dingell	Johnson (GA)
Andrews (ME)	Dixon	Johnson (SD)
Andrews (NJ)	Dooley	Johnson, E.B.
Andrews (TX)	Doolittle	Johnston
Applegate	Dornan	Johnston, Sam
Armedy	Dreier	Kanjorski
Bacchus (FL)	Duncan	Kaptur
Bacchus (AL)	Dunn	Kasich
Baessler	Durbin	Kennedy
Baker (CA)	Edwards (TX)	Kennelly
Baker (LA)	Emerson	Kildee
Ballenger	Engel	Kim
Barcia	English (AZ)	King
Barlow	Eshoo	Klecza
Barrett (NE)	Evans	Klein
Barrett (WI)	Everett	Klink
Bartlett	Ewing	Klug
Barton	Fawell	Knollenberg
Bateman	Fazio	Kolbe
Becerra	Fields (LA)	Kopetski
Bentley	Fields (TX)	Kreidler
Bereuter	Filner	Kyl
Bevill	Fingerhut	LaFalce
Bilbray	Fish	Lambert
Bilirakis	Flake	Lancaster
Bishop	Foglietta	Lantos
Blackwell	Ford (MI)	LaRocco
Billey	Fowler	Laughlin
Blute	Franks (CT)	Lazio
Boehlert	Franks (NJ)	Leach
Boehner	Frost	Lehman
Bonilla	Furse	Levin
Bonior	Gallegly	Levy
Borski	Gallo	Lewis (CA)
Boucher	Gejdenson	Lewis (FL)
Brewster	Gekas	Lewis (GA)
Browder	Gephardt	Lightfoot
Brown (CA)	Geren	Linder
Brown (FL)	Gibbons	Lipinski
Brown (OH)	Gilchrest	Livingston
Bryant	Gillmor	Long
Bunning	Gingrich	Lowey
Burton	Glickman	Machtley
Buyer	Gonzalez	Maloney
Byrne	Goodlatte	Mann
Callahan	Goodling	Manton
Calvert	Gordon	Manzullo
Camp	Goss	Margolies-
Canady	Grams	Mezvisinsky
Cantwell	Grandy	Markley
Cardin	Green	Martinez
Carr	Greenwood	Matsui
Castle	Gunderson	Mazzoli
Chapman	Gutierrez	McCandless
Clay	Hall (TX)	McCloskey
Clayton	Hamburg	McCollum
Clement	Hamilton	McCrery
Clinger	Hancock	McCurdy
Clyburn	Hansen	McDade
Coble	Harman	McDermott
Coleman	Hastert	McHale
Collins (GA)	Hastings	McHugh
Collins (IL)	Hayes	McInnis
Collins (MI)	Hefley	McKeon
Combest	Herger	McKinney
Condit	Hilliard	McMillan
Conyers	Hinchey	Meehan
Cooper	Hoagland	Meek
Coppersmith	Hobson	Menendez
Costello	Hochbrueckner	Meyers
Cox	Hoekstra	Mfume
Coyne	Hoke	Mica
Cramer	Holden	Michel
Crane	Horn	Miller (CA)
Crapo	Houghton	Miller (FL)
Cunningham	Hoyer	Mineta
Danner	Huffington	Minge
Darden	Hughes	Mink
de la Garza	Hunter	Moakley
Deal	Hutchinson	Molinar
DeFazio	Hutto	Mollohan
DeLauro	Hyde	Montgomery
DeLay	Inglis	Moorhead
DeLums	Inhofe	Moran
Derrick	Inslee	Morrell
Deutsch	Istook	Murphy
Diaz-Balart	Jacobs	Murtha

Myers	Rostenkowski	Stupak
Nadler	Roth	Sundquist
Natcher	Roukema	Swift
Neal (MA)	Rowland	Synar
Neal (NC)	Roybal-Allard	Talent
Nussle	Royce	Tanner
Oberstar	Rush	Tauzin
Obey	Sabo	Taylor (MS)
Oliver	Sanders	Taylor (NC)
Ortiz	Sangmeister	Tejeda
Owens	Santorum	Thomas (CA)
Oxley	Sarpalius	Thomas (WY)
Packard	Sawyer	Thurman
Pallone	Saxton	Torkildsen
Parker	Schaefer	Torres
Pastor	Schenk	Torricelli
Paxon	Schiff	Towns
Payne (NJ)	Schroeder	Trafiacant
Payne (VA)	Schumer	Tucker
Pelosi	Scott	Unsoeld
Penny	Sensenbrenner	Upton
Peterson (FL)	Serrano	Valentine
Peterson (MN)	Sharp	Velazquez
Petri	Shaw	Vento
Pickett	Shays	Visclosky
Pickle	Shuster	Volkmmer
Pombo	Sisisky	Walker
Pomeroy	Skaggs	Walsh
Porter	Skeen	Washington
Poshard	Skelton	Waters
Price (NC)	Slatery	Watt
Pryce (OH)	Slaughter	Waxman
Quinn	Smith (IA)	Weldon
Rahall	Smith (MI)	Wheat
Ramstad	Smith (NJ)	Whitten
Rangel	Smith (OR)	Williams
Ravenel	Smith (TX)	Wilson
Reed	Snowe	Wise
Regula	Solomon	Wolf
Richardson	Spence	Woolsey
Ridge	Spratt	Wyden
Roberts	Stearns	Wynn
Roemer	Stenholm	Yates
Rogers	Stokes	Young (AK)
Rohrabacher	Strickland	Young (FL)
Ros-Lehtinen	Studds	Zeliff
Rose	Stump	Zimmer

□ 1512

The SPEAKER pro tempore (Mr. LAROCOCO). On this rollcall, 407 Members have recorded their presence by electronic device, a quorum.

Under the rule, further proceedings under the call were dispensed with.

GENERAL LEAVE

Mr. NATCHER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill (H.R. 1335) making emergency supplemental appropriations for the fiscal year ending September 30, 1993, and for other purposes, and that I may include tabular and extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

PERSONAL EXPLANATION

Mr. GILMAN. Mr. Speaker, I regret that my being delayed in New York City today prevented me from voting on rollcall No. 73, approving the Journal, and rollcall No. 74, a quorum call. Had I been present to vote, I would have voted "Yea" on rollcall No. 73.

CONCURRENT RESOLUTION ON THE BUDGET, FISCAL YEAR 1994

The SPEAKER pro tempore. Pursuant to House Resolution 131 and rule

XXIII, the Chair declares the House in the Committee on the Whole House on the State of the Union for the consideration of the concurrent resolution, H. Con. Res. 64.

□ 1512

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the concurrent resolution (H. Con. Res. 64) setting forth the congressional budget for the U.S. Government for the fiscal years 1994, 1995, 1996, 1997, and 1998, with Mr. SERRANO in the chair.

The Clerk read the title of the concurrent resolution.

The CHAIRMAN. Pursuant to the rule, the concurrent resolution is considered as read the first time.

Debate shall be confined to the congressional budget and shall not exceed 10 hours, with 7 hours, including 4 hours on the subject of economic goals and policies, being equally divided and controlled by the gentleman from Minnesota [Mr. SABO] and the gentleman from Ohio [Mr. KASICH]; 2 hours being controlled by the gentleman from Maryland [Mr. MFUME]; and 1 hour being controlled by the gentleman from New York [Mr. SOLOMON].

At this time the Chair will recognize the gentleman from Minnesota [Mr. SABO] for 3½ hours and the gentleman from Ohio [Mr. KASICH] for 3½ hours.

The Chair recognizes the gentleman from Minnesota [Mr. SABO].

Mr. SABO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of House Concurrent Resolution 64, the concurrent resolution on the budget for 1994. Exactly 4 weeks ago today, President Clinton presented his exciting new program for economic growth and revitalization in our country. Today, I am asking my colleagues to vote for this resolution in an important first step to realize the vision in the President's program.

The resolution put before you by the House Budget Committee contains the essence of the President's economic package as he laid it out in "A Vision of Change for America." It reflects the changes in priorities of the Clinton administration's economic program, and builds on them in a way which will promote more domestic saving and investment and will set us on the road to long-term economic strength. With some modifications it proposes that President's package of investments, tax increases, and spending cuts. It achieves his goal of \$140 billion deficit reduction in 1997 and it contains \$510 billion of deficit reduction over the 5-year period from 1994 to 1998.

The committee's budget contains three basic elements. It provides significant deficit reduction over the next 5 years, timed to fit the trends in the

economy so that our deficit reduction enhances long-term growth and does not create serious disruptions in the economy when it is still fragile. It provides for a dramatic change in the direction of Federal spending, switching from an emphasis on consumption to a strong emphasis on investment. Included in the investment piece of the proposal are significant increases in the programs that are most important to people, particularly children and vulnerable adults. And it contains reconciliation directives which reflect the President's proposals to bring about a significant improvement in the fairness of our overall tax structure. The President's package dramatically increases the progressivity of the Federal tax structure, significantly reversing the destructive tax policies of the Reagan-Bush era.

There is a probably no one in America who doesn't agree that the Federal Government has to get its economic house in order. In 1980 the Federal budget deficit was \$74 billion. By 1992 that figure had risen to \$290 billion. One of the most damaging legacies of this type of budgeting is a major obligation in interest payments which takes money away from programs that directly benefit people. This budget, through its serious attack on the deficit, will help reverse the destructive economic policies of the 1980's.

The resolution before you achieves deficit reduction in two ways. But first let me digress a minute to tell my colleagues that we have arrived at our savings targets using Congressional Budget Office [CBO] numbers and our deficit reduction totals reflect their views on all legislative items which they have been able to score. There are a few miscellaneous areas where CBO had insufficient information to score a proposal such as debt management, but they acknowledge that savings can be realized in that area so we used the administration's number in these instances. The CBO is the office responsible for scoring all spending legislation and ultimately our success or failure in meeting our targets will be measured by them.

DEFICIT REDUCTION

Deficit reduction is realized in the package in three ways. First, in the realm of discretionary programs, the resolution meets the budget authority and outlay caps established in the Budget Enforcement Act of 1990 for both 1994 and 1995. It reduces outlays in the President's proposals by \$3.5 billion in 1994 and \$10.6 billion in 1995. Further, it limits discretionary outlays in each of the 5 years of the budget period to a level below that which occurred in 1993. This produces deficit reduction of \$55 billion beyond the President's proposal and a total deficit reduction of \$109 billion in outlays for discretionary programs.

Second, the resolution assumes the President's proposal on revenues and

reconciles the Ways and Means Committee to the President's tax policies. This provides for an increase of \$246 billion over the next 5 years. More than 70 percent of this tax increase will be borne by households with incomes over \$100,000 a year.

Third, the resolution also includes reconciliation directives to reduce the level of mandatory spending by \$98 billion in the next 5 years. While it might be possible to realize more savings in the health care area, the committee understands that the administration will be presenting a comprehensive health reform package later in the year and we did not alter the President's package significantly in this area.

It is clear that the committee has presented a package that achieves serious deficit reduction in a reasoned manner through a combination of spending cuts and revenue increases. When debt service savings and debt management savings are included, the committee's resolution reduces spending by \$264 billion; it includes \$246 billion in tax increases.

INVESTMENT

Not only does this budget free up funds for private investment through its significant deficit reduction component, but it also accommodates President Clinton's investment program. The package is designed to shift the priorities of society away from consumption toward investment. The investment component is accomplished in two ways; first through investment in our human resources with a particular emphasis on the next generation through programs which help children, and second through investment in the public infrastructure. It includes significant for defense conversion, research and experimentation and the development of new technology.

The budget is a key document in determining the amount of saving and investment that will be made by the economy as a whole. This budget makes more resources available for investment in our future and that of our children and grandchildren than any budget in recent times. The President's program takes giant steps toward providing the health care, nutrition, and education that all—particularly our children—must have if they are to become productive members of society. This budget assumes full funding for Head Start by 1999 and an increase of \$7 billion in food stamps to fulfill the promise of the Mickey Leland Hunger Relief Act. It assumes full funding for the Special Nutrition program for Women, Infants, and Children [WIC] by 1996 and full funding for the President's comprehensive immunization initiative to assure that all American children are immunized against preventable diseases.

Further, the budget increases our investment in the Nation's physical infrastructure. It provides new funding

for transportation including mass transit, highways, high-speed rail, and other alternative transportation programs. The committee assumes full funding for ISTEA for highways in fiscal 1994 and outyears as the administration has proposed and it supports dedicating any extension of the 2.5 cents gas tax to the highway trust fund. It improves funding for community and regional development programs including the community development block grant [CDBG].

In addition to investments in people and public infrastructure, the budget before you contains significant resources for research and experimentation. It contains increases in funding for science and technology within limits that will require rigorous analyses of all new and existing proposals.

It also includes several tax measures designed to spur productive investment and job creation. It assumes enactment of a temporary investment tax credit. It also assumes enactment of an equipment investment tax credit and a capital gains tax cut for small business. It provides for permanent extensions of the research and experimentation tax credit, the targeted jobs tax credit, the low-income housing tax credit and the tax exemption for mortgage revenue bonds. It also assumes creation of enterprise zones to promote entrepreneurship and create jobs. I think these initiatives should contribute significantly to the well-being of our economy and they have been accommodated in this budget.

The President's budget also makes significant provisions for energy conservation, environmental cleanup, and enhancement of environmental technologies for the protection and restoration of our Nation's natural resources. These provisions can be accommodated in the committee's proposal.

TAX FAIRNESS

The final critical component of this resolution is the set of assumptions underlying the reconciliation directives on tax increases. The committee budget reflects the administration's financing package for two reasons. First, it is crucial to deficit reduction and therefore, improved productivity and ultimately higher incomes; and second because it is equitable.

The President has proposed a bold new program which goes a long way toward restoring equity and remedying the negative aspects that characterize our tax structure at the present time. His proposal relies heavily on taxes affecting only higher income taxpayers. In fact, according to the CBO, 73 percent of the tax increases assumed in the resolution are borne by households with incomes over \$100,000. This is because the package relies heavily on income taxes at the upper end of the income scale, corporate income tax increases which are borne by affluent stockholders in a higher proportion

than middle-income taxpayers, and an extension of the Medicare payroll tax for earners with salaries over \$135,000.

The one revenue raiser in the proposal which may affect middle- and low-income taxpayers is the energy conservation tax. Although this proposal is very modest by international standards, it will affect people unless they conserve. Its effects on the middle class can be mitigated by some relatively modest conservation measures and its effects on low-income taxpayers are offset through the proposed expansions of the earned income tax credit, food stamps and the Low-Income Home Energy Assistance Program.

In addition to these measures, the resolution assumes the President's significant expansion of the work-oriented earned income tax credit. This credit increases incentives to work and helps low-income workers rise out of poverty. It is one of the most important proposals before us this year and I believe it could do more for rural America and many poor inner-city neighborhoods than any other single thing we do.

The resolution also assumes the proposals for small business tax incentives, research and development tax credits, and the low-income housing tax credit contained in the President's budget.

ENFORCEMENT

The resolution provides for meaningful and effective enforcement mechanisms to ensure that the deficit reduction measures it recommends are actually enacted into law.

Two principal means enforcement mechanism will be used: reconciliation, and maximum limits on appropriations and other new discretionary spending actions.

Reconciliation will be used to achieve roughly two-thirds of the 5-year deficit reduction mandated by the resolution—\$344 billion out of total deficit reductions of \$510 billion. The process will work as follows: The resolution contains directives from the House to 13 of its committees instructing them to submit legislation changing programs under their jurisdiction so as to reduce outlays—and/or increase revenues—by specified amounts. Under the resolution, the legislation is to be submitted no later than May 13. The Budget Committee will then assemble the legislation into one omnibus deficit reduction package to be brought to the House floor.

The reconciliation directives in the resolution set targets for the full 5-year period from fiscal year 1984 through fiscal year 1988. Thus, the reconciliation bill will produce sustained multiyear reductions in the deficit.

Reconciliation is primarily used to achieve deficit reductions that require changes in tax, entitlement, and other direct spending laws. This year, however, the reconciliation provisions also

direct certain committees to report cost-saving changes in authorizations for programs funded through discretionary appropriations. The intent is to lower the cost—instead of the programmatic level—of certain appropriated programs. These savings will be in addition to the \$344 billion in deficit reduction to be achieved through reconciliation of direct spending and revenues.

The second principal means of enforcing the resolution's deficit reduction plan applies to appropriations and other new discretionary spending. As required by the Budget Act, the report on the resolution allocates new discretionary spending among the various committees. Once a conference report has been adopted, these allocations will become final and binding, enforceable through points of order. The Appropriations Committee is required to subdivide its allocation among the 13 regular appropriations bills. Any appropriations bill that exceeded the applicable allocation would be subject to a point of order.

The resolution is also fully consistent with the ongoing budget enforcement mechanisms enacted into law in the Budget Enforcement Act of 1990. It fully complies with the caps on discretionary spending set by the 1990 Act, caps which apply to fiscal years 1994 and 1995. It also fully complies with the Budget Enforcement Act's pay-as-you-go requirement. Indeed, it not only complies with that requirement but goes far beyond it by mandating the new \$510 billion 5-year deficit reduction plan I have been describing.

THE REPUBLICAN PLAN

Mr. Chairman, this budget presents us with the opportunity to see the difference between our two political parties. I compliment my colleague, Mr. KASICH, for presenting us with an alternative that is credible. He has worked very hard on his budget, unfortunately he has come to the wrong conclusions.

The Kasich alternative shows a fundamentally different view of our country. His proposal says that the affluent shouldn't be asked to make additional contributions to this country. He eliminates all the President's investments and continues the status quo. And his proposal still has less deficit reduction than the committee proposal over the next 5 years. And the worst part of the plan is that its deficit reduction gets weaker as time goes on creating serious problems for our future.

The Republicans have said that the committee plan includes \$3.50 in taxes for each dollar of spending cuts. That is simply untrue. They have used some very fancy mathematics to arrive at this ratio including counting spending that is not in our package and denying savings in the resolution that they are counting themselves in their alternative. The truth of the matter is, that

the house bill contains more than \$1 of savings for every dollar of new taxes.

The Republicans have accused us of not being specific, but the House Budget Committee resolution is very specific. In fact, over the next 4 years we show only \$25 billion of unallocated savings and none of our savings are unallocated in 1994. Mr. KASICH on the other hand, has \$145 billion of unallocated savings in his budget for the next 5 years including \$25 billion in allowances in 1994.

CONCLUSION

Mr. Chairman, today we have a unique opportunity to move forward with a new program for a new President. It is time to end gridlock. I think this budget is fair. I think it is progressive. I think it will help move our country forward into a healthy and prosperous future. And I hope all my colleagues will join me in voting for the resolution.

□ 1530

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. SABO. I am happy to yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Chairman, I want to commend the gentleman. He has an extraordinarily difficult job as the new chairman of the Budget Committee, and I commend him for his work. I think that this budget and the proposals we have before us are a clean break with the past. I think, frankly, through the 1980's, often our budgets and proposals reflected more instant gratification than long-term solutions to the type of problems that we were facing.

Today, I know on this floor, both with the stimulus investment package and with the budget proposal that are embraced by this resolution, there is going to be a criticism that it is not appropriate. But I believe for one that this document, this Budget Committee document, reflects the necessity of investment, the necessity for continued work in terms of trying to address the structural economic changes that we face. This package offers, I think, a typical, a more typical American value in terms of sacrifice today to try and get ahead tomorrow in terms of our investment, and I think that has been lacking during the 1980's—the past 12 years. It does have a commonality of numbers and eliminates the smoke and mirrors games that have existed between the Office of Management and Budget and the Congressional Budget Office, the CBO, and I hope that we can come together and take the strongest parts of this budget as the Budget Committee has attempted to do and work it through this year, and come up with a good final budget resolution, and a good economic plan for our country. And I commend the gentleman, Chairman SABO, for his leadership. I know a lot is expected of him this year, and he is doing an admirable job, and I

concur in his comments and with his work leading the Budget Committee.

Mr. SABO. I thank the gentleman for his comments.

Mr. WASHINGTON. Mr. Chairman, will the gentleman yield?

Mr. SABO. I am happy to yield to the gentleman from Texas.

Mr. WASHINGTON. Mr. Chairman, I thank the gentleman for yielding. I would like to associate myself with the remarks made by our friend, the erudite gentleman from Minnesota.

I would like to call your attention, Mr. Chairman, to the fact that there is a group of young people in the east gallery up here who are from the 18th Congressional District of Texas. I have been out front explaining to them in great detail, in my own way, which was of course not nearly as well as you have done, the intricacies of the budget. And they are very concerned about this. And I wanted you to know, Mr. Chairman. I know we are not to make reference to people in the gallery, but I wanted you to know that there were some young people from the middle school in the 18th Congressional District of Texas who are very interested in that, because they know that affects their future, and the future lives that they will be able to lead, and education that they will be able to obtain for themselves, and which affects the neighborhoods in which they will be able to live.

I thank the gentleman for all of the work he is doing.

Mr. SABO. I thank the gentleman.

Before I conclude, let me first compliment my friend, the gentleman from Ohio [Mr. KASICH]. He has worked very hard in presenting an alternative budget, and I commend him for it.

I know he has gone through extensive discussions with Members of his caucus in arriving at an alternative, and I commend him for his effort and his willingness to take on the responsibility of providing an alternative budget. There is only one problem with that budget, my friend. It is wrong, and it comes to some wrong conclusions.

But it does present, I think, accurately, a fundamentally different view of where this country is headed and what we should do.

□ 1540

We say the affluent should be asked to pay more to pay for the services and for the debt reduction in this country. The minority says no. The very substantial tax increases for those people with incomes over \$100,000 who benefited the most by tax policies in the 1980's, who had the greatest income growth in the 1980's, those proposals are gone.

We have a new President who believes we should make major investments in both the public and private sector, and as we move to become competitive for the next century, all of

those proposals are gone from the minority proposal. It still produces less long-term deficit reduction than the majority proposal. It exceeds us in the first couple of years, and then it gets to be less. In 1997 and 1998 it provides for \$25 to \$30 billion less in deficit reduction than the majority plan does.

Let me deal also with a couple of the assertions I expect the minority to make. One, they make several assertions as it relates to the relationship of revenue increases to spending cuts in the majority plan, and most of those assertions simply are not factual; they simply are not factual. The reality is if one does a measurement of spending cuts versus revenue increases, the spending cuts exceed revenue increases in the majority plan. Those are the simple facts.

The minority will also make much over how they are specific and, in many ways, they are specific. But also in many ways they are not. We have an item we call allowances in the budget where you have unallocated cuts. In 1994, the majority budget allocates all spending cuts into all functions within the budget. Over 1995 through 1998, we have \$25 billion of unallocated cuts in the allowance section. The minority has \$144 billion of unallocated cuts in the allowance section. Which functions those end up in we do not know.

I read one interesting analysis which actually had the minority projecting less defense spending in 1994 than the majority. I do not necessarily object to that personally, but I have also heard the consistent Republican criticism that we are cutting defense too much. But we will have at it.

Your proposal is a real proposal. It is serious, and I commend you for that. But it does represent, in my judgment, the continuation of the basic theory of the Bush administration, that simply for Government to do less is the total answer, that there are not things that Government needs to do in a very positive fashion in our society to get ready for the 21st century, that there are not problems that we have to deal with.

I believe fundamentally we do have to deal with the training of our people in a very affirmative action, we need to deal with the problems of young kids struggling to get established and to get a start on life, that we need to deal with the problems of how we make both public and private investment in this country so that we can become competitive for the 21st century.

I believe today we have a very unique opportunity to move forward with a new program for a new President. Fundamentally it is time for us to end gridlock.

Mr. Chairman, I believe that this budget is fair. It is progressive. I think it will move our country forward to a healthy and prosperous future, and I hope when tomorrow we come to a final vote, I hope all of my colleagues

will join me in voting for that resolution.

Mr. Chairman, I yield 2 hours to the gentleman from Wisconsin [Mr. OBEY] for purposes of the debate allocated to the Joint Economic Committee on the majority side, and I ask unanimous consent that the gentleman from Wisconsin [Mr. OBEY] have control of those 2 hours.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The CHAIRMAN. The gentleman from Wisconsin [Mr. OBEY] will be recognized for 2 hours.

Mr. KASICH. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, initially I want to take a second to compliment the chairman of the Committee on the Budget, who has been as fair as any Member I have had a chance to work with in the 11 years that I have been here in the House of Representatives. He has done an outstanding job of being able to moderate and monitor a 10½-hour debate within the House Budget Committee, and throughout the long hearings that we have had up here, has given us a full opportunity to participate. The man really is a stalwart for his party and absolutely deserves to be commended by both sides of the aisle for doing a yeoman's job in trying to put a package together in a very short period of time. So I would like to pay tribute to the very distinguished gentleman from Minnesota [Mr. SABO], the coach of the Democratic baseball team.

Mr. Chairman, I would also like to take a second to thank the members of the Committee on the Budget on my side who have worked so awfully hard as a team, and let me say that that is what this represents in a nutshell.

We were given a challenge, a challenge that we had to meet within about a 2-month period of time, to put together a \$1.5 trillion budget, and we were told to be specific. We were told to be specific by the President. We were told to be specific by the Budget Director. We were told to be specific by Mrs. Rivlin. We were told to be specific by our Democratic colleagues, with some of them even coming to the floor and singing songs about us being specific.

Of course, every major newspaper in America has said that the Republican budget proposal is, in fact, the most specific proposal that we have on Capitol Hill, and we have matched the President line for line and are far more specific even to getting to the point that when we refer to our allowances or overhead spending, we even go down into object class 20, and it is interesting to note today that we are winning the battle. Many members in the press say, "Well, what are you doing? What is the purpose of it? Is futile? Is it just an effort or is it just a kamikaze mission?"

Well, if it was, let me say that Mr. Panetta is now asking for a review of \$103 billion in Government contracts. Now, that review is being brought to us courtesy of the gentleman from Texas [Mr. SMITH], the Federal Government expert in overhead spending, and for the first time in any documents we have yet to see on Capitol Hill, the administration, to their credit, is now starting to talk about object class 20 and object class 30, which is the overhead spending involving printing and supplies and transportation, something we believe ought to be cut before the American people are taxed.

We are going to find out that the gentleman from Texas [Mr. SMITH], in his work in the area of overhead spending and allowances, is going to be heard of and recognized for everything that he has done for the many years he has labored in the field of overhead spending.

But let me say that the Republicans have met the challenge. We have laid our plan on the table. It is specific, and it is a stark difference with the democratic plan.

Let me just say this to you: Bill Clinton ran for President, and he said he had a plan. His plan was to tax millionaires in this country and give a tax cut to the middle-income people and provide all of these programs funded out of the tax on millionaires. You talk about voodoo economics; we had a Member earlier today who said, well, it was because he found the deficit was \$50 billion. First of all, it is not \$50 billion. It was about \$400 billion more than what they thought, and in addition to that, the chairman of the Committee on the Budget is now the Director of Office of Management and Budget, and they knew exactly what the numbers were in the middle of the campaign.

But, you know what, they had a plan. The plan did not hold water, but they had a plan, and anytime anybody questioned their plan, the candidate for President stood up and questioned the intellectual honesty of George Bush, because George Bush said you were going to have to tax little people in America, George Bush said that plan would never work, that it, in fact, was voodoo economics.

And so what do we have today? We do not just have a tax on millionaires in America. There are only two sets of people being taxed in America under this plan: millionaires and anybody who drives a car or breathes a drop of air, just those two groups of the people. Because what we have done is we have come to realize that what Bill Clinton is presenting to us today is not the campaign we heard, the campaign plan we heard about, that is not what we are getting today. We are not getting a tax cut for the middle-income people. What we are getting are big taxes, taxes on people at the income level of \$100,000, taxes on Social Security recipients

starting as low as \$32,000, and they are not only going to be paying taxes, but the tax revenue will not go into the general revenue fund of Social Security, but for the first time, but for the first time will break the threshold and transfer Social Security taxes from our senior citizens into the HI program of Medicare, never before done. We are also going to have an energy tax. You talk about an insidious tax, everything that moves, swims, crawls, or flies is going to be taxed under this program.

What are we going to do with all of these taxes? What we are going to do with these taxes is we are going to have more spending, big spending, big government. You see, it really is a stark difference.

What the majority is saying is it is about time the Federal Government has once again assumed the role of the provider of economic growth and planning for the United States of America.

□ 1550

That, in Washington, DC, we know better; big Government can solve people's problems, and if we have to tax people more, if we have to spend more, if we have to regulate more, if we have to control more, so be it. We think the answer is a large Federal Government.

Republicans, we don't share that, folks. We believe there ought to be less taxes, in fact no new taxes, in our program, and we have demonstrated that you do not need the revenues in order to reduce the deficit and change the face of Government, that we believe in smaller Government, less Federal control, less Federal involvement, less Federal regulations. That is what the Republicans believe in.

We do not think the answers lie in Washington. We do not think the answers lie with the Federal Government.

I will say to you, if you ever go to a post office on a Saturday morning and try to mail a letter or to put a box in the mail to your family, you can stand in the line in the Federal post office and talk about how great the Federal Government is treating you, and not only do they not give you what you want but now they want to tax you and create even more Government to try to help you.

If you want to buy a house, you got to have a radon inspector; if you want to start a business, you have to hire an accountant and a lawyer. Ross Perot was right, we ought to get under the hood and we ought to fix it by reducing the size of Government, the involvement of Government in our lives. What we ought to do is to shrink the Government and change it. And Bill Clinton says he wants to be the President of change. So far, he has got us on the course of change. But he wants to change things toward big Government and big taxes and more involvement. He says he really does not want to do it, but he cannot get his own party to

go along with him on the change agenda that gives us less Government.

We said to the President the other day, "Mr. President, we will help you to realize change in America, we will put cuts on the table, we will show you how to revolutionize Government."

Do you know what he said to us? He said, "If you will do that, we will work with you."

So we laid our budget proposal down and then we laid down about 35 amendments in the Budget Committee to help fix the Clinton plan. We wanted to co-operate with them, we wanted to work with them, we wanted to reduce the taxes and put more spending cuts in. Guess what we got? Over a period of 10½ hours we got zippo.

Talk about gridlock; the Republicans marched in good faith, amendment after amendment, hour after hour, to reduce the burden of taxes on the American people, substituting it with specific spending cuts as requested by the President. And his party said, "No, no, a thousand times no. We like the taxes, we like the spending, we like the investment, we like the Federal control," and the Republicans say, "That ain't change, ladies and gentlemen, that ain't change. We want real change. We want a smaller Government, a more effective Government, a smaller Government and less role in our lives." That is what the Republican plan represents.

They say that the people support the Clinton plan. Well, they may support it in theory, but when the senior citizens start paying those taxes and realize it is not going into the Social Security trust fund, and when the American people pull into the filling station and pay higher gas taxes, and when they find out, on top of it all, it is not being used to reduce Federal spending at all, it is being used to build a bigger Washington, DC, that is when you are going to find out about the outrage, ladies and gentlemen. And we will be able to say, the Republican Party will be able to say we had a program, we had a plan, we had a direction, no smoke and mirrors, and we will keep our promises.

Mr. Chairman, at this time I yield such time as he may consume to the distinguished minority leader, the gentleman from Illinois [Mr. MICHEL].

Mr. MICHEL. First, Mr. Chairman, I want to at the very outset pay my utmost respect not only to the gentleman from Ohio [Mr. KASICH], but all our Members who serve with such distinction as minority members on the Committee on the Budget.

Earlier in the session when we knew we were going to be up against President Clinton's budget, I charged each and every one of those members with the role and responsibility to act as though we were a majority party, to put together the kind of budget, on our own, that we thought would sell with most of our Members. Obviously, we

had no President to lead us; so it was up to us—it had to be done by us to produce an alternative budget.

I just want to pay my utmost compliments and respects to each and every one of the gentlemen and gentlewomen who served so well on that committee and came up with our Republican plan.

Mr. Chairman, it is said that the politically correct thing to do today is to avoid criticizing the Clinton budget. Polls show that President Clinton is very popular. Opposition to his budget is seen by many Americans as opposition to needed change. But I do not believe it is our duty to keep quiet, get in line, fall in line and roll over in front of the latest political steamroller, no matter how charming or popular its operator might be, if the evidence shows his policies are bad for the country. And that is what the evidence shows for the Clinton budget.

There is no question it has been well packaged and sold to the public in a slick, expensive telemarketing campaign as if it were a new and improved product, "Clinton's all-purpose budget cleanser with lemon scent."

As our colleague, JOHN KASICH, our ranking Republican member of the Committee on the Budget, has shown, there is a realistic, specific, honest alternative to the Democratic Party's Madison Avenue product—one which offers positive change instead of mere retrogression.

The budget plan put together by our side would reduce the deficit by \$38 billion in fiscal year 1994 and by \$450 billion over 5 years.

It does so solely by reducing existing Government spending and with a very limited number of user fees. The important point is our plan does not raise taxes on the American people. I wholeheartedly support our substitute because it is the only plan that makes a real down payment on the deficit.

The President has dared us to come up with specifics. As the gentleman from Ohio just pointed out, we are specific. The Republican Budget Committee plan is detailed in an 84-page document that has over 150 specific spending reduction proposals. But our Democratic colleagues on the Budget Committee ignored those Republican specifics. The Budget Committee markup was such a blatantly partisan act that even the editors of the New York Times—hardly a Republican cheering section—criticized the Democrats for that kind of action.

The Democratic Party's hard sell has convinced a majority of Americans that President Clinton's plan has merit. So let us take a look at the promises, and the premises, the telemarketing hucksters are trying to peddle: First, President Clinton and the Democratic majority want to raise taxes on the American people by a grand total of \$337 billion over the next

5 years. This turns out to be the largest proposed tax increase in history. The Democrats quibble, saying it is only one of the largest increases. So I gladly leave it to the Democrats to explain to the American people whether the Democratic budget is the biggest tax rise ever or just a plain humongous one.

Does anyone recall the President's campaign promise that he would only raise taxes on the rich, those making more than \$200,000 per year? With his budget, almost every American will be asked to make what the administration, in Orwellian newspeak, calls a "contribution."

You all remember the old saying, "Only two things are certain: death and contributions."

One contribution will be through a broad-based energy tax that will affect everyone. Some Americans will receive an offset through the earned income tax credit or through the low-income energy assistance program. But there will be many individuals making just over \$20,000 who will be hit by the energy tax and who will not qualify for any offsets.

Furthermore, single retirees making over \$25,000 per year and married retirees making over \$32,000 will have their Social Security taxes increased, on top of the energy tax.

In the Clinton administration the term "golden years" has taken on a new meaning: Senior citizens get the years and the Clinton administration gets their gold.

I just want to remind you that the President's health care overhaul is not accounted for in this budget resolution. That proposal and the taxes to pay for it are still coming.

Second, the Democrats promised to increase spending by \$160 billion over the next 4 years. Again, we have that manipulation of language that has become a hallmark of the administration. All this Government spending is now called an investment by the Democrats. And included in this investment is \$69 million for undefined green programs, \$246 million for additional tree-planting over and above the 1 billion tree-planting goal of the former administration. And then another \$170 million for forests for the future. Also included is \$345 million for smart cars and smart highways and another \$275 million for information highways.

□ 1600

Third, and more serious, there is a savage, dangerous, and irresponsible \$113 billion reduction in the Clinton defense budget over the next 5 years. The Clinton budget resolution promises defense reductions that double the Bush figures and ours. This alone should be enough to vote against the budget resolution of the majority. These brutal cuts in our ability to defend ourselves and our values are totally unspecified.

Remember, only weeks ago our former colleague, Leon Panetta, now Director of the Office of Management and Budget, challenged Republicans to be specific when it comes to spending cuts.

Fourth, the Democrats' budget promises spending cuts and deficit reduction. But let us separate out tax increases that were mislabeled as spending cuts and other gimmicks, such as refinancing long-term debt into short-term debt.

What do we have then? Well, we have a very short list of spending cuts and many user fees.

The Democratic members of the Budget Committee did add \$62 billion of additional deficit reduction to the President's plan after it fell short when reestimated by the Congressional Budget Office. But these additional cuts are totally unspecified, and again, this lack of specificity comes from Democrats as administration spokesmen openly challenge Republicans to be specific.

At this point some might say, "All right, the Clinton budget isn't perfect. It's riddled with contradiction. It doesn't add up, except in taxes. But at least it's going to really reduce the deficit, right?"

Wrong. When you tally up all the pluses and the minuses, the Democrats' promise to significantly cut the deficit never materializes.

By their own calculations, the deficit comes down from the high of \$300 billion this year, but continues to hover around the \$200 billion mark every year for as far as the eye can see.

And so the Clinton budget is a failure. It fails as long-term deficit reduction. It fails as a job creator. It fails in cutting spending. It fails in specificity. It fails to keep campaign promises. It fails to protect our Nation against its enemies, and it fails as a new vision of change.

I will vote for a different set of promises and premises tomorrow. Those are the promises as set forth in our Republican Budget Committee plan, and I will continue to speak out against the biggest political propaganda campaign in my lifetime. If that makes me unpopular in some quarters, well, so be it.

I would certainly urge our colleagues not to accept the failed liberal dogmas the administration is peddling as a new direction, no matter how slick the packaging.

If that be political incorrectness, I say we ought to make the most of it.

I thank the distinguished gentleman for yielding me this time and look forward to the balance of his remarks.

Mr. OBEY. Mr. Chairman, I yield myself 23 minutes.

Mr. FORD of Michigan. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from Michigan.

Mr. FORD of Michigan. Mr. Chairman, I thank the gentleman for yield-

ing to me. I rise in support of the budget resolution.

Mr. Chairman, I rise to support House Concurrent Resolution 64, the budget resolution for fiscal 1994. This directive begins the process of mending the tears in our social fabric of the past dozen years of Republican Presidents, a period in which our Government lent a helping hand to those who needed it least and ignored those who needed it most.

The neglect of these past administrations is most evident in initiatives centered on our future—that is, our children. Education, job training and social services bore the brunt of budget cuts during the Presidencies of Ronald Reagan and George Bush. These programs include Head Start, child nutrition, elementary and secondary education, student aid to higher education, job training and retraining. In short, these were the programs that helped put our young people on the road to becoming educated, independent, contributing members of society.

In some cases, public outcry forced the Reagan-Bush administrations to back down in their attempt to destroy programs passed by Congress and signed by earlier Presidents. For example, the Reagan administration attempted to have catsup classified as a vegetable to save Federal expenditures in the school lunch program.

In other cases, the Reagan administration was all too successful. Since then, under President Bush, we generally managed to stave off further attacks on these programs, but we were able to make little progress in halting the decline in the welfare of millions of Americans afflicted by recession, job losses, inadequate retraining efforts, and lagging educational performance.

It would be one thing if those budget cuts had been made in order to fund other worthy investments, but that was not the case. Instead, they were part of a conscious effort to undermine Government, a design that allowed a mushrooming of Government debt, further weakening our ability to address urgent problems.

Programs authorized by the Committee on Education and Labor, which I have the honor to chair, have paid a very high price for this fiscal and social neglect. But with the election of President Clinton, in the agenda he outlined in his address to Congress, and now in this budget resolution, we are at last on the path to addressing both our fiscal and our social deficit.

The budget resolution directs significant increases in funding for innovative jobs, training and education programs that comprise President Clinton's lifelong learning initiative.

Over the past several weeks, Education Secretary Riley and Labor Secretary Reich have proposed bold ideas to implement the President's agenda. We look forward to the administration's education reform bill and to a school-to-work transition proposal that will address the needs of the 75 percent of our young people who do not graduate from college. We eagerly anticipate the Labor Department's consolidation of the job training, retraining, and readjustment programs that are spread throughout the Government. We expect these energetic proposals will help build a more competitive work force in the coming years.

President Clinton proposed to fund what the budget resolution terms Function 500—covering appropriations for education, training, employment and social services programs—at \$40.725 billion over the CBO baseline for fiscal years 1994 to 1998. The budget resolution, in making further cuts in the budget deficit, would assume \$38.35 billion above the baseline, some \$2.57 billion less than the President proposed for the 5-year period.

In fiscal 1994, the resolution assumes an increase in budget authority of \$3.189 billion and \$1.027 billion in outlays. These amounts are \$774 million in budget authority and \$418 million in outlays below the President's request. These reductions are intended to keep the overall budget in line with discretionary appropriation caps for 1994 and coming years.

I regret these cuts in the President's recommendations. Of course, it is the appropriations process that will determine specific funding levels for the programs covered under the resolution. I am hopeful that the Appropriations Committee will see fit to fund the programs authorized by the Committee on Education and Labor at no less the levels the President requested.

I also wish to note my concern with some of the administration's proposals.

Chapter 1, the basic Federal education program that targets schools in economically distressed areas, would be allowed to grow only at the rate of inflation, or 2.7 percent. Unfortunately, many more school districts need aid than are receiving it.

The administration proposes to phase out impact aid payments for category b students and to reduce campus-based aid covered by supplemental educational opportunity grants, Perkins loans, and work study. If these cuts were implemented, the poorest students in college could face a substantial cut in Pell grants and the other programs for which they are eligible. It is unclear that the new national service program would compensate for these reductions.

The Department of Education also would cut \$300 million from the baseline in unspecified programs. These reductions would be tough to absorb, considering the low staff levels at the department.

On the mandatory side of the budget, the resolution assumes savings in student financial assistance by accelerating a direct student loan program and creating a coorigination for States to help offset the costs of loan defaults in the States.

While the committee on Education and Labor will receive no budgetary credit for the savings we will make in the student loan program, we expect that these savings will directly benefit students qualifying for loans. I quote from the Budget Committee's report on the resolution:

The Committee expects that savings from student financial assistance programs assumed in the resolution will not result in a reduction in federal student aid for individuals seeking post-secondary education. Rather it is assumed that these savings will be redirected toward efforts which will make student financial assistance more readily available to students.

The resolution also assumes change in the Employee Retirement and Income Security Act [ERISA]. The changes would enable proper

identification of third party payer liability in health insurance, thereby saving the Federal Government more than \$1.2 billion in inappropriate payments through Federal health benefit programs, including Medicare and Medicaid.

Mr. Chairman, the resolution deserves our support. We look forward to redirecting Federal resources in the manner it outlines.

Mr. OBEY. Mr. Chairman, it is my job as chairman of the Joint Economic Committee to try to place this budget debate in context. What I would like to do is simply explain what is happening in the economy that brings us to this point, what has been happening in this economy for the last 20 years, really, which has caused President Clinton to make the recommendations that he has made.

In my view, we are here because the economy truly has been in trouble since 1973. I think that changes which were made under President Reagan in 1981 made that situation a whole lot worse.

The budget which we have here today represents the first step in doing a number of things. It represents the first step in trying to get a handle on projected Federal deficits.

The previous speaker noted, for instance, that this package only reduces the deficit by somewhere over \$100 billion annually and says that after the first 4 or 5 years the deficit is stuck there at about \$200 billion.

The fact is without this package that deficit would go to above \$600 billion by the end of this decade. The budget before us attempts to do something about that and it also, I think, recognizes that we will not get to a full ability to stop increases in the deficit until we go on to the next stage and deal effectively with health care costs.

So it comes here both with the deficit reduction package and a short-term and a long-term investment package to try to get the economy to grow. The reason it does that is because the President is trying to attack four deficits simultaneously. There is an awful lot of talk on this floor about one of those deficits, the Federal budget deficit, but in fact we have to understand that we will not make economic progress that will be felt by the average American family in terms of increased economic opportunity and better job opportunity unless we attack four deficits simultaneously, and I want to show you what I mean.

This chart demonstrates the history of Federal deficits from 1945 through today. As you can see, up until 1980 is represented by this green line here, up until 1980 we never had a Federal deficit that exceeded \$74 billion.

I remember being in Senator BYRD's office just about this time of year in 1980 when we had been told by Paul Volker, who then ran the Federal Reserve, that if we did not cut \$16 billion out of President Carter's budget that the deficit would go off the graph and it would wind up being over \$50 billion.

So we went around the table for 3 weeks and we cut \$16 billion in spending out of that budget. And guess what? The deficit did not go down in spite of those cuts, because the economy moved. The economy sagged and that wiped out all the efforts at deficit reduction that we had tried to make in 1980.

The same thing happened in 1981 after President Reagan came in. He proposed a budget which he said would take us to zero deficit in 4 years. I know, I was here and I remember getting run over.

These green bars demonstrate what was supposed to happen to the Federal deficit if we passed President Reagan's budget. It was supposed to decline from the \$55 billion that was projected by President Reagan on down to zero by 1984.

The red bars demonstrate what in fact happened to that Federal deficit after the Congress passed the Reagan Republican budget. Instead of declining from \$55 billion to zero, that deficit went up to \$208 billion and in 1984 it was \$184 billion.

So that produced the long series of huge exploding deficits which we have had under the wondrous world of supply side economics.

There is another way to look at it. Between 1945 and 1973, each year whether Republicans or Democrats were running the White House, our debt as a percentage of total national income declined from over 100 percent of our total annual income, total gross national product. It declined to about 23 percent of our total national income in 1973. So we were making bipartisan progress on getting the debt down.

But then something happened in our economy after the first energy crisis and the oil boycott and we stalled out from 1973 to 1980. We just did not make any more progress in reducing that debt; but from 1980 until today, as you can see, the numbers turned around. The line is turned the wrong way, and since 1980 under the Reagan-Bush budgets we have steadily increased our debt as a percentage of our national income until the point it is about double from the level it was in 1981.

That is not just true of Government debt. If you take all debt in this society, if you take business debt, Government debt, family debt, you name it, put it all together, you can see that on an annual basis from 1950 through about 1980 we were running debt in this economy that was about 150 percent of our total national income each year.

□ 1610

But, after 1981, off the graph. As my colleagues can see, it just exploded, and at the same time we went from having the rest of the world owe us money, represented by the green line above the baseline here—we went from being the largest creditor nation in the

world, until 1986 or 1987 when we fell off the cliff, and since that time have become the largest creditor nation in the world, owing the rest of the world billions of dollars.

Mr. Chairman, that is what has happened to the national debt, both public and private in the 1980's. That is what happened to the Federal deficit in the 1980's. But we have also had another deficit which the Clinton budget is trying to correct, and that is what I refer to as the investment deficit.

Now these two pie charts demonstrate the way our budget dollars were divided, 1980 versus today, and, as my colleagues can see, in 1980, 36 cents out of every dollar went to the elderly and the disabled. Today it is 41 cents out of every dollar.

My colleagues can see general government represented by this small orange piece. Just to keep government offices open, that cost us three cents out of every dollar in 1980. Today that has been cut in about half. We are now spending 2 cents out of every dollar, so we have made some progress there.

And, as my colleagues know, defense went from 24 cents on the dollar up to about almost 30 cents on the dollar. It has now declined to the point where it is slightly smaller as a percentage of our Federal budget than it was in 1980.

But the two pieces that have really changed are represented, first of all, by the green piece, which represents interest, and that has gone from about 9 cents out of every dollar in 1980 to, today, about 14 cents out of every dollar. That has exploded.

At the same time that the investment portion of the budget has been cut by a huge amount, this large red wedge represented the 16 cents out of every dollar that we invested to make the economy grow in 1980. By today that has been cut by 40 percent as a share of our Federal budget so that today it represents 9 cents out of every dollar rather than 16 cents out of every dollar.

When I say "investment" I do not mean consumption, I mean what we invest in kids by way of education; I mean what we invest in health, not health delivery, but health research. I mean what we invest in science so we can stay on the cutting edge of technology and what we invest in community infrastructure: roads and bridges, things that make our communities and our economy more efficient. We have had that portion of the budget decimated over the last 12 years, and the President is trying to do something about that. And again that investment deficit has not just been on the government side. It has been on the private side as well.

This gray line represents that average of our total investment, public and private, from 1945 through 1980, as my colleagues can see, the average during that time was not quite 7 cents out of

every dollar in the economy, not quite 7 percent of our total net national product. But really since 1984 that investment has again dropped off the graph to less than 2 percent. And so my colleagues can see that whether we are talking about public investment or private investment, it has shrunk by an amazing amount over the past 10 years.

This chart demonstrates what has happened in nondefense research and development from 1971 through today. The United States is represented by the red line. West Germany is represented by the green line. Japan is represented by the dark blue line. As my colleagues can see, in 1970, we were expending considerably less than our two major competitors, and by today that gap has grown hugely. They are killing us in terms of their willingness to invest in nondefense research and development in comparison to our willingness to invest.

So, Mr. Chairman, that is the second deficit which the President's budget is trying to attack.

The third deficit which it is trying to attack is the economic growth deficit.

In this chart I have arranged real economic growth during each President's 4-year terms, arranged in descending order of growth. What you can see is that since World War II the 4-year period that produced the most economic growth was Truman's only full term which came at the end of World War II. It was an aberration because we had a large build-up of pent-up demand. But the second fastest economic growth came under Kennedy's term. The economy grew about 20 percent of those 4 years. The next most rapid economic growth came under Lyndon Johnson's second term, then Reagan's second term, on down. The previous low was Eisenhower, his second term where the economy grew a little over 7 percent over those 4 years. Under Bush we hit a new low, less than 5 percent growth over a 4-year period, only a little over 1 percent growth a year, and I would remind my colleagues that the economy has to grow at over 2 percent a year or unemployment goes up.

That economic growth deficit has translated into a job growth deficit. Again this chart arranges the President's 4-year terms in descending order of growth by each of their 4-year terms. As my colleagues can see in terms of jobs, this economy grew the fastest under Lyndon Johnson, the second fastest under Carter, the third under Truman, and so on down the line. The previous record holder for low job growth was Eisenhower's second term: One percent. And now George Bush's 4-year term has beaten that in terms of lost job growth.

This chart demonstrates that a different way. The green line represents the average job recovery over the previous seven recessionary recovery pe-

riod. The red line represents how much we have experienced by way of job recovery in this recession and the gap between what we have recovered in this recession versus the average of seven previous recessions. It is over 3½ million jobs. That is how many jobs we are short because this economy has not recovered nearly as quickly at the end of this recession as it did in the previous seven.

So, that demonstrates the economic growth deficit with the President's package is trying to attack.

The last deficit which the President's package is trying to attack is the family income deficit. This chart demonstrates that, if we go back to 1958, again up until around 1978, workers in this economy experienced fairly regular increases in their hourly compensation. But about 1978 that stalled out. We hit a ceiling, and, as my colleagues can see, since that time we have made virtually no progress in increasing wages.

□ 1620

This chart includes fringe benefits. But if you take fringe benefits out and take a look just at wage compensation for nonmanager workers in the economy, you see that since 1986, again we have declined precipitously by over 40 cents an hour in terms of real wage declines, and the burden of that squeeze has not fallen evenly.

This chart demonstrates who got what in the 1980's. This chart demonstrates, in fact, going all the way back to 1977, that if you were in the bottom 20 percent of income in this country, you on average lost 10 percent of real income during that 13-year period. If you were in the middle 20 percent of income in this country, you, in fact, lost 4 percent in terms of real income over that period. But if you were in the top 1 percent, you more than doubled your income over that period. In fact, if you just take a look at the 1980's, you see that the wealthiest 1 percent increased their take by more than 120 percent, and their income averages over \$600,000 today.

This chart demonstrates who had the party in the 1980's and who paid the bill, and it is backward in terms of what it ought to be. That is why the President's budget recommends that we increase revenues substantially by raising taxes on those who make more than \$140,000 a year.

Now, we can cry crocodile tears all we want about the truly needy millionaires in this country, but the fact is that if you take a look at the historical record, you see that that top rate has been much, much higher in past years than it has been today. Right now it is riding down here at almost historic lows. The President's recommendations take it up to an effective rate of about 39.5 percent, still far below the 50 percent that it was in the

1980's and far below the 70 percent that it was before 1977.

So I suggest that these charts demonstrate that what the President is trying to do is not just simply mindlessly attack one deficit, the Federal budget deficit. He is trying to attack all the deficits. Because he understands that if we do not increase what we are investing in this economy, if we do not invest in our kids, if we do not invest in our workers, if we do not enable business to make the capital investments they need, he recognizes that no matter how much we promise, that the Federal deficit is not going to come down because the economy will not grow enough to let it go down.

The purpose of economic policy is not to talk about numbers. The purpose of economic policy is to try to have a beneficial effect on people. If you take a look at the President's package and compare it to what has happened in the 1980's, I think there can be no doubt that in terms of equity and in terms of economic growth, it represents what must be done if we are to give especially young workers in this country an opportunity to succeed.

Mr. Chairman, I would remind those who say that there is no need for an investment package because the economy is growing, that this economy is still growing at less than half the rate that it grows during normal recoveries. I would remind you also that of the 375,000 new jobs which were created last month, over 80 percent of them were part time. I would remind you also that we have replaced only 1 out of 20 manufacturing jobs that we have lost in this country since 1990.

So I would suggest that those who believe we do not need an investment package do not understand what has happened to this country in the 1980's. In fact, you do not understand what has happened in this country over the past 20 years, and you do not understand what is needed if we are to give our country and give our families an opportunity for decent economic growth in the future.

Mr. Chairman, I reserve the balance of my time.

Mr. KASICH. Mr. Chairman, I yield 6 minutes to the distinguished gentleman from North Carolina [Mr. McMILLAN].

Mr. McMILLAN. Mr. Chairman, I thank the gentleman for yielding and commend him for the tremendous leadership he has given our side in this budget debate. I would also like to commend the gentleman from Minnesota [Mr. SABO] for the very fair work he has done in giving leadership to the committee. Like him, I think the only problem with that is that he does not agree with us, and we have not had quite the bipartisan approach to this that I would have hoped we would have had.

Mr. Chairman, I am not going to try to deliver an economic response to the

very detailed presentation of the gentleman from Wisconsin [Mr. OBEY]. I would like to point out, however, that it is significant that Mr. Truman was President during the period of the highest growth due to circumstances over which he had no control, which I would suggest is probably the history lesson for all of the Presidents: That by and large growth in this country occurs by what occurs in the private sector, and not by what Government does or does not do.

However, I think there is also another lesson in what the gentleman from Wisconsin [Mr. OBEY] was illustrating, and that has to do with deficits. You can talk about four different kinds of deficits, but there has been almost no economist who has testified before the Committee on the Budget who has not said that the biggest problem facing this country is prolonged and increasing federal deficits. These are the things that have really sapped the economic growth of this country, that have made us less competitive, and that have reduced job creation.

It is estimated that 80 percent of the private savings stream in this country is eaten up by Federal borrowing. This does not go into jobs, this goes into money that we borrow and then spend on consumption in other segments of the economy. It on balance drives up interest rates, and over this past deficit period we have experienced the highest rates of interest that this country has ever seen. Fortunately, they have abated here in the short run.

It adversely affects our trade balance due to its impact on exchange rates. It reduces job creation and productivity gains. It runs interest costs up, as the gentleman from Wisconsin [Mr. OBEY] illustrated, in the Federal budget, with interest costs now approaching close to 20 percent of our total Federal budget.

Mr. Chairman, my bottom line conclusion is that the weakness in our economy is a direct result of the massive Federal deficit that we have run over the past two decades in this country, and it is time that we come to grips with it on both sides of the aisle.

But I would submit that the proposal that we are being asked to consider here today saps money out of the economy in two ways: Not only does it continue a deficit at essentially the same level that we have operated under for the past 4 or 5 years out into the next 5 years, but it also adds on to that a massive tax increase that saps additional money out of the savings stream in this country.

The gentleman from Wisconsin [Mr. OBEY] pointed out the risk of using ratios. But the Congressional Budget Office has scored the Democrat proposal as yielding over 5 years \$267 million in net new taxes if you take away the incentives from the increases. It has also scored \$95 billion of net spending reduction over 5 years in the President's proposal. That is CBO-scored.

Then the committee added \$63 billion in unspecified cuts that have not been scored, but we will give them credit for that. That is a total deficit reduction of \$425 billion. But there is \$1.70 in new taxes for every \$1 in spending cuts. That amounts to \$27 billion in new taxes next year, 1994, and only \$6 billion in spending reductions.

What they do not talk about is something we were discussing previously, and which the public needs to understand. We are being asked to approve a supplemental appropriations bill with additional spending in it of some \$16 billion, which will be accompanied by another revenue bill that is not a part of this debate that will bring that total up to \$31 billion.

□ 1630

None of that money is included in these budget projections, yet it is being argued that that \$16 billion in supplemental spending is absolutely essential for economic growth in this country. Nothing could be more absurd.

They do not even plan to spend the money now. And if we look at this chart, put out by the committee, in terms of how that money will be spent, it will be spent, close to \$7 billion this year out of that \$16 billion, \$6 billion a year from now and \$3 billion 2 years from now. If that is an emergency, I do not know what one is.

I think that we need to take that into account. If we adopt that supplemental spending bill added to this, that is another \$31 billion shortfall in what we are talking about.

On the other hand, what Republicans have done in response to the President's challenge, in response to the challenge by Mr. Panetta, is to come up with specific alternatives. He said that he would be glad to look at those. We came up with them.

They represent \$450 billion in spending reductions over 5 years that does not raise taxes, that does not sap additional earnings out of the earnings stream and reduces the deficit by an amount in excess of what the President proposes by some \$25 billion, \$38 billion of that next year.

I could go on and discuss many other aspects of this budget proposal. I am going to reserve probably the most important part for tomorrow, because what we are doing here is being asked to approve a deficit that eats up all of our taxing capability, does not reduce the deficit. And we know that round 2 is coming up in health care reform. That is the key to finally reducing the deficit down to zero.

We will talk more about that tomorrow.

Mr. OBEY. Mr. Chairman, I yield 4 minutes to the gentleman from Minnesota [Mr. VENTO].

Mr. VENTO. Mr. Chairman, I rise, of course, in support of the economic package submitted by the President

and improved by the House Committee on the Budget under the leadership of the gentleman from Minnesota [Mr. SABO].

This year's budget is a noticeable departure, a break from such political history, a discredited history of the 1980's, which emphasized instant gratification, unfunded tax breaks and spending proposals based on growth or unorthodox economic theories.

I think, Mr. Chairman, it we had an opportunity, I think we would be successful with a malpractice suit here against such economic practice.

This riverboat gamble that was pursued in the 1980's has proven a loser, and the fourfold increase in the national fiscal deficit and the twin fiscal and human deficit is the cost borne by almost all Americans, but not all Americans equally have borne that particular burden.

The budget submitted by the President today, President Clinton, is a comprehensive document that effectively addresses the twin deficits left by the Bush administration, the budget and human deficit.

Under the previous administrations of the past decade, budget resolutions came to be viewed solely as political documents through which lip service could be given to empty Presidential pledges. The budget was submitted. The President came up with bumper sticker slogans such as "Read my lips." And Democrats and Republicans alike declared the President's budgets dead on arrival at the House Chamber.

This shallow rhetoric of the last budgets was demonstrated by the legislative track record.

For fiscal year 1991, the Bush budget was not considered by the House, even though it was specifically made in order under the rules of this House. No one sought to put it before the body.

During the 1992 debate the Bush budget garnered a whole 89 votes out of 435 Members of this House, and 335 votes against it. Last year, President Bush's budget was offered. Forty-two Members braved to vote for that. Many and, of course, hundreds voted against it.

Mr. Chairman, the reason that we have new hope today is that the Clinton budget is a real effort in budget discipline, not an empty promise. It is a demonstration of leadership, not political avoidance. Rather than the smoke and mirrors of cooked Office of Management and Budget numbers and scorekeeping, the Clinton administration budget has agreed to use the same common numbers in scoring of the Congress and the Congressional Budget Office. The Clinton budget is improved by the House Committee on the Budget and makes a significant commitment to reduce the deficit.

While further cuts, in my view, are appropriate in programs such as the space station and super collider, the

budget that is before the House is a balanced approach that asks for sacrifice from everyone.

The Clinton budget moves beyond the short-term, advocating commitments today and, in the years ahead, for a vision and investment in America's tomorrow.

The budget package offered by the President takes our National Government off the sidelines and puts it back in the playing field, working on behalf of the American people.

The Clinton budget recognizes our Nation's tragic human deficit, the homeless, the hungry among us, the lack of affordable health care, those that need education and training and the shortfall that exists there, the lack of jobs. And this Clinton budget establishes national policy to meet these challenges and others.

I support the President's program because it invests in the American people.

Mr. Chairman, many will say today that our legacy to our children and our children's children cannot be a national debt. I agree. But I want to add that we can also not leave them with a crumbling infrastructure, with a health care system that serves only the wealthiest and the affluent, and despoiled national resources.

Mr. Chairman, we need to address this problem. This budget does it. I urge my colleagues to support it.

Mr. KASICH. Mr. Chairman, I yield 4 minutes to the gentleman from Texas [Mr. SMITH].

Mr. SMITH of Texas. Mr. Chairman, I thank the gentleman from Ohio for yielding time to me. Mr. Chairman, if we had a dollar in the Treasury for each broken promise and for each inconsistency from the Clinton administration on the budget, we probably would be further along with deficit reduction than the Clinton plan will take us.

At first, President Clinton was going to cut the deficit in half, then he was simply going to cut \$145 billion from the deficit. At first, the Clinton administration claimed to have produced \$473 billion in total deficit reduction over 5 years, then we discovered the actual total to be only \$362 billion—with a health care bill still pending.

At first, the Clinton administration wanted to have a spending-cut-to-tax increase ratio of 2 to 1, but when we actually see the plan's ratio we find it is 3 to 1 taxes to cuts. Finally, Mr. Clinton excoriated President Bush for claiming that people earning \$36,000 would feel the bite of Mr. Clinton's tax increases. Of course, now we find that the only problem with Mr. Bush's figure was that it was too high—actually those making as little as \$30,000 will be hit.

Why all these changes? Because not since a Connecticut Yankee walked King Arthur's court in Mark Twain's

tale, has someone so unashamedly tried to claim credit for something beyond his control as did Mr. Clinton during the 1992 Presidential campaign. As you may recall, Mark Twain's character claimed credit for a solar eclipse; Mr. Clinton intended to make use of expected economic growth. When Mr. Clinton began his odyssey from Hope, CBO was projecting a deficit of only \$178 billion in 1996.

Mr. Clinton felt any promises he made about reducing the deficit would be kept for him by a rebounding economy. For Mr. Clinton this fortuitous event presented itself, just as Twain wrote concerning his Connecticut Yankee's good fortune:

But all of a sudden I stumbled on the very thing, just by luck *** I now shoved this whole problem clear out of my mind till its appointed day and hour should come, in order that I might turn all my attention to the circumstances of the present moment, and be alert and ready to make the most out of them that could be made.

Without the automatic narrowing of the deficit they expected, we have had to watch the Clinton administration scramble to catch up to their rhetoric. Unfortunately we have also seen that for all Mr. Clinton's vaunted promises of an economic plan, all he really had to offer the American people was a tax increase—which in his plan now amounts to \$338 billion, the largest in this Nation's history.

So large is the gap between the Clinton plan's promise and reality, that my Democratic colleagues on the Budget Committee were forced to try and cover it with \$60 billion in unspecified spending cuts.

The problem with all this back-pedaling is that it won't work. The administration's tax-you-now, we'll-cut-later budget will go the way of the 1990 budget deal. When that deal was made, the deficit was supposed to be \$236 billion this year and \$102 billion next year. Of course that did not happen. Instead, we are back here again as the Congressional Budget Office estimates this year's deficit to be \$352 billion and next year's to be \$343 billion.

Why didn't the 1990 deal work? Because it was a Cheshire cat budget deal. The spending-cut body of the deal disappeared, leaving behind only the toothy grin of the tax increases. It is no wonder why the deficit did not go down: Congress spends all it gets its hands on and then some; if this were not the case, we would not be in the mess we are in the first place.

It is no wonder why the economy did go down instead of the deficit: When you tax something you discourage the activity, when you tax it a lot, as was done in 1990, you discourage the activity a lot.

What is a wonder is, that we are again supposed to believe that the deficit, and not the economy, will be reduced this time by a massive tax increase and massive new spending.

Regrettably, Mr. Clinton has joined Mark Twain as a master of English fiction. His budget will not reduce the deficit and it will not produce economic growth. It will instead do just the opposite. A vote for the Clinton plan is a guarantee that we come back to this issue, probably even more quickly than the 2½ years since 1990. Perhaps then we will support a plan that does more than just raise taxes, and cuts more than just defense.

□ 1640

Mr. OBEY. Mr. Chairman, I yield 3 minutes to the gentleman from New Mexico [Mr. RICHARDSON].

Mr. RICHARDSON. Mr. Chairman, in 1981 the American people voted for change and elected President Reagan. After the election, Congress gave President Reagan his economic plan. Twelve years later the American people voted for change and elected President Clinton. Tomorrow we should give him his economic plan.

Many of my colleagues have talked about numbers and budgets and whether these numbers match these projections. I want to talk about themes and choices.

Mr. Chairman, as we prepare to vote on the budget resolution and the President's investment package, we have a choice. It is a choice between positive, responsible change or more of the same. The President understands it, the American people understand it, and now we must prove that we understand it by passing the President's package of deficit reduction and investment in the future.

The President has challenged us and the American people. He has presented a comprehensive plan that combines serious deficit reduction with a much needed stimulus package. That plan, combined with additional spending cuts that we have offered, will result in jobs, economic growth, and increased opportunity for all Americans. However, the American people will benefit only if we pass the President's package in its entirety. It has been formulated as a unified plan—if one part of the plan passes and the other falters, the plan will fail.

We must show the American people that gridlock is dead and that we can move from the status quo. We must pass this plan. Polls show that the American people overwhelming support the President and understand that every American must pull their fair share.

Mr. Chairman, this plan offers the best shot we have at creating jobs and moving the economy in the right direction. We must stand together and pass it now. If we do not succeed, we will suffer the results for years to come.

Mr. Chairman, the 1994 budget resolution passed by the House Budget Committee helps lay the foundation for long-term economic growth by re-

directing our Nation's spending priorities from consumption to investment, reducing the Federal budget deficit, and rebuilding the Federal Government's revenue base through increasing taxes on the most affluent members of our society.

The resolution moves President Clinton's bold new agenda forward and targets the most critical needs of the American people. It will help build and revitalize America through a series of public and private investments in health, education, infrastructure improvements, research and development, and technology.

While it includes modifications to the President's proposal, it is an overwhelming endorsement of his overall package.

BASE ELEMENTS OF THE PACKAGE

It reduces the Federal deficit by \$510 billion over the next 5 years.

It meets the spending caps for discretionary spending contained in the 1990 Budget Enforcement Act for 1994 and 1995.

Using CBO calculations it meets the President's objective of \$140 billion of deficit reduction in 1997.

It limits discretionary spending to the level enacted for 1993 in each of the next 5 years and reconciles a 5-year total of \$344 billion in entitlement savings and new revenues.

It increases funding for food stamps by \$7 billion over the next 5 years.

It assumes full funding of Head Start, WIC, child immunization, the Ryan White AIDS Program, and the Mickey Leland Hunger Program.

It assumes increased funding for jobs programs and job training, innovative education and lifelong learning programs, mass transit, highway construction, research and development, defense conversion and a variety of other investment programs.

It assumes the President's tax package which restores fairness to our tax system by placing the heaviest tax burden on the most affluent members of our society.

It contains funds for expansion of the earned income tax credit which rewards low income people for working.

MODIFICATIONS OF THE PRESIDENT'S PROPOSAL CONTAINED IN THE PACKAGE

It contains \$3.5 billion in additional discretionary spending cuts for 1994 to get within the budget caps required by the 1990 law; \$870 million of that \$3.5 billion was in the defense function.

It contains \$10.5 billion in additional discretionary spending cuts for 1995 to get within the budget caps required by the 1990 law.

It caps Federal retiree COLA's at \$400 in 1994 and modifies them in 1995, 1996, and 1997 to parallel the treatment of Federal workers in the President's budget.

It includes \$63 billion more in spending cuts than the President's proposal.

Mr. KASICH. Mr. Chairman, I yield 4 minutes to the gentleman from California [Mr. HERGER].

Mr. HERGER. Mr. Chairman, the American people are demanding real action to reduce the Federal budget deficit, and they have every right to expect us to meet this challenge.

In the last election, the primary message from the voters was a demand for change in the way our Federal budget is managed. They wanted us to move away from the \$320 billion and growing Federal budget deficits. They wanted their Government to begin living within its means.

This budget resolution before us today is the first serious opportunity for the administration and Congress to respond to the voters' demand.

What are they getting from the democrats' budget resolution? Rather than capping the growth of Federal spending, the budget proposal increases spending an additional \$186 billion over the next 5 years.

In addition to increasing spending, the resolution contains the largest tax increase in American history, totaling \$316 billion. That's twice as large as our Nation's previous highest tax increase. This would force a typical family of four earning \$34,000 in after-tax income to pay almost \$500 a year more in Federal taxes.

Throughout the budget drafting process this year, my Republican Budget Committee colleagues and I have repeatedly pointed out that we can move toward balancing our Federal budget by eliminating wasteful spending and limiting the growth of Government, and we can achieve real deficit reduction without tax increases. We have argued that we can reduce the deficit by at least as much as the President has proposed without once again sticking our hands into the pocketbooks of the American taxpayers.

However, whenever we raised this point, our Democratic colleagues told us we should outline how we could do it, and they told us to be specific.

When members of President Clinton's Cabinet came before our committee, they repeatedly told us that we should be specific about how to achieve greater deficit cutting without raising taxes.

Some of my Republican colleagues and I had the opportunity to meet personally with President Clinton to urge further spending cuts. He asked us again to present him with specific proposals.

Mr. Chairman, we Republicans on the Budget Committee took this challenge seriously. We came up with an 84-page plan that contains 160 detailed proposals to reduce the Federal deficit by \$430 billion over 5 years. I might add that this plan contained no new taxes.

We offered this plan in committee, along with a number of the individual proposals as separate amendments. How many of our specific proposals were accepted by the Democrats? Not a single one.

We now have a choice to make on which direction our Federal budget should be headed. The Republican alternative contains specific recommendations to reduce the deficit without raising taxes by forcing Government to tighten its belt.

The Democrats' budget contains the largest tax increase in American history, and furthermore, it fails to be specific about how it will reduce the deficit.

The choice is yours. Who do you believe should sacrifice most, the American people or their bloated, out-of-control government? I urge support of the Republican Budget Committee's alternative.

Mr. OBEY. Mr. Chairman, I yield 4 minutes to the gentlewoman from Connecticut [Ms. DELAURO].

Ms. DELAURO. Mr. Chairman, today, as the House considers the budget resolution and the President's economic stimulus package, I want to emphasize to all my colleagues the importance of both the long-term investments contained in the budget resolution, and the economic stimulus package.

I was proud to serve when I heard our President lay out the challenge—an extraordinary challenge—of investment and stimulus, spending cuts, tax increases with the burden broadly shared, and for the first time in a long time deficit reduction. It was a bold departure—and the people in my district said, give him a chance.

It is important that we pass both of these measures. We need a balanced economic program. I ask my colleagues, no matter how well your individual district may be faring, to stick together. Those of us in the States hit hardest by the recession are willing to say OK to the cuts contained in the budget. We know what has to be done, and we're willing to do it.

But those of you who want to keep cutting, and are talking about eliminating parts of the investment program, should know that this talk is deadly. Don't drive that knife so deep that you hack off the parts that give us balance and growth.

I cannot go to my district, ask people to pay higher taxes, see their programs cut and then tell them that we have turned our back on helping the economy and creating jobs. My State has lost almost 200,000 jobs in 4 years. It is reeling from cuts in the defense industry. Tens of thousands of manufacturing jobs are gone for good. In Connecticut, in California, and many other regions of this country the recession is not over. Far from it.

We need the investment package. We need the jobs. If you think the recession is over, think again. Jobless claims were up last month by 26,000. Housing sales have fallen, factory orders are down and consumer debt is up. Those are not rosy figures, and they are a clear signal that it's way too

early to abandon our investment package.

To those who want to gut the investment package, I say, again, many of us have stuck with you on the additional cuts in the budget resolution. I ask you to stand with us on the investment package. The budget resolution before us today has an additional \$63 billion in cuts beyond the President's proposal, with a 5-year discretionary spending freeze. And the Senate is talking about similar additional cuts. I support these goals, if that is what it takes to meet the deficit reduction targets and satisfy the estimates of the Congressional Budget Office.

But I want everyone here in this Chamber to remember that we are coming off of 12 years in which this country has failed to invest in infrastructure, in education, in our cities and in our children. We have people without jobs and without hope—and this investment package symbolizes both of these things to them.

The stimulus package will put 500,000 people to work by the end of next year. It will enable small businesses to get \$2.5 billion in loans. It will provide new summer jobs for more than 600,000 disadvantaged youths. If we pass this bill, 350,000 children will be able to participate in a new Head Start Summer Program, and \$300 million will be provided for childhood immunization.

I ask my colleagues, do you believe we can afford not to make these investments? Can we afford to continue ignoring those who are without jobs, without homes, without adequate education, or without access to prenatal health care?

Without cuts and investment, this plan will not move forward. And more gridlock is not something I want to explain to my people any more than I want to tell them I failed to help them get back to work.

□ 1650

Mr. KASICH. Mr. Chairman, I yield 3 minutes to the gentleman from Colorado [Mr. ALLARD].

Mr. ALLARD. Mr. Chairman, today I had an opportunity to testify before the Rules Committee to offer two amendments to the budget resolution. I hope they are made in order.

The first amendment will eliminate the Btu tax as outlined in the President's economic plan. The second amendment will eliminate funding for wasteful projects which bypass established congressional budget procedures.

Although both of these amendments are likely to be defeated by the committee my vigilance to oppose the Democrat budget resolution has not. Every weekend when I return home to my district I meet with constituents who share their heartfelt concerns for the Government's penchant for increasing taxes and spending. Honestly, each plane ride back to Washington I think

of ways that I can let their message be heard; then I land and am immediately greeted and sadly reminded of the partisan ways of Congress.

At this time I would like to share with my colleagues, and most importantly my constituents, my thoughts on the proposed budget. The budget resolution before us today relies heavily on tax increases, partisanship, and acceptance of the status quo.

Not only has the plea for change been ringing through the air waves across America but it has been welcomed with open arms by all Americans. Unfortunately, the call for change has not permeated the sacred Halls of Capitol Hill. In fact, what many Members are saying is a change from the status quo is in reality a return to way things used to be during the Carter administration.

I would like to share a few facts and figures on what the adoption of the Democrats budget resolution really means to America. It has been claimed by my colleagues on the other side of the aisle that 7 percent of the proposed tax increases will be paid by people with over \$100,000 of income. It has also been said that the tax increases will not affect anyone making less than \$30,000. What the Democrats have not said is that the measure of income used in making those statements is not a standard of measure.

While the administration uses the normal measures, taxable income and adjusted gross income, for imposing the actual tax increases, it is using a concept called family economic income [FEI] for the sole purpose of making burden distribution arguments. FEI is much broader than the normal measures of income and will greatly exaggerate any particular taxpayer's apparent income.

To arrive at FEI, the administration essentially starts with taxable income and adds the following: First, the taxpayer's standard deduction or itemized deductions—medical expenses, mortgage interest, States income tax, property tax, charitable tax, etc.; second, personal exemptions for the taxpayer, spouse and dependents; third, unreported and under reported income; fourth, IRA and Keogh deductions; fifth, nontaxable transfer payments such as AFDC and Social Security; sixth employer provided fringe benefits—health insurance, pensions contributions, parking, life insurance, et cetera; seventh, increase in the value of earnings—"inside build-up"—in the taxpayer's life insurance, pension fund, IRA and Keogh; eighth, interest on tax-exempt bonds; ninth imputed rent on owner-occupied housing—as if the taxpayer received the net fair rental value of the house he owns and occupies; tenth, capital gains that have not yet been realized—because the taxpayer has not yet sold the capital asset; eleventh, inflationary loss on amounts borrowed by the taxpayer—apparently on

the theory that the real value of the fixed amount that a taxpayer must repay declines as inflation occurs—the opposite adjustment is made for lenders; and twelfth, all such income amounts received or deemed received by all members of the taxpayer's family.

According to the administration's own figures, President Clinton's definition of income places 11.2 million American families in the over \$100,000 category—that's 10 percent of all families, including those who don't pay any taxes at all. Interestingly, the Census Bureau, which uses a common sense measure of income, places just 4.8 million families in that category. Following is just one example of how this ludicrous tax will affect Americans, specifically senior citizens.

RETIRED COUPLE, NO TAXABLE INCOME SUBJECT TO CLINTON TAX INCREASE—HYPOTHETICAL 1993 TAX YEAR

The Brown family is a retired couple. During 1993, they received a monthly pension of \$1,025 from Mr. Brown's former employer. They received \$900 per month (\$10,800 per year) in social security benefits (which is less than average for a retired worker and his spouse). They own their home outright. The home could be rented for \$1,000 per month. They have no savings; their home and its furnishings are their sole assets.

The Browns have no taxable income, as shown below:

Adjusted Gross Income (from pension)	\$12,300
Standard Deduction (includes additional standard deduction for elderly)	(7,600)
Personal Exemptions	(4,700)
Taxable Income	0

However, under President Clinton's definition of "Family Economic Income," they have income of \$35,100, calculated as follows:

Pension	\$12,300
Social Security Benefits	10,800
Imputed Rental Value of Home (\$12,000 in rental value minus \$2,000 in economic depreciation and maintenance costs)	10,000
Appreciation in value of home (after inflation)	2,000
Total	35,100

Thus, under President Clinton's analysis, this retired couple is one of those families "earning over \$30,000" who deserve to be taxed. According to the Clinton Administration's distribution table, people in the same Family Economic Income class as this couple will bear 7.3% of the proposed tax increases.

Another example of how the adoption of the Democrat budget resolution would impact my constituents. The people of the Fourth District of Colorado are screaming "foul" over the very thought of Congress adopting the proposed Btu tax. My district is predominantly rural, consisting of family businesses, and farms that have been passed down from one generation to

the next. The inflationary and regressive nature of the Btu tax could severely limit the ability for these family businesses to grow.

Moreover, the proposed energy tax is highly regressive because its burden would be born disproportionately by poorer families who pay a larger fraction of their income in energy consumption than families with higher incomes. A Btu tax would also fall heavily on those from the West who must drive long distances to work.

The Btu tax hits farmers in my district, as well as farmers across the United States, particularly hard since they are dependent on energy intensive farm machinery. Indeed, the very same rural areas are expected to bear the brunt of the energy tax and will be hit with more than \$4.4 billion in agricultural cuts over 5 years.

What about the administration's creative use of semantics. I never knew that paying for an increase in taxes for the use of more spending on new programs while further increasing the deficit was a contribution and part of my patriotic duty to this country. Good heavens, we all know it takes far more responsibility to save and limit spending of money than it does to spend it freely. The Democrats plan calls for \$127 billion of new spending over 4 years.

The hard choices have to be made, the Democratic budget resolution makes no difficult choices. It is commonly understood that the Democrat proposal does not even meet the President's promise to half the deficit within 5 years. This proposal increases taxes, and increases Government spending. Sadly, it is done in the name of deficit reduction. It's a sham, a disgrace and it's politics at its worst.

This proposal increases taxes by \$33 billion for fiscal year 1994. Including the tax on Social Security and including the increase in user fees it raises taxes by \$37 billion in its first year alone. In sum, the plan raises \$37 in taxes for every \$1 in spending cuts.

The new and bold approach this plan takes is finding new ways to assess a tax increase on the American population. Contributions to Social Security are no longer sacred instead they have become a new target for the Democrats to raise more revenue for Government spending. Sadly, middle-class families are now classified as rich. What's next?

Another aspect of the Democrat's plan that I disagree with is that it calls for spending first, tax increases second, and finally months down the road, if at all, spending reductions. This proposal takes the approach that deficit reduction will occur only when taxes are increased and Government spending is permitted to grow.

The economy is once again growing and it is my hope that we pass legislation that expands the economy and

brings recovery to those areas in the Nation that are still mired by slow growth. I believe deficit reduction without the use of tax increases is necessary for this to occur. Further increasing the deficit and increasing the tax burden will only impede the goal.

I believe that it's time to remind the American people that Republicans do have a budget plan, a plan that will bring down the deficit, promote economic growth, leave Social Security untouched—and do it all without raising taxes. The Republican members of the Budget Committee have done yeoman's work drafting a realistic, specific, non-gimmicky Republican alternative budget plan.

I have examined the plan very closely, and it is not only good policy, but I fully support it and it will be good politics. President Clinton's plan claims to reduce the deficit by \$362 billion over 5 years. The Republican Budget Committee alternative reduces it by \$430 billion—\$68 billion more than the Clinton plan.

President Clinton's plan raises taxes by \$320 billion over 5 years—the largest tax increase in American history, twice as large as the previous largest tax increase. The Republican Budget Committee alternative includes no new taxes of any kind.

Many of President Clinton's spending cuts are actually tax increases—for example, raising taxation of Social Security benefits. The Republican Budget Committee alternative are real cuts, without touching Social Security.

President Clinton's plan relies almost entirely on defense cuts. The Republican Budget Committee alternative makes real cuts in domestic spending, actually eliminates outmoded programs, and imposes long overdue reforms on others.

If Republicans are going to be taken seriously, I respectfully submit that they must stand behind a plan that is a true alternative to tax-and-spend. We can't compromise on taxes. We must rally around a plan that does all and more than the President's plan claims to do to balance the budget, and does it without new taxes.

The Republican Budget Committee members have crafted such a plan. I urge your support of the plan. In closing I want to bring to your attention an editorial that appeared in today's Washington Times in support of the Republican Budget Committee proposal cutting spending first.

Mr. OBEY. Mr. Chairman, I yield 4 minutes to the gentleman from Alabama [Mr. BROWDER].

Mr. BROWDER. Mr. Chairman, I would like to thank the gentleman from Wisconsin for yielding this time to me.

Mr. Chairman, would any of us hire an investment counselor who told us to hide our money under a mattress until we could afford to pay all the bills? No,

of course not, that advice is nonsense, but that is what opponents of this budget are saying Americans should do. They give us cuts, cuts, cuts, without regard for the capital building incentives, infrastructure repairs, and education programs called for in the President's plan. We have to cut, but we have to do more than cut. We have to make our scarce money resources work for us.

The Democratic budget does this. In addition to its incentives for industry to invest in new products and new people, the budget prepares our next generation to take its place in the work force. It funds Head Start to better educate our youth and keep them from becoming the next welfare generation. It creates apprenticeship programs to teach young people skills that are needed in business. It rebuilds our critical rail, highway, and air transportation infrastructure to ensure that materials and goods can travel cheaply and efficiently from their source, to the manufacturer, to the consumer. These are steps that will build our economy and by doing that reduce the deficit.

Opponents of this budget want to take a hatchet to Federal spending. I too would like to take a hatchet to some of those bureaucracies. But we also need inducements to build a stronger economy, like the investment tax credit proposed by the President, tax exempt mortgage revenue bonds to help young people buy homes, the targeted jobs tax credit for helping business train new workers, and a capital gains tax cut to give investors a return on the money they risk. The alternative plan assumes we will not renew job tax credits, foregoes a targeted capital gains tax reduction, and does not provide investment tax credits to small businesses.

I am worried by the continuing deficits. Yes, I want to see deeper cuts than have been made in the budget we are considering today. Our Republican colleagues have made some valid suggestions that need to be considered and I will support responsible cuts along the lines of what they have offered when we take up this year's authorization and appropriation bills. But I support the Democratic budget, recognizing that it sets ceilings on spending and sets them wisely.

But while we are prioritizing our spending, moving away from the consumption spending of the 1980's and into spending that will produce dividends, are we neglecting the deficit? No. Look at the package. It reduces the deficit by \$510 billion over 5 years.

It cuts \$63 billion deeper than the President requested and keeps discretionary spending below its current level for the next 5 years—a freeze in the area where Congress exercises the greatest control over spending. These are real cuts, balanced against their

economic consequences so that we do not unintentionally increase the deficit by destroying the ability of our economy to create new jobs and new products.

I have been getting cards, letters and phone calls from people in my district saying "cut first." Everybody understands that when money's tight, you cut back. But you don't just whack away at everything. You pay the rent and make the car payments because you have to, and you try to find ways to save that don't end up costing you more in big repair bills or lost income. You reinvest your money because if you just cut out spending without considering the consequences, you're probably going to end up worse off than you are now. That is the option that's before us. Cut without consideration, cut education, cut business investment, cut home buyers, cut working families, cut, cut, cut. Or, doing what we were elected to do by making decisions on a course for this country that cuts spending and renews prosperity—that closes the deficit with careful budgeting.

Mr. Chairman, responsible budgeting is more than a process of saying where to cut. It is also a process of deciding where to spend. We have made those decisions. Let's pass the budget and get to work on making the country better.

□ 1700

Mr. OBEY. Mr. Chairman, I yield such time as he may consume to the gentleman from Missouri [Mr. CLAY].

Mr. CLAY. Mr. Chairman, I rise in support of the resolution.

Mr. Chairman, I commend the President and the Congress for so directly and squarely confronting the No. 1 public policy problem facing the Government, namely, the Federal budget deficit. It has sapped our strength. It has made us, as a nation, timid in our commitment to solving the social problems facing our youth, the sick, and the poor. Our problems are too great for the faint hearted. The President's plan and this budget resolution are the first time in 12 years that we have confronted the deficit issue headon. If we succeed here, we will be in a better position to do great things, as a country and as a Congress.

To their credit, President Clinton and the House Budget Committee boldly propose to reduce Government spending by over \$20 billion next year. And to their credit, Federal employees are dedicated workers and patriotic citizens and understand their obligation to sacrifice for the greater good.

But this budget resolution for fiscal year 1994 inflicts real pain on Federal employees. A disproportionate share of the sacrifices Americans are being asked to make will be borne by Federal employees.

In the House Budget Committee's budget resolution, Federal Government employees will shoulder \$4.1 billion out of a total of \$22 billion in spending reductions for fiscal year 1994. That is a remarkable 18.3 percent. Whereas the \$22 billion in cuts will be spread among the entire population, \$4.1 billion in

cuts will be felt directly by 3 million Americans who happen to work for the Federal Government. The Post Office and Civil Service Committee alone will be responsible for achieving \$3.1 billion in savings in budget reconciliation this year. Only one other committee has to cut more.

Over the next 5 fiscal years, some \$53.5 billion will be assumed by Federal employees. These cuts are on top of the higher energy and income taxes that every citizen will pay. These cuts are also on top of the cutbacks in administrative expenses which could potentially impair their ability to perform their jobs.

FEDERAL EMPLOYEE PAY REDUCTIONS

Clearly the proposals that inflict the most pain are the pay proposals. Both the budget resolution and the President's plan propose to eliminate the 2.2-percent adjustment for Federal employees scheduled to take effect in January 1994, and postpone until 1995 the locality pay increases for Federal employees. In calendar years 1995 through 1998, national pay increases would be 1 percent less than are required under existing law. Under existing law, the national pay increase is based on the Employment Cost Index [ECI] minus 0.5 percent. Thus, under the proposal, the pay adjustment would be based on the ECI minus 1.5 percent in calendar years 1995-98. Additionally, locality pay would be implemented beginning in 1995 under a revised system. Exactly how the locality pay system will be implemented in 1995 is not specifically addressed in the President's proposal.

The estimated savings from this proposal for civilian employees are \$2.9 billion in 1994 and \$28.72 billion over the 5-year period 1994-98.

In late 1990, the Federal Employees Pay Comparability Act [FEPCA] was enacted into law. Its primary purpose was to establish a system that would achieve pay comparability with the private sector and to restore order and regularity to the pay-setting process. Currently, the average pay gap between public and private sector salaries is somewhere between 20 and 30 percent. The goal of locality-based adjustments is to close any existing pay gap for Federal employees to within 95 percent of local private sector salaries.

Taken together or separately, these proposals will frustrate the goal of achieving pay comparability and will in fact widen that gap. Federal employees have always been among the first to recognize the seriousness of the Nation's economic crisis. In answering the President's call for shared sacrifice, Federal employees will no doubt support a program that equally distributes that burden. The Post Office and Civil Service Committee, however, has serious concerns that Federal employees are now being asked to bear a disproportionate share of that burden. Again, not only are Federal employees subject to a pay freeze and possible increases in health benefits costs, but as taxpayers they also will be subjected to the President's proposed tax increases which apply to all Americans.

FEDERAL RETIREE COLA REDUCTIONS

The House Budget Committee included in its resolution a proposal dramatically changing cost-of-living adjustments for Federal retirees. First, for retirees under the age of 62, it provides that these retirees receive one-half of the COLA adjustment which would otherwise

be due until they reach the age of 62 at which time they will receive a full catchup. In addition, these retirees' COLA's will be capped at \$400 in 1994 only.

For retirees over the age of 62, it proposes that the retirement COLA in 1994 be capped at \$400.

In addition, in fiscal years 1995 through 1997 the COLA for retirees over age 62 will be based on the Consumer Price Index minus 1 percent. In 1998 these retirees' COLA's would be restored to the full CPI.

Saving \$4.043 billion over 5 years, this proposal represents a renege by the Federal Government of its commitment to its retirees. Several years ago retirees chose to stay in the CSRS rather than switch to the newly established Federal Employee Retirement System on the basis of the benefits then established. Changing them now is unfair and represents a breach of trust between the Government and Federal employees and retirees.

FEDERAL WORK FORCE

The budget resolution, like the President's plan, includes a reduction of 100,000 civilian positions by the end of 1995. The President's plan proposes a decrease of 41,200 positions in fiscal year 1994, including 22,600 positions in the Department of Defense.

If carried out properly, personnel cutbacks of this magnitude could be accomplished without diminishing overall effectiveness and jeopardizing important services. The Defense Department has been discussing and planning downsizing for several years. Since that time the Post Office and Civil Service Committee has monitored this process and through both oversight and legislation has attempted to provide as much notice, training, and financial assistance as possible to ease the burden on Federal employees targeted for displacement. Currently, the committee is cautiously pleased with the Defense Department's implementation of the voluntary separation incentive program and trusts that continued sound efforts will provide the necessary safety net.

LUMP-SUM BENEFITS

The budget resolution and the President's plan proposes to eliminate the lump-sum retirement benefit for all employees retiring on or after October 1, 1995. In 1990, the lump-sum retirement option was suspended for 5 years. The estimated savings from this proposal are \$8.61 billion over the period 1996–98.

FEDERAL EMPLOYEE CHILD-SURVIVOR BENEFITS

The budget resolution, like the President's plan, proposes to limit receipt of child-survivor benefits under the Federal employee retirement programs to children under age 19, unless the beneficiary is a full-time student in a primary or secondary school, in which case benefits would be paid until age 19. Under current law benefits are paid until age 22 while a full-time student and up to age 18 otherwise. This proposal would not affect those receiving benefits prior to October 1, 1994. The estimated savings from this proposal are \$5 million in 1994 and \$75 million over the period 1994–98.

There are relatively few child survivors in the 19–22 age group. The annuities paid to these individuals average less than \$300 per month. For many of these individuals, the loss of these benefits will mean the end of their

dreams of a college education. I am concerned over the hardships that may result from the implementation of this proposal and my committee will need to examine the full impact of the proposal on this very narrow class of beneficiaries.

SURVIVOR ANNUITY REDUCTION

The President and the budget resolution propose to alter the method by which survivor annuities are determined under the Federal employee retirement systems. Under both retirement systems—CSRS and FERS—retirees may elect survivor benefits in exchange for a reduced annuity. Generally, the survivor annuity is equal to 55 percent, CSRS, or 50 percent, FERS, of the retiree's unreduced annuity. Under the proposal, the survivor annuity would be calculated on the basis of the retiree's reduced annuity.

The effect of the proposal, if implemented, would be to reduce survivor annuities by approximately 10 percent. The average survivor annuity under the Civil Service Retirement System amounts to slightly more than \$700 per month. In many cases these survivor annuities constitute the sole source of income for these individuals. To date, no rationale for this proposal has been provided to the Committee. We are deeply concerned over the impact of this proposal and intend to examine this matter very closely.

MEDICARE FEE LIMITS

The President and the budget resolution propose to change the Federal Employee Health Benefits Program [FEHBP] by applying the Medicare Part B limiting charges to retirees 65 years of age and older who do not participate in Medicare. This proposal would prohibit doctors from charging non-Medicare retirees, numbering about 220,000 more than they charge Medicare patients. It is estimated to save about \$11 million in the first year and \$91 million over the period 1994–98.

I believe that any changes in the FEHBP short of total reform of the program will not satisfactorily address the program's severe structural problems, especially as they relate to treatment of annuitants. Yet, this proposal, by prohibiting doctors from charging non-Medicare patients more than they charge Medicare patients, could reduce the out-of-pocket costs for non-Medicare retirees. However, I am concerned that annuitants may be left unprotected from charges which exceed the Medicare fees.

REDUCTION OF REVENUE FORGONE APPROPRIATIONS

The budget resolution proposes to reduce the revenue foregone appropriation to \$92 million. This is \$520 million below the \$612 million requested by the Postal Service specifically for fiscal year 1994.

The revenue foregone appropriation reimburses the Postal Service for lost revenue due to charging certain mailers less than the full postage rate. In-county newspapers, classroom publications, church bulletins, veterans' publications, and nonprofit group fundraising solicitations all benefit from this reduced postage. If the appropriation is reduced, the Postal Service has the authority to increase preferred rates to compensate for the appropriation reduction. Thus, the mailing organizations, not the Postal Service, would pick up any revenue foregone reduction.

The effect of the \$520 million reduction in the revenue foregone appropriation will fall in

most cases on nonprofit organizations. If the proposal is adopted, preferred rate mailers, such as rural newspapers, college, veteran, church classroom, and labor publications, and fund raising letters for religious causes, hospitals, cancer societies, Red Cross, Salvation Army and other charitable groups, would face postage rate increases of 35 percent to 40 percent.

In light of the heavy impact of this proposal upon nonprofit organizations, whose mission is to assist the American public, and the need for all Americans to sacrifice in view of the Nation's burgeoning deficit, the Post Office and Civil Service Committee will actively pursue a permanent legislative solution to the revenue forgone problem to spread the impact of this budgetary shortfall.

REQUIRE PAYMENT BY POSTAL SERVICE OF OUTSTANDING RETIREMENT AND HEALTH CARE COSTS

The President's budget and this budget resolution propose to require the Postal Service to pay over 3 fiscal years beginning in 1995 a total of \$1.041 billion to the Employees Health Benefits Fund and the Civil Service Retirement and Disability Fund for the costs of Postal annuitants. In each of fiscal years 1995, 1996, and 1997, the Service would make payments of \$347 million.

This new liability is similar to that proposed by President Bush last year. The new liability consists of an additional payment for annuitants' COLA's and health benefits based upon further calculations and the past interest due on that amount. As a result of the budget summit agreement for 1990, the Postal Service was required to pay \$2.14 billion for COLA and health benefits for annuitants who retired on or after July 1, 1971, the official date of postal reorganization. This payment was designed to fully satisfy the past liabilities of the Postal Service for its annuitants and their survivors.

The Post Office and Civil Service Committee believes that the 1990 Omnibus Budget Reconciliation Act represented the last step in eliminating the hidden personnel subsidies allegedly received by the Postal Service. Starting with the Omnibus Budget Reconciliation Act of 1985, the Postal Service will have paid by fiscal year 1995 almost \$8 billion to reimburse the Treasury for hidden personnel subsidies. The Postal Service has paid its debt. The additional \$1 billion payment will be reflected as an accrued cost of the Postal Service in 1994. This additional cost may hasten a request for new, higher postage rates. The committee will review the basis for this proposal and its relationship to both the 1990 budget agreement and the current budgetary problems facing the Nation.

In closing, every Member of Congress and citizen of this country should be fully aware of the pain and sacrifice that Federal employees and retirees will bear under this resolution. I do not know of any other group in this country that is being asked to bear a greater reduction in their standard of living. The savings sought from Federal employees and retirees, borne by them for the greater good, will nonetheless be achieved at considerable and disproportionate pain.

The Committee on Post Office and Civil Service will continue to examine the budget resolution, the Budget Committee's report and

the President's budget plan. According to our reconciliation instructions, the committee must achieve savings of \$3.1 billion in fiscal year 1994 and \$43 billion over the next 5 fiscal years. To the extent we can, the committee will explore every possible alternative source of savings available to us within our jurisdiction if doing so will achieve a fairer and more responsible result.

Mr. KASICH. Mr. Chairman, I yield such time as he may consume to one of my boyhood heroes, the distinguished gentleman from Kentucky [Mr. BUNNING], who was the only guy to have two no-hitters in both leagues and is now a most distinguished Congressman from Kentucky.

Mr. BUNNING. Mr. Chairman, I realize the skids are greased. I realize that what we say today does not make much difference. But there are some things that still need to be said.

First and foremost—somebody has to be honest with the American people. The President's plan is not honest. It promises deficit reduction that is not there.

It promises economic growth which is not there. It promises budget cuts that definitely are not there. It is a sham.

The simple truth is that you cannot create prosperity with tax increases.

I have never seen a single economic model which comes close to suggesting that you can create private sector jobs or private sector growth by raising taxes \$267 billion.

It cannot be done. The only thing that will grow with tax increases like that is the Federal Government. And if history is any guide, the Federal deficit will grow with it.

You cannot tax your way to prosperity. You cannot tax your way to a balanced budget.

It is not going to work.

Just yesterday, the Director of the Congressional Budget Office testified before the Ways and Means Committee.

And he said that this budget package does not reduce the deficit to satisfactory levels and that Congress is going to have to come back in 3 or 4 years and pass another package just as big or even twice as big—before fiscal year 1998.

Think about that when you vote for these tax increases—they are just the first installment on a new tax-and-spend spiral.

The other point that I want to make is that the cornerstones for the President's budget—and the Democrat budget we are considering here today—are basically unfair.

I am speaking of the Btu energy tax and the tax on Social Security benefits.

The Btu energy tax is inflationary. It is a tax on low- and middle-income tax payers. It is a tax on U.S. business and industry which will reduce competitiveness. It is a killer tax on jobs and on heavy industry and American farmers and American coal.

The Btu energy tax is just bad policy.

The other cornerstone of the President's tax proposal is even worse. The Social Security tax increases proposed by the President and the Democrat budget are grossly unfair.

They clearly penalize any senior citizen who managed to scrimp and save and put enough money away for his or her retirement years to have a modest income. It is a retirement planning penalty.

And not only does it penalize savings and investment, it also breaks a sacred promise to Social Security recipients.

When the tax on Social Security benefits was enacted in 1983, the revenues were directed to the Social Security trust fund to ensure its future solvency. That was the purpose of the tax—to keep the Social Security trust fund strong.

The administration's proposal doesn't do that. The President's proposal would divert the additional revenues to Medicare. We are talking about an outright raid on the Social Security trust fund.

The President's proposal to increase taxes on Social Security benefits is an outrageous breach of faith to Social Security.

That is what we are talking about today—an economic program that does not live up to truth in labeling laws.

A program built on the cornerstones of unfairness and broken promises. A program built on the faulty belief that you can tax your way to prosperity.

It is a bad budget, it is bad policy, and it just will not work.

We can and should reduce the deficit. But for God's sake, let us do it the old fashioned, honest way, by cutting spending, which is exactly what the Republican substitute does.

Mr. OBEY. Mr. Chairman, I yield 3 minutes to the gentleman from Montana [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I rise today in support of the stimulus package and the budget resolution.

My colleagues, this is a new day, no smoke, no mirrors, no rosy scenarios. This is the real thing, hard choices, real cuts, investments for economic growth rather than consumption, and the rich are being asked to contribute.

This resolution, if the economy performs as expected, will reduce the deficit by \$510 billion over the next 5 years. This is the largest deficit-reduction package in the history of the United States. And, listen: This budget puts the American people first. It cuts foreign aid.

In the stimulus package, we are taking the first step toward full funding of Head Start. In the stimulus package we are taking the first step toward full funding of Women, Infants, and Children's programs. It provides

\$1,900,000,000 for this year's summer youth program. That is a total of 1,300,000 young Americans who are going to be put to work this summer. It provides major increases for retraining of displaced workers, and it provides an expansion of the earned income tax credit.

For my State of Montana, the stimulus package will provide \$5,800,000 and 4,000 summer youth employment jobs right away, just as soon as school is out. For this summer's Head Start Program, my State of Montana will receive \$1,500,000, and that will serve 1,000 young children. Montana's Women, Infants, and Children's Program will be increased by \$5 million, and that will enable an additional 8,000 Montana women, infants, and children to receive WIC services. These efforts mean immediate jobs and assistance to Montana.

The resolution provides for significant new investment for physical infrastructure, environmental protection, research and development. Small businesses will be helped by this package because of a targeted capital gains tax cut and a permanent equipment investment tax credit.

So here we go, my friends. It will be uphill. But America is beginning to roll again.

Mr. KASICH. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Michigan [Mr. SMITH].

Mr. SMITH of Michigan. Mr. Chairman, you know, the Democrats came up with a good phrase during the Reagan administration, and they called it trickle-down economics. It was a good way to divert attention.

This proposal by the President is not a trickle-down proposal. It is a direct siphoning from the pockets of the American people, the American taxpayers.

The question is: How much should we increase taxes to reduce deficit spending?

My calculations indicate that we are now increasing taxes about \$1.75 for every \$1 of reduction in deficit. At that rate, if we were to get rid of the deficit by increasing taxes, we would have to more than double our income tax in the United States.

You know, the American people are willing to sacrifice. They are willing to sacrifice to reduce the debt.

I think sometimes it is easy to forget that we have American families out there that are in tough shape. They are buying bulk foods to save 80 cents a week. They are taking their kids out of music lessons. They are not able to send them to the orthodontist because they do not have the money.

□ 1710

So, to the extent that we all agree that deficit spending is not a fair way to treat future generations, to the extent that we agree that deficit spend-

ing is not good for the economy and jobs, then let us stop deficit spending, let us be willing to be brave enough to put ourselves on the line to support actual reductions that the Kasich plan entails.

Mr. OBEY. Mr. Chairman, I yield 4 minutes to the gentleman from New York [Mr. HINCHEY].

Mr. HINCHEY. I thank my friend for yielding this time to me.

Mr. Chairman, I am here also to support the President's budget proposal and particularly the investment package that has been proposed by the President and reported by the Committee on the Budget of this House. There are some people who are saying that this investment package is too large and they want to see it scaled back. The fact of the matter is, ladies and gentlemen and Mr. Chairman, that this package is not too large, in fact it really should be larger.

There is probably room for investment of twice the size of the one that has been presented to us. That is the size of a need that exists out there in our communities.

In the community that I represent, the 26th District in New York, and communities in all the districts all across this country, they are suffering as a result of our failure to invest. We have a budget deficit, that is clear. This package is going to begin to address the problems that are occasioned by that budget deficit. But we have also another very serious deficit, and that is a deficit in the investment. We have failed to invest adequately in our physical structures across this country, and we have failed to invest in our people as well.

This budget and the investment package particularly begins to address that specific deficit and does it, I think, in a very constructive way. We have roads and bridges across this country that are falling apart. We have a communications system that is not adequate to our needs. If we are going to compete effectively in the last decade of this century and on into the 21st century with our competitors abroad, we need to improve our national infrastructure, particularly our transportation systems, our communication systems. We need to deal effectively with the failure of our education system and invest there as well. This investment package addresses itself to the needs of our educational system and to Head Start. People across this country are suffering as a result of our failure to invest intelligently and adequately over the last 10 to 15 years. More than 26 million people in our Nation are now on food stamps. That represents more than 10 percent of the population who have recourse to food stamps to feed themselves and their families.

The Milton Eisenhower Institute just last month produced a study that indi-

cated that it would require at least \$30 billion per year for the next 10 years just to address the needs of our cities, the inadequacies that exist in the Nation's cities, the infrastructure in those cities.

So, we need investment. We need the investment that is contained in this investment package, and we are, in the future, going to have to increase that investment beyond that which is called for here.

There are many ways in which this budget which we are going to be voting on is constrictive, contractionary in that it increases taxes and cuts back on spending.

We need to deal with the investments that will be occasioned by that contraction; we need to invest in our future, invest in our people and provide jobs which will provide economic opportunities for all the people we represent across the country.

Mr. Chairman, I support this investment package. I believe a majority of the Members of this House will support it because they too will see the clear need to invest in our people and invest in our future.

Mr. KASICH. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. HOKE].

Mr. HOKE. I thank the gentleman for yielding this time to me.

Mr. Chairman, I would like to speak during my few minutes really about the language that we are hearing in the debate, and the extreme debasement of language, the Orwellian use of words in a way that I never have been exposed to in my own business background. I come not from a legislative background as I speak to you today; I come from the same kind of background that many people in America find themselves today, and that is in business.

Many of them have to meet a payroll, they have to balance their budgets, they know what makes things tick day in and day out.

Frankly, I find it disturbing that we continue to talk about investment. We are not talking about investment here; we are talking about Government spending. That is what the Congress does. It raises revenues through taxation and spends it through authorization and appropriation of those funds that have been raised. You cannot fool the American people by calling something that is simply spending, investments; you cannot call taxation a contribution and fool the American people into thinking that they are contributing. This is not their church, this is not their temple, this is not their house, their hospital; this is the Federal Government.

There is no question about whether or not you have to make that payment to the Federal Government if the taxman says, "Pay it." It is not a contribution. Contributions are voluntary.

It is not an investment; investments are made by private institutions in capital formation for the purpose of economic development.

That is not what is going on here. So let us call a spade a spade.

I point out that Leon Panetta, when he first talked about this budget, said that he was going to have \$2 of spending cuts for every single dollar of new taxes. In fact, what we have got in the first year—and remember, we are only voting on a budget not for fiscal '97 or '96 or '95, we are voting on a budget for fiscal year '94. That is what we do here, we vote one year at a time. But when you look at this budget, all of the savings, all of the deficit reduction—and I will get to that in a moment—is in the out years. In the first year we have \$18 of new taxes for every single dollar of new spending cuts. It is \$18 to \$1 instead of \$2 of cuts for every dollar of new taxes. It is 36 to 1 the other way.

Finally, I would like to talk about what we used to hear called baseline budget, which is really a dark alchemy which exists only within the Beltway, that ultimate Orwellian use of language to call something that is in fact a deficit expansion program of \$916 billion—and I am using the administration's numbers—\$916 billion of deficit expansion is being touted as \$325 billion deficit reduction.

The fact is that at the end of fiscal 1997, if we use the administration's figures, we will have a national debt of over \$5 trillion, about \$5.1 trillion.

So, when you see in the newspapers that it says we have got a deficit reduction package of \$325 billion, remember that it is only inside the Beltway of the Capital of our country that what is in fact a deficit spending package of \$916 billion we can call it a reduction of \$325 billion.

Mr. OBEY. Mr. Chairman, I yield myself 20 seconds.

I would just like to observe, in light of the gentleman's remarks, that the deficit reduction in the Democratic package is in fact \$20 billion larger than the Republican package which the other side of the aisle is defending.

Mr. SABO. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the chairman of the Committee on the Budget.

Mr. SABO. I thank the gentleman for yielding.

Mr. Chairman, I also indicate for the long-term trends, as to what happens in 1997, 1998, as you go into the out years it is substantially larger than the Republican substitute.

□ 1720

Mr. OBEY. Mr. Chairman, I thank the gentleman.

I yield 3 minutes to the gentleman from Connecticut [Mr. GEJDENSON].

Mr. GEJDENSON. Mr. Speaker, we have an opportunity to join with the President to try to address what is

probably the most severe economic recovery from the perspective that it has produced the least amount of jobs, the least amount of new industrial manufacturing production of any recovery in recent history.

In my State and all across this Nation to California, while some economic indicators would leave you to believe that there is a recovery, when you look at what impacts the average family, the opportunity to get a job that pays a living wage, that enables them to pay their bills and buy their health care, it simply is not being produced.

In Connecticut we have already lost 50,000 jobs. It is estimated that we will lose another 150,000.

The good news is that we have a President who understands that we need to invest. There is no society on the face of this planet that has moved forward industrially in its manufacturing capacity or in improving the wealth and standard of living of its people without investing in basic infrastructure, education and the basic needs of a society. If we do not invest in our young people, helping them to get an education, as the President speaks of in his national service proposal or in the direct loan program that Congressman MILLER and I have worked on, we are not going to have the technicians and the minds to build a future America.

If we do not invest in rail and highways and water transportation systems, we will not be able to move our goods to market and we will not be able to compete even if we can make the kinds of products that are competitive in this world.

If you live in the northeast and you try to get to Logan Airport in Boston, you cannot get there because traffic ties up for hours at a time.

We need to make sure that America invests in the kinds of technology and education that will make us a competitive Nation for the future. We have not had that in the past.

We have a President who is ready to join with the Congress and invest in the future of this country.

We have known for almost 6 years now that with the end of the Soviet Union there would be a downturn in defense spending and defense needs. We had the ironic situation several years ago of President Bush supporting half a billion dollars in diversification funds for the Soviet Union and opposing \$200 billion in diversification funds for this country.

The good news is again that we have a President who is committed to helping defense workers, those who have provided the bulk of the technology and industry that made this Nation strong and protected, with opportunities to get good commercial jobs, to make products that have viable opportunities in exports. Increasing exports

will strengthen this country. It increases the wealth of the Nation, and with this President and this investment package we have an opportunity to have a recovery that produces jobs and brings the deficit down.

Mr. KASICH. Mr. Chairman, I yield myself 30 seconds.

Let me just be perfectly clear. I do not know where they are coming up with these numbers that their deficits are somehow over 5 years \$20 billion less than ours. That is just simply not true, right along with the claims that they are one for one in spending, or whatever these other silly numbers are, the simple fact of the matter is that we have bigger deficit reduction over 5 years than the Clinton plan does.

Mr. Chairman, I yield 4 minutes to the gentleman from New Jersey [Mr. FRANKS].

Mr. FRANKS of New Jersey. Mr. Chairman, there is an old adage we all learned as children: "Experience is the best teacher."

I am here today to speak from experience.

Just 3 years ago, my home State of New Jersey embarked down the same road this Democrat budget resolution would take our Nation.

The New Jersey tax hikes, which were the largest in our State's history, were driven by the same belief embodied in this budget resolution that tax increases would lead to fiscal stability and economic growth. And it, too, was promoted as an investment in the future. The sacrifices we made today, we were told, would pay off in a brighter future tomorrow.

But let me tell you Mr. Chairman, in New Jersey a brighter economic tomorrow appears to be a long, long way away.

Three years later, New Jersey has yet to recover from a series of disastrous tax hikes and misguided spending increases. The budget deficits never disappeared, they only became larger. Our State's prized AAA credit rating was lost. Business failures reached a record high. And New Jersey continues to have one of the highest unemployment rates of any industrialized State in the Nation.

Today, while other States are seeing signs of economic growth, New Jersey's economy remains deeply troubled. New job creation is at a virtual standstill and businesses continue to issue lay off notices to workers.

New Jersey made a huge mistake by enacting recordbreaking tax hikes in the name of economic recovery. This House needs to learn from that mistake—not repeat it.

This budget resolution with its massive tax increases will at best forestall our economic recovery, and at worst, will send our fragile economy into a tailspin. And you do not have to be an economist to understand why.

Raising costs for American businesses through \$250 billion in higher taxes will force businesses to cut back on production and shelve plans to expand and create new job opportunities for American workers. It will make American business less competitive in the ever-expanding global marketplace.

Taking more money out of the pockets of American families will leave consumers with less money to spend on goods and services.

Higher taxes do not promote growth, they stifle it.

As I traveled around my congressional district the past few weeks meeting with constituents, I heard the same comments over and over again. We like President Clinton as a person. We wish him well. We want him to succeed, to build a stronger and more secure nation.

But at the same time, these people told me of the personal sacrifices they have been forced to make in recent years, just to make ends meet. They believe it is unfair that they be asked to make more sacrifices, when their Government seems unwilling or unable to reduce its nonessential spending.

This Democrat budget resolution follows the tired old tradition of bigger and more expensive Government. It calls on the American people to pay \$3 in higher taxes for every \$1 in spending cuts. It just does not add up to the good-faith, bona-fide effort to cut waste and inefficiency out of government that our constituents deserve.

We should not ask the taxpayers of this Nation to continue digging deeper into their pockets to subsidize a Federal Government whose spending is out of control.

As minority members of the House Budget Committee, we were given a challenge. Stop talking about cutting spending and show us how it can be done. And we did that. Under the remarkable leadership of JOHN KASICH, we took a scalpel to the Federal budget.

We found a way to reduce the Federal deficit by \$429 billion over 5 years without tax increases. We made this significant dent in the deficit without hindering economic growth and without burdening American families with higher taxes.

The time has come to face reality. Our Nation is in serious trouble, not because families and businesses pay too little in taxes, but because the Federal Government spends too much money.

The Democrats' budget resolution will continue business as usual on Capitol Hill by failing to offer a cure for the real problem that is dragging down the Nation, runaway Federal spending.

Mr. Chairman, I urge my colleagues to vote "no" on the Democrats' budget resolution and "yes" on the Republican substitute.

Mr. OBEY. Mr. Chairman, I yield 2 minutes to the gentlewoman from Washington [Ms. CANTWELL].

Ms. CANTWELL. Mr. Chairman, I rise today to urge my colleagues on both sides of the aisle to put aside partisan politics and personal agendas, and to heed the will of the American people. Last November, voters sent an unmistakable message to President Clinton and to every Member of Congress: "It's time for real change."

President Clinton has responded to that message with a budget proposal that delivers the change this country so desperately needs: real deficit reduction; real cuts in government spending; and real investment in America's future.

The President deserves our support. He deserves the chance to put his plan into action.

For too long, the Federal Government has promised hope but delivered only heartache, promised a shortcut to prosperity but delivered only a detour to despair.

The House budget resolution will reduce the Federal deficit by \$510 billion over the next 5 years. That is a real, bottomline result. That is real change.

We have a clear choice before us now. We can go back to the 1980's, back to the era of legislative smoke and mirrors and runaway deficits. Or we can follow President Clinton's plan and move forward into a new era of fiscal responsibility.

It is time for real change.

The American people want results, not rhetoric. They have demonstrated their willingness to make sacrifices. They want representatives who are willing to stand firm and make tough decisions.

It is time to reduce the deficit and put this country back on its feet again.

It is time for Congress to put aside personal and political differences and approve President Clinton's budget proposal.

It is time for real change.

Mr. OBEY. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. FINGERHUT].

Mr. FINGERHUT. Mr. Chairman, I thank the gentleman from Wisconsin for yielding this time to me.

I was not intending to be part of this debate today, but as I was sitting in my office I could not help but come down and ask for some time to share just two thoughts.

The first is that I regret how much of this debate has centered on the motivations of those people who have brought this plan forward today. I have taken a back seat to no one in being critical of this body when we have failed to live up to the expectations that the public places in us; but I have had only occasion to be proud of the President and the leaders of this body who have brought forward a budget package that is open and honest with the American people and that if everybody in this country could have participated in the deliberations they would have seen the care and concern that was placed in us.

□ 1730

The second point that I came here to make today is this:

The gentleman from Ohio [Mr. KASICH], whom I am proud to serve with, has helped us lay the choices before the American people, and those choices are really very plain. We can continue to protect those who have been protected over the last 12 years; we cannot ask them to sacrifice or to contribute to the future of our country. Or we can say that we are all one country and that we are all in this together.

We cannot think of ourselves as Representatives of our districts today. We must think of ourselves as the Congress of the United States of America, and I believe that the budget package that the President and our leaders have put before us does exactly that.

There are people in this country who are in need of our help today. There are people who are out of work today. And, yes, there is a government fiscal crisis that must be solved today.

Mr. Chairman, we have to deal with all of these issues at one time, and I am proud to support a budget package that takes its cue from the entire American people.

Mr. OBEY. Mr. Chairman, I yield 1 minute to the gentlewoman from California [Ms. HARMAN].

Ms. HARMAN. Mr. Chairman, I rise in support of this bold budget resolution and the stimulus package.

This Nation and this Congress are finally confronting the hard choices that we have put off far too long. We have a budget deficit that is out of control, an economy that is not building the high-skill, high-wage jobs that we value, and a mandate from the people to act. Failure to act will have dire consequences for us and our children, and it will constitute an abdication of the leadership we were elected to provide.

I believe the combination of the budget resolution and the stimulus package best fulfills our dual obligation to cut the deficit substantially and create good jobs. Balance is the key, and while I respect the credible bills my Republican colleagues have put forward, we need the job creation tools provided in the President's plan.

This legislation does two vital things:

It provides real deficit reduction and spending cuts before any revenue increases. Many feared that the Congress would not find the courage to make the spending reductions that President Clinton proposed. This is a proud day for the Congress because not only do we meet the President's goals, we exceed them by \$63 billion.

And, we provide real job creation. This is not a plan to create make-work Government jobs. It is designed primarily to stimulate the private sector to provide the manufacturing and high-technology jobs our future prosperity depends upon. Private-sector job cre-

ation is integral to economic recovery, and it is totally absent from the Republican proposals.

While this budget resolution is not perfect, I doubt that a perfect plan exists. I support this plan because it best addresses the concerns I heard from my constituents, and because it fairly balances the benefits and the burdens for all of us.

I am also hopeful that, at a later stage of the legislative process, we will create a trust fund so that revenues from this plan are used solely for deficit reduction and not for new spending.

I submit for the RECORD some comments from my constituents who met with me in a number of public forums. You can see that budget issues are no longer arcane, inside-the-beltway topics. People in California's 36th Congressional District have volunteered some excellent ideas, and I am pleased to share with you some of their insights.

Many of my constituents were very supportive of the President's program:

Evelyn Milkonian of Hawthorne said:

"People will have to give Clinton a chance to work out his plan. The last twelve years have been hell!"

Carol Smetana of Torrance said:

"I don't mind the increase in taxes if spending cuts are made."

"Overall, I think President Clinton is trying hard—I also think he should have a line item veto so good bills don't get stuck or canceled by bad add-ons."

Tyler Thayer of Torrance said:

"He is the first President I'm excited about. I'm thirty-seven. Please stick to the long-range goals—we are in deep trouble if we continue to look no further than our noses."

Peter and Katherine Stabler of Manhattan Beach said:

"Don't let the package be picked apart! Needs to stay intact to have any chance of passing soon. Cutting the deficit is absolutely the best thing we could do for the economy and is essential to avoid fiscal catastrophe this decade."

Ruth McGrew of Palos Verdes Estates said:

"You were elected on a pro-change platform. Now is the time to be a leader. Don't try to follow the polls. Many people will find fault with heaven so you can't try to please them. Just do what you've pledged to do and vote for new ideas and to give Bill Clinton a chance."

Many constituents had some specific programs that they thought should be cut, including some of the big ticket science programs:

Jon Hokanson of Palos Verdes Estates said:

"The Space Station is now a luxury, we can't afford it. I favor stopping all funding on it until we have two consecutive years of the balanced budget. The supercollider is also in the same category and should be cut. Unless the national laboratories can redefine their roles to be committed in a meaningful way, to increasing economic competitiveness, their budgets should be drastically reduced. I favor increased funding to catch tax fraud. I favor increased taxation of foreign companies' business activities in the U.S. Also, strict term limits for all federal elected officials—similar to California's term limits."

Mary Hakanson of Palos Verdes Estates said:

"Cancel Supercollider. Stop tobacco subsidies. Enforce repayment of student loans. Enforce child support payments nationally. Cut all congressional perks—lobster dinners for \$4.25, cheap haircuts, drugs, limousines, and travel. I support term limits and would like to see all honoraria ended. Also, lobbyists should be registered; names and amounts of payments to representatives should be published monthly."

Gordon and Marjorie Hoffman of Torrance said:

"If we have a space station, or if we find out we can raise strawberries on Pluto or Mars or Saturn, they will be spoiled by the time they got them back here anyway."

Gundrun Kimmel of Torrance said:

"A value-added tax would be more equitable than energy taxes. Specifically on non-food, non-drink items. You need energy to live, so in my opinion it is a punishing tax. Cut supercollider completely. Space Station program needs to be reduced * * * do we need space station?"

Dr. Patricia Fishburne of Manhattan Beach said:

"I would like to cut: Farm subsidies, esp. for tobacco. Water subsidies: it is ridiculous to support the growing of water intensive crops such as monsoon rice and cotton. Cut the high energy acceleration in Texas, reduce Space Station even more. Reduce Medicaid."

Susan Miraula of Torrance said:

"Why not buy out the elevator operators and the parking attendants that are unnecessary in the House parking lot like a business does to labor costs? It's a small savings, but it is one of a multitude of savings that can add up."

Jacqueline Marks of Hermosa Beach said:

"It is always difficult to 'bite' the bullet but pork has got to go. More money should go directly to programs and less to 'nose picking' studies."

Many of my constituents thought that Government had to be more creative in the way that we solve our problems:

Margueritte Rompage of Redondo Beach said:

"Some of the hardships in California could be eased by immediate vigorous attention to the conversion of skills in the aerospace industry to peacetime uses."

Jane Freidkin of El Segundo said:

"Change the way agencies receiving taxpayer's dollars are funded each year, i.e., in 1974 a local state funded child care center had to spend \$7000 before the end of the year in order to be refunded the following year. So, the Center bussed their pre-schoolers and elementary students to Sea World and Disneyland. That same year I had worked all year 12-13 hours per day, 5 days a week and my net profit for working all year was \$7000. The director told me if the money wasn't spent, they would not be refunded! This, unfortunately, is a ridiculous fact of life that must be changed."

Dallas Yost of Hermosa Beach said:

"Give interest deduction on America made car. Tax Wall Street shares .02% sold or bought."

Faith Flicker of Rancho Palos Verdes said:

"Make S&L criminals pay or do public service to contribute to disgraceful raping of taxpayers. Have people like Milken advise govt. on economic matters to make a positive contribution. He certainly was responsible for a downfall of our economy!"

Pat Wallen of Redondo Beach said:

"We need legislation to limit damage awards for injury and medical claims."

Ken and Carol Hamamura of Torrance said:

"We earn too much to qualify for decent financial aid for our college bound child, but not enough to provide our child with a private college education. She would like to attend a good private university, such as one of the Claremont Colleges, Stanford, etc., but we'll have to tell her we can't afford it."

Joseph DiMonoa of Hermosa Beach said:

"Create a 6 year undergraduate medical degree program for family doctors—more MDs, more competition—less costs."

Paul Eric Gold, Esq. of Redondo Beach said:

"VAT on a national level—a less regressive tax—should institute when economy rebounds in two years."

Barbara Bryant of Manhattan Beach said:

"There are many Americans in the U.S. and abroad who have vast experience in the cultures and economic systems in place in other countries. I suggest that these 'experts' and other Americans who have this level of experience also be tapped for input in our trade and foreign policy. As an example, I'm employed by the Hong Kong govt. and have worked with Asian companies and countries for over 20 years."

Howard Barnett of Hermosa Beach said:

"A police officer probably cost \$40,000 salary and \$20,000 benefits & \$15K equipment, facility and overhead (these are my guesses) but does maybe a 1% reduction in any given time period to juvenile crime. An after school program of any kind would probably not cost as much as one officer or special services juvenile detective—but probably still reduce juvenile and adult crime between 2% and 95% (depending upon the population of kids being helped)."

Richard and Carol Nash of Manhattan Beach said:

"What about a flat tax on income with a rate that would be favorable to all—with limited deductions and exemptions?"

Arlene Spector of Palos Verdes Estates said:

"Using U.S. military as a vehicle, recruit inner city youth to enlist for 4 yrs. training in discipline, literacy, building trades and other careers. Convert closed military bases into towns, build homes and businesses. Those who build town to receive downpayment on homes there when enlistments over plus permanent employment in new career—other cadre to be recruited from senior citizens, retired teachers, others. As towns grow, transportation companies would need to expand into these new markets, new services would be needed; markets, dry-cleaners, department stores, etc. It has been demonstrated that inner city youth respond very well to strict military discipline—if this were combined to break the welfare chain we could alleviate much of the inner city's problems, create a new infrastructure and give poor people a real stake in their own community."

Edward McFarlane of Manhattan Beach said:

"I suggest income tax indexing where the rates which define wealthy are set proportionally to the cost of living in the area of the country, i.e. perhaps 36% rate in Arkansas could kick in at \$100,000 income and here in South Bay at \$300,000 income."

Timothy Woodward of Redondo said:

"If we are to be taxed, use a national pay index to equalize pay scales. \$100,000 made in Little Rock is a very large figure compared to the same amount made in L.A. Nor is a

\$300,000 house anywhere close to equal in size or quality in the geographic location. Many major companies who have employees in multiple states have sampler of National Pay Index to help with salary control and to allow for adjustment when transfers are requested. These same indexes should be applied to the gross income to adjust incomes to take into account the cost of living for the different geographic and metropolitan areas."

William Woodall of Manhattan Beach said:

"I am not in favor of any tax increase until Congress gives the President the line item veto. Congress must have controls put on it or it will spend as usual."

Hugo Francis of Los Angeles said:

"Work with Common Cause to remove the high impact of money and politics * * * such as PACs and methods of raising money. Support meaningful campaign finance reform."

Some of my constituents had some concerns about the President's plan:

Marion Golding of Los Angeles said:

"President Clinton asks all of us to sacrifice for our country. My husband and I were raised during the Depression. I was raised by a single parent. My husband served during WWII, we saved for a downpayment on a home, bought articles only when we could pay for them on a 30 day charge. Raised two children, with only one bread winner. Don't you think that this is sacrifice? Does President Clinton know what it is to sacrifice?"

James and Denise Grant of Manhattan Beach said:

"Every tax raise in our nation's history has generated \$1.69 in government spending and caused a recession. The federal government gets enough money now, it's up to you to use it efficiently. A line item veto would help!"

Richard Gossett of Palos Verdes Estate said:

"If this is just the first shot out of the box, more over * * * programs and nice taxes with everyone's favorite phrase 'smoke and mirrors' to justify them. I will work my butt off to see that Bill has as many terms as George did—and I'm a Democrat."

Catherine Strauss of Manhattan Beach said:

"My husband is a small business owner. He is CPA and staffs 1 employee besides himself. Clinton's plan only hurts him further as it reduces the amount of business expenses he can deduct. He pays his secretary well and provides insurance for her. He is losing clients left and right due to bankruptcies, people closing business, or moving out of state. His business costs keeps increasing. Don't you think Clinton's plan should help people like him? I know other attorneys and CPAs with similar practices who are also suffering. Who is addressing this problem? All of a sudden, \$30,000 a year is considered low income. Why do we pay our teachers a low income salary? Let's teach civics in school. My definition of civics is 'being responsible, having values, etc.'"

Victoria Woodward of Redondo Beach said:

"People that make over \$200,000 and below are not rich. These are people that have worked hard to get to this point. They have paid their fair share all along. Asking them to pay more because they succeeded in the American Dream is wrong."

Nicky Wislocky of El Segundo said:

"Energy tax is unfair burden on seniors on fixed income. Tax will be added to food costs by farmers, truckers, grocers, and will cause inflation. Seniors require more heat and will pay more. Resulting inflation will steal our savings."

Bill Weintraub of Manhattan Beach said: "Additional taxes will reduce private spending and ultimately result in the destruction of good jobs. I fail to see how govt. collection of additional revenue can better stimulate the economy than private spending."

And finally.

J. Nadeau of Hawthorne said:

"Thanks for being interested in what the 'common man' has to say."

Mr. KASICH. Mr. Chairman, I yield 4 minutes to the gentlewoman from Maine [Ms. SNOWE], a member of the Committee on the Budget.

Ms. SNOWE. Mr. Chairman, there is an old Maine story about a fellow who lived near a fork in the road just as you enter Maine across the bridge from New Hampshire. The fork is where Route 1 and Interstate 95 separate. Well, there is a sign at that fork, that reads Portland left, and Portland right. It confused tourists. One stopped and asked the man standing on the corner: "Does it matter which road I take to Portland?" Well, the man looked at him and replied "not to me it don't."

I tell you that story because it seems to me that is the same view as the one expressed by President Clinton in his budget and by the resolution reported out by the Budget Committee, that it doesn't make any difference if we reduce the deficit. I strongly disagree. It does make a difference how we reduce the deficit.

Of the various plans before us, only the Republican alternatives achieve believable deficit reduction. Both the Kasich and Solomon budgets do this by first attacking the cause of growing deficits, increases in unnecessary Government spending.

The resolution reported by the Budget Committee contains few specifics. This is a change from previous years when the accompanying budget report contained detailed recommendations for increases and/or decreases in dozens of programs and an assumption that other programs would be frozen at or below current levels. Earlier this year, the President lectured Republicans that past practice was not enough: Critics of his plan now were supposed to come up with specific lists of all programs being cut or added to. Broad brush strokes such as freezes were no longer fair or acceptable. Assuming a certain amount of savings without specifying how they would be achieved were definitely taboo.

In response to this challenge the Republicans prepared a detailed budget under the leadership of the ranking Republican, the gentleman from Ohio, Mr. KASICH, who has done an outstanding job in developing a sensible, honest, and credible approach to the deficit, one of the most pressing issues facing this Nation. It is a privilege to work with him.

Imagine our surprise then when we find that the bill offered by the Democrats has no specifics; either in the res-

olution itself or in the report. In many cases it is impossible to tell where it agrees with or disagrees with the President's own recommendations. It is just numbers: \$112 billion in defense with no explanation; \$63 billion in spending cuts in domestic and international programs with no explanation; even when the committee accepts the President's numbers, as it does in agriculture, it often makes it clear that it does not necessarily accept the policy behind them.

In spite of the vagueness, it is clear that the Democratic plan repeats the mistakes of past budget reduction exercises: It raises taxes now and promises to reduce spending later. Let's look at this plan:

It contains the largest tax increase in history—\$246 billion over 5 years. The two next largest tax increases were both part of similar budget reduction exercises. In each case, Congress claimed higher taxes were needed to eliminate the deficit and would be accompanied by spending cuts later. Neither promise came true.

Rather than cutting spending, past experience shows that for every dollar of new taxes raised, Congress actually increased spending by \$1.59. We cannot afford to repeat these mistakes.

The Democratic package claims to reduce the deficit by \$510 billion over 5 years; \$175 billion of these cuts are unspecified in the President's package. This will leave the deficit at roughly \$200 billion in 1998 and it rises in each and every year after that. This figure of \$200 billion is only possible with the help of \$30 billion in unspecified cuts in 1998 added at the last minute. Were it not for this late change, the Democratic budget would be at the levels proposed by Representative KASICH.

The logical question, then, that would be asked is why would any of us support a plan containing \$246 billion in new taxes and another \$18 billion in user fees only to lower the deficit to \$200 billion, essentially the same structural deficit in 1998 as we had last year, in spite of a plan under which over half of all deficit reduction comes from taking more money out of people's pockets? We shouldn't.

The plan is no more credible on the spending side. Defense is the only area which suffers real cuts and even those cuts are not spelled out in a believable way. The public may wonder why, in spite of all of these cuts, total Government spending continues to increase in each and every year of this plan. How many of our citizens are sure that they will have more money to spend in each of the next 5 years than they have now?

In fact, actual spending will rise each and every year under the majority's plan. The cuts are merely promises to reduce the rate at which Government spending increases. When most Americans think of cuts in Government spending, they think of real cuts, not reduced levels of increases.

The plan introduced by the President failed to include any guarantee that increased revenues will be used to reduce the deficit and not to fund additional spending programs. Under the provisions of the Budget Act, these tax increases generate PAYGO savings. Any committee of Congress can propose legislation spending these savings without causing a sequester. I am pleased the committee accepted my amendment expressing the sense of Congress that the deficit reduction contained in any reconciliation bill should not be included in the PAYGO scorecard. This prevents the savings from being used to pay for increased spending in later years.

It is even more enlightening to look at what happens during the next 2 years; the only two during which this agreement is certain to be in effect considering the average life of past budget agreements.

When combined with the stimulus package which will immediately follow passage of this bill, the President's plan actually increases the deficit by \$7 billion this year.

The plan claims to reduce the deficit by \$42 billion next year, minus \$6 billion in additional spending from the stimulus package. However, \$28 billion is new taxes and user fees. This makes a mockery of the OMB Director's promise at his confirmation hearings to achieve a 2-to-1 ratio between spending cuts and tax increases. Instead, we have a plan that achieves a 1-to-1 ratio over 5 years. In 1994, however, it contains over \$1.76 for every dollar in tax increases.

Only 21 percent of the claimed deficit reduction is achieved during these 2 years. The rest is safely deferred until later years, when we know it almost certainly will not occur. The delay is even more pronounced when it comes to spending programs. Only 6 percent of all spending cuts occurs in the first year.

My colleagues, many of us have called for shared sacrifices in this budget process. But, the Democratic proposal would not only impose higher taxes upon the American people, it would use these revenues to fund a budget which would actually increase overall Government spending. That is not what the American people expect to sacrifice for. Nor is it sufficient to explain the Democratic proposals not as increased spending at a time of record Government outlays, but rather a timely action to fill a gaping investment deficit in Government spending.

The claim is that the higher taxes and increased spending contained in the Democratic package are supposed to be balanced by cuts in other Government programs. But with the exception of national defense, almost all of the purported cuts merely reduce the rate of growth in Government spending rather than actually cutting it. At a

time when many Americans worry that their incomes might decrease over the next years, the assumption that Government spending is entitled to automatic increases can only be described as out of touch.

The American public rightfully expects Congress to include true spending cuts of the type contained in the Republican alternative before we can justify the need for more tax increases, and they do. A recent public opinion survey found that 57 percent of the public thinks the President raised the taxes of the average American too much; 75 percent think that more spending cuts should be added to the package; 65 percent of the American people thought that he was too quick in resorting to tax increases: a record number according to a Democratic pollster.

And it is not just the public:

In a letter to the President, 33 conservative Democrats urged the President to focus on deficit reduction in his economic proposal. Some have even suggested a 3-to-1 ratio between spending cuts and taxes.

The National Governors Association recently issued a report recommending that every dollar in new taxes be matched by \$2.75 in reduced spending.

As I said earlier, the President's own Budget Director, in his confirmation hearings, promised to achieve a 2-to-1 ratio between spending cuts and tax increases.

Yet, both the President's budget and the committee's bill fail to make a serious attempt to specify net cuts in Government spending.

I have concluded that the President's new taxes will lower the standard of living of citizens in Maine. The average person in my district earned less than \$14,800 in 1989. The new energy tax, which unfairly penalizes oil, will cost each household almost \$1,500 in additional taxes over the next 5 years.

Mr. Chairman, the President's plan is not right for the citizens of Maine or America. Under his plan the deficit is only reduced to \$200 billion by 1998 and continues rising after that. As sure as I am standing here today, if we adopt the majority's plan we will be right back here in 2 or 3 years repeating this process all over again. Deficits will be higher than projected, Democrats will call for more taxes, Republicans will wonder what happened to the spending cuts, and in the meantime, the Clinton administration will have added almost \$1 trillion to the national debt.

The American people expect us to deal seriously with this issue. The claim of the Democratic majority that the current budget, totaling nearly \$1.5 trillion, has to be increased this year and can only be cut \$6 billion next year, is simply not credible. The American people know there is waste in Government. They know we spend money in areas where there is no public inter-

est. The committee's bill ignores that reality.

On the other hand, the additional spending cuts included in both the Kasich and Solomon budgets should lay to rest the claim that Government, which spends over 23 cents of every dollar we earn, cannot be cut.

My constituents, and those of every member here today, have sent a clear message—cut spending and reduce the deficit. As a member of the Budget Committee, I worked hard with Representative KASICH to do just that. The Kasich plan achieves savings equivalent to the President's original plan by cutting spending first and avoiding reliance on unspecified savings.

The Kasich plan is detailed. Measured alongside the President's the Kasich plan is much more likely to result in the amount of deficit reduction it claims to achieve. We all know what will happen if the Clinton plan is passed, we will get the additional taxes but, not the spending reductions.

The alternative introduced by Representative KASICH approximates the deficit reduction reached by the President's proposal without relying on unspecified cuts in domestic spending. It shows the American people the amount of deficit reduction that can be achieved from spending cuts. Because it does this by cutting spending first, it is fairer to hard-pressed taxpayers and is much more likely to result in true deficit reduction. The Republican alternative represents the better first step in this much needed attempt to balance the budget, and I urge all of my colleagues to support it. However, I think we can achieve even greater deficit reduction by adopting the Solomon plan which merges the two approaches.

Representative KASICH was constrained by the fact that many Republicans will not accept any tax increases. However, I believe Americans are telling us that they are willing to risk new taxes if two important prerequisites are met: We cut spending first and make a dramatic dent in the deficit. The Solomon plan does both, and the taxes contained in it are moderate and targeted at those most able to afford them. It has the essential element of fairness.

The Kasich budget plan correctly focuses on the dramatic and specific cuts in spending needed to begin any deficit reduction budget. The Solomon plan builds on this strength and accepts moderate tax increases to achieve truly strong deficit reduction. It meets head-on the President's challenge to provide specifics and make tough choices. It is stronger than the Democratic alternative for many reasons.

It does not contain any unspecified cuts. Even the defense numbers, which do not appear in our handouts, are backed by specifics which we will put forward when we see the President's budget. In contrast, the Democratic

plan contains \$112 billion in unspecified defense savings and an additional \$63 billion in unspecified domestic savings.

The plan limits tax increases to those with taxable incomes over \$200,000. This is the plan the President promised us in his campaign. It eliminates the tax increases on middle-class and lower income citizens. It eliminates the energy tax. It eliminates the tax on Social Security. It repeals the excise tax on boat sales that has decimated the boat builders of my State.

The plan cuts spending by \$265 billion more than the Democratic alternative, all of it backed up by specifics. It contains \$172 billion more in deficit reduction over 5 years. And it achieves a final deficit in 1998 of \$180.9 billion, \$18 billion lower than the majority's plan. Thus it fulfills another of the President's campaign promises, to cut the deficit in half over 4 years.

I truly believe that the Solomon plan comes closest to what the American public wants and I am pleased I was part of an effort to develop it. It contains the best of both plans and eliminates the taxes that harm middle America the most. If Congress really worked the way the people want us to, in a bipartisan manner, taking the best ideas from both parties, this plan would have a chance on the floor. I hope my colleagues on both sides of the aisle will look at it carefully and give it the attention it deserves. If we concentrate on finding the best budget rather than fighting about which party gets the credit, reaching agreement will be far less difficult than we expect.

Mr. OBEY. Mr. Chairman, I yield 4 minutes to the gentlewoman from California [Ms. PELOSI].

Ms. PELOSI. Mr. Chairman, I thank the gentleman from Wisconsin [Mr. OBEY] for yielding this time to me and rise today in strong support for the budget resolution for fiscal year 1994.

Mr. Chairman, this budget resolution puts in place the philosophy of putting people first. It lays the foundation for long-term economic growth by redirecting our Nation's spending priorities from consumption to investment. It cuts spending, reduces the deficit, and it restores fairness to the Tax Code.

In short, it does what President Clinton said he would do. In his State of the Union Address, Mr. Chairman, President Clinton outlined a vision for America. This budget resolution and the economic stimulus package together help implement this vision.

□ 1700

The administration must be commended for exceptional leadership and understanding of where we as a nation must go from here. This package is a well-balanced initiative which will put people back to work, will invest in people, will stimulate the economy, and will reduce the deficit.

There are some, Mr. Chairman, who say that we do not need the investment of the Clinton program, especially the short-term stimulus program. There are signs of an economic recovery, they say. But as the President argues, this recovery is not producing the jobs of a traditional recovery. In fact, it is a jobless recovery.

For cities, and that is the perspective I want to bring to this debate, Mr. Chairman, as a representative of a city in Congress, I want to call to the attention of our colleagues what this package does for cities.

Our colleagues, the gentleman from Wisconsin [Mr. OBEY], the gentleman from Minnesota [Mr. SABO], the gentleman from Kentucky [Mr. NATCHER], all chairmen of their respective committees, have talked about what it does for our country, for rural areas, and for cities. My focus will be on cities.

For the cities, the recession was and is very deep. Cities need to jump-start of the President's economic stimulus package, short and long term. Highlights of the program that aid cities I think that are important are that the Clinton program will mean \$102.8 billion in increased aid in programs that assist cities and their residents—424,000 urban jobs will be created between 1993 and 1997—185,000 thousand full-year jobs and programs that benefit the cities. The long-term investments will add an additional over 238,000 workers for the cities; 2.7 million minimum wage jobs for youth would be created through 1997 by increases in the summer jobs program; \$2.5 billion for a short-term boost in the Community Development Block Grant funds; \$2.4 billion for a real enterprise zone program to create business in distressed areas; \$15 billion for transportation infrastructure; \$382 million to create a network of community development banks to provide credit to businesses in inner cities; \$15 billion for social service initiatives, including full funding for Head Start, funding for WIC, child immunization, and \$1.4 billion, full funding, for the Ryan White AIDS Act to help fight to prevent the spread of HIV; and \$2.8 billion for crime initiatives.

Of course, it is obvious that the investment in infrastructure, such as highways, airports, and mass transit, benefit cities because of the spending. But the investment in people that is contained in this package is very important as well. With Head Start, summer school, summer jobs, plus education programs, we will be not only investing in our young people, but we will be putting people to work.

What is important about these kinds of jobs, Mr. Chairman, is that it will be putting women to work, many minority women, many minority women heads of household, to work, and it will be done immediately. It will be a jump-start for them in their economies.

The American people want our new President to succeed, and we should too. Let us give President Clinton a chance to put his ideas to work. The American people voted for change. Change is not only about innovation, it is not only about new technology, it is about how we prepare people to meet the challenges of that innovation and technology. It is how we prepare them to work in those technologies, to make our country more competitive.

I urge my colleagues to support this resolution as well as the President's stimulus package.

Mr. KASICH. Mr. Chairman, I yield 5 minutes to the very distinguished gentleman from the great State of Arizona [Mr. KOLBE].

Mr. KOLBE. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I want to at the outset pay special tribute to my colleague, the gentleman from Ohio [Mr. KASICH], for the outstanding leadership that he has given to the Republicans on the Committee on the Budget. I think that because of that leadership today we are engaging in what I believe to be one of the most important debates that we will have during the course of this whole year.

Mr. Chairman, that debate began during the campaign last year. It began when now-President Clinton outlined what he said was the change that he wanted to bring to the United States, to our country. He said that what he wanted was a new investment in the future. He wanted a reduction in the deficit. He wanted to reduce taxes on the middle class.

The budget is the place where we can see that policy put into play. What did we get? Mr. Chairman, what we have instead is something that is different, cruelly different, a hoax on the American people, because it is not spending reduction. It is not about middle-class tax relief. It is not really about deficit reduction in the long term. It is about more government, more taxes, and more spending.

In that sense I think this debate today draws a very clear distinction between the approaches that the two parties take to this budget resolution and to the economic future of this country. Because on the one hand, we have a party that has brought a budget to this floor that says that we will have more taxes by a ratio of more than 3 to 1, tax increases over any kind of spending cuts; that we will have a lot of new spending increases, not investments, but spending on such things to make up a shortfall, a shortfall in the District of Columbia budget, for programs like WIC and Head Start; good programs, but not investments, not investments in jobs that create wealth for the future.

On the other hand, we have a Republican proposal that says no new taxes, that says we will not have additional

spending, and says that we will get deficit reduction through real budget cuts.

Compare the numbers. We would reduce spending by \$38 billion in the first year. The Democratic proposal would reduce spending by 3.7 billion in the first year. We would increase taxes by zero in the first year. They would increase taxes by \$27.6 billion in the first year.

The basic question that this debate is about is how do we get to deficit reduction, which all of us agree we should have. How do we get to that deficit reduction? Do we do it by adding more taxes to the American people and hoping that the economy will not be hurt in the process and that we then can have some deficit reduction down the road? Or do we do it by cutting spending?

I believe the American people have spoken very clearly on that subject. They have said cut spending first.

Let us bring an honest budget to this body, a budget that calls revenues revenues; that does not call tax increases spending cuts or contributions, but labels them honestly as what they are. Let us bring a resolution that relies on making spending cuts first to reduce the deficit. Then, Mr. Chairman, if we cannot get the kind of deficit reduction that we need, come back to the American people, come back to this body, and ask for more spending cuts, or then ask for increased taxes. But do not start with the taxes on the American people.

We hear a lot in this debate, and we are going to hear more about it, about fairness in taxes. Yes, these tax increases are fair all right; they hit everybody. The Btu tax will hit the poorest person as well as the wealthiest person. We have big taxes on retired people. We have taxes on retired persons through the Social Security taxes.

Yes, then there are taxes in there that go to the wealthy. These are taxes on everybody. They are not the kind of thing that will bring long-term deficit reduction.

So today we have two proposals before us, or tomorrow we will have a vote on a least two proposals: one that calls for more taxes, more spending now, and the hope of reduced spending in the future, but not at least until the third and fourth year; and we have on this side a proposal that calls for no new taxes, for real spending cuts that are spelled out very specifically where we would get those spending savings, and reducing the deficit that way.

Those are the two alternatives that we have. I hope this body will consider those very carefully.

Mr. OBEY, Mr. Chairman, I yield 4 minutes to the gentleman from Colorado [Mr. SKAGGS].

Mr. SKAGGS. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, when I first ran for Congress 7 years ago, my first concern

was getting our national priorities straight—giving force to the fundamental proposition that real strength for the Nation starts with investments in our people and our economy. It's the kind of strength that comes from a reliable and modern infrastructure, a healthy environment, good-paying jobs, and companies that can successfully compete. On that foundation we can build and project the strength internationally that will enable us to meet America's special responsibilities in the world.

This is an important week because it marks the first real opportunity I've had to begin voting for a comprehensive program to change our priorities for the better.

President Clinton understands the great challenge we face. He's proposed an economic plan that will plant the seeds for prosperity and real national strength. It is a bold, responsible plan, one that is based on solid deficit reduction and sound investment for our future.

An investment is money we spend now with the expectation of reaping a larger reward later. Businesses have always differentiated between what they spend for normal operating expenses and what they spend to keep themselves competitive. Why is it so difficult for the President's opponents to believe we can—and should—do the same thing in government?

Let us look at a few examples in two key areas of the budget and investment package—environment and technology—where the President proposes to make investments.

The Energy Department will have almost \$47 million for additional grants to weatherize homes for low-income families. That's an investment with several benefits. It improves the quality of the housing stock. It reduces fuel bills. It reduces fuel consumption. It helps the environment by reducing the energy needed to heat those homes. And it provides entry-level construction jobs in areas where they're needed most.

For National Park Service, there will be \$111.5 million to cut into an awful backlog of maintenance that has been put off for years due to lack of funds. Our parks are national treasures; they're irreplaceable; they mean a lot to the quality of life of millions of American families. But for years, park facilities—the visitor centers, the trails, the roads, the housing for park workers—have been allowed to deteriorate.

In both these cases, it's the old saw, about "pay me now, or pay me later." Fortunately, this President realizes that in both cases, it's better to invest now to save a lot more down the road. And in the process, we are providing thousands of jobs in areas that need them. That's a good investment.

The President's investment plan also has \$80.8 million for the National Oce-

anic and Atmospheric Administration. Why is money spent on speeding up the modernization of our weather service an investment? Ask the airlines and the farmers who depend on weather information for their livelihoods. Ask the emergency agencies in State and local governments who rely on the National Weather Service's predictions to avoid loss of life and property.

Mr. Chairman, the examples go on and on for pages. And they demonstrate over and over the point that the President and those of us who support him have been trying to make. We have to take a new approach, to change, to build a better country.

It is not an easy thing to change, to make these choices. Until you consider the alternative—more of the same. More of the drift that's led to flat or declining income for most Americans, while the national debt quadrupled. Then it's clear—clear that we must move forward and affirm with President Clinton a positive vision of progress for the country. Realization of that vision begins tomorrow with votes to approve a responsible budget and a sound investment strategy.

□ 1750

Mr. KASICH. Mr. Chairman, I yield 60 minutes to the distinguished gentleman from Texas [Mr. ARMEY], head of our Republican conference, and I ask unanimous consent that he be permitted to control that time.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. ARMEY. Mr. Chairman, I yield 6 minutes to the distinguished gentleman from Connecticut [Mr. SHAYS].

Mr. SHAYS. Mr. Chairman, I thank the gentleman for yielding time to me.

I want to say from the outset I admire many things about President Clinton, and I truly want him to succeed. And frankly, I want to be part of helping him succeed.

I am willing to vote for an economic plan I do not love or even like, as long as it is a good faith attempt to be fair to all ages, economic groups and all parts of the country, and as long as it does the job to get the deficit down and move our economy forward. That is what we have got to do.

I listened to President Clinton's speech, when he addressed us a few weeks ago, as we all did. I was impressed. I was truly impressed with the man and his speech. He was articulate. He was intelligent. He was energetic, and he had a sense of direction. He knew what he wanted to achieve.

And most refreshing of all was, he was willing to take responsibility. It was the one time we all stood up that I was very happy to stand up. How refreshing it was to hear an elected official say, "Hold me accountable. I am willing to take responsibility." And

then he spoke about the deficit as being the enemy that we had to lick, and I stood up again, like all of my colleagues.

He basically expressed the deficit as a dagger at our heart, a yoke around our necks, something that had to be addressed and addressed immediately.

And then I listened to how he would attempt to do that. I heard a lot about tax increases, and that is one way to reduce the deficit. I heard a lot about spending increases, and I was not quite sure how that related to reducing the deficit. I heard very little about spending cuts.

The next day our Committee on the Budget met with Mr. Panetta, the Budget Director, and we learned what was in this package.

It was not \$493 billion of gross deficit reduction in 4 years. Gross deficit reduction does not really mean anything. The net deficit reduction was \$325 billion, we were told. But even with that, we learned that the earned income tax credit, which is really a payment to the poor, was really an expenditure, not a reduction in spending. Or the Social Security tax was really a tax, not a reduction in spending.

The bottom line is, we learned that the President was proposing reducing the deficit with \$4 of tax increases and \$1 of spending cuts, 4 to 1.

When we finally saw the package that came out of the committee, it had been reduced under 4 to 1, but it was much higher. It was close to 4 to 1 still, but even if we say 3 to 1, very unacceptable.

We simply have got to reduce Government spending to get this deficit down and maybe have some tax increases, but not 4 to 1 or 3 to 1.

The Republican Committee on the Budget members surpassed the President's deficit reduction figures. We surpassed it by coming up with specific spending cuts.

We met the target. We were specific, and we showed it could be done.

Spending cuts are far more preferable than tax and spend proposals of our President. As Senator Tsongas said, when talking about jobs, he said, "How can we be pro-jobs and anti-business and how can we continue to tax business, which creates jobs?"

There is no answer, except we cannot be pro-jobs and anti-business.

I really believe our first task is to reduce the Federal budget deficit by spending cuts first. We did it, and I urge my colleague on this side of the aisle to look at those spending cuts. Maybe then we will have to have some tax increases. I do not rule out some tax increases. But is should be more \$4 of spending cuts to \$1 of tax increase.

The bottom line is, we are willing to be a part of this process. We did not just say across-the-board cuts. We came in with specific spending cuts, and I believe that if we choose to, we can work together.

In the beginning, I said I am willing to vote for a package that will do the job. I sincerely believe in my heart of hearts that the package presented by the President will not do the job. It will not reduce the deficit enough. It will be like the 1990 agreement, which I voted for, but did not do the job.

And when I have my community meetings, when I meet with my constituents in the next 2 weekends, they are going to come up to me and say, "I'm willing to pay more taxes; I'm willing to see some programs cut; I'm willing to pay more taxes, but look me in the eye, Congressman, and tell me those taxes are going for deficit reduction."

Under the President's proposal, under the Congress' proposal now out of the Committee on the Budget, I could not look them in the eye and say, "Your taxes are going to reduce the deficit." They are going for increased spending.

□ 1800

Mr. OBEY. Mr. Chairman, I yield such time as he may consume to the gentleman from Oregon [Mr. DEFAZIO].

Mr. DEFAZIO. Mr. Chairman, I rise in support of the President's budget.

After a decade of deceit and duplicity, we finally have before the Congress a budget that recognizes the dual imperatives of real deficit reduction and the need to make up for a decade of lost investment in America's physical infrastructure and human resources.

The Bush administration, with a wink and a nod from an all-too-compliant Congress, swept the problems of mounting debt, an unfair tax structure, underinvestment in our youth, a failing educational system, and the Nation's crumbling infrastructure under the rug. The new administration decided to do a little housecleaning and found a real mess under that rug. They, together with the Congress, face a chore more like the cleaning of the Augean Stables.

There is no easy and painless way to put things right in America. The President has taken an honest first cut at the problems confronting us. You do not have to agree with every detail of his plan to vote for this budget and this investment package. As we move through the authorizing and appropriations process, we will have ample opportunity to make modest changes or substitutions.

We will see a number of alternatives before us today that choose to make political points while ignoring the really tough issues.

One alternative, the Kasich budget, will return to the magic asterisk of the Reagan, Bush budgets. For years, President Reagan and President Bush submitted budgets wildly out of balance, but promised to bring things in balance with unspecified cuts denoted by an asterisk. These cuts were never proposed or made. The Kasich budget has renamed the asterisk and takes \$144 billion in unspecified "allowance" cuts.

The most profitable corporations and the wealthiest of the wealthy wouldn't be asked to pay a penny more under the Kasich proposal. The author calls it "no new taxes"—a tired Bushism; I call it avoiding the need for real

deficit reduction and giving another break to those who saw their taxes slashed in the 1980's, the decade of greed.

We will also see attacks on the President's investment stimulus package. We will be told it is too expensive and that we are already on the road to recovery. Tell that to the 10 million officially unemployed Americans and to the millions more who have exhausted all benefits. In my opinion, and the opinion of many others on this side of the aisle, the investment package is long overdue, and only a modest downpayment on the long neglected post cold war needs of our Nation.

We must invest in America's greatest resource—our children—their health, their education, their opportunity to own their own home.

We must invest in our crumbling roads and bridges, our public water supply, and our ports and airports if our country is to be competitive in the struggle for world leadership in the next century.

This is the time to put up or shut up. Do we want \$510 billion in real deficit reduction, tax fairness and a modest downpayment on our long delayed peace dividend, or yet another tired retreat of failed trickle down economics. The President's budget and investment package will get America back on track to fiscal responsibility and economic vitality.

Mr. OBEY. Mr. Chairman, I yield one and a half minutes to the gentleman from Oklahoma [Mr. MCCURDY].

Mr. MCCURDY. Mr. Chairman, I rise in support of the budget resolution as reported by the Committee on the Budget.

I am especially proud today to be a Democrat in this House, because this budget resolution is the product of a serious debate on the proper course for our Nation. It reflects a willingness of members of the Democratic party to take a sound and disciplined proposal from our President and improve it by agreeing among ourselves that we have the political will to cut Federal spending an additional \$63 billion over the next 5 years.

One of the things we learned during the campaign of 1992 is that the American people want no more excuses, no more finger-pointing on the part of their elected officials. The response of the Democratic party in the House in formulating this budget has been to be open to suggestions for change and to show a willingness to hear and act upon the clear desire of the American people for something better than business as usual in our National Government.

Mr. Chairman, each of us might have written this budget differently. But the heartening reality is we have a President who is eager to work with us rather than against us. With that example and support, the House has demonstrated an ability to get on with the people's business, to respect their voices, and to work with each other as we seek to find common ground.

As we continue to work on budget and economic issues with the other

body and with the administration, it is my hope that we will continue on this path of cooperation within this institution so that we will be able truly to represent the will of the people.

Mr. ARMEY. Mr. Chairman, I yield such time as he may consume to the gentleman from Wyoming [Mr. THOMAS].

Mr. THOMAS of Wyoming. Mr. Chairman, I rise in opposition to the majority bill.

Mr. Chairman, I rise in opposition to a plan by the majority in this body who want to pass a bunch of shotgun taxes aimed at the American people. You cannot pass off more pork barrel spending and tax hikes as change.

And it is getting so that the House of Representatives is less of a democratic body when the majority will not deliberate or consider alternatives.

Meanwhile, I am not convinced the feds are bearing the lion's share of deficit reduction. But the majority's motto seems to be, "ask not what you can cut from the budget, but what you can pass off to the middle class." I oppose that adamantly. Congress has to cut the budget first. Cut spending first, and decide if you need more taxes and more government, or if you are like me and want less government.

Mr. ARMEY. Mr. Chairman, I yield myself 25 minutes.

Mr. Chairman, for the next hour or so in this debate it is our intention on our side of the aisle to demonstrate the real difference between the Republican Party and the Democrat Party, and how they would approach the problems facing this country, problems brought on very, very largely by the intractability of the deficit in the United States Federal Government's budget.

Let me say that we want to make it perfectly clear that there is a difference in understanding between the Democrat Party and the Republican Party with respect to the structure and performance of the political economy of the United States.

The Republican Party believes that we will solve our problems best by growing the private sector of the economy and repressing the growth of the public sector. That, in turn, can best be done by the Government, especially the Federal Government, essentially getting out of the way of the private sector's growth, as has happened in the past.

The Democrat Party believes in a bigger Government, and that solutions are found in growth of the Government. They have brought forward a Democrat Party budget proposal initiated by the House.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. ARMEY. I will yield briefly one time, and then I will not suffer further interruptions.

Mr. OBEY. Mr. Chairman, I do not think that the gentleman's name is Amy, it is ARMEY. We would appreciate it if he would call us by our right name, which is the Democratic Party.

Mr. ARMEY. Mr. Chairman, I appreciate that response from the Democrats, who have so much altered the English language in so many respects that they would like to be known as democratic without any demonstration of democratic behavior. It is hard for me to accept the usage the gentleman requests.

That being the case, let me say that we intend, then, to demonstrate that the only way the Democrat Party is able to convince the American people that the American people ought to subscribe to their view of bigger Government, rather than more freedom and more growth in the free enterprise life of the American citizens, is to distort the history of the American people.

I should say I personally take this as a very, very serious matter, because that history is not an abstraction. That history is not a nonentity. That is the very real property of the American people. It is not correct to distort the public's understanding of their own experience by a conscious and willful massaging of the data of that experience.

That is to say, what the Democrats have done in order to recreate a world that fulfills their fantasies of good Government is to take selected data points and make Federal cases of them; to torture the data until it confesses to whatever it is they like, and then to present to the American people a story of their own experience which is completely hostile to the American people's own understanding.

Only if they can get away with convincing you and me that what we experienced in our real adult life was not the case will they be able to convince us that we ought to accept their policy prescriptions of more power over our lives exercised by them.

Let me take a point. In particular, the Democrat Party of the United States is devastated by the enormous performance of the American people in their own economy, in their own lives, throughout the 1950's. When, under the Reagan economic policies in the early years of the 1980's the American people were allowed only the most modest surcease from the rigors of the oppression of the Federal Government, given the most nominal relief from the oppression of excessive Government afforded in the early Reagan years, the American people took their freedom and made their economy soar.

This, of course, drives the Democrats nuts. They cannot give us any credit for happiness, prosperity, or success in our lives. No; they must try and somehow convince us that whatever good fortune we have is due either to our dumb luck or their generosity, so we will, therefore, then give them more of our money in taxes, more of our prerogatives through Government regulation, which increases their dominion over our lives.

That is what this debate is all about. Let us make a point. According to the Democrats, during the 1980's under Reagan the rich got richer and the poor got poorer. The poor were devastated.

In order to prove that, the first thing they have to do is to give Ronald Reagan credit for Jimmy Carter. I do not blame the Democrats for not wanting to accept credit for Jimmy Carter. I would not want to take credit for him, either.

What is the story? Jimmy Carter, much like the current President, came into office at the birth of an economic recovery. During that recovery the poorest among us, the lowest fifth of income distribution, were beginning to do well, as they do under a recovery period. However, Carter stopped that recovery.

In 1979, directly as a consequence of the Carter policies, we began a plummet, as we can see, beginning from a real average income of the bottom fifth of the income recipients in this country at that time, stated in constant 1989 dollars, that is, adjusted for inflation, from \$9,800, which is really, frankly, quite well by comparison with the rest of the graph. Then we had a plummet of the well-being of the lowest incomes of the lowest among us.

Remembering, if we will, that during this terrible decline, especially from 1979 to 1980, we had the essential race for the Presidency between President Carter and Ronald Reagan, we had here the worst devastation in this income category's well-being. Ronald Reagan, as we will recall, was elected to the Presidency in November of 1980.

During all this period of time our lives and the lives of our children were being governed by the policies of the Democrats, with them totally in control of our Government, and things were going from bad to worse.

□ 1810

Ronald Reagan was sworn in in January of 1981. Things continued to worsen. He began to formulate his policies and to enact his policies. His policies could not take effect until the beginning of the fiscal year 1982 in October of 1981. But as soon as his policies were implemented we found that this downside ceased and we began the process first of stabilizing and then dramatically turning upward.

Now if you realize that this is the position at which the President found himself when he was elected, look how quickly he got back to that position after he was able to implement his policies. And then grow back out until the end of his Presidency.

Now what did the Democrats do? Totally disregard their Presidency. They pick a beginning date of 1979 and an end date of 1989, and they connect these two dates with one line, a fictional party line. And the Democrat Party is, without telling anything

about what really happened in the real world by simply connecting these two dates, telling the story that under Reagan we had this dramatic decline in the average family income of the lowest one-fifth so that the poor were devastated under Reagan, not recognizing that in 8 years of the longest uninterrupted peacetime growth and prosperity in the history of this country, without inflation, it was impossible for us through our economic miracle of the 1980's to recover from 2 devastating years of Jimmy Carter in the White House and the Democrats in control of the House and the Senate. In 2 years they did so much damage to the lowest income people in this country that by all of the forces of the American people working as productively as ever before in the history of this country, we could not fully recover from those 2 devastating years in 8 years. In fact, if you just simply take the Democrat Party Line's end point and beginning point and you look at the difference between where we began before Carter put us in the toilet and where Ronald Reagan and his policies had gotten us to after 8 years, and you see the meager difference between those 2 points, 140 percent of that difference can be accounted for in the slide of 1 year alone, 1980, the last full year of the Carter Presidency. One hundred forty percent of the damage done over a 10-year period was done in 1 year alone.

Still, nevertheless, the Democrats continue to argue that Ronald Reagan, whose policy made us free enough so that by the inspired efforts of our own families, and our own jobs, and our own shops, our own creative ability, growing ourselves out of this morass of the Carter years ends up being translated by the Democrats as a failure of Reagan economic policy. They argue the Reagan era was devastating.

Now keep this in mind. What Ronald Reagan did was a very simple thing. He cut taxes and cut the interference of the Federal Government in the lives of real American citizens, not by much, but just by a little bit. And what you saw in that great, miraculous period of expansion was what we American citizens will do with just a little tiny increase in our freedom.

Ronald Reagan did not create all of those jobs. Ronald Reagan did not give us that expansion. He gave us that modicum of freedom that allowed us to do for ourselves what a Government cannot do for us, and we did it. And the Democrats, by massaging the data, by cooking the books, and by putting together beginning point and end point numbers and totally disregarding our 10 years of history are trying to take our understanding of our own experience away from us. And I say that is not right, and we as American people should not be lied to about our own experience. I happen to remember that.

Now, they say there was this terrible tax on fairness, that Republicans dur-

ing the years gave all of the tax advantage to the rich and none went to the poor.

What we see happening here in this top set of graphs is the total amount of money spent, paid in constant dollars, in taxes to the Federal Treasury by the top 1 percent of wage earners of America. The richest of the rich during all of the 1980's, during the time Ronald Reagan's tax policies were in effect, the richest of the rich continually increased their contribution to the Treasury of this Government. We paid more in taxes. The Democrats will say that is because more people got more rich. That is exactly what prosperity is all about. I still have difficulty understanding why the Democrats complain about an era in American history when more people got more rich. Why is that a bad thing?

I have to tell you when I was a boy growing up, entertaining my hopes and my dreams for my life as I matured, I found out that as a little boy I used to wish I was rich, and that did not work. When I got a little older I used to dream about being rich, and that did not work. And then I came face to face with this terrible, horrible truth about adulthood. If you want to be rich you have got to work your way rich.

That is the way we Americans do that. And when we work hard, when we sacrifice, when we save, when we take risks, when we make real investments, and we do achieve some success, the Democrats say this is a disaster, this is not fair. It is only fair, therefore, when, according to them, that those of you who did make yourself rich by your own hard work should have what you have earned taken away from you and your children. For what purpose? So that they can redistribute it in a manner they think is fair.

Now what about a comparison with the taxes that are paid by the rich and the not-so-rich during the 1980's. Let us take a period of time from 1981 to 1988. If you take a look at what we call the fairness ratio, let me tell you what that is. The fairness ratio is the average tax payments of the top 1 percent of income recipients to all of the people in the bottom 50 percent of income recipients. This jumped from \$120 paid by the rich for every \$1 paid by people in the bottom half of the income distribution in 1981 to \$241 of taxes paid by the richest 1 percent for every dollar's worth of taxes paid by the people in the bottom half. The relative share of the taxes paid by the rich during the period of time from 1981 to 1988, under the policies of Ronald Reagan, to the taxes paid by the poorest half of the citizens of this country doubled, 100 percent more paid in taxes by the rich relative to the not-so-rich lower half.

That does not sound to me like this was unfair, that it was at the advantage of the wealthy. If you take a look at these numbers here in 1981, the top

1 percent paid \$120.54 for every \$1 paid by people in the bottom half of the income distribution. That does not sound to me like an unfair tax policy favoring the rich. To me it does not sound like a period of time when the rich did not pay their fair share, that the rich paid a declining share from what the poor paid.

□ 1820

As a matter of fact, let us take a look at that very quickly. A middle-class family would pay about \$2,000 more today each year in taxes if it were not for the Republican tax cuts of the 1980's. The share of the income tax burden borne by the top 1 percent of the American citizens jumped from 18 percent in 1981 to 28 percent in 1988. Between 1981 and 1988, the real income tax payments of the middle class declined 18 percent, while that of the bottom 50 percent fell 26 percent. As a result, their share of the burden of income tax declined.

So the fact of the matter is that during the 1980's the rich got richer, more people got richer, and the poor got richer, and as the rich got richer, they paid more in taxes, and as the poor got richer and the middle class got richer, they paid less in taxes as a share of the total.

Now, let me just talk for a moment about income mobility. The Democrats have decided to pit American against American. They have decided that we live in a caste society rather than a society of income mobility, forgetting their own personal life's history. They live with a notion that if you are born or at any time live in the bottom fifth of income distribution, you are stuck there forever, if at any time in your life you are in the top fifth, you will reside there forever, and anyplace in between.

They do not know their own life's history. Let me take one of my typical Democrat friends, a tenured professor at a university. This tenured professor, Mr. Chairman, was a young man with a wife and a child. In his early years as an instructor or assistant professor, he is in the bottom fifth of the income distribution and does not make much money. In a few years, this professor will achieve the rank of assistant professor and will move up to another higher distribution. In a few more years, he will be associate professor with a book or two published and move up a little further.

This is not unlike you getting a promotion in your job at the plant, not unlike you getting your small business off the ground and seeing it grow.

Eventually this tenured professor will be a full professor, and he will be in yet another higher level of income distribution, and then eventually this professor will retire, and as the professor retires, the professor will go from a relatively high distribution of income to a low distribution of income.

Over your life's cycle, you will go up, and you will come down, and that is the way it is.

Let me give you a quick fact: If in the year 1979 you had found yourself in the bottom one-fifth of the distribution of income, of the lowest income category, by 1988, 10 years later, you would have had statistically a better chance of being in the top fifth of income distribution than you would have had of remaining in the bottom fifth. In fact, in that time, in a study that was done by the Treasury Department, in that period of time from 1979 to 1988, 85.8 percent, 86 percent, of the people that started in the bottom fifth went up one or more income categories. Sixty percent of those in the second fifth went up, 29 went down. Very few stayed where they were, and so on it goes.

The fact is we are a mobile society. You are not stuck in America where some Government statistician finds you someday and says, "Therefore, then, we assume, professor, that you are there forever." That is not America. America is a nation where we strive, we achieve, we are rewarded by income increases, we share these with our families, we provide opportunities, and if the Government will stay out of our way, we will build for ourselves and our children a free and prosperous nation. That is the America we had in the 1980's, because the Government cut its tax burden on you and me, cut its regulatory burden on us, and left us free and, given that modicum of increase in our personal freedoms, we proved during the 1980's that freedom works better in the lives of real people than big Government.

And that is what galls the Democrat Party.

Now, they have their man in the White House. They have their majority in the House and their majority in the Senate. If you are dumb enough to buy it and if you are naive enough to take their statistical testimony, they are going to sell you a package of Government policy beginning here and now that says to you, "Trust us, we are from the Government. Don't trust your own lying ambitions. We define those as greed. And you ought not even aspire to do more for yourself when you have the opportunity to let us take from those who have done and give to you instead." That is the bill of goods you are being sold by the Democrat Party today.

The crime of it all is that they would give you a completely false understanding of your own life's experience in order to get you to buy into their dominion over the lives of your children. I, for one, am not buying, and I do not believe the American people are buying, either.

Mr. Chairman, I reserve the balance of my time.

Mr. OBEY. Mr. Chairman, I yield myself 16 minutes.

Mr. Chairman, I had not intended to speak again in this portion of the debate, but given the quaint interpretation of recent economic history that I just heard, I feel compelled to respond.

Mr. Chairman, I do not see much point frankly in debating past history, and what I have tried to indicate in my preliminary remarks is that I think our economic problems have really been with us for 20 years, since 1973, which, so far as I know, is a good bipartisan number, because it takes in a wide variety of administrations, both Republican and Democratic.

But I must challenge the assumption that the country experienced unparalleled bliss because President Reagan supposedly made the economy soar in the 1980's. Anybody can make the economy soar if they want to do it on borrowed money, and I would suggest that before we get too gleeful about the nature of economic growth in the 1980's, we again recognize what most dispassionate observers have said about the 1980's.

There is no question that the economy grew in the 1980's, but as most economists would readily indicate, it grew largely because that growth was financed by very large tax cuts, most of which went to the very wealthiest people in this society, and by a doubling of the military budget on borrowed money. That is why the deficit, which up to that point had never exceeded about \$75 billion, why the deficit exploded over the past decade. That is why we are here on a massive repair job and a massive salvage job.

I want to read something to you. It reads as follows:

The Reagan Revolution's abortive efforts to rectify the economy of 1980 cannot simply be exonerated as a good try that failed. The magnitude of the fiscal wreckage and the severity of economic danger that resulted are too great to permit such an easy verdict. In the larger scheme of democratic fact and economic reality, there lies a harsher judgment. In fact, it was the basic assumptions and fiscal architecture of the Reagan Revolution itself which first introduced the folly that now envelops our economic governance.

Do you know who said that?—

□ 1830

You know who said that? Not DAVE OBEY; the architect of the Reagan program in 1981 said that, David Stockman. He is the Leon Panetta of 1981, the Director of the OMB. That is who said it. The guy who put the numbers together.

And I want to read you what he said in his famous revelation, in his famous public confessional in the Atlantic Monthly article that he wrote. He said that for 6 months he had been explaining to the "west wing guys that their numbers just didn't add." He said that they got the deficit down "to \$31 billion by hook or by crook, mostly the latter."

He said, "We didn't add up the numbers. We should have designed the

pieces to be more compatible, but the pieces were moving on independent tracks. It didn't quite mesh. That is what happened. But for about 1½ months we got away with it because of the novelty of it all." That is what the architect of the Reagan package said about it. In fact, when he described the tax cuts that were passed, he said, "The hogs were really feeding; the greed level, the level of opportunism just got out of control."

Now, that is not DAVE OBEY saying that, that is Dave Stockman; the other side of the aisle, architect of the Republican program.

Now let me quote from someone else who may be considered to be suspect but he was good enough to be the principal Republican strategist of the 1968 Republican campaign, run by Richard Nixon, Kevin Phillips.

Kevin Phillips said this about what happened with the richest 1 percent. He said:

Republicans have been indignant over earlier congressional budget calculations derived from Federal income tax returns that the wealthiest 1 percent had received roughly 60 percent of the after-tax income gains realized by all U.S. families from 1987 to 1989.

But Kevin Phillips goes on to say:

But the Federal Reserve Board studies provided nonpartisan, but similar, documentation for the 1983 to 1989 period, which coincided with the Reagan boom years. Between 1962 and 1983, the share of total private net worth held by the top 1 percent had barely budged. From 1983 to 1989, it surged from 31 percent to 37 percent.

That represents billions of dollars, in up-the-income scale, upward shift of income.

Now, contrary to what the gentleman from Texas said, I have absolutely nothing against the rich. I want everybody to be rich. But I also have the quaint notion that when they get there, they ought to pay their fair share, and nobody can claim—nobody except, perhaps, the gentleman from Texas—nobody can claim credibly that the rich paid their fair share of taxes in the 1980's. And the public knows it, the politicians know it, even some of the authors of some of the Republican substitutes that were offered in the Committee on Rules know it because some of them did not even have the gall to strip out the tax increases in this package on the very wealthiest people in this society, because they recognized that they have been on a gravy train over the 1980's.

Now, having said that, I simply want to get back to the reasons why it is necessary to support the package before us.

If you were the CEO of any corporation and you were running into trouble, you would do two things: First of all, you would try to cut back spending wherever you can in order to save precious resources. And the second thing you would do is to look for opportunities for crucial investments that you

simply have to make in order to hold market share.

Now, the Government does not have to hold market share, but the Government still has to help create the conditions under which the private sector of this economy can grow. And that is what the Clinton budget does.

This package relies on the assumption that if we cut the deficit enough and if we provide the right kind of investment, that we will have cooperation from the Federal Reserve, that we will see a decline in long-term interest rates that will, in turn, make it cheaper for the private sector to borrow and invest and that that is what will drive economic recovery, not a few Government jobs, but the atmosphere in which we make it easier for the private sector to make a profit and put people on the payroll.

Now, the problem with his package, frankly, is that it is somewhat contractionary. We estimate that at about eight-tenths of 1 percent.

The economy is expected to grow next year at 2.9 or 3 percent. You have to have 2 percent economic growth in order to prevent unemployment from going up. So that means there is not much margin for error. And that is why you have got to have an insurance policy, and that is what the investments in this package represent.

I guarantee you the problem 2 years from now, when all of us are running for reelection, will not be too much economic growth, it will not be too many jobs created; the risk is still on the down side, and that is why we need to pass this budget resolution and pass the investment package that is coming right behind it out of the Committee on Appropriations. To pass only the budget resolution, to do only the deficit reduction without also making the critical investments that are necessary, would be reckless, it would be shortsighted. You can do that if you want, but if you do that, we will be in the same piddling game of chasing our tail that we were in during Gramm-Rudman I and Gramm-Rudman II.

You remember what happened when we had the Reagan budget package; we were told if we just swallowed the magic elixir in 1981, that those deficits, the Reagan projections would go down from \$55 billion to zero deficit by 1984. In contrast; those deficits exploded.

So, 4 years out, our friends, the minority side, recognized, "Hey, baby, we've got a problem; promises are not keeping up with reality." So they said, "Well, we will give you another magic fix that is aimed only at deficit reduction." So, what did they do? They passed Gramm-Rudman I, a magic deficit-fixer. They said it was going to take the deficit down in nice, neat little \$36 billion increments every year for 5 years until 1990, zero, goose-egg deficit.

The red bars, again, show what actually happened under Gramm-Rudman.

We would up in the year when the deficit was supposed to be zero with a deficit of \$220 billion. They said, "Well, let's pass another magic fix-up, and again let's chase the deficit to the exclusion of all other considerations."

So, what did they do? Passed Gramm-Rudman II.

I called it a public lie because I said it would never get to the deficit levels predicted by our friends on the minority side. The green bars, again, show what was supposed to happen theoretically to those deficits, down to zero by 1992. Guess what, folks, this is where we are instead, \$290 billion, smackeroos. I suggest, with all due respect, we have done it your way, we have done it your way for 12 years. I remember standing here in 1981, in 1982, in 1985, 1987, when we passed the Reagan package, when we passed the next followup budget and when we passed both Gramm-Rudman fix-ups, trying to suggest that we needed a broader approach. We did not get it, but the country has gotten it now.

□ 1840

What they have gotten is that you do not have the answers. What they have gotten is that you have had it your way for 12 years and now President Clinton is entitled to have people get out of his way and try something different.

I want to say one other thing about the so-called huge burden of taxes which President Clinton allegedly has in his package. The CBO estimates that with the passage of the Clinton program that we will see a cumulative growth in the GNP of \$5.6 trillion over the next 6 years. They estimate that the added taxes requested by the President, 70 percent of which will be on the richest 1 percent of the people in this country, they estimate that that added tax burden will take about 6 percent of that additional GNP growth over that 6-year period. That means that 94 percent is going to be left in the private sector. It is going to be left in the treasuries of businesses. It is going to be left in the pockets of individual families.

What the President is trying to do is to recognize that you need to have a balance between deficit reduction and investments so that we can attack both the Federal deficit and the investment deficit which has been killing this country's ability to grow.

The fact is if we do not invest in education, if we do not invest in health research, if we do not invest in science research, if we do not invest in physical infrastructure, we will be trying the same old phony medicine that we have had for 12 years.

I used to have a dear friend in the legislature who died of cancer a few years ago by the name of Harvey Dueholm. Harvey said, "You know, the problem with this country is that

under Republican administrations the poor and the rich get the same amount of ice, but the poor get theirs in the wintertime." I think that is what the eighties delivered.

Just one other point. My good friend, the gentleman from Texas, goes to great lengths to demonstrate that the richest 1 percent really have not had it really as well as we Democrats claim, because after all they are paying a larger share of Federal taxes. You bet they are.

This red graph shows how the share of total Federal taxes paid by the richest 1 percent has grown from 1977 to 1989. As you can see, it has increased slightly. Why? Because their income has exploded. Their pretax income has gone from an average \$315,000 in 1977 to \$560,000 today. Of course, they are paying more taxes because they are earning a hell of a lot more money. They ought to be paying more taxes.

I make no apology for the fact that for the first time in 12 years we have got somebody in the White House who does recognize that equity is not an ornament in politics. It is a basic core ingredient, and if you do not have equity on taxes, people are not going to be willing to pay them and they shouldn't.

Mr. ARMEY. Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. GILMAN].

(By unanimous consent, Mr. GILMAN was allowed to speak out of order.)

THE PASSING OF MISS HELEN HAYES

Mr. GILMAN. Mr. Chairman, it is with great sadness and deep regret that I rise to inform our colleagues of the passing of my most beloved constituent.

Miss Helen Hayes, born in Washington, DC, on October 10, 1900, has been known as the "First Lady of the American Theater" since before most of us were born. Since her stage debut as a child in 1905, she set the standard by which all other actresses were measured. A star at age 20 and literally an institution at age 55, Helen Hayes received every conceivable major award which show business has to offer—the Emmy, the Tony, the Grammy, and two Oscars. In fact, the theater awards here in our Nation's Capital are named in her honor.

It is a rare privilege to name a Broadway theater in New York after an actress; Helen Hayes is the only individual ever to have two theaters named after her.

For her neighbors in the mid-Hudson Valley of New York, Helen Hayes, resident of Nyack, NY, was an outstanding humanitarian. The Helen Hayes Hospital, the Nyack Hospital, and many other institutions owe a great deal to her generosity.

Having lost her daughter Mary at age 19 to polio, Helen was a major catalyst in the successful effort to conquer that deadly disease.

Helen Hayes died today at the age of 92, but she will live on forever in the hearts of the people of our Nation and of the world.

Mr. ARMEY. Mr. Chairman, I yield myself such time as I may consume.

Before I yield to my good friend, the gentleman from New Jersey, let me just make a couple of quick observations.

One, the American people did their share. The American people's contribution to the U.S. Government Treasury went from \$517 billion in 1980 to \$1 trillion 31 billion in 1990. Unhappily, the gluttonous Federal Government increased spending from \$591 billion in 1980 to \$1 trillion 435 billion in 1990.

We grew the private sector, but we did not contain the public sector. The public sector grew by \$1.59 for every increased dollar we sent to Washington. It is time to halt that growth.

Furthermore, let me say that the gentleman from Wisconsin [Mr. OBEY] has made some interesting arguments based largely on CBO data which CBO itself admits is deceptive and has discontinued using. Kevin Phillips' work, of course, is based on that data, and if the CBO cannot get within a hundred percent of projecting earnings from current capital gains, they certainly should not be relied on to project the kinds of growth that the gentleman from Wisconsin cites. In fact, even the President himself has recently expressed his reservations on the accuracy of the CBO.

Mr. Chairman, I yield 10 minutes to the distinguished gentleman from New Jersey [Mr. SAXTON].

Mr. SAXTON. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, let me begin by saying that I listened very intently to many of the speakers here this afternoon and this evening from both sides of the aisle.

I would like to say to my friends on the Democrat side of the aisle, we share with you some of your basic goals. We share your desire to promote economic growth. We may have a different way of getting there than you, but we share that goal.

We also share your goal and our President's goal of lower deficits. Lord knows that speaker after speaker has pointed out that over the years since 1980 and before that deficits have grown out of control. We may have a different feeling and a different way to deal with those problems than you, but we share that goal.

Your third goal is perhaps where we have the most difficulty on our side of the aisle, because we do not share your goal of raising taxes. We cannot find a reason to do that, particularly in light of wanting to solve the first two goals which we share with you.

Today in my office I was visited, as I have been for each of the last 9 years,

by a group of letter carriers from back home. I get along very well with the letter carriers. My dad was a letter carrier many years ago. He became a postmaster. My mother was a postal clerk, so the letter carriers that visit me every year and I understand each other.

They surprised me somewhat today because they did not spend the entire half hour or 45 minutes talking about issues that had just to do with postal workers. They wanted to talk about the economy. They wanted to talk about the people who they deliver mail to who have small businesses. They wanted to talk about some of the stores and shops that are empty that used to have small businesses in them. We talked about that for quite some time, and knowing that I was going to have this time today I brought with me a chart which reflects much of what the letter carriers and I talked about today.

Why is it that small business is having such a difficult time being successful and continuing to hire people?

Did you know that in the last 10 years 51 percent of the jobs that were created, 12 million jobs that were created, were created by small businesses, businesses that had 20 or fewer employees?

□ 1850

It is the heart and soul of our economy, and today small businesses are having a more difficult time than ever before, or at least in the last several decades.

This chart shows one of the problems that small businesses are having today. It is a government burden which is placed on a typical small business firm on a per-worker basis. Back in 1982, Mr. Chairman, it cost on the average, per worker, a small business person, \$4,400 per year, per worker, and through the decade of the 1980's that my friend, the gentleman from Wisconsin [Mr. OBEY], likes to put negative light on, the business, small business, community found itself in a position with less burden per worker each year measured in dollars to the point where we got to 1989 and the burden per worker was all the way down from \$4,400 a year, in 1982, down to somewhere around \$3,900 in 1989.

Then look at what happens to the red line. It moves skyward, not slowly, but very rapidly, and that coincides exactly, exactly, with the economic downturn that started about that time as a result, I believe, of bad tax policy that came about in the late 1980's and 1990.

And so what we need to do is to recognize two things:

This budget proposal that is before us tonight increases the burden on small business. There is no question about that. I do not think it is even a debatable subject. And so in terms of economic growth and tax policy this tool

that we have to work with, which I think we are using backwards; that is, the tax code in this budget proposal, will not help economic growth in my view, but do the contrary and hurt it.

Mr. ARMEY. Mr. Chairman, will the gentleman yield?

Mr. SAXTON. I yield to the gentleman from Texas.

Mr. ARMEY. Mr. Chairman, what the gentleman is saying is, if in fact we are having a recovery, and we have so many nice, encouraging signs and so many indicators, but no growth in jobs, it is because of this enormous increase in government regulation and taxation of the past 4 years, inspired by the Democrat Congress. It has resulted in a repression of the job creation of the small business sector of the American economy.

Is that what the gentleman is saying?

Mr. SAXTON. Mr. Chairman, the gentleman from Texas [Mr. ARMEY] is exactly correct, and in my view the budget proposal which is before us tonight does more of the same bad stuff.

Mr. ARMEY. Except perhaps to ignore this component. That would be the best we would hope.

The gentleman would notice I was just noticing the U.S. Government regulatory agency just issued an order yesterday I read about in the paper that, if the firms in an industry did not answer their phone within 30 seconds, they would be subjected to fines. This hardly comes under the category of getting the Government off the backs of the American people.

Mr. SAXTON. Nor does putting labels on marble bags like we passed here a day or so ago.

Let me reclaim my time to move on to another point rather quickly which has been discussed here at some length, and that is what happened during the decade of the 1980's due to tax policy that we believe was tax policy that promoted growth.

One of the problems that was pointed out by the members from the Democrat side of the aisle is certainly an evident problem, and that is we entered the decade of the 1980's with a bigger deficit than we did by far then we did when we started the 1980's, and somehow the connotation continues to be made and pervade that somehow Reagan policy promoted and created that problem by creating, perhaps, less revenue when in fact, as was pointed out by my colleague from Texas just a few minutes ago, we started the decade of the 1980's with Federal revenues amounting to just over \$500 billion, and we ended the decade of the 1980's with just over \$1 trillion. In other words, we do not have less revenue today because of the tax cuts of the early 1980's. Today we have twice as much revenue.

In 1990 our revenue had doubled as compared with the revenue that we had in 1980, so our problem was not reve-

nue. Our problem was outlays, and so what we are saying in this budget deal, this budget proposal that they all are making, we are saying that this is the problem that we need to attack first. We do not need to raise taxes. We need to attack the outlay problem, and that problem we can get behind us if we can work together.

Finally, Mr. Chairman, let me show my colleagues one final chart—folks on this side of the aisle—which demonstrates what happened when we compare revenues that we had to spend during the 1980's with the actual spending that we did. It appears that it is quite evident that our problem was not that the economy did not grow, but it was that we in this House grew the public sector faster than we were able to grow the private sector.

Finally let me turn to one final chart because I think there is something inherent in the budget proposal that we are looking at today that is a basic flaw to what we are trying to do together as Republicans and Democrats. That is that the Tax Code that we use to raise revenues has a very important second effect that we need to recognize.

John Kennedy said it from that podium in 1963. John Kennedy said, and I know that the gentleman from Massachusetts [Mr. KENNEDY] is here in the Chamber somewhere, and, if I do not have these words exactly correct, please forgive me. He said, "We can't for long expect to lead the cause of peace and freedom around the world if we fail to set the economic pace at home," and he outlined in that speech a series of tax reductions that he said would spur the economy, and beginning shortly after his death, unfortunately, this House went to work and put that plan in place, and in 1964, in 1965, 1966, and 1967 the economy responded, and the economy grew nicely. And, standing at the same podium in 1980, Ronald Reagan made a speech, and he said that the problem with our economy is simple: Taxes are too high, and we have not recognized there is something that we can do to make the economy grow, and that is to reduce the burden that taxes and regulations have put on small businesses. When he made that speech, and when Members of this House enacted that policy, we can see here at the beginning of the 1980's our growth, and our jobs, and our growth in GNP was relatively static, and it was not until 1982, halfway through 1982, that those policies started to catch hold, and here is what we see in terms of job growth, and here is what we see in terms of economic growth right through the end of the decade, until the fateful day in 1990 when we reversed all that, and raised taxes again, and put our economy on the skids downward to where we are today.

So, Mr. Chairman, I ask my colleagues to consider these points. We share their goals. We do not share their

enthusiasm for taxes, not just because we do not want Americans to pay higher taxes, but because we know it is a tool that we can use correctly or, in this case incorrectly.

Mr. BONIOR. Mr. Chairman, I yield 6 minutes to the gentleman from California [Mr. MINETA], the distinguished chairman of the Committee on Public Works and Transportation.

Mr. MINETA. Mr. Chairman, some have talked about the economy here today as though the condition of the economy is an argument against proceeding with the stimulus package, and with the investment portions of the budget resolution. Unfortunately, nothing could be further from the truth.

The fact is that this remains the weakest and most fragile recovery this Nation has experienced in modern times. The recovery is now 2 years old, and yet we still have only as many jobs in the economy as we had in the last month of the recession, February 1991.

The fact is that this recovery will remain weak and fragile until consumers have a substantially higher degree of confidence in the jobs market and therefore in their own job security.

The latest estimates of 1992 fourth quarter growth, which were an improvement over the earlier anemic growth rates of this recovery, nevertheless remain weaker than those of previous recoveries. Economists agree that the fourth quarter growth rate will not be equalled in the subsequent quarters. The consumer confidence which rose in November and December, and was key to creating higher growth in the fourth quarter, has more recently begun to waver. Even Fed Chairman Alan Greenspan recently testified to Congress that the economy has slowed in the early months of 1993 as compared to the final months of 1992.

Not only consumers and economists have relatively little confidence in this recovery, so do employers. Even when companies do receive increased orders, as many did in late 1992, they are not hiring new employees. Employers have so little confidence that this recovery will continue that they meet these additional production requirements by adding to the work hours of existing employees—and overtime is now at record levels—or by adding part-time or temporary employees, not by hiring new full-time employees.

Unfortunately with consumers, economists, and employers showing relatively little confidence in the continued strength of this recovery, we have a real risk of a self-fulfilling prophecy here. The current pattern of jobless recovery simply is not generating among our people the sense of economic security so fundamental to generating the consumer demand that drives the economy.

This sense of unease is compounded by the announcement of large reduc-

tions in the work forces of IBM, Boeing, Sears, and other major established employers.

There is no question that this stimulus spending is too little to lift single-handedly our economy to a rate of growth more typical for a recovery. But what it can do and should do is provide a boost to the weak forces of recovery already operating in our economy. In short, the stimulus package will provide badly needed insurance against the risk that our weak recovery might slip back into the doldrums or even into renewed recession.

It is also important to note that while any dollar spent creates a dollar's worth of stimulus, a dollar spent on sound investment in needed facilities creates not only a dollar's worth of stimulus, but also generates long-term benefits to the economy in the form of increased productivity and competitiveness for our private companies.

A well-designed, well-constructed, and well-maintained system of public infrastructure allows us to move goods and people more efficiently. In fact, public infrastructure is a key part of private productivity and competitiveness.

Those who have argued here that economic growth must ultimately be provided by the private sector are absolutely correct. But what they have failed to note is that private sector growth cannot occur without investment in the public infrastructure necessary for that growth to occur.

Public capital investment helps the private sector produce more goods and services, accelerates private sector job growth, and stimulates private sector investment. Thus, when we choose to make our stimulus spending infrastructure investment spending, we get a profound leveraging effect on private sector employment, growth, and investment.

Our competitors in the worldwide marketplace are well aware of the value of these public investments to their private companies, and they have invested heavily in their public infrastructure. We, unfortunately, have taken the opposite course, cutting our level of infrastructure investment as a percent of GDP in half in the course of the 1980's. To maintain our competitive edge in the global marketplace, we have to at least match, if not surpass, the investment levels of our competitors.

The stimulus package contains several key elements of investment in public infrastructure, including \$3 billion for the highway portion of ISTEA, \$752 million for the transit portion of ISTEA, \$845 million in municipal wastewater treatment funding, and \$250 million in additional airport grants. These are all programs which invest in public facilities which are necessary for the productivity and growth of the private sector of our economy.

Some have noted here that these types of capital investment programs have a relatively high cost per direct job created. Let's be very clear about this: If you spend money to create a capital asset which will be useful to the private sector for years to come, you will spend more per direct job created than if you simply pay people to rake leaves. But in the latter case you will be obtaining absolutely nothing of lasting value to the economy or to private sector vitality.

It is simply not true, some have suggested here today, that the public sector does not create wealth. When we make sound investment in public facilities needed by the private sector, we create wealth in the private sector and we create a stronger economy and a higher standard of living for all Americans.

Furthermore, some seem to argue that the expenditures we are talking about here are some bold new policy departure. For many of the items in this stimulus package, and I note in particular the proposals for highways, transit, and airports, all the stimulus proposal would do is spend the funds Congress already agreed to spend when we passed the authorization legislation, when we imposed the user taxes to support this level of spending, and when we told State and local governments to expect this level of funding. This is nothing radical, unless you consider living up to our promises to be radical. And I would note that in the transit area, we are not even living up to our promises, because even the spending proposed in the stimulus package and in the budget resolution is less than what Congress already decided to spend in the authorization legislation.

Finally, Mr. Chairman, the issue has been raised that even the relatively modest additional spending proposed in the stimulus package would raise the deficit, and that that poses a risk of increasing interest rates and the crowding-out of private capital.

First of all I find it ironic that my friends on the Republican side, after 12 years of hiding behind Laffer curves and supply-side rhetoric claiming that deficits don't matter, have rediscovered that deficits do matter. Unfortunately, during those 12 years they quadrupled the national debt, and they have left it to a Democratic President to make the hard choices necessary to clean up their fiscal mess.

The President has now made those proposals, and none of us would deny that the combination of spending cuts and tax increases necessary to begin reducing these mammoth deficits is strong medicine, medicine which requires a strong patient. This economy is not yet a strong patient. We need to give it a selective and well-targeted boost, and to whatever extent we can first strengthen economic growth, our

deficit reduction task will thereafter be that much easier.

And the private markets recognize the validity of that approach. There is sufficient slack in the economy now to accommodate a much larger stimulus package than the one before us. The stimulus package poses no threat of igniting a new round of inflation. Neither does it undermine the credibility of the President's overall plan to reduce the deficit.

And the financial markets fully agree with that assessment. With both the President's fiscal year 1993 stimulus proposal and his fiscal year 1994 budget plan on the table, the financial markets have reacted by reducing long-term interest rates, which had previously remained stubbornly high compared to short-term rates. The 30-year Treasury bond rate is now at its lowest level since the 1970's. The markets clearly do not see this proposal as igniting inflation or crowding out private capital. Furthermore, inflation rates at both the consumer and the producer levels continue to be low and to show no signs of significant increase.

Mr. Chairman, the condition of our economy clearly calls not only for long-term deficit reduction, but also for selected investments which will make our economy stronger, more productive, and more competitive. That is the direction the President is trying to move us with the stimulus proposal and with the budget resolution. I urge support for both.

□ 1900

Mr. ARMEY. Mr. Chairman, I yield 6 minutes to the gentleman from Minnesota [Mr. RAMSTAD].

Mr. RAMSTAD. Mr. Chairman, I think economist Erich Heinemann put it best when he wrote recently that anyone attempting to rely on President Clinton's long-range budget forecasts should remember George Bernard Shaw's famous quip about second marriages: the triumph of hope over experience.

While I heartily applaud the President's emphasis on deficit reduction, like the famous Irish writer, I urge my colleagues to focus on experience.

The problem is the underlying principles of the Clinton plan, that tax increases will reduce the deficit, flies in the face of precedent.

Recent history shows higher taxes lead to more Federal spending, lower economic growth, fewer jobs, and ultimately larger deficits.

We saw budget agreements, and this chart reflects those budget agreements, that resulted in massive tax increases in 1983, 1985, 1988, and 1990. In each case you can see from the charts more spending and larger deficits resulted from those tax increases.

Chairman OBEY's own chart showed us that it was only in the years when

Congress was forced to restrain spending under the Gramm-Rudman Act did we see any slowdown in this pace of runaway Federal spending, and that is reflected in Chairman OBEY's own chart that he has presented us.

Under Gramm-Rudman, total domestic spending grew at an annual rate of 1.1 percent. Under the 1990 budget agreement, with its supposedly stricter than Gramm-Rudman spending controls, total domestic spending grew at an annual rate of 8.4 percent.

The proof is in the pudding. As you can see from this chart here, the Gramm-Rudman record clearly shows that seriously restraining Congress' ability to spend is the only real way to achieve progress on the deficit.

In addition, I think it is important to point out actual tax revenues since the 1990 budget deal have fallen by more than \$3.25 for every dollar the deal is supposed to raise, and the deficit increased from 3.1 percent of GNP in 1990 to 5 percent in 1992.

Every economic study you look at shows that every dollar in new taxes raised since 1947 has led to \$1.59 in new Government spending. A recent study by Citizens Against Government Waste showed that the 1990 budget agreement produced \$2.37 in new spending for every dollar raised in new taxes. That is hardly a formula for real deficit reduction.

Mr. Chairman, experience shows that excessive Government spending, not a lack of tax revenues, causes massive deficits. Revenues to the Federal Government have remained steady at an average of 18.6 percent of gross domestic product between 1965 and 1992, never falling below 17.5 percent. At the same time, Government spending has risen from 17.6 percent of GNP to 23.5 percent in 1992. Even more telling, tax revenues have grown annually at an 8 percent rate over the past decade, but spending has increased at an annual rate of 11 percent during the same time.

The Clinton plan is more of the same, with deficits the administration projected to average \$250 billion a year, and their analysis does not even reflect the blow to the economy of taking \$328 billion out of the private sector, out of the revenue stream, in new taxes, \$328 billion.

These new taxes will stifle economic growth, destroy jobs, reduce revenues, and increase the deficit. Economists across the ideological spectrum are convinced that the Clinton tax increases will lead to widespread job loss. Let us look at a few of their comments.

David Resler, of Nomura Securities, puts the cost at 400,000 lost jobs by the end of 1994 from these new tax increases.

□ 1910

DRI-McGraw Hill says 700,000 jobs will be lost in 1997 and 1998. Larry

Kudlow, the chief economist at Bear Stearns, estimates job losses at 3.2 million by 1996 and a reduction in real economic output of \$450 billion. We are going to have, unfortunately, I think, the votes are there for the huge tax increases, and we are going to see the prophecies of these economists realized.

Constricting the economy with higher taxes not only means additional job losses, less revenues from taxes, higher expenditures for unemployment claims, but ultimately larger deficits.

We all remember the infamous boat tax hike in the 1990 budget agreement. That ill-conceived and shortsighted proposal not only failed to reduce the deficit, despite the claims from many that it would do just that, but it actually lost revenue.

The boat tax actually lost revenue because it threw thousands of workers out of their jobs, as we now know.

The government lost the income tax revenues from these workers and increased spending on their unemployment claims.

Mr. Chairman, the experiences of economies across the globe show that higher taxes and more government lead to long-term economic sluggishness. We simply cannot grow the government without seriously stifling the private sector. At the same time that the government gets bigger, these tax increases stifle the productive private sector and destroy jobs. We will not balance the budget or even make a dent in the deficit unless we allow the private sector to operate as the engine of economic growth.

I hope we can learn something from these economic lessons learned throughout our history, economic lessons learned in countries from Mexico to Poland but, unfortunately, lost on many of the politicians in this body. When will they learn that free markets, less government spending and low taxes are the only solid foundation for real economic growth?

I urge my colleagues to support real deficit reduction through spending cuts, not tax increases.

Mr. BONIOR. Mr. Chairman, I yield 2½ minutes to the distinguished gentlewoman from California [Ms. SCHENK].

Ms. SCHENK. Mr. Chairman, I thank the gentleman for yielding time to me.

We are hearing a lot of rhetoric and fancy economic theory from our minority colleagues. But the bottom line is this—we have a chance to vote for real deficit reduction, and an economic package that creates real jobs and real opportunity.

The Federal Government has been awash in red ink for far too long. The philosophy of borrow and spend, borrow and spend must be replaced by a new philosophy grounded in responsibility and accountability.

I am pleased that the President's economic package contains over 150 indi-

vidual spending cuts. And I am even more pleased that the Budget Committee of the House has gone further in proposing an additional \$63 billion in cuts over the next 5 years.

I urge my colleagues not to squander this opportunity to work with our new President in passing a sensible economic plan that creates jobs and that reduces the Federal deficit. Let's pass this investment package and budget resolution, and let the American people know that we are serious about breaking the gridlock in Washington and serious about the course of this Nation's future.

This Congress has an obligation—to make the tough choices, to cut projects, to eliminate wasteful subsidies, and to streamline government. This budget resolution meets that obligation.

Mr. Chairman, I go home every week. I have talked to the people in my district in San Diego. They are willing to sacrifice to get this country back on track. They are willing to accept taxes and painful spending cuts now, in return for genuine economic prosperity in the long run.

Mr. ARMEY. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from California [Mr. COX], a member of the Joint Economic Committee.

Mr. COX. Mr. Chairman, I thank the distinguished gentleman from Texas for yielding time to me.

I agree with the gentlewoman from California that it is time to stop borrowing and spending. I am disappointed that that is what the Clinton budget is all about. I am disappointed that that is exactly what is going on here.

What we know for certain from the President's proposal is that he is going to increase spending in fiscal year 1993. I am not kidding, as Dave Barry would say, he is going to increase spending by over \$16 billion of brandnew programmatic spending from 1994 through 1998, \$189 billion of brandnew spending.

The interest costs, CBO estimates, are going to be \$38 billion for this extra spending for a total of \$244 billion in extra Clinton Democrat spending under this alleged tough choice budget.

It is, to put it another way, about one-quarter of a trillion dollars of new spending.

My colleagues, when one is in a hole, the first thing they do is stop digging. We are in a deficit hole. We ought to stop digging. And certainly, we ought not to have a quarter of a trillion dollars of new spending, which is what is proposed under this Clinton budget, under the dishonest rubric of cuts and tax increases.

Let me spend a moment talking about the tax increases.

My colleagues will remember the 14-year-old boy that said he was going to send \$1,000 in to the President. In fact, he did so. There were cameras aboard

Air Force One and a camera at the other end to interview him. The President was so taken with this gift of the 14-year-old boy from North Dakota of \$1,000 to reduce the deficit that he told USA-Today and the Associated Press the following day that maybe every American should be asked to make this kind of sacrifice.

Well, there are about 110 million taxpayers in America. If each of them anted up an additional \$1,000, that would amount to \$110 billion, or \$144 billion short of just the new spending that Bill Clinton is proposing here.

There is no question that this budget is going to be, as my California colleague just said, more borrowing and more spending. It contains no spending cuts in the next fiscal year. It contains real tax increases that are going to constrict job creation and economic growth. It gives us much more government. It is going to give us fewer jobs.

Frankly, I wish that we could see it, but the President has not even sent it up here. This is the first Presidential budget that has not arrived on Capitol Hill before we adopt our budget resolution. So we are dealing with these broad strokes.

But frankly, there is no question about it, it is more government, more borrowing, more spending, the same old stuff that will not work.

Mr. BONIOR. Mr. Chairman, I yield 2 minutes to the gentlewoman from Florida [Mrs. MEEK].

Mrs. MEEK. Mr. Chairman, I rise in support of House Concurrent Resolution 64, the budget resolution for fiscal year 1994. This is a momentous occasion for the new Members like myself who must cast their first votes on setting the new direction our country will take under the Clinton administration. Again and again we have heard that there will no longer be business as usual, dodging the hard decisions that we are called to make by the voters who sent us here. Mr. Chairman, I know there will be budget cuts, and I am prepared to vote for spending reductions that are chosen wisely.

I commend the leadership and the Budget Committee for bringing us a resolution that emphasizes not just deficit reduction, but investment in programs that set us on the right path to the future. This resolution assumes full funding of many programs close to my heart. Head Start, WIC, child immunization, the Ryan White AIDS Program, and the Mickey Leland Hunger Program will at long last have the resources they have needed for so long. Many people whose needs have gone unmet up to now will receive help. We will invest in jobs programs, innovative education programs, and defense conversion programs. These expenditures will pay off in the future as we become a healthier, better educated and more competitive society.

The President's tax proposals seek to place the greatest burdens on those

who can afford it. This is the direction we must take. There may be changes in the details as Congress works its will, but the issue of fairness must remain paramount. I strongly support the expansion of the earned income tax credit which rewards low-income people for working and trying to stay off welfare. There are many people in my congressional district who will directly benefit from this.

The budget resolution sets the tone for this Congress as we begin working with our new President to put people first and create a future filled with hope. I urge my colleagues to support the resolution.

□ 1920

Mr. ARMEY. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Florida [Mr. STEARNS].

Mr. STEARNS. Mr. Chairman, I thank my colleague, the gentleman from Texas, for yielding time to me.

Mr. Chairman, the President's budget plan which is incorporated into this budget resolution imposes higher taxes and more deficit spending. We have been told that that kind of a budget package will have an impact on the economy. Certainly I agree. However, it will be the kind of impact that this country can't absorb. It will slow economic growth, contribute to the massive Federal deficit, and increase Government spending.

There is no reason to believe that the President's tax hike, which is nearly twice as large as the much maligned budget agreement of 1990, will not be just as much of a disaster as the one of 1990.

Keep in mind that 40 percent of a typical American family's median income already goes to Federal, State, and local taxes.

Tax Freedom Day in 1992 was May 5. This means that the average American works from January 1 to May 5 for the tax collector, and it will be longer on this plan.

I cannot support a plan that taxes Social Security, the middle class and then spends it on more and bigger Government.

The problem is not that the Government is starved for revenue or that it can't find enough money to operate. The problem is that every time you attempt to satisfy this Government's appetite with more money it simply spends it. In fact, already we are hearing about \$3 of spending for every \$1 in cuts in this program.

There is one other thing I want to bring to the Members' attention. There is in this resolution a self-actuating rule upon adoption of the conference report on the budget resolution, such that the House automatically supports the extension of the debt ceiling as specified in the conference report.

What this means is here in the House it avoids an up-and-down vote on the

House floor on increasing the debt ceiling.

We have to tackle the spending side of the problem. The gentleman from Indiana [Mr. BURTON], my colleague, has an idea of a freeze on Government spending with a small percent increase. It excludes Social Security and Government retirement. It is a good idea. We should look at it.

It identifies a problem with this Government: It spends too much, and the freeze would force Government to spend prudently until the budget is balanced.

I wish this resolution would include a line-item veto, enterprise zones, and a capital gains tax cut. These initiatives would do more to restore some fiscal responsibility and some effective incentives than any tax increase or Government mandate.

Mr. BONIOR. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from California [Mr. FAZIO].

Mr. FAZIO. Mr. Chairman, I appreciate my friend, the gentleman from Michigan, the majority whip, yielding me this time.

Mr. Chairman, I stand here strongly supportive of the work of the Committee on the Budget chaired by our good and able friend, the gentleman from Minnesota [Mr. SABO], and in opposition to the resolution which has been cobbled together by my friend, the gentleman from Ohio [Mr. KASICH].

Mr. Chairman, I rise in support of House Concurrent Resolution 64—the fiscal year 1994 budget resolution that will launch President Clinton's 5-year plan for economic stimulation, investment, and recovery.

Immediate economic stimulation was considered earlier today, when we debated the stimulus and investment appropriations bill that supports this important first phase of the President's financial plan. The other two, longer term ingredients of the plan—targeted deficit reduction and investments and tax incentives—are activated in this budget resolution, however.

The resolution determines overall goals for our spending priorities during the upcoming fiscal year. It sets the pace for us, as we begin to change our spending habits—as we abandon the practice of depleting our valuable resources with nothing to show for it, and begin to embrace a new strategy of long-term investment that nets a return on our money, as we move toward economic growth.

The budget resolution begins by reducing the deficit by \$42.6 billion in fiscal year 1994, and by a total of \$510 billion over the next 5 years. It also cuts \$63 billion more in 1994 spending than the President originally proposed in his budget. Over 5 years, the resolution cuts \$1.28 for every \$1 of revenues raised.

In support of the President's investment strategy, the resolution focuses

on increased stakes in educational and retraining initiatives, health programs, science and technology initiatives, and community and regional development. It assumes full funding of key programs critical to the economic and physical health of our people—programs such as Head Start, WIC, childhood immunization, jobs creation and training, mass transit, highway construction, and defense conversion.

Lastly, like the President's tax proposals, the resolution targets large corporations and the wealthy for the bulk of any tax revenues needed to finance the plan. It supports the President's belief that our Government cannot continue to perpetuate this tax system that has become so disproportionately favorable to the rich over the past 12 years. Fairness demands that we no longer shelter our wealthiest individuals from the responsibility that we must all share.

Our spending practices over the past 12 years have gotten us into this bind, where incomes are not rising and job creation is stalled. Now is the time for us to make the necessary, critical, long-term investments in our country's infrastructure, in jobs, and in the health, safety, and welfare of all Americans. We have got to meet this challenge and turn our economy around. We must tackle this economic crisis, but we cannot do it if we continue to perpetuate our failure to invest in what's best for this country. Wise investment, coupled with deficit reduction, can only yield prolonged economic benefits for all Americans.

The President has risen to the occasion. He has accepted this responsibility and presented our Nation with a bold blueprint for healing and rejuvenating our ailing economy. He has created the opportunity—for those of us who want it—to do the right thing. He has given us the vehicle that can mark the beginning of the end of the partisan gridlock that has paralyzed us for far too long.

Chairman SABO and the members and staff of the House Budget Committee are to be commended for their outstanding efforts in putting this strategy together. It proves that we can support our President, and do what is necessary to get on with the business of turning this country around. Mr. Chairman, I am confident that we are up to the test. I urge my colleagues—on both sides of the aisle—to support passage of this budget resolution.

Mr. ARMEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would like to make an observation before I yield back my time to the distinguished gentleman, the ranking Republican on the Committee on the Budget.

The first time that I learned that I could grow the private sector of the economy and raise revenue for the Federal Government by cutting taxes was

in 1962, when I learned that lesson from President Kennedy as a young economics student.

The next time I saw that lesson was in 1982, when I was in the top quintile income distribution as a tenured professor, and learned the same lesson from President Reagan. The lesson was the same whether I was in the poorest fifth of income distribution or the highest fifth of income distribution. The lesson that we cut taxes, grow the economy, generate revenue for the Government was the same in both cases, whether coming from a Republican or a Democrat.

□ 1930

Mr. Chairman, I paid more than my fair share in taxes to the Federal Government in both cases, and I will believe that until the day I die.

Mr. Chairman, I yield the balance of my time back to the distinguished gentleman from Ohio [Mr. KASICH], the ranking Republican on the Budget Committee.

The CHAIRMAN. The gentleman from Ohio [Mr. KASICH] is recognized for 5 minutes.

Mr. KASICH. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, you can disagree with DICK ARMEY, but you cannot question his brilliance.

Mr. Chairman, let me just say one thing about the stimulus package, as we go through the list here, as hard as it is to believe that this economic stimulus package and the community development block grants are going to be passed out to the mayors, there is \$500,000 for a golf course, \$5 million for a beach parking lot, \$1 million for a cemetery, \$5 million for preservation of a theater, \$4.5 million for a gym replacement, \$4.3 million for a pool renovation, \$28 million for the District of Columbia, and believe it or not, \$800,000 so that we can have a white water canoeing team for the 1996 Olympics. The only thing missing here is money for a luge course, and we all would luges under that plan.

Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Georgia [Mr. COLLINS].

Mr. COLLINS of Georgia. Mr. Chairman, I appreciate the gentleman yielding me the time.

Mr. Chairman, I find it very interesting that many of the people who are here debating this issue have been here long enough to have personally observed and know these charts by heart because they have been a part of that history. While I have not been a part of that history from this end, I have been in the private sector, the private sector actually creating jobs, struggling to survive in small business. I have not been a part of this deficit mess. I have been a victim of it, just like millions and millions of Americans across this country are victims of it.

For 30 years I have been in small business struggling with the cash flow of business, and when that cash flow got low or times got tough, I had to adjust to meet that cash flow. I find this establishment completely different. When things get tough here, cash flow gets tight, what do we do? We assess more or we tell the people you must contribute more, you must sacrifice.

Those people are sacrificing today. Raising taxes is not the answer. Raising taxes will not work. It is wrong. And I do not care how you try to describe it or disguise it, it is a tax increase. You can call it a fee increase, you can call it an energy tax, you can call it whatever you want to, and you can assess it on whomever you want to, but the bottom line is that the wage earners, the people that get up and go to work every morning trying to provide for their families are the one who are going to pay that tax bill, no matter how you shell it, and that is not right. I urge you and I beg you humbly not to raise taxes on the backs of the American people any longer. Cut spending first. That is the message that has come from the people of the Third District of Georgia time and time again, day after day after day. The message is cut the Federal budget, do not cut my home budget any more. I need every nickel of it to provide for my family.

Ladies and gentleman, if we raise, and I say we because we are all a part of this body, even though I am not going to vote for the raise, but if we raise taxes on the backs of the American people again, we are doing them an injustice.

Mr. BONIOR. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Washington [Mrs. UNSOELD].

Mrs. UNSOELD. Mr. Chairman, for 12 years we have seen the rich getting richer, the rest getting less while paying more taxes, 12 years of propaganda that we could cut taxes, increase spending, and we would all be rolling in clover. Nonsense. There is no such thing as a free lunch. We ate it, and now we have to pay for it.

Last November, the American public said enough to this malarkey. They said they wanted leadership. They said they wanted honesty. They said they wanted change.

In the last weeks we have heard a lot of whining from across the aisle because they want to return to gridlock. We hear a lot of crying because now we have in the White House a President who has traded the vetoes of the past for leadership, a President who is willing to change priorities from consumption to investment.

The President asked the American people all to share in getting us back on track. Are the President's budget and investment packages perfect? Of course not. Parts of it make me gasp,

but for 12 years there were some who attempted to hoodwink the public through repetition to believe deficit spending would make us prosper. The public saw through that nonsense and they will see through the current whining.

I proudly support the work of our committees and the President's package.

Mr. KASICH. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from Pennsylvania [Mr. GOODLING] the ranking member of the Committee on Education and Labor.

Mr. GOODLING. Mr. Chairman, I had great hopes several weeks ago because I heard from people on high that this was the end of any smoke and mirrors when it comes to budgeting. Serving on the Budget Committee for 6 years, I kept saying to my colleagues, let us stop the smoke and mirrors business, it is just getting us in deeper and deeper and deeper.

Well, unfortunately, it was more smoke and mirrors, because now we are talking about a program that is called the national service trust fund. It is not that program that I am talking about, but it is the underpinning of that program where all of the smoke and mirrors exist, and truly large billions of dollars entity.

First of all they tell us that if we go the direct loan route rather than have the Federal-private sector relationship, we are going to save money. Two weeks ago they said we were going to save \$3.2 billion. This week they say we are going to save \$6 billion. Next week it will be \$9 billion, the next week \$12 billion, and who knows how high it might go.

The truth is we do not save any money; we lose money. And that is a tragedy, and that is smoke and mirrors, and we positively should not do it.

What they do not tell us is that the very first thing that we have to do in a direct loan program is borrow \$20 billion up front every year, \$20 billion, and at the end of 5 years they talk about \$110 billion that we have borrowed, and they talk about \$22.8 billion interest on that loan. That is more than you could possibly save.

But that is nothing compared to the fact that now we have to come up with the bureaucracy to carry it out. When have you ever heard that the Government of the United States does a better job than the private-public sector partnership?

Now they are going to tell you well, we are going to get some of that money back, we are going to start collecting on those loans 10 years down the pike after we have spent all this money. While they are also then telling us that somehow or other we are going to do a better job of collecting than the private sector did. That is not what the OMB said last year. That is not what the Department of Education said.

As a matter of fact, they said just the opposite. And just 2 weeks ago the congressional research arm of the Congress of the United States said you do not save a penny. As a matter of fact, you lose money.

Now, it is amazing that we would do that at this particular time when everybody out there is complaining about the manner in which the Federal Government does its direct loans. In fact, in one of the "new beginnings" or whatever it was called that the majority put out, they said in that that direct loans are handled very poorly by this Federal Government.

□ 1940

Then they went on to attack HUD, et cetera.

What makes us think that somehow or other after we complain about the way we handle other direct loans that somehow or other this direct loan will be different? Well, it will not be different. It positively will not be different.

And so instead of now, where for every dollar it only costs us 28 cents subsidy on the Federal level, from this point on, if we go the direct-loan route, for every dollar loaned, we will have \$1.18 Federal subsidy. That is a tragedy.

Let us forget this business and start all over again and really mean what we say when we say we are going to wipe out this whole business of using smoke and mirrors when we put together a budget. I guess you would say, "Mirror, mirror, on the wall, is this the phoniest budget of them all?" And then we would respond by saying, "You have got to believe it. They even took my mirror; the majority took it in order to cover the folly."

Mr. OBEY. Mr. Chairman, I yield 6 minutes to the distinguished majority whip, the gentleman from Michigan [Mr. BONIOR].

Mr. BONIOR. Mr. Chairman, I thank the gentleman for yielding me this time. I congratulate him and the gentleman from Minnesota [Mr. SABO] and all the other people and participants in this debate and those who have followed and put together the budget that we will be voting on tomorrow.

Mr. Chairman, if the entire population of New York or Los Angeles were suddenly thrown out of work, I dare say we would think it was a disaster. And we would do something about it. So why do we tolerate a situation when 16 million people cannot find full-time work? That is five times as much as the work force in New York.

It is larger than the population of 48 States.

For 4 years we have heard that we should not worry about this problem.

I remember that Boston Globe headline from a year ago: "Do nothing on economy, Bush advises." And I remember the administration's comments

throughout the year. "No recession." "Mild recession." "The recession has ended." "It's no big deal."

Well, finally we have a President who thinks it is a big deal. Finally we have a President who is not so preoccupied by events around the world that he is neglecting problems just around the corner.

The President's plan does many things. But it does one thing above all. It creates jobs. Let me repeat that. It creates jobs; 500,000 right away; 8 million over 4 years.

It does that not simply because of the programs that take place this year. It does so because it represents an investment in future years, an investment in roads and bridges, an investment in education, an investment in training, an investment in health, an investment in affordable housing, an investment in small business.

All that will create jobs and growth for America not just this year but into the next century.

Because of that combination of things that I have just mentioned, just yesterday, in the Wall Street Journal by three distinguished University of Michigan economists said basically that the President's package, the budget and the investment package that we will be voting on tomorrow is on the right track, and that both are needed, both are needed.

They predict that if we just stick to the President's plan we will have an even greater decrease in the deficit than the administration predicts. They are predicting, as I recall, that the deficit numbers will be an additional \$50 billion more than what the administration is predicting, and even more growth.

They joined the chorus of approval that has greeted this plan since the President announced it here in this Chamber last month, and because there has been so much broad support from bipartisan, nonpartisan sources, Republicans as well as Democrats across this country, I am frankly amazed at those who want to chop away at this program slice by slice, bit by bit, and they want to continue the label of guardians of gridlock.

We, as the distinguished vice chairman of our caucus said just a few minutes ago, need to move beyond that, and we are moving beyond that.

There are those on the other side and in the private sector who say that we are already in a recovery.

Do you think it sounds like a recovery, Mr. Chairman, to the people of Northwest Airlines last month when they announced that they were going to lay off an additional 1,000 people, or do you think it sounds like a recovery to the folks at McDonnell Douglas when they were told they were going to lose 8,700 jobs there, or how about Sears when they were told 50,000 jobs, or Boeing, 30,000 jobs, or Eastman

Kodak or General Motors where they announced 87,000 jobs, layoffs, or the 80 other large firms who announced big cuts since January? Some recovery.

The personnel experts, you know, have great names for this: downsizing, restructuring, rationalizing. What we are talking, in English, plain-speaking English that the American people understand, is a pink slip, and we all know what pink slips do to families in this country. They devastate families.

In the 23 months of this so-called recovery, job growth has been about one-fifth of the usual recovery.

There are still 3 million more Americans out of work than there were before the recession began; 3 million. Let us start putting these people back to work.

Finally, let me say this to my colleagues. Bill Clinton was elected President for a simple reason—change—people were tired of the status quo; tired of a President who did nothing. They wanted a President who would act; who had a plan.

This is his plan. Give him the chance to make it work.

Listen to the voices all around this country, from labor, from business, from private sector and public sector, from farmers and teachers, from assembly line workers and white collar workers, from people in the suites and people on the streets.

They are voices for change, they want action.

And so I ask my colleagues, let us pass this bill tomorrow. Let us get it out of here and onto the President's desk. Let us give him a chance to do what the voters want him to do. Let us give the millions who need work the courage to keep looking and let them see we are doing our job to help them find theirs.

Mr. KASICH. Mr. Chairman, I yield 4 minutes to the gentleman from Ohio [Mr. HOKE].

Mr. HOKE. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I think it is true that this economic stimulus package, so-called, will, as the gentleman from Michigan states, create some jobs on a gross basis at about \$90,000 per job.

But on a net basis, let us see what some people, analysts who get paid to make analyses of economic forecasts, what they have to say about it, about the plan. DRI/McGraw Hill predicts that in 1997, 1998, more than 700,000 jobs will be lost as a result of the fiscal drag due to the tax increases. Goldman Sachs Economic Research Team believes that the tax increases in the President's plan will discourage investment, private-sector savings, and job creation. The National Association of Manufacturers analyzed the Clinton plan, and they have projected that over 6 years the plan will actually reduce job creation by 1.2 million jobs, and

Nomura Securities forecasts a 400,000-job loss by the end of 1994 if the Clinton plan is to be adopted. Those are net job losses, not make-work, \$90,000-per-job increases that will be paid for by the American taxpayers.

There is no question that we have, in fact, increased the deficit over the past 20 years, and I think we do have Ross Perot to thank for one thing, and that is that we now have chart wars. We have chart wars on both sides of the aisle competing with each other.

But the way that I think of it is that our own generation used up its credit line during the Johnson, Nixon, and Carter years; we used up our children's credit line during the Reagan and Bush years; and now the Clinton administration is going to be distinguished for using up our grandchildren's credit line, because this supposed deficit-reduction package is not that at all. The fact is it increases the national debt by \$1 trillion over the next 4 years so that we will have about a \$5.2 trillion debt if everything happens.

But what is going to happen? First of all, the spending package, the stimulus package of \$19 billion, is going to be gleefully passed by this Congress.

Second of all, the tax cuts are going to be not so gleefully passed, and the tax increases will not, in fact, happen. Some of them will happen. They will not generate the money that our Democrat friends would have us believe.

Finally, the spending cuts will simply not happen at all, so that we will not have \$1 trillion in additional debt in 4 years; we will have more like \$1.2 trillion or \$1.3 trillion, or who knows what.

□ 1950

In any event, the good news is that we finally have a clear distinction, we finally have a clear difference. That is that candidate Clinton promised the voters many, many things during the campaign; among other things, he was going to give us a middle-class tax cut, going to halve the deficit in 4 years; that he wanted, he was demanding a line-item veto, the same line-item veto that he had in the State of Arkansas.

Well, now we know that what candidate Clinton talked about and promised many things to many people, President Clinton has clarified and what President Clinton wants is big Government.

There truly is a choice, there truly is a distinction, and you can be sure finally that the American people, although they will suffer through it, will be given a clear, clear choice to distinguish between, in the next 2 years, in the next 4 years, and will have something from which to judge the programs that are going to be thrown upon them.

Mr. OBEY. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY. I thank the gentleman very much for yielding this time to me.

Mr. Chairman, I had an opportunity over the course of the last year to travel across the country on behalf of Bill Clinton, from Texas to California, Ohio to Pennsylvania, West Virginia, and a lot of States in between, and I heard one unifying theme from the American people. First and foremost, the ordinary American citizen is worried about their job. But they have more fundamental concern that comes deep from the pit of their gut, that somehow America is not being able to pick up the economic mantle that this Nation needs to be able to grow into the future; that somehow deep in the pit of their stomachs they know that good jobs, high-paying jobs, the high-technology jobs, are moving offshore, going to the Japanese and the Germans and countries overseas.

We hear Americans leaders saying we will compete internationally. What that means to the ordinary American citizen is that we are going to go out and compete with the Mexicans and the Third World in terms of international competition.

If we are serious about getting this country moving again, it seems to me first and foremost we have to analyze what happened in the past. What happened over the course of the last 10 years is we have seen the taxes on the wealthiest Americans reduced from 70 percent to 28 percent, corporate taxes reduced 46 percent to 30 percent. At the same time, we doubled military spending. Everybody walks around wondering why we have a budget deficit. The true facts are that if we want to deal with it, the Democratic-controlled Congress actually appropriated less money than the Republican Presidents throughout the 1980's.

So, it is not a question of the Democratic Congress outspending the Republicans that wanted to cut. Oh, the Republicans wanted to cut, all right, and they were successful; they cut the poor; they cut the working people's budget; they cut back on education; they cut back on housing.

What we have, as a result, is homeless Americans; what we have, as a result, is undereducated Americans; what we have, as a result, is the strife in the inner cities.

If we are serious about getting America moving, it is not going to be just in terms of making the budget balance. We have to make the investments in order for America to be able to grow into the future, to go out and get the good jobs.

Eight out of the top 10 jobs created in this country, and internationally the good jobs that were created required a minimum of 2 years of college education. Yet our kids graduate from most of our public high schools, and they cannot read and they cannot write

at the eighth or ninth grade levels, reading levels.

We cannot sit back and cut them off, cut off the working families, and have an America that is just a wealthy few, the wealthy and powerful few, the ones that go to the wealthy schools, the private schools. And we end up with the same kind of country that many of our forefathers left to go start a new kind of land, that was in fact the great hope of America. That is a challenge we need to take on this land, and that is the challenge I believe Bill Clinton will lead us successfully to if we in fact endorse his program.

Mr. KASICH. Mr. Chairman, I yield 4 minutes to one of the most outstanding new Members of the Congress, the gentleman from Florida [Mr. MILLER].

Mr. MILLER of Florida. I thank the gentleman for yielding.

Mr. Chairman, when I campaigned last year for Congress as a new person entering politics, my major goal was the deficit. I kept saying time and again that we have to get this deficit under control. And my constituents, of course, supported me and voted me into office.

When I got here, I felt very pleased to be appointed to the Committee on the Budget and worked on the major goal that I set out to work on here.

I felt very pleased that some other people focused on the same goal. President Clinton brought up the issue of the deficit, and it is really a pleasure to talk about the deficit rather than so many other issues that we were focusing on, the gays, gays in the military, and we really got down to the most important issue that I think we face right now, and I think that is the deficit.

I found many Democrats now agree with the same thing, that we have to get the deficit under control. A lot of people have talked tonight about who is responsible for the deficit. The problem with the deficit is Congress. The Congress in the past, when the President would send the budget up, it was called "dead on arrival." Congress is the one that appropriates money, Congress is the one that taxes, Congress is the one responsible for this deficit.

So, we are the ones responsible.

Now, I am a freshman, and I am going to continue to work for the next 2 years on this deficit.

President Clinton sent us a budget, lots of taxes, lots of new spendings. The problem with this budget is it does not focus on the real problem with the deficit, which is spending. If you were aware of the buttons around here for a long time, they said, "It's the Spending, Stupid." We have got to go after the spending.

Now, I am not one who says "taxes never," but we do need to, until we get spending under control, I am not going to support any tax increase. We have got to get spending under control first.

President Clinton asked us to come up with specifics. Mr. PANETTA, Mr.

BENTSEN asked us for specifics. And I am very proud of the fact that our Budget Committee came back with 80-some pages of specifics. We had a very specific budget.

The Democrats in the Budget Committee just cast ours aside with very limited comment on their side. They presented their budget, \$63 billion of new cuts in addition to what the President, President Clinton, presented. So they wanted to cut more, which is great. Unfortunately, no specifics, zero specifics; just \$63 billion.

After PANETTA, after BENTSEN, after the President said, "We want specifics," the Democrats on the Budget Committee refused to give any specifics.

So, we started going through the process of reviewing their budget, and we offered 30-some amendments to the Democratic budget. Every one was rejected.

The American people want to get spending under control first, they want to get wasteful spending under control first. I offered an amendment to get rid of the demonstration projects in the highway bill, pork-barrel spending. That was just flat out voted down.

We continued with other specifics, whether it was the Davis-Bacon Act, which is nonsensical spending, waste, \$6.2 billion wasted. And they all just get rejected. At least they are going to study Davis-Bacon.

What we need is a plan, that we propose, which is cutting the spending first and then we can talk about taxes.

Taxes are a last resort. Spending, we have to talk about first.

Mr. KASICH. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Florida. I yield to the gentleman from Ohio.

Mr. KASICH. I thank the gentleman for yielding.

Mr. Chairman, the gentleman makes a beautiful point about the Republicans being constructive, trying to improve that package, take a lot of those taxes out with specific spending cuts. How many of those 35 amendments that were meaningful, that cut taxes and replaced them with spending cuts, were accepted?

Mr. MILLER of Florida. Zippo, zero.

Mr. KASICH. Zilch.

Mr. MILLER of Florida. Zilch, none.

Mr. KASICH. A tragedy. So, in our effort to try to restore some spending cuts, which the President wanted, we made a good-faith effort to amend that package constructively, getting rid of the energy tax, getting rid of the tax on our senior citizens. And what was their response to our suggestions?

Mr. MILLER of Florida. Absolutely no response. They wanted their budget, and that is it.

Mr. KASICH. So, where did the gridlock come from in the Budget Committee? Who was causing the gridlock, the Republicans or the Democrats?

Mr. MILLER of Florida. They do not want improvement.

Mr. KASICH. What mystifies me is the President comes up here and he says, "If you want to improve my package, if you want to reduce my taxes," he said, "I didn't want to tax as much, I wanted more cuts." The President said, "Just give us your specifics."

Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, we gave him 10½ hours of specifics, and what they responded to us, when we laid our specifics down to improve their package, was, "We don't care what you Republicans think. We are not interested in reducing the tax burden, we are just interested in more taxes, in more Government."

□ 2000

Mr. OBEY. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts [Mr. OLVER].

Mr. OLVER. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in strong support today for President Clinton's package, the expenditure cuts in this budget resolution, the investment-stimulus package and the deficit reduction. This legislation breaks with the discredited past. For 12 years the debt and the deficit have mushroomed, while the Federal Government systematically disinvested in our people; making deep cuts in things like Head Start, education and child nutrition, and child immunization. That approach to budgetmaking wrecked our economy and mortgaged our future. Today with this package, we start down a new path.

Today we have before us a plan for long-term economic growth that changes our spending priorities, cuts the deficit in half over 5 years, restores tax fairness and strategically invests in people to create jobs.

This plan cuts the deficit by \$510 billion, and it makes real cuts, not gimmick cuts. It even makes \$63 billion more in cuts than the President's original proposals.

This plan restores some tax fairness to our system, placing the heaviest burden on the richest members of our society, that 2 percent of the population who had the blowout party in the 1980's. This plan rewards fulltime, but low-income workers, by expanding the earned income tax credit.

And most importantly, this plan puts people back to work. We are not really in a recovery until people are back to work.

Our Republican friends say we are in a recovery. Well, of course, they have been saying that for a year-and-a-half, but real jobs are not being created in this recovery. Last month 80 percent of the jobs created were part-time jobs,

while the majority of the jobs lost in the same month last month were full-time jobs. Is that the best economic future that Congress can offer this country? I do not think so.

This package puts people back to work today and keeps them working tomorrow while putting our fiscal House in order. We must end borrow and spend budgetmaking that steals from tomorrow. We must invest in our people.

Mr. KASICH. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from California [Mr. Cox].

Mr. COX. Mr. Chairman, I thank the gentleman from Ohio for yielding me this time.

I have been pleased to serve as a Republican member of the Budget Committee these recent months as we considered what information was provided to us by the Clinton administration concerning this proposed budget. I will give my colleagues on the other side of the aisle an A-plus for defining the problem. We do have a deficit spending problem. It is very serious. It is out of control. We have deficits on an annual basis adding to our \$4 trillion national debt in excess of \$200 billion year after year as far as the eye can see, and interest on the national debt is now approaching the size of the entire defense budget. Certainly with President Clinton's proposed meat-ax approach to our national defense, it will soon be higher, but I have to give President Clinton and my Democratic colleagues a failing grade on prescribing a solution. The solution to the deficit spending problem that we are being offered here today is the same that has been offered in this Congress over the last 40 years of uninterrupted Democrat control, new and higher taxes and more and more spending. The number of new taxes that will be imposed under this Clinton plan as listed on page 139 of "A Vision for Change for America," this book that we have been provided, is 25; 25 new ways to raise taxes on the American people.

We have an energy tax. We have a new personal income tax, higher corporate income tax. We are going to further eliminate individual American tax deductions. We are going to start increasing our taxes on pensions. We are going to start further taxing securities. We are going to have an increased gas tax, and on and on.

These new and higher taxes barely cover the new and increased spending in this program. There are no net cuts in this program, \$244 billion of brand new spending.

As a matter of fact, this quarter-of-a-trillion dollars of new Clinton spending was proposed to be cut in the Budget Committee. Republicans offered a very simple amendment.

If you are in a hole, stop digging. If you have a deficit spending program, let us not add on new spending pro-

grams, certainly not to the tune of a quarter-of-a-trillion dollars, and this \$244 billion of new spending escaped unscathed. It is in this budget.

Let me just go over it for you. It is \$16.8 billion in fiscal year 1993. It is \$189 billion of new spending from 1994 to 1998.

The interest on this brand new spending is estimated by the CBO at \$37.7 billion, for a grand total of \$244 billion in new spending.

There are no cuts of any consequence outside of defense net are offered in this program.

As a matter of fact, not even Bill Clinton's promised 25-percent cut in Congress itself, the over \$3 billion that we spend on over 50,000 staffers on Capitol Hill. A 25-percent cut, that was what was proposed by Bill Clinton, we offered it, the Republicans in the Budget Committee, and it was turned down on a party line vote.

This Congress is so unwilling to cut spending anywhere, it will not even cut spending on its own staff.

We are missing some details from this proposed Clinton budget.

As a matter of fact, this "Vision for Change for America" which is essentially all we have to work with, falls far short of what the law requires. The 1974 Budget Act requires that President Bill Clinton send up to Capitol Hill by February 1 of this year a very detailed budget that goes all the way to the level of project programs and activity.

Now, every President ever since we passed this law has complied with that mandate, except Bill Clinton. This is the first time that the Congress of the United States is going to pass a budget without having seen the President's detailed proposal first. We are doing it blindly in the dark, accepting on faith so much of the smoke and mirrors that Bill Clinton is offering us.

As Congressman KASICH pointed out, this is in stark contrast to what Republicans offered, frankly a far more detailed budget than the party in power and the party that controls the White House and OMB and CBO and all the other staff apparatus up here on Capitol Hill; but those details that have been provided give us enough information to know that these numbers are absolutely fictitious. They are faulty. They are unreliable. They are grossly inaccurate, and frankly, they are dishonest. That is what this budget is all about.

Let me give you an example. This budget and President Clinton claim \$1.3 billion in cuts because they are not going to give everybody a raise next year. Only in Washington, DC, does not giving someone a raise next year constitute a cut.

The CHAIRMAN. The time of the gentleman from California [Mr. Cox] has expired.

Mr. KASICH. Mr. Chairman, I could never deny this artist an additional

minute. I yield the gentleman from California 1 additional minute.

Mr. COX. Mr. Chairman, I thank the gentleman from Ohio for yielding me this additional time.

Let us take another one of these cuts. Allegedly it is a spending cut to nearly double the income taxes on low-income senior citizens, but that is what we are doing. We are going to increase taxes from 50 percent of Social Security benefits to 85 percent of Social Security benefits, so people making \$16,000 a year if they happen to be married and have a joint income of \$32,000, we have been hearing a lot about the rich, but let me tell you, if you are a senior citizen with a joint income of \$32,000, I do not consider that rich and I certainly do not consider a tax increase on couples like that to be a spending cut. There is a heck of a difference.

Frankly, the problem here overall is that we are relying on the same failed models that we relied upon for so long that show whenever you increase taxes, people do not change their behavior. You get more blood out of a stone.

These taxes, these new higher taxes will not grow the economy. They will not produce the hoped-for revenues. These spending increases will not stem the deficit spending crisis.

My colleagues, I beg you, stop this increased taxing and increased spending that has put us in the hole, stop it once and for all.

□ 2010

Mr. OBEY. Mr. Chairman, I yield 2 minutes to the gentleman from Florida [Mr. DEUTSCH].

Mr. DEUTSCH. Mr. Chairman, I thank the gentleman from Wisconsin [Mr. OBEY], and I commend him and the committee for their diligent and expeditious work.

Mr. Chairman, today I rise in support of House concurrent resolution. The Budget Committee had a difficult task and it has reported a responsible budget package that includes the President's economic program as well as an additional \$63 billion in spending cuts. The committee has crafted a bill that attacks three of our four national deficits: The infrastructure deficit, the social deficit, and most importantly, the budget deficit. It left unconquered, these three deficits, along with our health care deficit, will act as a cancer on our society. This budget package takes some significant steps in the direction of curing these deficit problems and ridding our economy of this cancer.

However, Mr. Chairman, I want to voice my strong opposition to several of the assumptions contained in this budget package. First, the plan's taxation of senior citizens and second, the plan's requirement that Medicare beneficiaries pay higher premiums.

The plan calls for an increase in the amount of taxable Social Security ben-

efits from 50 percent to 85 percent, while keeping income thresholds at the current levels of \$25,000 for individuals and \$32,000 for couples. There are several fundamental problems with this proposal.

First, I disagree with the policy of trying to balance the Federal budget on the backs of our senior citizens. The Social Security System did not create the deficit, and taxing the benefits is not the answer to the deficit. Rather, the Social Security System is the only program which produces a surplus.

Deficit reduction must be an important part of any budget proposal, but we must address the question of fairness. Senior citizens should not be asked to carry more than their fair share of the burden. Seniors are already facing the same tax increases, such as the energy tax, which will affect every American.

Second, the income thresholds are not indexed to inflation. Because of this, increasing numbers of senior citizens will experience losses in real purchasing power as a result of this proposal. In 1983, only 8 percent of Social Security beneficiaries were taxed under the current Social Security tax. Today, that number is 23 percent. Social Security recipients are not more wealthy today than they were in 1983, but because the thresholds are not indexed for inflation, more and more senior citizens with lower and lower real incomes are paying taxes on their benefits. A Social Security tax hike will worsen this trend of declining purchasing power by taking a larger share of senior's incomes.

The President's plan also proposes increasing the premiums on Medicare, hitting senior citizens with an additional expense out of fixed incomes. There is a proposal being floated to raise the Medicare eligibility age to 67 to reduce the Medicare Program's expenditure. Why not propose raising the eligibility age to 99—it would reduce the cost of the Medicare Program even more. We cannot and will not solve the health care crisis on the backs of the working men and women of America.

Mr. Chairman, this budget resolution provides a framework for deficit reduction and economic growth. This framework merits our support. Once this resolution is adopted, then we as a Congress can get to work on the details. During the ensuing reconciliation process, I look forward to working with the House leaders, the members of the Ways and Means Committee, and the President to meet the targets adopted by this budget resolution without unfairly taxing our Nation's senior citizens.

Mr. KASICH. Mr. Chairman, I yield 4 minutes to the gentleman from Kentucky [Mr. ROGERS], the only Republican Member of Congress from Kentucky who has not thrown a no-hitter.

Mr. ROGERS. Mr. Chairman, I thank the gentleman from Ohio [Mr. KASICH]

for yielding this time to me, but I want to remind the gentlemen I am still pitching.

Now, Mr. Chairman, while I commend the President for putting deficit reduction at the top of his priority list, I disagree very much on his emphasis on raising taxes to accomplish that. Before we vote to ask Americans to pay more taxes, Mr. Chairman, should we not be sure that we have cut every wasteful dollar out of the budget that can be found? I am not convinced that the President's budget had done enough to cut every dollar we can in wasteful spending.

However, Mr. Chairman, more even than the proposed tax increase on Social Security recipients in this bill, my top concern with this package rests primarily with the tax on energy, the so-called Btu tax. This tax will hurt families, especially middle-class families.

We should oppose the energy tax for three reasons: First, it is unfair to the energy producing regions of the country; second, it will cost jobs; and, third, it will significantly increase taxes on middle-class families.

For energy producing States, such as Kentucky, the energy tax is especially unfair. We produce coal in Kentucky, lots of it. In fact, many of my colleagues' homes in their districts back home are heated and lighted because of coal mined by the people of Kentucky. The energy tax puts their jobs at risk, Mr. Chairman, and these are good jobs, the kind of good-paying, family-wage jobs that we want to create throughout America.

The Clinton energy tax will raise the cost of coal by 26 percent, putting over 2,000 coal contracts in jeopardy and putting at risk the jobs of 15,000 of my resident coal miners in eastern Kentucky because the proposal before us favors natural gas over coal. Nationally the job loss estimate runs to about 600,000 jobs. But job loss is only half of the story.

Mr. Chairman, this energy tax also means higher prices on all goods and services produced in the United States, hurting not only our own customers here at home, but crippling our ability to compete in the world markets. If someone is a farmer, the new energy tax means it is going to cost them an extra \$500 next year to put seed in the ground, harvest their crop, and get it to the market, and that means higher prices for all us for milk, and for groceries, and for everything we buy.

But it is not just higher food prices that will shock American families. That will come when they receive their monthly utility bills. Those utility bills will increase next year by about \$70 a month for a family of four.

So, after the food bill gets higher, they have turned down the thermostat to pay for their higher electric bill, the energy tax has one more punch for

families in rural communities, and that is higher gasoline prices. Most people who live in my district have to drive long distances to get to and from work, school, and store, the doctor, and so on. All those trips are essential to daily living in this country. It will cost more next year. Gas is going up by about 8 cents per gallon.

Mr. Chairman, the energy tax is simply too much for the middle class, especially those who live and work in rural America, and so I urge my colleagues to stand up for the middle class, stand up for the rural families, stand up and vote against the Clinton economic package and the very unfair energy tax in it.

Mr. OBEY. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. COYNE].

Mr. COYNE. Mr. Chairman, I rise to strongly support passage of the House Budget Resolution for fiscal 1994.

The House of Representatives has a rare opportunity this week to pass a meaningful deficit reduction package. American voters will not forget or forgive, if we fail to seize this opportunity.

The House is right to move quickly to deal with the challenge of passing economic growth and deficit reduction legislation. The American people want these issues dealt with directly—without smoke and mirrors—and without finger-pointing. Voters do not want to see elected officials play the blame game. Americans simply want us to do our jobs, pay the Government's bills, cut spending, stop the red ink, and get the country moving again.

President Clinton has responded to the American public's demand for change and has challenged the Congress to do the same. The President's State of the Union Address made clear that every American would be asked to play a role in rebuilding our economy, investing in the future and cutting the deficit. The payoff for this national effort will be even lower long-term interest rates, more affordable homes, better job opportunities, and a more secure future.

The legislative vehicle for enacting the President's program is budget reconciliation. The House Budget Committee has established a clear blueprint for effective deficit reduction. This budget resolution will steer all efforts to reduce the deficit and to set a new investment-oriented direction for Federal spending.

The House Budget Resolution will reduce the Federal deficit by \$510 billion over the next 5 years. This historic achievement will help to ensure that long-term interest rates continue to drop. The Budget Committee has also approved \$63 billion in additional spending cuts to ensure that President Clinton's deficit reduction goals are met and even exceeded. In addition, the committee assumes enactment of the

administration's tax package which restores fairness to the Tax Code by placing the heaviest burden on the most affluent members of our society.

The committee's budget reconciliation package balances spending cuts and revenue increases. Over the next 4 years, there are \$1.17 in spending cuts for each dollar of tax increases. Over 5 years, this ratio grows to \$1.28 in cuts for each dollar of taxes.

The House Budget Committee has accepted President Clinton's demand that Congress change our spending priorities from consumption to investment. The committee's recommended budget resolution promotes public and private investment in the Nation's productive resources. Most importantly, this budget provides increased investment in America's human resources—the skills and education of men, women, and children.

This budget resolution provides an economic strategy that will put the average American first once again. Increased investment is intended to put an end to the stagnation in the real incomes of the average American family. This resolution also seeks to reverse the trend of increased poverty rates and greater inequality of income and wealth which rose during the 1980's as the result of national policies favoring the most affluent in our society.

The House Budget Committee has endorsed President Clinton's plan to invest more in America's future. The committee's package recognizes the fact that investing additional Federal dollars in childhood vaccines is both a morally and a fiscally sound policy. The committee has agreed that investing in basic education and adult training through lifelong learning helps individuals realize their full potential as productive citizens. The committee has also acted to fund fully the Women, Infants, and Children's Program [WIC] to guarantee that our children grow up healthy, not hungry.

Enactment of this budget reconciliation legislation will send a signal to Wall Street and Main Street that Congress is serious about stemming the flow of the red ink. This fact will help businesses find investment capital more easily available to create new jobs, build new plants, or invest in new technologies. American families will find it easier to buy a new home, pay for a child's college education, or start a small business.

I know that some opponents of President Clinton's vision for building a stronger economy also find fault in the efforts of the House Budget Committee. It is noted that budget reconciliation is only a plan for deficit reduction and does not provide line after line of itemized budget cuts. These critics ignore, however, the fact that budget reconciliation is the controlling legislation for every spending bill and tax measure to be considered this year.

They also conveniently forget that President Reagan used the same budget reconciliation process in 1981 to implement his legislative program.

The fact remains that President Clinton has presented Congress with a realistic plan for promoting long-term economic success. This plan provides incentives for private investment in new commercial enterprises. It also provides much-needed resources for investment in America's children, U.S. cities, and the Nation's highways, bridges, and mass transit systems. Finally, the administration's plan provides for a transition to a post-cold war economy that will place the United States in its strongest competitive position against our foreign trading partners.

There is a lot of work to be done which requires every American's participation, but I hope that we will agree that the effort must be made. The time has come to change our borrow-and-spend habits. The time is now to invest in the future.

I urge my colleagues to support the House budget resolution as reported by the House Budget Committee.

□ 2020

Mr. KASICH. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Indiana [Mr. BURTON], who also has a program he would like to bring before the House.

Mr. BURTON of Indiana. Mr. Chairman, I cannot believe that my Democrat friends are going to go home in the next election and ask for their constituents' votes after raising their taxes by \$402 billion—\$402 billion—\$328 billion in new taxes, and \$74 billion in hidden taxes that they are not owning up to, \$402 billion.

Their net spending cuts over 5 years are \$3 billion, and that includes \$112 billion in defense cuts. So if you take the defense cuts out, that were going to take place anyhow, you are actually increasing domestic spending by \$109 billion.

You tell the American people you are going to get control of spending, you are going to cut this deficit, and you are increasing domestic spending \$109 billion and increasing their tax \$402 billion, more than double the largest tax increase in U.S. history, and if that ain't recessionary, folks, I do not know what is.

Mr. Chairman, let me just give some information here that my Democrat colleagues may not be aware of. The Nashville Center for Policy Analysis says that this plan will lower capital formation in the United States by \$1.8 trillion. That is money that we need to have invested for plant and industry expansion that will create more jobs.

But, no, and because of this slower growth that you are going to create, they estimate 1.4 million fewer jobs over the next 5 years. But that is not

all. This economic loss is equal to more than \$1,000 for every man, woman, and child in the country, or more than \$2,600 for the average household.

By 1998 the Clinton plan will cause wage income in the United States to be \$160 billion lower than it would have been. That means that about every full-time employee is going to take a \$1,600 pay cut, and on average workers will lose \$8 in after-tax income for every dollar lost by investors.

This is the program you are going to present to the American people? I cannot imagine that. We created 21 million new jobs in the 1980's. We had economic growth. And here you are, you are going to put 1.4 million people out of work with these huge tax increases? Not to mention the companies you are going to drive overseas with the Btu tax increase.

Truckers, the airline industry, farmers, foundries, every industry is going to be adversely impacted by the 15-cent-a-gallon gasoline tax and fuel tax that is going to be loaded on the back of airlines. Yet you are going to go right ahead with it.

Mr. Chairman, I hope you know what you are doing. It certainly does not appear as though you do right now.

Let me just give a constructive alternative that we have proposed and I hope the Committee on Rules will allow us to bring to the floor tomorrow, and that is a freeze plus 2 percent.

I wish my good friend, the gentleman from Minnesota [Mr. SABO], would listen to this part of my talk. A freeze plus 2 percent. If we froze at last year's spending levels plus a 2-percent growth over the next 5 years, we could reach a balanced budget by 1998 using CBO's figures as far as income is concerned.

If we go back to a 3-percent growth in tax revenues, as we have had traditionally, we would actually have a surplus by the year 1998 without a tax increase.

I hope all my friends across this country that may be paying attention to this debate will listen. The Republicans have the Kasich plan, which is far superior to the Democrat plan in that it does not increase taxes and it gets to a lower deficit figure in 5 years.

Second, we have a plan that is a 2-percent above freeze that gets us to a balanced budget without a tax increase.

So if you do not want your taxes raised, America, if you want to cut the fat and waste out of Government spending, if you want to take a meat cleaver to government, then vote for the Republicans, because they are the ones that are trying to do something about it.

They will tell you we do not have a plan. We have two plans, the Kasich plan and the 2-percent plus freeze, and both of them do it without massive tax increases.

Mr. Chairman, they tell you we need more money. They tell you we need

\$400 billion more in taxes. Ten years ago we were bringing in \$500 billion in tax revenue, and today we are bringing in \$1.2 trillion. We have almost tripled the amount of taxes coming into this country in 10 years, and yet they want \$400 billion more.

Is that not amazing? We have almost tripled the tax revenues coming in in 10 years, and they still want \$400 billion more, and they are still not going to reach a balanced budget in 5 years.

Our plan, a 2-percent plus freeze, will get us to a balanced budget without any tax increases, and that is what I think America wants—cut spending. Cut spending, not raising taxes and causing economic problems.

Mr. OBEY. Mr. Chairman, I yield myself 8½ minutes.

Ms. LAMBERT. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from Arkansas.

Ms. LAMBERT. Mr. Chairman, I rise in support of the tremendous effort of both our President and the Committee on the Budget.

We should be proud of the hard work over the past 2 months by both the President and Congress to begin the process of bringing the Federal budget under control.

I am especially pleased by components of the stimulus package and budget resolution that will help rural America through community development grants, rural water projects, and small business loans.

The proposed \$2.5 billion in community development grants is expected to create nearly 60,000 jobs while building streets and bridges.

Another \$800 million in loans and grants will enable rural communities to build, enlarge or improve water and waste disposal systems.

And an additional \$2.6 billion for small business loans will encourage small businesses to build and expand.

During my frequent visits with the people of the First District of Arkansas, I have been overwhelmed by the number of people who have said, "Blanche, I'll do my part as long as you and Congress make the necessary cuts."

President Clinton's proposed cuts, combined with the additional \$63 billion Congress has offered, certainly meets that request.

In the months ahead, we will continue to work together to fine tune a budget package that will be fair to all.

As we debate sections of the budget resolution, I will stand firm in reminding my colleagues that farmers and the agriculture business have absorbed a tremendous amount of the burden in recent years.

While agriculture comprises only 1 percent of the total budget, farming reductions make up 7 percent of the cuts proposed by President Clinton.

An energy tax places a direct and heavy burden on American agriculture.

Because the agriculture sector represents 20 percent of the gross national product, it is estimated that the Btu tax on agriculture would be roughly 20 percent of the \$72 billion Btu tax. That comes to \$3 billion a year—\$15 billion over 5 years.

A Btu tax hits farmers who produce our food and fiber twice. Farmers would have to pay the Btu tax on the energy used on the farm for grain drying, irrigation pumps, confinement facilities, vehicles, and so forth. And then they would have to pay the Btu tax on energy used to create tools of their trade—like fertilizer and crop protection chemicals.

In conclusion, I congratulate the President, the Budget Committee and the leadership for their efforts to reign in our spiraling deficit and still offer necessary services. I believe they have made a tremendous first step toward regaining Americans' confidence in the Government's fiscal responsibility.

Mr. OBEY. Mr. Chairman, reclaiming my time, I simply would like to say, because I think that the JEC portion of debate ought to be closed out, that what we have before us is a very simple choice. We have heard a lot of Republican talk today about the need to cut the deficit, almost as though they have not read the package that is before us. Because in fact the Democratic budget proposed by the gentleman from Minnesota [Mr. SABO] cuts the deficit short term by \$20 billion more than does the Republican Kasich alternative.

In the process, it also provides something which the minority package does not provide. It provides some badly needed investments in our future.

The investment portion of the budget, as I explained earlier today, has been cut over the 1980's by 40 percent as a percentage of our Federal budget. If anybody thinks that we can make the economy grow when we are continuing to cut back those kinds of investments, they have to have Daffy Duck as their principal economic adviser, because the fact is the economy is not going to grow that way.

The very simple nonpartisan fact is that if this economy had grown as fast and if productivity in this economy had grown as fast from 1973 to the present as it did from World War II until 1973, the average family in this country today would be making \$12,000 annually more than they are making.

□ 2030

That is what the argument is about. It is not about who can score the most political points. It is not about the question of who can pontificate the loudest about the 1980's and the 1970's and the 1960's.

The debate is about how we expand this economy over time so that we do not have the job lag, we do not have the economic growth lag, and we do not have the family income lag which

we have experienced over the past really 20 years.

This chart, given the comments of the gentleman from Indiana, which I just have to respond to, because I am frankly tired of hearing advice from this side of the aisle about how to achieve economic growth. The fact is that if, as I said earlier, if we take economic growth in this economy by every President's four-year term, going back to the end of World War II, the most economic growth was produced under Lyndon Johnson, 16 percent economic growth during his term as President, his full term as President.

Next was Carter, 12 percent during his term. Next was Truman.

The previous low record holders were Eisenhower, in both of Eisenhower's terms, his first term and his second term. They held the previous record for no economic growth until George Bush came along. Then we set a new record. Over a 4-year period, the economy grew about 1.3 percent.

Now, I would suggest that that is not a very healthy way to proceed with the economy for the next few years.

I happen to think that part of what happened to George Bush is that George Bush got caught in the consequences of Ronald Reagan's economics. And I do not think he had the imagination to get out of it, so he suffered the consequences.

I think the most important thing to understand, since we have got a lot of talk about the explosion in Federal spending, we need to look at the Federal budget to figure out where that spending is coming from. It is coming from only two places: Medicare and Medicaid. From 1980, represented by this green line, to today, Medicare and Medicaid has grown almost 50 percent as a share of GNP. And net interest, this red piece right below the green piece for Medicare, since 1980, that has also grown by about 50 percent as a percentage of GNP.

Social Security has remained the same, taking 5.9 percent of GNP in 1980, still taking 5.9 percent of GNP. All other spending, all other non-defense spending in the budget has declined from 7.3 percent of GNP in 1980 to 5.9 percent today. That is a decline of over 20 percent.

What it demonstrates is that we can chase our tails until the cow comes home in terms of trying to get a handle on deficits by cutting everything across-the-board, as we are advised to do on this side of the aisle, but the fact is that that is not going to do the job because that is not where the spending pressure has been coming from. It has been coming from Medicare and Medicaid, the uncapped entitlements, because of the explosion in health care costs in this country. And it has been coming from net interest, because in the early 1980's, we swallowed mindlessly, mindlessly the Reagan budgets

which doubled military spending, gave away the farm to wealthy people in terms of tax cuts and exploded the deficits.

So what we have got to do is to get rid of the weak growth that we saw throughout the 1970's, compounded by the disastrous fiscal policies in the 1980's, and try to find a way to make this economy grow.

What we are trying to do is to say that when we parcel out the costs for that growth, they ought to go to those who make more than \$200,000 a year. This chart demonstrates that by far the lion's share of the contributions which we are asking from all Americans in order to get this economic house in order is going to come from people who make over \$200,000 a year. That is the constituency the Republican Party has defended at all costs for years. It is one of the reasons why they lost the last election. I think they ought to quit the partisan pontificating and get on with passing this package.

The CHAIRMAN. The Chair will note that the gentleman from Ohio [Mr. KASICH] has 63½ minutes remaining, and the gentleman from Minnesota [Mr. SABO] has 62 minutes remaining.

Mr. KASICH. Mr. Chairman, I yield myself such time as I may consume.

Mr. SABO. Mr. Chairman, will the gentleman yield?

Mr. KASICH. I yield to the gentleman from Minnesota.

Mr. SABO. Mr. Chairman, just so the Members understand, we will be going another 15 minutes or so and then speeches from both sides. Then we will reserve our time. The gentleman from New York [Mr. SOLOMON] will have approximately half an hour to present his alternative, reserve the balance of his time, and the Black Caucus will be recognized for 2 hours.

PARLIAMENTARY INQUIRY

Mr. WALKER. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WALKER. Mr. Chairman, I just heard a discussion here about the division of time. I am looking at the rule.

When the gentleman from New York [Mr. SOLOMON] takes his time in a few minutes, as has just been announced, will his time be equally divided between himself and the opposition? And will that also be true of the Black Caucus?

The CHAIRMAN. The rule clearly states that the gentleman from New York [Mr. SOLOMON] will control 1 hour, and the gentleman from Maryland [Mr. MFUME] will control 2 hours.

Mr. WALKER. Can the gentleman from New York [Mr. SOLOMON] yield a half an hour of his time to the opposition?

The CHAIRMAN. That is up to the gentleman from Maryland [Mr. MFUME] and the gentleman from New York [Mr. SOLOMON] how they control their time.

Mr. WALKER. But it would be possible for them to do so; is that correct?

The CHAIRMAN. It is possible for them to do whatever they wish with their time.

Mr. WALKER. Mr. Chairman, if I read correctly the rule, as was passed, that the gentleman has just described to me, the Democrats, under this rule, get 5½ hours of debate time, and Republicans have been assigned 4½ hours of the time; is that correct?

The CHAIRMAN. That is one way to interpret it, yes.

Mr. WALKER. So in other words, in the ultimate fairness of this body, the minority has been shortchanged by an hour of time in the course of this debate to allow the Democrats evidently more time to bring forth their various proposals.

I am wondering if there is some opportunity here to at least even up the score a bit. If we have no assurance that anybody is going to yield time to their opposition, can I, by unanimous consent, request that the gentleman from Ohio be given an additional hour of time to even up between the majority and the minority?

The CHAIRMAN. The gentleman cannot add additional time in the Committee of the Whole. We have 2 hours given to the gentleman from Maryland [Mr. MFUME] and 1 hour controlled by the gentleman from New York [Mr. SOLOMON]. How they work that time out is their decision, but that is what the rule clearly states.

Mr. WALKER. So if I understand correctly, we have now locked in place a situation where the Democrats have allocated to themselves, out of the 10 hours of time for debate, more than half the time for the majority side and less than half the time for the minority side; is that correct?

The CHAIRMAN. We have a rule that states that the gentleman from Maryland [Mr. MFUME] will have 2 hours and the gentleman from New York [Mr. SOLOMON] will have 1 hour.

Mr. WALKER. Mr. Chairman, if I may make a further parliamentary inquiry, am I not correct that generally, when such rules are passed and when we have such items before us in matters of general debate, the opposition is yielded half the time? I think our understanding, when this rule was passed earlier today, was that in these particular cases the opposition would be yielded half the time.

I have only now come to understand that the opposition is not going to get half the time, that, in fact, the Democrats have put a scenario into place that is going to give them more time than the minority to debate this very important issue.

And if I understand the Chair correctly, there is no assurance whatsoever that we are going to get half the time under the Black Caucus budget. There is no assurance that the Demo-

crats would get half the time under the time of the gentleman from New York [Mr. SOLOMON]. Is that correct?

The CHAIRMAN. The Chair has stated that the rule reads as the rule states. However, we can hope that the gentleman will work out an agreement on the time.

□ 2040

As the Chair has stated, 2 hours go to the gentleman from Maryland [Mr. MFUME] and 1 hour to the gentleman from New York [Mr. SOLOMON] to control as they wish.

Mr. WALKER. Mr. Chairman, I would ask, they do not have to yield time?

The CHAIRMAN. They control the time. They each could speak for that period of time.

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. FIELDS].

Mr. FIELDS of Texas. Mr. Chairman, I could not support the Clinton package whatsoever because of the taxes, but tonight I want to focus attention on what I consider to be the cruelest and most insidious aspect of this particular package, and that is the broad-based energy tax contained within the package.

I want to ask the gentleman from Ohio [Mr. KASICH], who is an expert on this budget, whether or not my understanding is correct. If I could, I want to use my grandmother, who is 87 years old, in Houston, TX, as a model. This is a person that has little income flexibility, a person who is similar to senior citizens across this country.

I would ask the gentleman from Ohio, I understand due to this broad-based energy tax utility bills will go up.

Is my understanding correct?

Mr. KASICH. Mr. Chairman, will the gentleman yield?

Mr. FIELDS of Texas. I yield to the gentleman from Ohio.

Mr. KASICH. Mr. Chairman, I would say to the gentleman, of course, utility bills are going to go way up.

Mr. FIELDS of Texas. Also, as I understand under this broad-based energy tax, there will be an increased cost for gasoline.

Mr. KASICH. If the gentleman will continue to yield, there will, definitely. We do not know what all the details of the energy tax are, but we do know they are going to have an impact on gasoline and anything else that contains a Btu. It is not spelled out.

Mr. FIELDS of Texas. Mr. Chairman, I would ask further, as I understand it, it could be as much as 7½ cents to 15 cents per gallon. Of course, that impacts dramatically the cost of operation for farmers and ranchers, the people who produce the meat and the product that is in our grocery stores.

It seems to me that it logically follows that every item in the grocery store is going to go up.

Mr. KASICH. If the gentleman would continue to yield, that would be correct.

Mr. FIELDS of Texas. In other words, Mr. Chairman, my grandmother, 87 years old, with little income flexibility, her primary source of income being her Social Security check, is going to pay higher utility bills, is going to pay a higher price at the gasoline pump, and when she goes to the grocery store, every item she purchases will have some increased cost because of this broad-based energy tax.

Mr. KASICH. If the gentleman will continue to yield, that is correct.

Mr. SABO. Mr. Chairman, I yield such time as he may consume to the gentleman from Washington [Mr. KREIDLER].

Mr. KREIDLER. Mr. Chairman, I rise in support of House Concurrent Resolution 64, and to commend my colleagues and President Clinton on this legislation.

With this action, we are showing the American people that legislative gridlock can and will come to an end, because it must.

None of this could have happened without the leadership of the President and our leaders in the House.

Like many of my freshman colleagues, I was sent here to help clean up the mess of the last 12 years.

These two bills—the budget resolution and the investment package—are the first two steps toward that goal.

We cannot claim total victory over gridlock but at least we are gaining ground today.

We are also taking the first steps to break the back of this deficit which has crippled our economy for more than a decade.

We are cutting Federal spending—at the White House and on Capitol Hill—and in more than 150 programs.

We are making long overdue investments in our own people—in Head Start and schools, in WIC and preventive health, in housing and jobs. And yes, we are raising new revenues to bring the deficit down because we must.

But passing this budget, and this investment package, is just the beginning.

We will have to make tough decisions this year about taxing and spending and we must be ready to make those decisions.

Business as usual is not an option. But we must keep working together, as we have done to bring these bills to the floor, through the appropriations process and the reconciliation bill that will implement this budget. When differences arise, as they surely will, let us keep working together to resolve them.

There is no choice but to change the way we do business here.

There are some tough choices in these bills and more tough choices to come this year and in the future. But they are nothing compared to the disaster we will face if we do not act now.

For a dozen years this Government has borrowed and spent, quadrupling the national debt.

If we do not change our course now our children and grandchildren will never forgive us.

I urge my colleagues to support this budget—because we must.

Mr. SABO. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois [Mr. POSHARD].

Mr. POSHARD. Mr. Chairman, I rise in support of House Concurrent Resolution 64.

Mr. Chairman, I rise in strong support of House Concurrent Resolution 64, the budget resolution for fiscal years 1994, 1995, 1996, 1997, and 1998. I want to thank the Committee on the Budget for its exhaustive work in producing this document.

The time has come to pay our bills and make Government live on a pay-as-you-go basis. This spending blueprint is an important step forward in that process. Its major asset is \$510 billion in deficit reduction over the course of the 5-year plan. I am also heartened by the \$63 billion in additional spending cuts which were included beyond President Clinton's recommendation. The committee is to be praised for pressing forward to find those additional savings, and the President must also be recognized for his willingness to accept them. I believe these additional cuts make an already acceptable package even more responsible.

I want to give my colleagues just a sense of what I am hearing from my constituents in the 19th District of Illinois. My district stretches from Decatur and Macon County in the north to Metropolis and Massac County in the south. It covers 27 counties across the heartland of America, including industrial centers, farmland, coal mines, and river communities. I would suggest it is perhaps as typically American as any district you might find. Like all of you, I have been out in the towns and villages listening to what people are saying about this budget crisis. And the message is unmistakable. People recognize that we can no longer run up \$300 billion deficits and live with a \$4 trillion debt. They know it is a real threat to our long-term economic security, and have grown tired of obligating nearly 20 cents of every tax dollar to interest on the debt. Almost universally, the people of the 19th District recognize there are no easy answers. There will be pain in the budget cuts and sacrifice in the revenue increases, and they are willing to accept that challenge. But their willingness is grounded in an unshakable resolve to see that whatever action we take truly results in progress on this budget crisis.

In this instance, actions will truly speak louder than words, which is why I have advocated the creation of a deficit reduction trust fund, which would provide a specific mechanism for demonstrating the savings which should result from this budget plan. I note on pages 4 and 5 of the committee report the mention that such a plan deserves further attention. I would strongly suggest that we not miss the opportunity to produce a detailed accounting statement for any savings resulting from the adoption of this resolution subsequent reconciliation legislation.

Mr. Chairman, we are truly at a crossroads in this Nation, facing a unique opportunity to responsibly deal with our most serious domestic problem—deficit spending. This is the first of many bold steps we must take and I urge adoption of the resolution.

Mr. SABO. Mr. Chairman, I yield 3 minutes to the gentlewoman from Connecticut [Mrs. KENNELLY].

Mrs. KENNELLY. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, on February 17 Congress received a letter from the White House, a letter from our new President, William Jefferson Clinton. He said to us:

My plan has three key elements for our budget: economic stimulus to create new jobs, long-term public investment to increase the productivity of the American people, and also to address the fact that we have to have deficit reduction.

Mr. Chairman, this is what is in front of us tonight, those key principles from the President of the United States, Mr. William Clinton.

Mr. Chairman, I rise in support of this budget resolution that brings about what our new President wanted. The budget before us tonight will reduce the deficit. It is the first step to getting our house, our economic house, in order.

The American people want deficit reduction. This is real deficit reduction. The plan meets the President's goal of \$140 billion in deficit reduction in 1997, using Congressional Budget Office numbers. In addition, discretionary spending is measured from outlays that are frozen. That means that spending will be below or at the level of 1993 current dollar terms through 1998.

It also assumes that we will have caps and pay-as-you-go provisions of the Budget Enforcement Act will be extended.

On the entitlement side, Mr. Chairman, we have just begun \$24.59 billion of entitlement reduction. We have more places to go, we know, particularly in health care reform, and that will bring about deficit reduction.

No challenge facing this President, facing this body, is more important or more difficult than restoring America's economic strength. We couple this budget resolution tonight with something else that the President has promised to do and will do, and we will do tomorrow, is stimulus, because some of us come from areas that are not out of the recession. Some of us understand that we cannot just invest in bricks and mortar, we invest in our children, we invest in immunization, we invest in Head Start.

Any economic proposal must succeed in doing these two things: Deficit reduction and investing in the people of the United States. Therefore, we are here tonight coming together on a budget resolution that will have deficit reduction, and tomorrow we will have investment in the American people.

In this time of great economic uncertainty, I believe, as does the President, that the cost of doing nothing is far higher than the cost of action. I think tomorrow we will take that action with this budget resolution and address the matters that face this country.

Mr. KASICH. Mr. Chairman, I yield 30 seconds to the gentleman from California [Mr. Cox].

Mr. COX. Mr. Chairman, I thank the gentleman from Ohio for yielding time to me.

Mr. Chairman, listening to this debate, it has occurred to me that the American people might wonder who is telling the truth here. One side says, "We are raising taxes but we are cutting spending." The other side says, "You are not cutting spending, you are raising spending and raising taxes, and it is the same old tax-and-spend."

I am going to put my money where my mouth is. I will write out a check from my own personal funds payable to Bill Clinton and the Democratic National Committee, \$100,000, if spending next year is less than this year. I will resign my seat in Congress and I will write out 100 times, "I apologize to the Democrats, they were telling the truth. They really did cut spending."

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. KNOLLENBERG].

Mr. KNOLLENBERG. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in strong opposition to the Democratic budget resolution. Make no mistake about it, I say to my fellow Americans—the Democratic plan will do three things—first, it will impose the largest tax increase in American history on our economy. Second, it will increase spending from over \$1.4 trillion in 1993 to over \$1.7 trillion in 1998. Third, it will increase the deficit.

I cannot understand why the Congress would want to approve this tax and spend plan when there is a credible and specific Republican alternative which provides over \$400 billion in real deficit reduction and does so by cutting spending, not raising taxes.

The Republicans have met the President's challenge, over \$400 billion in real cuts in a detailed 84 page document. Yet the Democrats are forging ahead with a tax increase package that will destroy jobs, weaken this Nation's economy, and once again hand the middle class the bill for a government that is out of control.

My constituents in Michigan are telling me overwhelmingly that they are sick of higher taxes and bigger government!

The Democrat plan will fail for two reasons—tax hikes that will destroy small business growth and job creation, and spending cuts that will never materialize because there are no enforcement mechanisms.

Mr. Chairman, I will insert in the RECORD two items at the close of my remarks. The first is an excellent op-ed by Martin Feldstein, former Chairman of the President's Council of Economic Advisers, explaining why the Clinton and Democratic plans will actually increase the deficit by depressing economic growth.

I also commend to my colleagues an excellent analysis by the National Fed-

eration of Independent Business reiterating the job destruction that will result from higher energy taxes and dramatically higher taxes on small business owners and entrepreneurs. In fact, unincorporated small business entrepreneurs will see their marginal tax rates increase an alarming 37 percent.

I will vote in favor of the Republican plan to cut the deficit with spending cuts and no tax increase. I will also be joining in the effort to identify specific spending cuts by introducing legislation in the coming days to cut billions in unnecessary spending over the next 5 years.

Mr. Chairman, I include at this point the two documents referred to earlier: [From the Wall Street Journal, Feb. 23, 1993]

CLINTON'S PATH TO WIDER DEFICITS
(By Martin Feldstein)

As someone who has been urging deficit reduction for more than a decade, I was initially pleased by President Clinton's seeming emphasis on cutting the deficit and his call for tough medicine to achieve that goal. Unfortunately, careful analysis of his plan shows that it would not shrink the deficit's share of national income. The projected increases in spending on social programs would far outweigh the proposed changes that reduce spending or raise revenue, leaving the nation with a wider deficit four years from now.

Even under the optimistic calculations of the Clinton team, there is virtually no reduction of the relative deficit over the next four years. If every tax and spending change called for in the plan occurs and the economy returns to "full employment" in 1997, the Clinton calculations place in budget deficit at 2.7% of gross domestic product. Back in 1990, when the economy was last at full employment, the deficit (net of deposit insurance outlays) was 2.9% of GDP.

With a deficit of 2.7% of GDP, the government would be borrowing about half of the net savings generated by households, businesses, and state and local governments. The remaining savings would be too low to finance enough investment to keep up with the growth of the labor force. And the ratio of the national debt to GDP, now more than 50%, would still be rising.

FAR TOO OPTIMISTIC

Those gloomy figures are actually far too optimistic, because there is no possibility that the Clinton plan will produce the deficit reduction that it projects.

Consider first the tax increase that is the centerpiece of the deficit reduction plan. For 1994, the plan projects deficit reduction of \$39 billion, \$31 billion of which is supposed to come from raising the personal income tax rates on individuals with taxable incomes exceeding \$140,000 and from adding a 2.9% Medicare payroll tax to all incomes exceeding \$135,000.

The Clinton revenue estimates are based on the fallacious assumption that taxpayers will not change their behavior in response to a 37% jump in their marginal tax rates (from 31% today to the 42.5% that results from the new 36% rate plus the 10% surcharge and the 2.9% Medicare tax). In reality, taxpayers will find ways of converting taxable income into nontaxable income. Tax shelters and deferred compensation will become more attractive. And some individuals, especially in two-earner households, will opt to work less.

If the higher marginal tax rate causes these taxpayers to reduce their taxable in-

comes by 10%, virtually all of the president's projected revenue gain would disappear. For a taxpayer with \$400,000 of taxable income, the rate hike would produce \$26,085 of additional revenue if there were no behavioral response. But if taxable income is reduced to \$360,000, the additional revenue would be only \$7,935.

The effects on Treasury revenue are even more startling for those with slightly lower incomes. At \$180,000 of taxable income, the marginal tax rate would rise by 25%. Even a very small 5% reduction in taxable income (to \$171,000) for such individuals would mean a net reduction in total taxes paid: Although the Treasury would collect \$2,594 of additional taxes on the income up to \$171,000, it would lose \$2,790 by not taxing the remaining \$9,000 at the current 31% rate. The net effect would be a revenue loss of \$196 instead of the projected revenue gain of \$3,305. With a 10% reduction in taxable income (to \$162,000), the higher rates would actually cost the Treasury \$3,697 for a couple with \$180,000 of current taxable income.

According to the Clinton plan document, half of all taxpayers with incomes over \$140,000 have incomes under \$180,000. Thus even a 5% reduction in taxable incomes in response to the 25% marginal tax rate increase would reduce the taxes paid by the majority of those who faced higher rates. It's all pain for them with no revenue gain to the Treasury and therefore no deficit reduction.

The second implausible feature of the plan is the assumption that Congress will cut real defense outlays by a massive 25% over the next four years. Defense outlays in the current fiscal year will be \$294 billion, or 4.8% of GDP—down sharply from the 5.9% of GDP in 1989 before the fall of the Berlin Wall and the collapse of the Soviet Union. Maintaining the present real level would require \$328 billion of defense outlays in 1997 even if inflation averages the very modest 2.8% a year projected by the Congressional Budget Office.

The Clinton plan's projected \$249 billion in 1997 defense outlays is thus 25% below the amount needed to maintain today's real spending level and 33% below the amount needed to maintain our current 4.8% of GDP spending on defense. Mr. Clinton would reduce defense spending to 3.3% of GDP, lower than in any year since 1940 and less than a third of its share in 1959, when John F. Kennedy warned that we were spending too little on defense. Key to success in housing and community development centers around a comprehensive effort that focuses attention on the myriad of related problems in a single community—addressing in a comprehensive manner the needs of individual neighborhoods and communities. For example, combining supportive services, including job training and child care, and housing is one obvious linkage that is necessary to address the broad needs of neighborhoods and communities. However, a lack of funding both at the federal and local levels has inhibited such linkages even though they have been required under such programs as Family Self-Sufficiency.

HUD's ability to coordinate community development efforts was recently enhanced by enactment of the 1992 Housing Act, which expanded the affordable housing activities of the Federal National Mortgage Association (FNMA or Fannie Mae) and the Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac). In fact, HUD has the singular capacity to harness the tremendous resources of these and other housing enterprises in service of a new community development agenda.

Management: Addressing systemic failure.

The lack of a clear mission has both resulted from and contributed to widespread and systemic management failure at the Department. HUD's Inspector General has identified pervasive critical management problems which, the IG estimates, drain hundreds of millions of dollars from HUD coffers and involve over \$1 trillion worth of programs. These critical management failures occur throughout HUD and undercut the Department's ability to implement and execute many of its most fundamental programs.

The ruinous impact of these problems has in turn been exacerbated by the sharp reduction in HUD's staffing level over the past 10 years, a reduction of over 20% (from 17,000 to under 13,000 people) which was not accompanied by a corresponding decrease in program levels or activities. In fact, if anything, the responsibilities have increased with the enactment of NAHA and the 1992 Housing Act. There are also questions about the capacity of the staff that exists and the staffing patterns—whether limited staff is properly trained and assigned. These problems include:

Lack of data systems. The Inspector General has reported that "HUD does not have efficient, effective, and integrated financial management systems that can be relied upon to provide relevant, timely, accurate, and complete information as a basis for sound program oversight." The same can be said for making sound budget estimates. For example, the Inspector General has reported that "HUD does not have an adequate system for tracking and controlling billions of

The Clinton team's extensive search for programs that "don't work or are no longer needed" came up with less than \$3 billion out of the \$1.427 trillion in nondefense outlays in 1997—0.25%. Much of the remaining \$28 billion of projected "spending cuts" are the kinds of wishful-thinking numbers that traditionally help budgeteers project narrower deficits but don't actually produce any savings. In the language of the Clinton plan, there are 1997 savings of \$3.3 billion from unspecified "administrative efficiencies," and more than a billion dollars from better management of particular programs.

ADVICE IGNORED

It is unfortunate that President Clinton did not take the advice of his own budget officials, Leon Panetta and Alice Rivlin, when they called for a much broader framework for deficit reduction. The president's decision to avoid real cuts in nondefense spending and to adopt a counter-productive structure of higher tax rates leaves us with no credible reduction in the deficit. His plans to increase nondefense spending labeled "investments and incentives" by \$160 billion over the next four years and by \$55 billion in 1997 alone virtually ensures that the Clinton plan would produce a sizable increase in the share of national income absorbed by the budget deficit. What makes this particularly disturbing is that the president either does not understand this or is not leveling with the American people.

IMPACT OF PRESIDENT CLINTON'S ECONOMIC PLAN ON SMALL BUSINESS

As our nation recovers from a recession, job creation is the biggest challenge facing us today. If job creation is the problem, small business is the solution. According to the Small Business Administration, small businesses created 4.1 million net new jobs from 1988 to 1990. During this same period, businesses employing more than 500 employ-

ees had a net loss of 500,000 jobs. The most effective way to create new jobs is to create an environment in which small businesses grow and increase their hiring.

It is important to look at the impact of the Clinton Administration's economic plan on small business owners in this context. The good and the bad in the proposal are listed below, and a more detailed analysis of the impact of these provisions on small business follows.

THE GOOD

Deficit Reduction/Spending Cuts;
Temporary Extension of Deduction for Self-Employed Health Insurance Costs;
New Investment Tax Credit;
Capital Gains Tax Cut.

THE BAD

Not Enough Deficit Reduction/Too Much New Spending;
Too Many Tax Increases/Too Few Spending Cuts;
Marginal Tax Increase of 25% for Unincorporated Business Owners;¹
2.9% Increase in HI for the Self-Employed;
New BTU Tax;
Reduction of the Business Meal Deduction;
New Information Reporting Rules;
Extension of the Corporate Estimated Tax Rules;
Increased Estate Tax Rates;
An Extension of the Gas Tax.

SMALL BUSINESS INCENTIVES

The Clinton package does contain two important tax reductions for small business owners. The investment tax credit will encourage small business owners to increase their purchases of equipment and will help them increase the productivity of their businesses. The reduction in capital gains will encourage increased investment in small businesses and will reward those who patiently build up a successful business over a number of years.

SHOULDERING THE DEFICIT BURDEN

Small business owners believe that the deficit is a result of too much spending, not too little taxation. This belief is verified by the numbers. Since 1977, the government received a relatively steady 19% of GNP in revenues. During the same period, government spending increased from 21% to 24%. Small business owners believe strongly that government should cut spending before it asks the American people to pay more in taxes.

In a 1991 survey, 87% of NFIB members said that Congress should primarily focus its attention on deficit reduction. Only 8% of NFIB's membership, believe that the deficit should be reduced through tax increases.

Although small business owners are strongly adverse to tax increases, they are willing to pay their fair share to reduce the deficit. However, they are skeptical that any additional taxes they pay will be used for deficit reduction. Their skepticism is well-founded. The Clinton Administration's economic plan contains approximately \$275 billion in net new taxes but only \$37 billion in net spending cuts (see table below).

	In billions
Total spending cuts	\$375
Total spending increases	161
Spending cuts already required by law	80
Tax increases counted as spending cuts	29
New user fees counted as spending cuts	6

¹ Self-employed business owners earning more than \$140,000 will have their marginal tax rate increased from 31% to 38.9% (a 25% increase).

	<i>In billions</i>
Savings from interest and changes in debt	62
Total net spending cuts	37

HITTING THE SELF-EMPLOYED

Eighty percent of businesses in America are unincorporated and pay taxes as individuals. Increasing taxes on these individuals takes money out of their businesses that could be used to expand and hire more employees.

Self-employed business owners may have to pay tax on much more income than they take home as salary. These business owners must pay tax on what the business earns after deductions, not just their salary. For example, if a successful dress shop earns \$500,000 and decides to expand inventory by purchasing \$450,000 in additional clothing, the shop owner will pay tax on much more than just her take home profit of \$50,000. Since she is only able to deduct the cost of the clothing when it is sold, she could end up paying tax on most of her \$450,000 worth of inventory. As a result, the additional taxes listed above will seriously hamper her ability to expand the business even though she takes home a modest income.

President Clinton's "Vision of Change" increases taxes on the self-employed in five ways:

1. Income tax rates are increased from 31% to 36% for those earning over \$140,000 and filing a joint return; \$115,000 if filing as an individual or \$127,500 if filing as a head of household.

In the example above, if the dress shop owner carried \$200,000 of inventory from one year to the next, she would have to pay tax on \$250,000 (since inventory is not deductible until sold, she will have to pay tax on her \$50,000 salary plus the \$200,000 in unsold inventory). If she was filing a joint return, the higher tax rate would apply to \$110,000 (increasing her taxes by \$5,500), even though she has already spent that money trying to make her business more successful.

2. The wage cap on the Hospital Insurance portion of FICA is eliminated, effectively raising the tax rate of self-employed business owners earning above \$140,000 by 2.9%.

This is just another layer of taxation on a self-employed business owner. This change will require business owners to pay yet another 2.9% on any amounts they have to report as income that exceed \$140,000.

3. Self-employed business owners earning more than \$250,000 are subject to an additional 10% surtax.

In the example above, if the dress shop owner had to carry over \$300,000 in inventory from one year to the next, she would end up paying an extra \$500 in tax. She would be subject to this tax even if she only took home \$50,000 in salary.

4. The individual alternative minimum tax (AMT) is increased.

Increasing the alternative minimum tax hurts small business owners in two ways. First, it will increase the tax liability of those paying the AMT. Second, narrowing the gap between the AMT tax rate and the regular tax rate will force an additional number of business owners to calculate the tax even if they do not ultimately have to pay it. The AMT rate is increased from 24% to 26% for those earning less than \$175,000 and to 28% for those earning more.

5. The limitations on itemized deductions and the personal exemption (known as PEP and Pease) are extended, effectively raising the tax rate of those earning more than \$160,000 by another 2%.

As shown in the examples above, the taxable income of a self-employed business owner can exceed \$160,000 even if the amount of salary taken out of the business is relatively minor. This change in the law could require a business owner to pay an extra 2% tax on money that has already been spent to improve the business.

6. Finally, self-employed business owners will not escape the BTU tax. Business owners consume more energy than the general public and will pay a large share of this tax.

Successful business owners trying to expand their businesses are hit hardest by these changes in the tax code. However, these very same businesses are the ones that we will have to rely on to provide most of the new jobs in the coming years.

OTHER TAX INCREASES

Although successful business owners who pay individual income taxes are hit the hardest, other business owners are not immune. The following taxes will also have an impact on small businesses:

- Extending the 2.5 cent gas tax;
- Eliminating the business meal deduction;
- Increasing the top estate tax rate;
- Extending the corporate estimated tax rules.

INCREASED PAPERWORK AND PENALTIES

The President's proposal also requires small business owners to complete additional forms (IRS form 1099) reporting payments to other corporations. This will dramatically increase the amount of paperwork small businesses have to complete.

THE NET EFFECT

Small businesses stand or fall on the condition of the economy in general. Small business incentives included in a larger package that will slow economic growth will not be helpful to the vast majority of small businesses.

The tax incentives in the Administration's proposal are heavily outweighed by the tax increases. The proposal's heavy emphasis on tax increases, especially in the first year, threatens the country's economic recovery. Taxing small employers will restrict their ability to increase the size of their workforces.

The spending cuts in the proposal are far too modest. Government growth remains unchecked. The continued growth of government means more programs, more regulations, more paperwork and more taxes.

The solution to the federal deficit is not to tax those who are creating new jobs but to streamline government so that it can accomplish its mission at the least cost to the taxpayers.

□ 2050

Mr. SABO. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Texas [Mr. DE LA GARZA], chairman of the Committee on Agriculture.

Mr. DE LA GARZA. Mr. Chairman, I thank my colleague for the time and I will be very brief.

Mr. Chairman, agriculture is willing to take its fair share of the cuts that we need in order to get this country back on the road again. And all that we ask is a mix of spending cuts and tax increases that are fair and equitable. We will support this budget resolution because overall it points our country in the right direction.

What bothers me is the perception around the country, courtesy in part to

a news media more eager to tell a slanted story than telling both sides of the story, that there is this big cash cow called agriculture spending. My friends, especially my friends on this side, we in agriculture have reduced expenditures by \$57 billion in the last 12 years, \$57 billion. If every other committee in the House had done as we did, we would not be worried about having a deficit budget. We have done our part. Our programs are decreasing when everyone else is increasing.

We were the first ones to use a chart around here. Now it seems that every speaker has a chart. We will go back to our original one. This big sacred cow called agriculture that people think they can get all of the money from, here is what it looks like when you have the functions of Government, defense, Social Security, interest on the debt, and you are almost off the chart when you get to agriculture.

Now here is the more important one. What is it that agriculture gives us? It gives us almost 20 percent of GNP. But this red is the Federal budget, and the line you do not see is the impact that agriculture has on our budget. One-half of 1 percent is what agriculture's part of the Federal budget is.

Our farm programs will be looked at. I hopefully will put things in perspective. I say to my colleagues in the House let there be no misunderstanding. Agriculture spending and rural programs will have to take their fair share of the budget cuts. We will look at all options. We will look within our jurisdiction. I only ask you that all of us be sensitive to the very substantial and painful budget reductions already made in the agriculture programs. I ask that you be sensitive to the economic needs of the farm and rural economy which produces the basic food and fiber that all of us consume. It is the only one bringing money back from abroad.

But I am here proudly to speak in behalf of agriculture. We will take our cuts. All we ask is that they be fair, that they be equitable.

Mr. SABO. Mr. Chairman, I reserve the balance of my time.

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. KIM].

Mr. KIM. Mr. Chairman, I rise in opposition to House Concurrent Resolution 64.

First, I am dismayed that we are voting on a budget resolution when the Clinton administration has yet to even submit a budget. President Clinton and the Democratic majority in the House have endorsed broad tax and spend concepts, but provided few details. How can Congress responsibly lay out funding limits and define total revenues without knowing what specific programs the administration intends to fund and taxes it intends to impose?

We are being asked to blindly endorse President Clinton's broad economic

plans and give his administration a signed, blank check. This is wrong. On these grounds alone, I cannot support this dangerous spending plan.

Secondly, I am strongly opposed to the massive tax increases in this resolution. They represent the largest tax increases in American history. They target working Americans who are already overtaxed and will be the No. 1 obstacle to economic recovery. No nation has ever taxed itself into prosperity, only into bankruptcy.

I strongly oppose the regressive energy tax, being called a Btu tax to confuse everyone, it is a hidden gasoline tax.

The Btu tax will severely impact high energy use States like California. Coupled with the negative effects of the administration's deep defense cuts and the State's already high unemployment rate, the cost of this energy tax could more than offset the positive elements of the Clinton stimulus package through prolonging the recession in California and other States. The bottom line is it will cost jobs and revenues.

I am dismayed this resolution endorses tax hikes that discriminate against families and homeowners. For example, under this plan, a low income single mother with two children will receive a tax credit of \$600, and a single low income father with one child can receive a \$200 credit. But, if these two were married and filed a joint return with three children, they would face a tax penalty. Yes, a penalty of over \$4,000. That's outrageous.

Let me give you another example: Let us say you have a modest income of \$20,000 a year and you own a home that is worth \$50,000. Under current tax laws, only your actual income is considered taxable income. However, under the Clinton plan, a rental value is placed on your home, the same home in which you live. The rental value of your \$50,000 home would be computed at \$10,000. Now, that \$10,000 becomes new taxable income. So, instead of paying taxes on \$20,000, under the Clinton plan, you now pay taxes on \$30,000 even though you did not receive one more dime of real income. That's outrageous.

As much as the American people want to believe that this plan is the answer to our prayers, it could just be our worst nightmare waiting to happen.

Third, I oppose this resolution because it does not adequately cut Government spending. Additional spending cuts—not tax increases—are the answer to our budget problems. Until I came to Congress 3 months ago, I ran my own business that I built from scratch. As hard as it was to do, when times got tough, I did not raise prices, I cut expenses. That is exactly what the Federal Government needs to do today—cut expenses.

We can still reduce and eliminate billions in spending. Many Republicans in Congress have submitted responsible alternate budget plans doing just this. The American public ought to be just as angry as I am that the Democratic leadership that controls Congress dismissed these plans without any real consideration in order to railroad through this flawed resolution.

For example, I believe significant savings can be realized in further cutting and eliminating wasteful farm subsidies. Only in America do we pay our farmers millions of dollars not to grow.

We can eliminate spending on the helium reserve. We have not needed blimps for national security since before World War II. Today we use gas-fueled jets.

I know we can do a much better job. The Republican Budget Committee plan and others I support offer a clear choice: No new taxes, less Government, more jobs, and more take-home pay. But, these responsible alternatives have been barred from receiving fair consideration.

The American people are asking for change, real change. During the campaign, President Clinton said it was time to put the people first. But, House Concurrent Resolution 64 puts taxes first, ahead of the American family. The American people deserve better than this. The Clinton administration and the democratic leadership must come clean with the American people. It is time to tell them the truth. I know we can do a much better job. The Republican Budget Committee plan and others I support offer a clear change. No new taxes, less Government, more jobs and more take-home pay. But, these responsible alternatives have not been given fair consideration.

Haste makes waste. The haste of Congress to pass a flawed budget resolution before we even have a detailed budget from the President will result in the tremendous waste of hard-earned, American taxpayer dollars. That is no way to stimulate the economy and restore public confidence in Government.

I urge my colleagues to join me in opposing House Concurrent Resolution 64 and support genuine budget reform through cutting spending, not raising taxes.

Mr. SABO. Mr. Chairman, how much time is remaining on each side?

The CHAIRMAN. The gentleman from Minnesota [Mr. SABO] has 56 minutes remaining and the gentleman from Ohio [Mr. KASICH] has 56 minutes remaining.

Mr. SABO. Mr. Chairman, I reserve the balance of my time.

Mr. KASICH. Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. SOLOMON] for 1 hour.

Mr. SOLOMON. If I might, Mr. Chairman, by previous agreement with the majority and the minority Budget ranking member, we have agreed to use only 30 minutes of our time, at which time we would relinquish the floor to the Black Caucus. I would also like to point out that for fairness I would be willing to yield our other 30 minutes to the opposition should they want it, and I think that would be fair if all of us do this.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Chairman, do I understand the gentleman to say that he would be willing to yield 30 minutes to somebody in opposition if that was requested?

Mr. SOLOMON. That is true, for this hour during the general debate time, and also during the hour that we will be allocated on the substitute itself tomorrow.

Mr. WALKER. I thank the gentleman, because I think he is being fair. I wonder whether or not the Democrats who have allocated so much time to themselves are going to be just as fair.

Mr. SABO. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from Minnesota.

Mr. SABO. Mr. Chairman, I do not intend to request the time, to be fair, because we did work out this time, and it was the gentleman's desire to have a half an hour to present his plan at this point, and we tried to accommodate him.

Mr. SOLOMON. I understand, and we will only use that 30 minutes now by previous agreement.

PARLIAMENTARY INQUIRY

Mr. BURTON of Indiana. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. Does the gentleman from New York [Mr. SOLOMON] yield for a parliamentary inquiry?

Mr. SOLOMON. I yield to the gentleman from Indiana.

Mr. BURTON of Indiana. Mr. Chairman, I would just like to ask this question: If the opposition—the Democrats—do not want this extra 30 minutes, would it be proper that it be allowed to be yielded to the gentleman from Ohio [Mr. KASICH]?

The CHAIRMAN. The gentlemen who control the hours can yield in any way they see fit.

Mr. SOLOMON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would like to address the two Republican budget plans which have been introduced as viable and specific alternatives to President Clinton's budget.

During last year's Presidential campaign, Governor Clinton went out of his way to promise the American middle class that he would relieve their tax burdens and reduce the deficit.

Since moving into the White House almost 2 months ago, President Clinton proposed a budget plan which will not relieve the tax burdens of the middle class.

However, the Clinton plan will hit the middle class hard, not once, but twice and possibly more times.

First, the Clinton plan will hit the middle class through new taxes, namely the new Btu tax, increased Social Security taxes and increased estate taxes.

And second, the Clinton plan will hit the middle class again through spending cuts.

□ 2100

Mr. Speaker, President Clinton—in a now famous offer—told us Republicans that if we were not satisfied, we should come up with an alternative plan, but to be specific and to subject the plan to intense scrutiny and scoring by the Congressional Budget Office.

Well, as you have already heard, the House Republicans on the Budget Committee, under the brilliant stewardship of JOHN KASICH, released an alternative which practically matches the President's level of deficit reduction over 5 years.

The Kasich plan eliminates all of the Clinton tax increases and offsets the lost revenue with additional spending cuts—which are specific and have been verified by the Congressional Budget Office.

Let me say that I praise JOHN KASICH and his Republican colleagues on the Budget Committee for their tremendous efforts.

I fully intend to vote for the Kasich plan because I believe that we do not need new taxes, we need more spending cuts.

JOHN KASICH accomplishes this objective. However, as the next best proposal, I have worked with several of my colleagues from throughout the Nation and coming from various points on the political spectrum.

Together, we are offering what I would call a consensus budget which takes the cuts in the Clinton plan, the cuts in the Republican plan, and adds more spending cut proposals which cut deeper into the Federal budget deficit.

Beyond that, it cuts the Clinton tax increases by more than half.

It accomplishes this by eliminating the Btu energy tax, the Social Security tax and the tax increase on corporations which reduces the dividends paid to middle-class stockholders and seriously impedes economic growth in this country.

Yes; the Solomon plan removes all the onerous Clinton taxes on the middle class.

Let me repeat that. This Solomon consensus plan achieves greater deficit reduction than Clinton with no onerous taxes on the middle class.

This way the middle class is not forced to pay more than its fair share in reducing the deficit.

Our primary objective is to reduce the Federal budget deficit so that the American Government does not mortgage the future of our children and grandchildren.

In compiling our plan, our two guiding principles remain the achievement of fairness in the Tax Code and the accomplishment of real, meaningful deficit reduction.

We believe that the Clinton plan imposes unfair and disproportionate burdens on the middle class.

While our plan asks sacrifices of most everyone through deeper spending cuts, it refrains from imposing any of the heavy tax burdens which the Clinton plan requires.

Let me just look at this chart with my good friend, the gentleman from Wisconsin [Mr. GUNDERSON]. What this plan does is combine the Clinton budget with the Kasich budget. It then cuts Clinton's tax increases by more than half again, by eliminating the Btu energy tax, the elimination of the Social Security tax, and removing the tax increase on corporations, thereby removing those taxes which erode the buying power of middle-class America. It activates a new tax bracket of \$200,000 instead of the \$140,000. That is tax relief for those people.

But it also adds a stimulant to the economy by providing vital tax incentives, as we see down here by the four bullets, by extending the expiring business tax incentives, restoring real estate passive loss, providing capital gains tax deductions for startup companies, and repealing the luxury tax on boats.

Mr. Chairman, let me just sum up fast, because we have two other speakers here. First of all, for every dollar of new taxes our plan cuts \$4 in spending. Ross Perot told me this afternoon he was satisfied if we would cut \$2 in spending for \$1 in taxes. We cut \$4 in spending for every \$1 in taxes, and we dedicate all of the tax increases to deficit reduction. It contains no new spending. That is what the American people want.

It cuts Clinton's tax increases by more than half with no taxes on the middle class.

Our plan contains some of the Clinton cuts. It contains all of the Republican cuts, and it includes much deeper cuts including the super collider and a number of others which many of you have been talking about doing. The spending cuts, and this is terribly important, occur before tax increases, \$41 billion in spending cuts this year alone under this plan. It cuts spending, listen to this, by over \$485 billion, and that is more than double than what Clinton does. It reduces the deficit, and listen to this, and Mr. Perot was shocked when he heard how much this cuts off the deficit reduction, \$637 billion, and that is \$171 billion more than Clinton, and it leaves a 1998 deficit level of \$18

billion lower than President Clinton with less than half the tax increases.

Mr. Chairman, finally, it is the only plan with mandatory sequestration that is built in. If the actions by this Congress exceed this budget limit, you are going to have across-the-board cuts. That guarantees that these funds are going for tax reductions.

Mr. Chairman, I am just going to point out one thing which is terribly important, and it is terribly important to you Democrats: The spending cuts that the President is asking for in 1994 are just \$6 billion, \$6 billion, and in 1995, he is asking to cut spending by just \$10 billion, and then he loads out in the last 3 years with heavy spending cuts.

Why do you think it is done that way? I can tell you: because we still have sequestration in the law for the next 2 years, 1994 and 1995. If Congress does not meet the spending caps, it does not mean anything, because there is no spending cut anyway.

Our bill carries those spending cuts with sequestration through the whole 5 years. That is what is so terribly important about this bill, and why every Member of this body ought to be supporting him.

Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. GUNDERSON], who has helped so much in putting this consensus plan together.

Mr. GUNDERSON. Mr. Chairman, last year during the Presidential campaign, we heard a lot about Federal budget deficits and about economic growth and about gridlock in Washington. We heard from President Clinton, and we heard from Ross Perot, and we heard from the American people. They were all correct—Bill Clinton was right, and Ross Perot was right, and the American people were right—when they said that deficits do matter, that deficits are sapping the vitality from our national economy, and that today's deficits are tomorrow's bills come due.

Well, Mr. Chairman, if deficits do matter, and if the American people want an end to gridlock and a beginning to bipartisan solutions to the problems which matter to them, the Solomon budget is the place to begin. And I am proud to rise in support of that budget and ask my colleagues from both sides of the aisle to give it their support.

Republican Members of the House have worked together over the past several days to put together a budget resolution for fiscal year 1994 which we believe truly reflects the priorities and the desire for change among the American people. We believe that it is a budget which both Republicans and Democrats can support.

In assembling the Solomon substitute, Mr. Chairman, we identified three objectives: Substantial deficit reduction by means of real restraint and

actual cuts in Federal Government spending; a fair and realistic package of proposals to increase Federal revenues by asking the wealthiest Americans—and only the wealthiest Americans—to pay more in taxes, and; an overall budget plan that would not threaten or undermine the prospects for a continuing economic recovery. I believe that we achieved each of those objectives and that they are reflected in our budget resolution.

First, let us look at deficit reduction and how we achieved it. The Solomon substitute achieves substantially more deficit reduction next year and over the next 5 years than either of the budget plans that came out of the House Budget Committee. Our budget reduces the deficit by \$620 billion over 5 years. That's about \$160 billion more in deficit reduction than the Democrat budget achieves despite the fact that it calls for over a quarter of a billion dollars in net new taxes over the next 5 years.

Our budget achieves deficit reduction primarily by controlling the rate of spending growth in most Federal program spending, land by making actual cuts in other nonessential Federal programs. Those of us who assembled this substitute share with all of our Republican colleagues the view that America suffers under the weight of this monstrous deficit not because the vast majority of her people are taxed too little, but because the Federal Government spends too much—much too much. Our budget reflects that belief.

Because the Solomon substitute takes the Republican budget committee proposal as its base, it adopts what is in effect a baseline freeze on all non-defense Federal discretionary spending. What this means, in terms that normal people can understand, is that spending for more than 90 percent of all Federal discretionary programs will grow over the next 5 years by an amount equal to the inflation rate over the next 5 years. Critical programs like Pell Grants and Head Start will not see their funding cut.

Our proposal does, however, call for and specify actual reductions in funding for other programs. For example, we eliminate funding for the superconducting super collider, cut funding for special interest Federal highway projects, cut agricultural subsidies to individuals with nonfarm incomes of over \$100,000, and cut funding for support of the already oversized but still growing Government bureaucracies. As a result of our determination to hold the line on spending, spending cuts account for more than 80 percent of the deficit reduction in the Solomon substitute. Unspecified spending reduction accounts for barely half of the deficit reduction in the Democrat package.

Mr. Chairman, I think that JOHN KASICH and my Republican colleagues on the Budget Committee did a remark-

able, and a remarkably honest job in their budget on the savings side. They showed that we can make a substantial dent in the deficit without resorting to unspecified promises of spending restraint and without resorting to the massive tax increases that the administration and the majority leadership are calling for. All of my Republican colleagues involved in drafting this alternative budget share that view.

The American people, however, have made clear that they expect us to produce a budget package that makes more dramatic reductions in the Federal deficit than can be achieved by spending cuts alone. It is for this reason that many of my colleagues and I believe that we need to go significantly further than our Republican colleagues on the Budget Committee. And the only way to do that is by asking the wealthiest Americans to make a contribution in higher taxes. Our alternative budget does that. We raise nearly \$140 billion in new taxes over 5 years by incorporating already proposed tax increases on the wealthy, while at the same time stripping all of those new taxes proposed by President Clinton and the Democrats—such as the Btu tax and higher taxes on Social Security recipients—which hit lower and middle income Americans hard. Contrary to the rhetoric, these taxes will hit middle income American families and retired Americans hard.

President Clinton made a promise to shield middle income Americans from the impact of new taxes. The President and his party are breaking that promise. We have a budget which gives them the opportunity to keep it.

Moreover, Mr. Chairman, the new taxes that we include in our proposal do not get implemented until after the spending restraint and the spending cuts we have proposed begin to be implemented. We are not asking any American to again pay for promises which they know have been made and broken many times before. We do indeed cut spending first.

Finally, Mr. Chairman, we sought to bring a budget resolution to the floor which would be pro-growth.

The economy is finally showing signs of life, though no one can take comfort from the extent of the recovery thus far. Job growth statistics, in particular, remain disappointing. Nonetheless, the economy is showing increased strength and the last thing we want to do is sap that strength. We want to support the recovery and keep as many Americans as possible on the job. The Solomon substitute contains a substantial package of tax incentives for business investment which will contribute to productivity growth and the creation of new jobs.

Moreover, though our proposal calls for very substantial reductions in defense spending, it takes into consideration the fact that defense dollars pro-

vide more than just guns and jet fighters. Defense dollars provide jobs—millions of jobs for American workers. We have just had a very bitter reminder, Mr. Chairman, of the human pain which defense downsizing entails. And no doubt, there will be more of it. The question, however, is how much more and how fast. Our budget calls for non-administratively related cuts of \$60 billion in defense over 5 years. This is in addition—and it is very important to point this out because many of my Democrat colleagues conveniently fail to do so—to almost \$75 billion in cuts that President Bush proposed before leaving office earlier this year. The Democrat budget calls for cuts that are twice as large, will be twice as painful, and will cost twice as many Americans—military and nonmilitary—their jobs.

Mr. Chairman, I want to urge my colleagues from both sides of the aisle to take a careful look at the Solomon plan. We have put together a budget alternative which is closer to what the American people have told us they want than any other budget resolution which has been offered.

Our budget delivers a third more in deficit reduction with less than half the new taxes—and none of the new taxes on middle-income Americans—than the Democrat resolution proposes.

Our spending restraints and cuts are specified, not promised, and we start reducing spending before, not after, we start collecting new taxes. We are not asking taxpayers to buy any more pigs in the poke.

Finally, our budget gives the American people the kind of economic program they want without asking an already overtaxed middle class to send even more of its income to Washington.

Mr. SOLOMON. Mr. Chairman, I yield such time as she may consume to a very, very valuable member of the Committee on Ways and Means, the gentlewoman from Connecticut [Mrs. JOHNSON].

Mrs. JOHNSON of Connecticut. I thank the gentleman for yielding to me.

Mr. Chairman, I rise in strong support of the Solomon amendment. You know, Ross Perot did the people of America an enormous favor. He gave them the gift of finally understanding the dimensions of the Federal budget and the threat that it poses to our economy. Never will this Nation enjoy a pace of economic growth that will more than barely, minimally meet our needs if we do not reduce the deficit, and Ross Perot finally helped people understand that.

The second thing Ross Perot did for us was to help everyone to understand that it was time to cut the BS. The President's package is a brave step forward, but it will not create jobs for our kids and it will not employ our friends who are unemployed. It will not break the anguish in American households.

If every assumption in the President's package proves true—something that has never happened—if every assumption proves true, the deficit in 5 years will be exactly what it is now. That is not good enough.

My friends, there is one amongst us who had the courage to lead a large number of Members through the tough process of line-by-line cutting spending, and that is my honored colleague, the gentleman from Ohio [Mr. KASICH]. He led our side through that painful process line by line, cutting spending, reaching a level that would accomplish the President's deficit reduction goals, with no new taxes and only with spending cuts. I am proud of his work. Those on the other side have not been specific. They have the majority in the House, the majority in the Senate, they own the White House now; they have the total power to turn the economy of America around, and they used budget plugs.

They would not go line by line; they would not tell you how this budget is going to affect their families, the households in America, the businesses that create jobs. And because they would not tell you that and because they used budget plugs—I need to remind you that smoke-and-mirrors is what budget plugs are—that we are here with this big deficit because Congress year after year preferred smoke-and-mirrors to reality.

So, I honor my colleague, JOHN KASICH, for his courage in laying aside the budget plugs, the smoke-and-mirrors, and getting tough on spending. But reducing the deficit to where we are now in 5 years is not enough.

So, I rise with my colleague, the gentleman from New York [Mr. SOLOMON], and others associated with this effort to urge you to support a proposal that is the most powerful, direct, and comprehensive attack on the deficit that this body will have a chance to vote on.

It links aggressive spending cuts with targeted tax increases; it makes good on the President's promise to turn the economy around, to create sustained growth, and not increase taxes on the middle class.

I am proud that we reject the new energy tax. Look what it does to families.

First of all, it is not fair. Families in my district who heat with home heating oil will pay double the energy tax of people in other neighborhoods who have access to gas.

Fairness? Not on your life. It will increase the cost of every household, but it will increase the cost of everything they buy also. Fact, it will increase the cost of producing an acre of corn \$35. Every foodstuff, every item we produce, every item we ship abroad, everything we try to compete with will be disadvantaged by this energy tax.

So, not only will it hurt families, but it will burden our exporters and, in my State, defense and exporting create the

jobs. You know what we are doing to defense this year in Congress.

Now you know, through the tax plan, what we are doing to exporting, because that razor-thin margin that global companies compete on will now shrink because they will be burdened with four new taxes. Competitiveness matters. You cannot have companies competitive if you increase their taxes, you increase their energy costs, and, yes, our friends on the other side are fond of saying Europe has higher taxes on energy. Yes, my friends, but that is only on gasoline. They do not tax industrial feedstocks. Their manufacturers do not pay taxes on the energy they use.

Our guys will not pay new taxes, but double new taxes if they manufacture with oil. They cannot compete under those circumstances. And when you cannot compete and you lose market share, you lay people off, and that is what this package does.

If you look at the headlines in the newspapers, "Proposed Tax Incentives for Businesses Will Have Little Impact," in fact, businesses will be overwhelmed by the large increases in taxes and unable to use the tax incentives.

This package is a disaster for those businesses that compete in the global market and an equal disaster for small business. So, we lay aside those new burdens for the small businesses that drive job creation. We lay aside those burdens on our global competitors who are working hard to retain market share. And instead of that, we combine the tough line-by-line cuts that our friend, JOHN KASICH, developed with some additional cuts into parts of the budget that we know are controversial but where real cuts can be made. And we link those cuts with tax increases on those most able to bear them.

We raise the upper bracket so, in fact, we really are only taxing millionaires, and we do something the other side does not dare to do, we extend the limit on compensation that they put on executives to ballplayers and movie stars as well. Is that not fair? Is that not right? And so we use the resources of our most affluent Americans, we couple them with the serious budget cutting of our Republican colleagues, and through this kind of a package we reduce the deficit, we drive that deficit down not only now but in the out years in a way that will truly turn America's economy around.

My colleagues, I am very proud to stand here in support of the Solomon proposal that drops the job-killing burdens on small business, that drops the burdens on the middle class, that preserves only the extenders, the important tax incentives that encourage research and development and education and training and low-income housing, those kinds of things.

□ 2120

I am proud to stand here in support of a package that by pairing tax revenues with serious spending cuts, we attack the deficit with the breadth well beyond the President's package and the Democrats' package, and we do it exactly in the way the American people want, by cutting spending first, by resisting new spending, by taxing those who are most able to pay. Economic growth, fairness, honesty, all backed up by the line-item veto, the balanced budget amendment, and enforcement provisions.

Join us, my colleagues. The time is now. It has been long in coming. We either do it for America now or we fail the American people in the same way we have failed them year after year.

Mr. SOLOMON. Mr. Chairman, I thank the gentlewoman for a statement which certainly sets out this consensus substitute.

Mr. Chairman, I yield 1 minute to the distinguished gentleman from Maryland [Mr. GILCHREST], one of the major cosponsors of this legislation.

Mr. GILCHREST. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, we in this body if we share the goals of deficit reduction, if we share the goals of stimulating the economy, if we share the goals of fairness in taxes, if we share those goals, then the Solomon proposal bears and cries out for us to look at it. It bears our scrutiny. It lowers the deficit.

Let us take a look at some of the things it does. It lowers the deficit more than any budget before us tonight, \$637 billion over 5 years; investment incentives to stimulate our economy we can all agree on; investment tax credits; capital gains tax cuts; restoring real estate passive loss; repealing luxury taxes on boats.

No. 3, if we all want to share the burden of reducing taxes on the middle class and senior citizens, this is the proposal. It bears looking at. Do it tonight before we vote tomorrow.

To achieve deficit reduction, we also need spending cuts, and the first 2 years of spending cuts are always the most important.

Let us take a look. The Clinton budget has \$16 billion of nonspecific spending cuts. The Solomon proposal is \$112 billion in specific spending cuts.

The American people are challenging us.

Mr. SOLOMON. Mr. Chairman, I thank the gentleman for his statement.

Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. UPTON], one of the major sponsors of this legislation who has worked diligently for days on this.

Mr. UPTON. Mr. Chairman, I rise tonight in strong support of this Solomon substitute. There have been a number of us who have worked many days on this project. From my back-

ground, having served once at the Office of Management and Budget, I know what it takes to put an alternative budget together. I have worked on many of them, whether it be the Kasich-Pursell budget from a couple years ago, the 1992 group budget, there are a number of us here in this body tonight who know the work that it takes to really get this deficit down.

As I take a moment here and reflect on my background and why I ran to do this job that we do here tonight, it is to try to reduce the deficit, try to come up with real savings that will help our kids and our grandkids and Americans across this great land.

So many times I have used this quotation back in my home in Michigan. Here in the Congress we have too many Republicans, too many Democrats and not enough U.S. Congressmen and women willing to make the tough choices that have to be made on spending cuts and reducing the deficit.

I am tired of gridlock. All of us are. We cannot afford 4 more years like the last 2 that we had.

When the President was here last month and addressed the joint session of Congress, he gave us a challenge. From that rostrum he asked us to come up with specifics. Well, we have.

What the Solomon budget does here tonight is to accept the Kasich budget, and I have to say that the gentleman from Ohio, Mr. JOHN KASICH and his staff did a terrific job in coming up and identifying spending cuts that make sense.

What the Solomon package has done is to look at the taxing side, what the President has now proposed on taxes. From our perspective, all of us who will be voting on this tomorrow, we know that the middle class cannot afford to have their taxes raised.

I look at our district in Michigan, that Btu tax is a killer. In fact, we call it "Big Time Unemployment."

The cost of doing business in Michigan and States in the Northeast and Midwest is higher than other areas in the country. That is why we lost Willow Run, a great GM plant in Michigan, to Texas. That is one of the reasons why, and if you have this Btu tax that kicks in we know that it will only widen the disparity of doing business in our part of the State and it is going to cost us jobs.

It does not make any sense to raise taxes on business, and that is what the Clinton proposal does, raises the corporate tax from 34 to 36 percent. How many jobs is that going to create? None. It is going to lose them.

Think about all our seniors, particularly those maybe with a spouse that is deceased, thinking about the taxes that are going to be raised on them. Let us get rid of that, too. Our package in fact jettisons that part of the agreement.

In the last number of weeks all of us in this Chamber have been going back

to our districts talking to a whole variety of groups. I have spoken to a number of school groups. I know that their priorities are the same as many of us here tonight. They care about our future. They care about the environment, what type of jobs they are going to have for their families when they graduate from school. They care about health care.

Well, guess what? If we do not do something about this deficit, if we do not come up with real reductions in the deficit, their future is very clouded because if we just sit on our hands and continue to do what we have done the last number of years, that deficit will exceed \$600 billion. We cannot afford that.

Those students, those young Americans are crying for action in this body tonight.

The tough vote on the Solomon package is yes, because we are telling no to the special interests. The tough vote is yes, because we can in fact come up with a deficit reduction package.

As the President said the other night here in this well, "Match my savings." Well, we have and we have done better by \$150 to \$170 billion more in deficit reduction over the 5 years. What is wrong with that?

I say it is a sound program and I urge all my colleagues here tonight to endorse and support the Solomon package which will continue in debate tonight and be voted on tomorrow.

Mr. SOLOMON. Mr. Chairman, let me thank the gentleman for an excellent statement.

Mr. Chairman, seriously, President Clinton's budget that is before us right now would supposedly cut spending over the next 5 years by \$219 billion. That is an average of \$40 billion a year, and yet during that same year period when he would cut spending by \$219 billion, he raises taxes by \$336 billion, 80 percent of it on middle-class Americans, and he ends up with a deficit, an annual deficit at the end of the fifth year of over \$200 billion.

What have we gained? We have taken \$336 billion out of the pockets of the American people, most of them middle class, and yet we have not made any kind of significant reduction in the deficit.

This plan before you is a plan that is guaranteed, because we demand a balanced budget amendment on this floor with a vote on it by May 1, 1993. We demand that a line-item veto be enacted in the legislation which will cover for the next 5 years, and most of all, we extend the sequestration provision from not just the next 2 years, but for the entire 5 years, and we cut the deficit by \$637 billion.

Mr. Chairman, that is what is needed if we are ever going to get out of the sea of red ink which is breaking the backs of all Americans, particularly the middle class Americans we are

talking about today, but even more so those who are living on a fixed income.

My friend, the gentleman from Michigan [Mr. UPTON] talked about the Btu energy tax. That is a tax that will break the backs of Americans of all stripes.

Mr. UPTON. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. I yield to my friend, the gentleman from Michigan.

Mr. UPTON. Mr. Chairman, I just would like to relate a little story. I am a young Republican, that is for sure. I can remember going down to see President Bush back in the 1990 agreement. We talked about spending and taxes.

I told the President then, I said, "You know, Mr. President, I can accept higher taxes on some folks, not the middle class, if it is combined with real spending reductions."

The reason that I could not support the 1990 budget agreement was that it raised taxes and it raised spending.

This package is perfect. It is perfect because we have accepted the Kasich spending reductions, and in fact spending will go down and our budget proposal is stronger than any other and I would urge again that my colleagues support it.

□ 2130

Mr. SOLOMON. Mr. Chairman, we made our point, and let me say I offered to yield half of my time, the 30 minutes, to my opposition. There were no takers.

I thank the gentleman from Maryland [Mr. MFUME] for allowing us to go with the 30 minutes prior to the Black Caucus to our extended debate, and I would say to my good friend, the gentleman from Pennsylvania [Mr. WALKER], since there were no takers on the opposition side, if he would like my 30 minutes that is remaining, I would be glad to offer it to him when the Black Caucus is through, if he so desired. But we have offered to yield half of our time to the opposition.

The CHAIRMAN. The gentleman from New York [Mr. SOLOMON] reserves the balance of his time.

PARLIAMENTARY INQUIRY

Mr. WALKER. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WALKER. Mr. Chairman, is the process now that we are going to the discussion of another budget, the Black Caucus budget?

The CHAIRMAN. The process is that the gentleman from Maryland [Mr. MFUME] is going to be recognized for 2 hours.

Mr. WALKER. And that would be pursuant to the rule, House Resolution 131; is that correct?

The CHAIRMAN. The gentleman is correct.

Mr. WALKER. And this is the 2 hours of time controlled by the gentleman

from Maryland [Mr. MFUME] under that rule; is that correct?

The CHAIRMAN. Those 2 hours have not changed.

Mr. WALKER. And he is permitted under that rule to yield time to the opposition if he so wishes; is that correct?

The CHAIRMAN. The gentleman from Maryland [Mr. MFUME] controls the 2 hours as he wishes.

Mr. WALKER. So, in a similar manner that the gentleman from New York [Mr. SOLOMON] offered to yield half of his time to the opposition, the Black Caucus could, in fact, yield half of their time to the opposition as well; is that correct?

The CHAIRMAN. The Chair clarifies that the gentleman from Maryland [Mr. MFUME] controls the 2 hours.

Mr. WALKER. But it is permissible for him to yield that time to the opposition if he so wishes?

The CHAIRMAN. The gentleman can do with his 2 hours whatever he wishes.

Mr. WALKER. I thank the Chair for that, and, if in fact he were to do that, that would, in fact, even up the time between the majority and minority where right now there is a disparity of about an hour of time between the majority and minority as a result of the way the rule was structured, thereby leaving the minority short of its time to present its case.

So, it would have that impact; is that correct?

The CHAIRMAN. The gentleman is drawing a conclusion, and that is not part of an inquiry.

The gentleman from Maryland [Mr. MFUME] will be recognized for 2 hours.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. MFUME. I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Chairman, I thank the gentleman from Maryland [Mr. MFUME] for yielding to me.

Mr. Chairman, I am wondering if the gentleman would be willing to yield half of the time to the opponents of his resolution as is a tradition in the House of Representatives. Generally when time is allocated the opposition does get half the time, and, the way that the rule is now structured, the minority is not only in a position of maybe not getting time to discuss this budget, but in fact has been shorted an hour of time in the overall 10 hours of debate for the budget.

I am wondering, Mr. Chairman, if the gentleman from Maryland [Mr. MFUME] would be willing to give the minority an hour of time so that we, too, can enter into the discussion.

Mr. MFUME. Mr. Chairman, I would like to at least draw the gentleman's attention to the comments of the distinguished gentleman from New York [Mr. SOLOMON] who serves on the Committee on Rules as the ranking minority member and to call his attention to

the fact that part of the reason why we are so late in this debate, instead of going much earlier in the day, was because we recognized the desire of the minority at that time to be able to start its presentation earlier, and, as such, we agreed with the gentleman from New York [Mr. SOLOMON] that we would go, in fact, much later this evening. He was kind enough to yield some of his time, but, as we are structured right now, and with the number of people who base their comments around that previous agreement, we far exceed the 1 hour that we would have if we yielded 1 hour.

So, Mr. Chairman, I would say to the gentleman from Pennsylvania [Mr. WALKER] that, if there is time remaining, I would be more than happy to yield that.

The hour is late, and at this particular point in time I do not know how many Members are going to be here to consume the time that they have asked for and have been granted by me essentially, and I do not know if the gentleman would participate or hang around for the entire length of the debate. But we would be more than happy to yield any remaining time.

Mr. WALKER. Mr. Chairman, I thank the gentleman from Maryland [Mr. MFUME].

I will plan to be here, I assure the gentleman, until 2 or 3 in the morning, when we are going to finish up, but it certainly would seem to me to be fair to have discussion on both sides of these issues.

If I understand the gentleman correctly, he has already lined up his time for people who are only going to speak in favor of his proposal, which means that the opposition will get absolutely no time to speak against the proposals, which seems to me to be terribly unfair in the process of the debate in the House.

Mr. MFUME. Mr. Chairman, I would ask the gentleman from New York [Mr. SOLOMON], the distinguished ranking member of the Committee on Rules, to sort of explain, perhaps, to the gentleman from Pennsylvania how we arrived at the agreement that we have essentially whereby we have been allotted this 2 hours to present our points in the debate.

Mr. WALKER. Mr. Chairman, I would say to the gentleman that the gentleman from New York [Mr. SOLOMON] agreed to give up a half hour of his time to the opposition. A half hour of his hour he agreed to give up to the opposition, and that is what I am asking here.

Mr. MFUME. That was his prerogative, and, based on the agreement that we were operating under today, I have speakers that run in excess of 1 hour, and so I think it would be a little in bad judgment and poor taste for me to suggest to the gentleman from Pennsylvania that I would give up 1 hour of the time allotted.

Mr. Chairman, again I would be more than happy to yield any remaining time above and beyond that once we see how many Members do, in fact, arrive here on the floor to participate.

Mr. SOLOMON. Mr. Chairman, will the gentleman yield?

Mr. MFUME. I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Chairman, I would just point out a problem that may exist tomorrow also, and I think we are going to have to have some co-operation on it, but, as my colleagues know, we are operating under a king of the hill procedure tomorrow in which case we will take up the Kasich Republican budget substitute first with 2 hours of debate. We will then have a vote. We will then go to the Solomon substitute with 1 hour of debate. And then a vote, and then this is where the problem lies:

The Black Caucus again will come in with their resolution with 1 hour of debate and a vote, and then the Committee on the Budget then has 2 hours of debate and vote on theirs. Now that means that the Democrats on their side of the aisle will end up with the last 3 hours of debate time and no time allocated to the Republican side of the aisle.

So, Mr. Chairman, I think there has got to be some kind of accommodation made tomorrow. That would be my suggestion.

Mr. MFUME. Mr. Chairman, we would be more than happy to have our time evenly divided and allotted to a Member opposed. That was the understanding that I thought we had today.

Mr. SOLOMON. Well, this is what I hoped we could have, and I am certainly willing to do that with our hour and yield against a half hour to the opposition, and I see the gentleman here, and if the gentleman from Maryland would yield to the gentleman from Arizona [Mr. KOLBE], he might want to enlighten us.

Mr. KOLBE. Mr. Chairman, will the gentleman yield?

Mr. MFUME. I yield to the gentleman from Arizona.

Mr. KOLBE. That certainly would be our intention on the discussion of the first proposal that is up, which is the budget Republican proposal, Mr. KASICH's, to yield half of our time to the opposition, and I have not had a chance to have that discussion with the gentleman from Minnesota [Mr. SABO], but I hope the Chairman would follow that same procedure with regard to the time that we get at the end on the resolution of the Committee on the Budget.

Mr. SOLOMON. According to precedent, that is what we have done in the past.

Mr. SABO. Mr. Chairman, will the gentleman yield?

Mr. MFUME. I yield to the gentleman from Minnesota.

Mr. SABO. Mr. Chairman, my understanding is that under the rule for sub-

stitutes tomorrow the proponents have half the time and the opponents have half the time in substitutes, whichever ones are offered.

Mr. KOLBE. I appreciate that comment, and I have just been advised that the rule does specify that each of the times will be divided.

Mr. SOLOMON. So, we just split it up.

PARLIAMENTARY INQUIRY

Mr. MFUME. Mr. Chairman, reclaiming my time, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MFUME. I would like to ask the Chair whether or not the time for the colloquy has counted against the time allotted.

The CHAIRMAN. Yes. That colloquy consumed 6 minutes.

Mr. SOLOMON. Mr. Chairman, that is really not in order. I mean this was a colloquy. We were not propounding parliamentary procedures, but we were speaking out of order.

The CHAIRMAN. The gentleman from New York [Mr. SOLOMON] did ask the gentleman from Maryland [Mr. MFUME] to yield, and he yielded three times to three different Members.

Mr. SOLOMON. Mr. Chairman, I do not think that is fair. I understand why it is being done, but I ask unanimous consent that the gentleman from Maryland [Mr. MFUME] be given an extra 6 minutes to restore his 2 hours. That is only fair in this body.

The CHAIRMAN. Without objection, so ordered.

There was no objection.

PARLIAMENTARY INQUIRIES

Mr. WALKER. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WALKER. Mr. Chairman, why was that unanimous consent accepted when I a few minutes ago asked whether or not I could ask for an hour of time for the gentleman from Ohio [Mr. KASICH] to even up the time between the two parties and was told that such a unanimous-consent request could not be countenanced in the House? How is it we have now changed the rules over what I was just told a few minutes ago?

The CHAIRMAN. The Committee of the Whole was not extending the time. The time stayed as 2 hours. We are just subtracting the time that had been used in a situation where a Member of your side did state that they never intended to use the gentleman's time, but just to get some information.

□ 2140

Mr. WALKER. Mr. Chairman, the Chair has just extended the time of the gentleman from Maryland [Mr. MFUME] 6 minutes. What I was asking for was a similar kind of thing, to extend the time for 1 hour to even up the debate between the two sides. I was told that

that particular unanimous consent request could not even be offered in the House. Now the Chair has just accepted a unanimous-consent request of the same type.

The CHAIRMAN. The gentleman was asking for an extension of time allotted in a rule.

Mr. WALKER. Mr. Chairman, the 6 minutes just added, where did that come out of the 10 hours?

The CHAIRMAN. We are just not going to count them, because the gentleman from New York [Mr. SOLOMON] stated it was never his intent to take time away from the gentleman from Maryland [Mr. MFUME].

Mr. WALKER. Mr. Chairman, a further parliamentary inquiry: The gentleman from Maryland [Mr. MFUME] has 2 hours allocated to him. As I understand it, the gentleman from New York [Mr. SOLOMON] just asked that his time not include the time that was just used that was yielded. That extends the time beyond the 2 hours.

The CHAIRMAN. The gentleman from New York [Mr. SOLOMON] asked that the time used by the gentleman from New York and the other gentlemen not be taken away from the gentleman from Maryland [Mr. MFUME] because that was not the intent.

Mr. BURTON of Indiana. Mr. Chairman, if the gentleman will yield under his parliamentary inquiry, can I just make one further parliamentary inquiry? That is that a while ago the Parliamentarian said the rule had been passed by the Committee on Rules, and therefore it could not be altered.

This rule was passed by the Committee on Rules as well. The gentleman used 6 minutes. The Chairman is saying that you can now reinstate that 6 minutes.

Mr. Chairman, this was passed by the Committee on Rules as well, so it seems to me that there is a variation in how the rules are applied. I would just like to ask the Chair, should there not be consistency in how the rules are applied?

The CHAIRMAN. The Chair did not understand that to be an extension of time, but rather a clarification on a procedural point which was confusing to some Members, including the gentleman from New York [Mr. SOLOMON], who felt, as the gentleman stated, that it was unfair to take time that he, the gentleman at the microphone now, and the other gentlemen have taken, from the 2 hours that the gentleman from Maryland [Mr. MFUME] controls.

Mr. MFUME. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, let me if I might begin my remarks by offering my thanks to the chairman of the Budget Committee, the gentleman from Minnesota [Mr. SABO], for doing a yeoman's job one working through a very difficult process and taking many things into consideration with respect to the proc-

ess that we are all engaged in this evening. Both the gentleman and the ranking minority member on that committee are to be commended.

Mr. Chairman, those of us who stand here as members of the Black Caucus and the House progressive caucus sincerely wish to convey our thanks to these gentleman for their sensitivity in this matter and their understanding of our need and desire on the basis of principle to come forward with what we consider to be our alternative budget.

Mr. Chairman, we come before you today with a sense of great urgency and opportunity—a sense of opportunity because we stand on the threshold of a new era of partnership between the executive and legislative branches—a sense of urgency because the people whom we serve are desperately in need of our compassion and immediate action to alleviate the conditions which so imperil their lives.

Since 1981, the Congressional Black Caucus has developed 10 alternative budgets. The impetus for those earlier budgets was a challenge issued by President Reagan for those who criticize his call for increased military spending, tax breaks to the wealthy, and the slashing of vital social services.

The impetus for the budget you now hold is to respond to the complete failure of the previous budget priorities of the previous administration and to create a new approach to national fiscal policy which responds to dramatically changed world conditions. This budget grows out of the moral imperative which we as members of the Congressional Black Caucus and our colleagues in the House progressive caucus believe must be addressed. The alternative is motivated by the pain of those who suffer homelessness, illness without access to medical care, frustrated educational opportunities, the scourge of drug abuse, the violence rampant in our communities, the stagnation of our economy that has plunged millions into unemployment, despair, and permanent economic marginality.

We have worked diligently, within an abbreviated time frame, to develop this document which seeks to find progressive solutions to advance the cause of human dignity and social progress. We do not posture ourselves as an opposition coalition to the President's recommendations or that of the House Budget Committee. Rather, we have set out what we view as a set of aggressive "alternative"; options for the Nation.

Americans of all races and from all walks of life have suffered especially during the current economic decline. The resurgence in acts of racism and sexism and class have forced themselves upon the front pages of the Nation's press. Our education system fails to prepare our children for their role as

citizens and workers. Our infrastructure is collapsing. Millions are unserved or underserved by our health care systems. Indeed, we even live in an era in which parents do not believe that their children will lead a better life than they do. These children of desperation find their recourse in drugs and death and a world of violence.

It is for them and for their parents and for the hard-working and honest people of our Nation that we advance this alternative—to give our view of how we make their world a safer and more supportive environment in which to live.

In summary our fiscal year 1994 budget: Allocates \$1.343 trillion in Budget Authority, spends \$1.509 trillion in outlays, raises \$1.256 trillion in revenues, and reduces the deficit to \$252.9 billion in 1994.

HISTORY

For the past 12 years, the Congressional Black Caucus has developed 10 alternative budgets. These earlier budgets were in response to a challenge issued by President Ronald Reagan for those who criticized his call for increased military spending and the slashing of vital social service and human resources development programs.

The alternative budget today attempts to address the failures of the past two administrations and responds to the demands of dramatically volatile world conditions.

To be sure, the Congressional Black Caucus understands that there continues to be a great deal of pain and suffering. The alternative budget reaches out to the homeless and the uninsured.

The alternative budget seeks to create new educational opportunities and replace the scourge of drugs with a sense of hope and compassion to human needs.

The alternative budget is driven by our desire to revive our stagnant economy and put millions of Americans back to work—to offer a hand up, instead of a handout.

We want America to maintain its predominant place in the world arena. To this end, issues such as economic conversion, infrastructure development, worker retraining and deficit reduction are all incorporated within our fiscal year 1994 budget alternative.

Additionally, Mr. Chairman, I am honored to announce for the second consecutive year the House progressive caucus is cosponsoring the alternative budget with the Black Caucus.

The members and staff of the progressive caucus have worked very diligently to shape this document within an abbreviated time frame.

The participation of the progressive caucus underscores the fact that we can put people first, attack the deficit and respond to our international commitments.

Mr. Chairman, when it is all said and done, the budget process and our alter-

native budget has less to do with politics, that it does with the interest of the people who are affected by what we do.

The alternative budget is fair and does not pit one segment of our society against another. We are simply concerned that the people's interests are protected.

The only way I know to accomplish this task is by being fair. No one likes to waste time and money, especially when it is donated by the taxpayers we serve.

This alternative is not about taxing and spending. The alternative budget is about investing and receiving dividends. We can either pay now or pay later.

I don't believe our current economic problems are the result of government spending. Our problems are because we have not been honest with the American public about who has benefited from government over the past 12 years and who has suffered.

Not all the bills we passed in this house went to welfare and social services. Many went to support the bail out of private industries and to assist the private sector compete with Japan and Germany.

Ladies and gentlemen, let the truth be told about how we got here. Let us not label the poor and disadvantaged as the cause of our economic woes.

If the poor reaped so many Federal benefits, then why are there so many people that are without shelter, food, clothing and other necessities.

The alternative budget is a straightforward proposal that demonstrates new and creative thinking to old tired problems.

The Congressional Black Caucus and the House progressive caucus take the budget exercise very seriously. To be sure, we care so much about this process that we endeavor every year to fashion a document that reaches every sector of our society.

□ 2150

The Congressional Black Caucus and the House progressive caucus take the Budget exercise very seriously. To be sure, we care so much about this process that we endeavor every year to fashion a document that reaches every sector of our society.

We want to be sure in the simplest way that there are enough resources to provide for the homeless, the indigent, the hungry, the dispossessed, the middle class working men of this Nation, to provide for families and so many others.

Our alternative budget addresses America's concern that children are adequately educated and that they receive job skills later in life for training and future employment that then will enable them to be able to raise families. Mr. Chairman, it does not matter tonight whether we are Republican or

Democrat. We must concede the fact that members of this body cringe at the sight of once productive industries losing contracts and then losing jobs to firms overseas because labor and other regulatory costs are cheaper. Americans want to work, but Americans also want their government to work for them. The alternative budget achieves this end, and we balance the budget by 1993. Let me repeat that. We balance the budget by 1998 under this alternative approach. We achieve deficit reduction and we represent the farmer and the stock broker, the doctor, the engineer, the teacher, the carpenter, the merchant seaman, the textile worker and the average Joes and Janes of this Nation.

Mr. Chairman, in presenting this budget for consideration to this body tonight, let me thank members of the Congressional Black Caucus and the House progressive caucus and other Members who are not affiliated with either who will come forward tomorrow and vote in the affirmative for this approach because they believe, as we believe, that we must, in fact, stand up and do what we have to do to add a sense of humanity and to bring some sensitivities to this process, a process that ultimately, in the end, always affects people.

We are the custodians of this process in many respects, and what we do will be measured for a long, long time to come.

Mr. SOLOMON. Mr. Chairman, will the gentleman yield?

Mr. MFUME. I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Chairman, this is what I would like to do, if it is all right. Since we did not use the remaining 30 minutes of our debate time, I ask unanimous consent that that 30 minutes be added to the Republican budget time of 53 minutes. And certainly, I do not think there would be any objection to our doing that.

Mr. MFUME. Mr. Chairman, on a point of clarification, what 53 minutes is the gentleman referring to?

Mr. SOLOMON. Mr. Chairman, if the gentleman will continue to yield, the gentleman from Ohio [Mr. KASICH] has remaining 53 minutes. I would like to yield my 30 minutes that we did not use to be added to their time.

Mr. MFUME. Mr. Chairman, I do not have any objection to that.

The CHAIRMAN. The Chair will note that the gentleman has 56 minutes, and the gentleman is adding 30 minutes.

Mr. SOLOMON. Mr. Chairman, we are adding 30 minutes to the 56 and giving it to the gentleman from Ohio [Mr. KASICH].

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MFUME. Mr. Chairman, I yield such time as he may consume to the

distinguished gentleman from Vermont [Mr. SANDERS], who also is cochair of the House progressive caucus.

Mr. SANDERS. Mr. Chairman, I thank the gentleman from Maryland for yielding time to me.

I want to congratulate the gentleman from Maryland [Mr. MFUME] and the Black Caucus in general for many, many years being the conscience of the U.S. Congress.

Year after year they have given us the serious budgets, the humane budgets. And the American people owe them a debt of gratitude, and I am very delighted, as a member of the progressive caucus, to be joining with them today to discuss a sensible alternative.

Mr. Chairman, the truth is that the President of the United States has presented the American people with a good budget. But frankly, in my view, it is a budget which does not go far enough.

Our Nation is a great Nation, and I believe that if the truth is laid out on the table, if we have the courage to look at our problems honestly and straightforwardly, as serious as these problems are, we, in fact, can solve them and, once again, restore the preeminence of the United States of America on the world scene.

And to the President's credit, unlike his predecessors, he has the courage to put the chips out on the table and tell the American people really what is going on.

Let us touch upon a little bit about what is going on. The gentleman from Maryland [Mr. MFUME] has already raised some of those issues.

Mr. Chairman, 20 years ago, the United States of America led the world in terms of the wages and benefits we provided our workers. We were No. 1. Today, after some Democratic rule, after 12 years of Reaganomics, our working people today are in 12th place in terms of the wages and benefits that we receive.

The good news is the German companies like BMW are coming to America to build automobile plants. That is the good news. The bad news is that they are coming here now because we are becoming a source of cheap labor for Germany. Their manufacturing workers earn 25 percent more per hour than our workers earn.

Mr. Chairman, as the gentleman from Maryland [Mr. MFUME] has already suggested, we have 16 million workers in this country who are unemployed or underemployed. We have millions more who are earning a totally inadequate minimum wage.

The Congressional Black Caucus and progressive caucus budget understands that we must invest in America. We must rebuild this country. And in the process, in the process, create hundreds of thousands of decent-paying jobs for American workers.

We think it makes sense to rebuild our highways, our mass transportation

systems, our sewer systems, all of the needs that have been neglected for decades. We think it is a smart investment, because we improve our society and put people to work at decent wages.

Mr. Chairman, 2 million Americans are sleeping out on the street and many millions more are living in wholly inadequate housing. Five million American children go hungry every day and the United States has, by far, the highest rate of childhood poverty in the industrialized world, 20 percent of our kids live in poverty.

Mr. Chairman, the Congressional Black Caucus and progressive caucus budget says that in the United States of America the children of our country must not go hungry. That may seem to be a radical idea to some of our friends over there. Some of us think that it is not a radical idea. It is an American idea, that our children must not be without adequate health care. Half the kids do not get their basic immunization shots, and that all of our kids must have an adequate education to go into the 21st century. Radical? I do not think so.

I think that is what this country is supposed to be about, and I am very proud that our budget understands the greatness of a nation, the moral strength of a nation is judged by how well we treat our children, the children who are the weakest and the most vulnerable members of our society.

That is why I am very proud that our budget, more than any other budget, provides adequate funding so that we can effectively deal with the crises facing our children.

Mr. Chairman, clearly the priorities of our Government are out of whack, and this chart in front of me says basically all that has to be said about the priorities of the 1980's. Here it is.

Housing, down 77 percent. My colleagues wonder why people are sleeping out on the street? Here it is. Health care, they wonder why kids do not get immunizations, health care down 49 percent.

Employment and training, down 48 percent. Mass transit, down 33 percent. Farmers Home Administration, down 25 percent. Child nutrition, down 19 percent. Education, down 70 percent. Not everything is down, however. Military spending, up 46 percent. And those are the kinds of priorities that our budget is trying to reverse.

No one denies that our world is a dangerous place. No one is suggesting that we disarm America. But we are asking, for example, whether we have to spend \$130 billion a year defending Western Europe and Japan, countries that are now wealthier than we are. Let them defend themselves. We have got to take care of our kids, our people.

Mr. Chairman, those of us who are supporting this budget are outraged by the waste of human life and human po-

tential in this country. That is what this budget is about. It is for the elderly. It is for the kids. It is for working people, and it is for the poor.

□ 2200

Mr. Chairman, very briefly let me touch upon another issue. It is an issue that I think we do not discuss very much in this House. The media does not deal with it too much, but it is an issue of concern to me.

As the Members know, we, Americans, are great sports fans. We always want to know the score: Who won and who lost the game. Let me briefly talk about the most important game being played in our Nation. It is not football, it is not the NCAA basketball, it is not baseball. It is the game of who wins and who loses the economic struggle, who wins and who loses the economic struggle.

Let me make reference now to a recent study authored by Arthur Kennickel, senior economist at the Federal Reserve Bank, and R. Louise Woodburn, mathematical statistician for the IRS.

What their results show is that the richest 1 percent of the population own 37 percent of the wealth of America, while the bottom 90 percent now own 31 percent of the wealth. The richest 1 percent own more wealth than the 90 percent of the people who are in the bottom.

What has happened in the last dozen years is the gap between the rich and the poor has grown wider. Their side, and we have to concede this point, they won. Congratulations. Their friends have become wealthier while many of the people that we represent, working people, poor people, senior citizens, they have lost. That is what the score is about.

Mr. Chairman, let me conclude by mentioning another study by Prof. Edward Wolff of New York University. Some of our friends, they talk about raising taxes, what a terrible thing. I think it is important when you talk about taxes to ask who is going to pay, who should pay taxes.

Let me conclude by quoting a statement from Prof. Edward Wolff of New York University. He writes, "Of the \$2.6 trillion increase in family wealth between 1983 and 1989, \$2.6 trillion" and we are talking about a lot of money, "55 percent accrued to the top half of 1 percent of the families."

So all those gains of the Reagan years, that is where they went, to the richest one-half of 1 percent. Most importantly, the lower, middle, and bottom wealth classes collectively lost \$256 billion of wealth. That is what happened.

Mr. Chairman, let me conclude by congratulating the Congressional Black Caucus for their outstanding work. As a member of the progressive caucus, I am delighted to join with

them. Let us go together to change the priorities in this country and make sure that America works for all the people and not just the very wealthy.

Mr. MFUME. Mr. Chairman, I yield 3 minutes to the gentlewoman from New York [Ms. VELÁZQUEZ], a distinguished member of the Committee on Banking, Finance and Urban Affairs.

Ms. VELÁZQUEZ. Mr. Chairman, I rise today in strong support of the alternative budget offered by the Congressional Black Caucus in coalition with the congressional progressive caucus. I also want to commend Congressman MFUME, chairman of the Black Caucus, and his staff for the superb work they have produced under very strict time constraints.

Mr. Chairman, Frederick Douglass taught us that "if there is no struggle, there is no progress." This esteemed African-American is quoted as saying, "Those who profess to favor freedom, and yet deprecate agitation, want crops without plowing up the ground, they want rain without thunder and lightning. They want the ocean without the awful roar of its many waters."

Well, Mr. Chairman, today the Congressional Black Caucus and the Progressive Caucus bring thunder and lightning to the floor of the House. We are here to roar on behalf of communities, like the 12th Congressional District of New York which I represent, that are economically distressed and politically disaffected.

Let me explain the conditions which my constituents confront every day. Housing is scarce but expensive, the few schools are overcrowded and unsafe, local emergency rooms substitute for doctors' offices, jobs are elusive and require ever increasing levels of training, there is an absence of basic financial services, and the capital that is so vital to local economic development is nowhere to be found. I know this is the case in many areas across the country, but believe me, the situation is so much more drastic, so much more desperate in communities of color.

Already this year, there have been two murders inside schools in New York City, both have occurred in my district. In addition, one of the finest educators, administrators, and mentors of our school system, Patrick Daly, was fatally shot in a drug related cross-fire as he searched for a student who had earlier that day left the school in tears due to a dispute with another student. Similar incidents of wanton violence are repeated daily in our communities and threaten to destroy the spirit and the soul of the people.

But our constituents do not want handouts, and they certainly do not deserve the hand across the face they received from the Reagan and Bush administrations throughout the 1980's. They want a hand up.

They want opportunity, the opportunity to acquire the tools that will

allow them to help themselves. They seek economic self-sufficiency which will create jobs, rebuild neighborhoods, renew hope, and restore reason to these communities.

This alternative budget speaks to them. This alternative budget is their voice in Congress by making social investment in our people the first consideration.

Let me focus on some of the specifics in this alternative budget. In the area of housing and community development, we include \$200 billion in low and moderate income housing and rehabilitation grants and significant increases in section 8 housing certificates to shelter our constituents. The alternative budget also adds \$600 million to renovate and secure our public housing. These funds will allow our citizens in public housing to live in safety and dignity. The budget alternative builds on President Clinton's fine proposal to increase funding for the Community Development Block Grant Program by adding \$144 million over 4 years to his request.

The budget adds \$12 million to create a distinct entity in the Department of Commerce focused on minority business development, and authorizes an additional \$350 million in small and minority business assistance. These funds plant the seeds for the growth of minority entrepreneurs throughout the country.

The alternative budget invests in our future by increasing Pell grant maximum awards by adding \$2 billion to the program. The proposal also increases Chapter 1 funds to serve an additional 2 million children and provides \$75 million for educational research and development to establish research institutes and a network of research education for some of the poorest regions of the country.

And these are only some of the areas in which this budget makes a significant difference. There are also increases to worker training, youth initiatives, environmental controls, transportation, and health care. The alternative budget addresses these pressing needs while seriously attacking the Federal deficit that chokes our investments and threatens to burden our children.

Mr. Chairman, this alternative budget is the peoples budget. It represents a responsible social investment package that responds to the needs of those communities that historically have been denied social justice and economic equity. It renews faith in this country to many who feel left out. In closing, I wish to quote a Langston Hughes poem that recalls the yet unfulfilled promise that this budget responds to—

Oh, let America be America again
the land that never has been yet—
And yet must be—the land where every man
is free

The land that's mine—the poor man's, Indian's Negro's ME—

Whose sweat and blood, whose faith and pain—

Must bring back our mighty dream again.

Oh yes, I'll say it plain.

America never was America to me.

And yet, I swear this oath—

America will be!

Mr. Chairman, I ask my colleagues to support the alternative budget offered by the Congressional Black Caucus and the congressional progressive caucus.

Mr. MFUME. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from New York [Mr. RANGEL], Chair of the Select Committee on Narcotics Abuse and Control and a distinguished member of the Committee on Ways and Means.

Mr. RANGEL. Mr. Chairman, it is a great honor to be a Member of Congress and to come before this body to talk about the progressive caucus and the Congressional Black Caucus alternative this evening. Having worked with the Congressional Black Caucus in the decades that we had an alternative, it even makes us prouder as Americans, as legislators, to see that in the 1986 reform bill that over 90 percent of the reforms that were in that bill actually were introduced by the Congressional Black Caucus, long before we were able to change the tax code.

Since the 1980's, of course, there was a big party going on in America, and poor people just were not invited to attend. A lot of people that did come there became wealthy. The tax rates were dramatically reduced for corporate structures as well as the wealthy, and we found America going deeper and deeper into debt.

It is a strange thing, but for those of us who know what paying interest on debt is, we find ourselves in the Congress denying homes to the homeless, jobs to the unemployed, lacking medical services, and so at last we have a President who has had the courage to say we have to turn it around. As has been said before, it just did not go far enough.

We in the Congressional Black Caucus have analyzed some of the provisions there. We said that we do not need a Btu tax, we do not need an energy tax. Yes, we have the earned income tax credit to give a little cushion, but still there are a lot of people who are not working that would have to pay this tax, and so we eliminate it.

We eliminate the increase of the Social Security base from 50 to 85 percent of taxable income. We believe, as other administrations do not believe, that we have to raise the funds if we intend to do this, so we increase the corporate tax from 36 percent to 38 percent, we put a 5-percent surcharge on the highest of the income tax of the corporate tax. This, combined, raises \$12.2 billion.

We increase the capital gains tax from 28 percent to 31 percent. This

gives us an additional \$3.5 billion. Also, we put a cap on the interest of mortgages where the principal has been \$300,000, from the cap that we have now of \$1 million, raise it \$900 million and eliminate the deduction for the second home, which raises in addition \$200 million.

What we have done is kept the best of the Clinton plan. We have not touched the earned income tax credit, which we believe is long overdue, not as a cushion but as an encouragement and as a support to make certain that our working Americans are not working and still poor.

We leave and make permanent the low-income housing credit, the targeted jobs credit, the investment tax credit for small businesses, and as our distinguished chairman has pointed out, we increase and we raise \$23.7 billion over the Clinton budget and reduce the national deficit by some \$15.1 billion below the Clinton deficit.

What we are saying is that if we are going to invest in America, if we are going to invest in human beings, if we are going to put America back to work, we are going to have to pay for it. The best people to pay are those that went to the party, enjoyed the party, and left us with a hangover.

Mr. Chairman, it is a great honor to see that with the courage that we have with President Clinton, there is no question in my mind that if we cannot get over the top with this budget today they will come back and they will be adopting our budget today, as they have adopted our budget in the past.

Mr. MFUME. Mr. Chairman, I yield 3 minutes to the other gentleman from New York [Mr. NADLER], who is here today also to speak on behalf of this particular budget we are offering.

Mr. NADLER. Mr. Chairman, I rise in support of this amendment and urge my colleagues to support it.

For the first time in a dozen years, we have a President who is trying to deal honestly with the economy and the budget. The President's package is the product of a commitment to deal forthrightly with the economic wreckage brought on by more than a decade of mismanagement and borrow-and-spend policies.

Most importantly, the President is asking that we rebuild our crumbling infrastructure, convert our industry to that of a peacetime economy, promote energy efficiency and sound environmental policies, and provide funding to restore our urban communities and fight the ravages of deadly diseases like AIDS, breast cancer, and TB.

I support the President's efforts.

I am supporting this alternative because I believe that we can build on the President's historic initiative—we can make substantially deeper cuts in the defense budget to realign our military posture to reflect realistically the much-reduced threats we face in the

world today, and to redirect our resources to invest more in the future of our people and our communities.

We have heard a great deal about the budget deficit. But the deficit is not our only economic problem. We need to remember that our economy will not flourish, our standard of living will not increase, unless we deal with our other economic problems as well.

We will not successfully compete with other industrialized countries;

While American students score consistently below their foreign counterparts;

When net fixed private investment is less than 3 percent and our productivity increases at one sixth the Japanese rate.

And we will never satisfy our people's aspirations if we have another decade in which the income of the wealthiest fifth of the population grows by 17 percent, while that of the poorest fifth drops by 5 percent.

The time has come to pass a budget that addresses all of these economic problems.

The American people have spoken. They have responded to the President's message of honesty, deficit reduction, and investment in the future of this Nation. The proposal being advanced by the Congressional Black Caucus and the House progressive caucus is faithful to that vision and builds on the President's proposal. I join with the other Members of the House progressive caucus in urging my colleagues to support this amendment and provide a greater investment in our future and in our people.

□ 2010

Mr. MFUME. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Oregon [Ms. FURSE].

Ms. FURSE. Mr. Chairman, I rise today to support the alternative budget presented by the Congressional Black Caucus and progressive caucus.

I also want to say how much I appreciate the work of the Budget Committee in bringing us a budget that seeks to address the needs of America, and I appreciate President Clinton's budget, with its blend of investments, deficit reduction, and new revenues.

But it is in the alternative budget that I find the purest expression of my own values. For many years I watched in admiration as the Black Congressional Caucus brought forward their budget. This budget was a ray of hope during those awful years when the Reagan and Bush budgets promoted all that was wrong in values. The Congressional Black Caucus budgets all those many years emphasized human values, environmental values, American values. When there was so little recognition of real needs, the Congressional Black Caucus budget stood for my values.

Therefore, it is the most profound honor for me today to be a Member of

Congress and support the Congressional Black Caucus budget and the progressive caucus budget. This budget reduces defense spending by \$11 billion while increasing the funds available for defense conversion. It urges the establishment of long-term care programs to meet the needs of the elderly, the disabled, the chronically ill. This is central to any health care reform. And this alternative budget adds another \$5 billion for education and employment services.

It is in this budget that I see the priorities that I campaigned for, priorities of children, priorities of education, priorities for the environment, civilian priorities that recognize that the cold war is indeed over and that our greatest threat is not from some foreign enemy, but rather from the enemies of poverty, despair, and malnutrition.

I urge my colleagues to support the values that are recognized in this alternative budget.

Mr. MFUME. Mr. Chairman, I yield 3 minutes to the gentlewoman from Georgia [Ms. MCKINNEY], a distinguished member of the Committee on Foreign Affairs.

Ms. MCKINNEY. Mr. Chairman, I rise this evening to place in perspective why consideration of the Black Caucus and progressive caucus alternative budget is important.

As you know, many of us who seek elective office can talk the talk. The question is, can we walk the walk?

The people of the United States spoke for change: They want a recognizable shift in American priorities and they want deficit reduction.

In short, we each came to Congress because the people want action. We applaud the President who has taken bold steps in the right direction. We present an alternative, however, that should dispel the notion that he has approached the outer limits as to what could, and for that matter, should be done.

I would like to speak specifically about life in our smaller cities and towns and in rural America that this budget also addresses.

Of course, small problems are not confined to small towns. We have big problems, too.

In my district, Georgia's 11th Congressional District, I represent people who have no running water in their homes; people in communities who must survive weather like we just experienced, but without paved roads; infant mortality reaches proportions akin to those in Third World countries; and illiteracy among adults runs at just under half the population.

There is much to be done. The Congressional Black Caucus budget includes rural America and small town America in a way that affirmatively addresses our urgent needs while we at the same time address the critical human needs of our urban areas.

For we now understand that rural America's problems today will belong to urban America tomorrow. We can stem the despair in our rural and smaller cities and towns, and the Congressional Black Caucus and progressive caucus alternative budget does that: From economic infrastructure development programs to funding of the sustainable agriculture research and education program; from community development banks in smaller cities and towns to additional funding for institutions like Paine College in Augusta and Savannah State College.

And most importantly, in addition to an investment in rural development, we fund a special rural health initiative.

We do all this, without an isolationist posture toward the rest of the world, and we do it with a balanced budget in 1998.

The Congressional Black Caucus and progressive caucus budget allows us to talk the talk, and to walk the walk of the people's agenda for America.

Mr. MFUME. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. BLACKWELL], a distinguished member of the Committee on the Budget.

Mr. BLACKWELL. Mr. Chairman, the budget of the United States makes a statement about where we stand. Our spending and our cuts reflect our principles.

For 12 years, we increased military spending, gave tax cuts to the wealthy and caused a dramatic shift in resources from the hands of many to the hands of a few.

During this 12 year period, the deficit has gone up, while investment in human needs has gone down. It is now time for investment to go up and for the deficit to go down. President Clinton is committed to that goal.

Our colleagues on the other side of the aisle would have us continue the failed policies of the past. They would have us continue to protect the rich at the expense of poor and middle-class Americans. And so, our colleagues offer a substitute budget. They offer a budget with no real change in policies. Under their budget, the wealthy would not pay their fair share. There would be no taxes on them. Human needs would suffer.

Mr. Chairman, in addition to a record deficit, the past 12 years have produced record unemployment levels. Nine million people are unemployed. Another 6 million are underemployed.

Yet, while sparing the wealthy and further cutting human needs programs, our colleagues would have us do nothing about the stagnant unemployment that has hovered around 7 percent for nearly two years.

President Clinton, on the other hand, has proposed a comprehensive economic recovery package, designed to provide a higher standard of living for all Americans.

Under the President's plan, millions of new jobs will be created; incomes for working Americans will be increased; there will be investment in America's infrastructure, in technology and in people; and, the deficit will be reduced. The budget offered by the budget committee more closely tracks President Clinton's economic recovery package. Chairman Sabo is to be commended for the skill and leadership he has demonstrated in bringing this budget to the floor.

Unlike the substitute budget offered by our colleagues from the other side of the aisle, however, the Congressional Black Caucus offers a substitute which also closely tracks President Clinton's proposal.

The CBC substitute goes further than the budget committee in insuring that the burden of reversing the failures of the past are more evenly shared. The CBC rejects the energy tax as well as the proposed increase in Social Security taxation.

The CBC substitute adopts unemployment levels as set out in the Humphrey-Hawkins targets under the Full Employment and Balanced Growth Act of 1978. The CBC recognizes that decreasing unemployment results in a decreased deficit.

The CBC also offers more cuts in the defense function and less cuts in the functions which affect human needs. While realizing that the budget is advisory, we want to make sure that certain programs are not at risk.

In offering the substitute, the CBC does not intend to belittle the work of the House Budget Committee. There are many programs for people embodied in the Budget Committee's resolution.

Full funding for Head Start and for the WIC program; expansion of the Food Stamp Program to meet the Mickey Leland Hunger Relief Act; increased summer jobs for youth; increases in community development block grants; expansion of the earned income tax credit assistance for low income people; funding for education reform; full funding for the Ryan White AIDS program; and increases for childhood immunizations, among other items.

In sum, I find far more to agree with in the House Budget Committee resolution than I do with the substitute offered by our colleagues from the other side of the aisle. But the best budget, in my view, is the CBC substitute.

Mr. Chairman, at the close of this debate, we will vote. Under the rule, one of these budgets will be sent forward for consideration and comparison with the work of the Senate. I urge my colleagues to support the CBC substitute.

The CBC substitute reflects fairness; equal treatment; a balancing of past problems and present promise. It reflects what America should stand for—change so that all Americans might have a chance.

□ 2220

Mr. Chairman, I believe that we have to look at what the Republicans have done for the last 12 years in destroying this country.

We have people living in subways, we have people sleeping in abandoned cars, sleeping in abandoned homes, unable to eat, while we send our jobs overseas.

So now it is time to change that. We elected President Clinton. We did not elect the Republican Party. We should follow his policies. More than that we must go another step forward and adopt the CBC progressive bill. It goes a step further, and it will restore this country back to Americans where it belongs.

We have been taking care of 2 percent of this country for far too long. Now it is time to put Americans back to work, give America back to all Americans, and not the 2 percent.

Mr. MFUME. Mr. Chairman, I yield 4½ minutes to the gentleman from North Carolina [Mr. WATT], a distinguished member of the Committee on Banking, Finance and Urban Affairs.

Mr. WATT. Mr. Chairman, I rise in support of the Alternative Budget put forth by the Congressional Black Caucus and the House progressive caucus.

Mr. Chairman, I am not here to attack the President's budget. But, as President Clinton told us last fall, "we can do better". The CBC and Progressive Caucus have created a budget that is better than that of both the President and the House Budget Committee because it is more socially responsible and more humane. At the same time it is more responsive to the public's demand and the obvious need for deficit reduction.

This budget focuses more intensely on building up our communities and creating jobs. It adds \$144 million for CDBG funding and \$2 billion for Pell Grants. It would serve an additional 2 million children in the Chapter 1 education program. Mr. Chairman, these are investments in our communities and in our people which will pay handsome dividends and returns and result in great savings in our national budget in the future.

And this alternative budget would eliminate the Federal budget deficit by fiscal year 1998 without raising taxes on the poor or the middle class or attacking their government services.

Let me put this in perspective for you. Twelve years ago Ronald Reagan sold America on a tax plan which he said was fair to all Americans. He said let's make all Americans pay income taxes at the same rate, 33 percent. Fair enough! What we failed to understand and raise our voices in opposition about was that 33 percent of a \$10,000 income left that household \$6,700 in money to spend while 33 percent of a \$100,000 income left that household \$67,000 in money to spend and 33 percent of \$1 million in income left that

household \$670,000 in money to spend. Twelve years later we came to some startling realizations:

In that 10 to 12 year period the number of millionaires in America increased by over 1,200 percent.

During that same period, the percentage of wealth controlled by the top 1 percent of the people in this Country increased from 31.1 percent to 37.1 percent while the amount of wealth controlled by the bottom 90 percent of the people in this country decreased from 33.3 percent to 31.8 percent.

Mr. Chairman, we have a moral responsibility to invest in our Nation's children, elderly and poor. This alternative budget resolution allows us to do that, and I ask my colleagues to join with me in voting for it.

Mr. MFUME. Mr. Chairman, I yield 3 minutes to the gentlewoman from Florida [Ms. BROWN] a distinguished member of the Committee on Public Works and Transportation.

Ms. BROWN of Florida. Mr. Chairman, I rise in strong support of the Congressional Black Caucus' budget. For the first time in many years, we have an opportunity with this budget to confront our problems squarely and point this country in the right direction.

The Black Caucus' budget to rebuild America puts people first. This caring budget is based on the principles of the Democratic Party, and makes me proud to be a Democrat.

The budget addresses the unmet human needs of those Americans who were ignored during the 12 years of Reagan and Bush borrow and spend economics.

Let me say to my colleagues that there is no reason to support a compromise budget that only reflects the needs of some Americans. The Black Caucus budget does not discriminate—it reaches out to address the needs of everybody. Remember, each of us was elected to represent all Americans—and that includes the children, the elderly, the homeless, the veterans, the uninsured, and the unemployed and underemployed. This is the budget of the people. The caring budget.

Let us all reach out and vote for a budget that will really rebuild America. Join me in support of the Black Caucus budget.

Mr. MFUME. Mr. Chairman, I yield 5 minutes to the gentleman from Maryland [Mr. WYNN], a distinguished member of the Committee on Banking, Finance and Urban Affairs.

□ 2230

Mr. WYNN. I thank the gentleman for yielding this time to me.

First let me express my strong support for the Clinton administration budget as reported out by the Committee on the Budget. It addresses our domestic ills via Head Start improvements, immunization program expansion, and the WIC Program.

My compliments in that regard to Chairman SABO and the members of the committee.

But I am here at this point to express my further and fervent support for the Congressional Black Caucus and progressive caucus budget because it even goes further in addressing the concerns that all of us in America have, that being the economy.

I want to look at a particular aspect of the Congressional Black Caucus and progressive caucus budget, functions 370, dealing with commerce and housing.

You know, we go through this budget exercise, and some people may think it is an academic exercise, an abstract accounting exercise, and that is not the case. People in America know this is about the economy, about jobs. People on the other side of the aisle want to say that we have a recovery, but it is a recovery without job growth and that will be, ultimately, the standard by which we shall be judged.

Further, we found that small business is the backbone of our economy, the basis for private sector growth and development. But, unfortunately, as a result of the credit crunch, we have not seen that kind of growth and development.

All the banks have made record profits, \$33.2 billion this year; small-business lending has declined. So, as we look at this budget, we focus on the area of commerce and housing, and we find that while the Clinton administration devotes \$354 million to community development banks, the CBC and progressive caucus budgets \$650 million for this purpose, some \$300 million more.

Why is this important? Because the engine for job growth in our country and in our communities is the small businessman, the minority businessman. But if he cannot borrow money, we cannot have job growth.

Now, where do community development banks come into this process? Well, in view of the credit crunch, in view of the increasing concentration in the banking industry, it is very evident we need a vehicle to insure small-business lending. As I indicated, it is down 4 percent, yet profits are at a record level, high level. How do we address this? Community development banks. Well, it did not take very long for everybody to jump on the bandwagon, "Yes, community development banks," but no one talked about how they are going to be financed.

Mr. Chairman, I agree with you and members of the progressive caucus, if we do not put real money into the community development banks, they are going to be victims of a cruel hoax and empty hopes for the people of this country. But the CBC and progressive caucus budget, by putting real dollars into a community development bank system, will enable our communities to prosper and grow, enable our business-

men to create jobs, and, after all, it is about jobs.

I thank the gentleman again for yielding to me, and I urge adoption of the CBC and progressive caucus budget.

Mr. MFUME. Mr. Chairman, I yield 8 minutes to the gentleman from New York [Mr. OWENS], a distinguished member of the Committee on Education and Labor.

Mr. OWENS. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, the largest increases in the alternative budget of the Congressional Black Caucus and progressive caucus budget, the amounts that are above what is provided in the committee's budget and the amounts provided in the President's budget, are in the area of education and job training.

Again, the CBC and progressive budget continues its tradition of filling a deficit in the wisdom of the other budgets that are produced by the budget decisionmakers here in the Capitol. The gravest threat to our national security today cannot be found in a missile silo in the Ukraine or in a uniform in Iraq; it can be found in elementary and secondary school classrooms in Brooklyn, in Des Moines, in Phoenix, and throughout our Nation, where children struggle to learn without adequate support and resources.

Mr. Chairman, there is a broad consensus among economists, businessmen, labor officials, and educators that this Nation can only remain economically competitive in today's world if we substantially upgrade the education and skills of both Americans already in the work force and the children who will become the workers of tomorrow.

Mr. Chairman, the challenge we face is vast. The adult illiteracy rate in Japan is 1 percent; here it approaches 20 percent. Children in Japan, Germany, and other nations with which we compete consistently score at the top of national exams in math and science; our children, on the other hand, consistently score at the bottom. In fact, the average U.S. student today scores below the lowest scoring students in Japan, Germany, and other nations.

This grave crisis in American education has been precipitated by 12 years of gross neglect and underinvestment.

Over the last 12 years, the Federal share of elementary and secondary education spending has been cut drastically.

Twelve years ago it was about 9 percent of the total education budget, today it is down to 6 percent of the total education budget, most of it spent by State and local Governments. That means that over the last 12 years the decisionmakers here in Washington have consistently trivialized the Federal role in the national education effort.

Among the advanced industrial nations, we rank 11th in public school spending.

Mr. Chairman, the United States ranks 14th in the world in the percentage of its gross domestic product that it spends on elementary and secondary education—behind nations like Canada, Japan, West Germany, France, Italy, and Great Britain.

The United States ranks 19th in the world in the number of school-age children per teacher.

States and localities have tried to compensate for the declining Federal investment in education, but they have not succeeded. Hit hard by the recession, nearly two-thirds of the States have slashed their education expenditures over the last 2 years.

We cannot meet the economic challenges of today and tomorrow unless we mount an overwhelming campaign to improve our schools. Educational improvement must now receive the same kind of systematic, intense, well-funded support that our national defense system received in the 1980's.

The CBC and progressive budget substitute is the only budget alternative being considered today which makes an adequate investment in the education of America's children.

The Budget Committee bill does not meaningfully address this grave crisis in our educational system; it guts the well-thought out investments in education and training that President Bill Clinton had put forward.

The Chapter 1 compensatory education program for educationally disadvantaged children is one of our most effective Federal programs. Every dollar invested in this program saves an estimated \$6.67 in costs associated with dropping out and retention in grade. Yet this program is significantly underfunded. Just half the eligible children are now receiving Chapter 1 assistance—4 million youngsters go unserved.

The Budget Committee substitute would maintain this inexcusable status quo. Chapter 1 would be level-funded.

The CBC and progressive budget, on the other hand, provides for a \$2 billion increase for the chapter 1 program. With these funds, we would be able to serve an additional 2 million children, reaching 75 percent of those eligible children.

It should be clearly understood by the taxpayers of America that we do not do this by raising taxes. We have in the CBC budget cut as much or more than any other of the budgets being offered. We have cut the sacred cow. We have cut where the taxpayers have been swindled for the last 12 years.

We propose to cut the CIA budget. We propose to cut the NATO budget. We propose to cut the overseas bases. We propose to cut out the real waste where Americans have been swindled over these many years, not local bases but overseas bases. Why is it that Germany and Japan cannot pay for their own bases? We propose to cut star wars.

Star wars is a great swindle. Everybody knows it is a swindle. The scientists, in the very beginning, said it would not work. Yet, we are going to continue to spend in this budget this year another \$3 billion and over the next 5 years, \$17 billion for star wars. Mr. Taxpayer, we are not backing away from the need to cut Federal expenditures; we are cutting where the cuts ought to be.

Other important Federal elementary and secondary education programs are also severely underfunded in the other budgets and are funded in this budget.

When the Individuals With Disabilities Education Act was first enacted in 1975, the Congress and the President made a commitment to pay for 40 percent of the extra costs associated with educating children with disabilities. Today, the Federal contribution amounts to only 8 percent of the cost. We propose to right that wrong.

Under the Budget Committee substitute, all of these funds will be level funded or cut. In fact, there are reports that some 60 programs in the Department of Education will be cut by one-third next year if we follow the recommendations of the Budget Committee. In the CBC and progressive caucus budget, these and other vital educational programs would receive an increase of more than \$1.5 billion, an important down payment in the overwhelming campaign to improve education that must be waged over the next decade.

The Pell Grant Program is essential to maintaining access by low-income students to higher education. Over the last decade, Federal support for Pell grants has failed to keep pace with the rising costs of postsecondary education. When the program was first established, the program provided aid equal to 46 percent of the costs of tuition; today, the aid it provides equals just 23 percent of the average tuition cost.

□ 2240

Low-income students have been forced to take on enormous debts and work long hours in order to finance their schooling. Others have found it impossible to afford postsecondary education at all.

Last year the Pell Program not only did not keep pace with inflation, but it was also cut. The maximum award for the poorest students was reduced by \$100. Under the Budget Committee substitute, that erosion would continue. The maximum award would have to be cut another \$100 to \$200 next year.

Our budget, the CBC and progressive caucus budget, on the other hand, provides for a \$2 billion increase for Pell grants which would increase the maximum award for the poorest students by an additional \$700.

The CBC and progressive caucus budget also makes important addi-

tional investments in other assistance and support services for disadvantaged college students. Funding for the TRIO programs, which provide academic and other services low-income students need to succeed in college would be increased by 25 percent.

Finally, Mr. Speaker, I want to stress very much that the trivialization of the Federal role in education by the major decisionmakers in Washington has already caused very serious damage to the vitally needed national education improvement effort. Until we end this trivialization of education, we will remain a Nation at risk. This CBC and progressive budget makes a maximum commitment to the education investment effort. To save the Nation's economy, I urge all Members to vote for this budget. Let us go on and bite the bullet. Let us show some courage. Let us cut the sacred cows and let us reallocate the money to the starving babies. Let us allocate the money. Let us invest the money. Let us invest the taxpayers' money where it gets the greatest return. Let us invest in education.

Mr. MFUME. Mr. Chairman, I yield 8 minutes to the gentlewoman from California [Ms. WATERS], a distinguished member of the Committee on Banking, Finance and Urban Affairs.

Ms. WATERS. Mr. Chairman, I thank the gentleman very much for yielding me this time.

It is with great pride that I rise to support the Congressional Black Caucus and progressive caucus alternative budget proposal. I would like to thank Chairman MFUME of the Congressional Black Caucus as well as my colleagues in the progressive caucus for developing this honest, responsible, and fair program.

This day has been a long time coming. From 1980 to 1991, the Federal Government disinvested in our people to the tune of \$261 billion. This Government systematically retreated from its responsibility to America's cities.

We cut \$80 billion from job training programs over the decade; \$18 billion in housing; \$33 billion in infrastructure and \$10 billion in education. So no matter how good the President's plan might be, we have a long way to go just to catch up to where we were 12 years ago.

We have before us the one budget alternative that truly reflects the new world order. This budget alternative would reorder our budget priorities as they should be. While we are pleased to have a President who understands the needs of our most vulnerable citizens, and while his budget proposal is a vast improvement over past administrations, we still believe our Nation must do better.

This budget proves that common sense makes good fiscal sense. We assume the same basic revenues as the Clinton budget. We then raise an addi-

tional \$10 billion by eliminating environmentally destructive tax breaks and budget incentives.

We cut unnecessary military spending to reflect new world realities, always keeping in mind the need to protect those workers and soldiers who have dedicated themselves to ensure our national security.

By doing these things, and by reinvesting additional resources in America, this budget doubles our Nation's investment in human potential and reduces the deficit beyond the Democratic alternative. This is an important principle. We can begin to deal with our underlying social problems, as well as reduce the budget deficit, as long as we prioritize our budget for the real needs of America.

I would like to highlight a few portions of this budget proposal.

First, this budget not only recognizes the crisis of the poor in this country, it does something about it. The Democratic budget alternative does make a substantial investment in solving our social problems. However, the CBC budget doubles that investment. We have included the "Youth Empowerment Initiative." This program targets inner city and rural poor, young people. These are the people America has left behind.

Our plan begins a stipend-based job training program. It is not enough to give 6 week jobs to school kids. We must address the problems for people who may have been out of school for years—who may be in their twenties and never worked a day. They are young, but not adolescent, and they are unskilled. We have a population waiting for action.

A small, life supporting stipend is a prerequisite for successful job training in the inner city. Moreover, we need strong case management for individuals who may not be use to the structure of a regular job. This budget recognizes these realities and begins such a job training program.

We also fund at \$800 million a gang prevention program of alternative recreation targeted to the same population. The best way to reduce gang activity is to give our kids something else to do. This program would establish recreation centers and programs around the country to give people another way to occupy their free time.

We have a community development gap in America, especially in the cities. This budget includes funding for broad range community development institutions. We must enact a needs based community development program, not one limited to a small number of institutions. This budget funds such a program. In addition, the CBC alternative funds programs to increase technical assistance to traditional lending institutions to encourage greater inner city and minority lending, as well as to better enforce the Community Reinvestment Act.

We talk a lot about small business around here. We must eliminate the obstacles that prevent creative entrepreneurs from accessing credit. This budget does that.

On the issue of military spending reductions, some argue that we go too fast. I disagree. It is a moral imperative that in a time of deficits, we not waste a dime in the Federal budget. There is no longer a need for \$300 billion military budgets.

It is not fiscally or economically responsible to keep defense spending artificially high when it is no longer affordable. However, we must not ignore the costs involved with defense downsizing. This budget is sensitive to the lives of defense workers and soldiers. Our challenge is to redirect the economy in ways that will wean our dependence on military spending and revitalize the civilian industries that will lead this country to a prosperous economic future. This is the path to full employment, long-term growth, and economic stability.

Thus, nearly all of the savings in troop reductions will go directly into a package of severance pay, pension benefits, and job training for the thousands of men and women who have chosen the military as their career.

Another \$3.25 billion will go toward veterans services, with \$2 billion for improvements in the veterans care system and \$1.25 billion for veterans' housing, job training, and education.

This budget's peace dividend is directed to military workers and families. For who, more than they, deserves to share in our cold war victory?

In conclusion, Mr. Chairman, I would like to make one additional point. Some question why we need an alternative budget this year. With a Democratic President, why not just support his budget?

We do support the President. But that does not mean this caucus should not continue to lead. For the past 10 years, the Congressional Black Caucus has offered a visionary document, one that presents a picture of what America ought to be. It should be noted, in those years, our budget alternative was to the Budget Committee recommendations, just as it is this year.

In fact, last year ours was an alternative to Chairman Panetta's budget. It could be argued that this year's alternative is to Director Panetta's budget. Same budget, different job.

So, to my colleagues who have supported us in the past, I say, it is OK to support this alternative. We need to continue to point the budgetmaking process in the direction of sanity, fiscal responsibility, and compassion. I urge my colleagues to stand with us and support this budget alternative.

□ 2250

Mr. MFUME. Mr. Chairman, I yield 9 minutes to the gentleman from New

Jersey [Mr. PAYNE], a distinguished member of the Committee on Foreign Affairs.

Mr. PAYNE of New Jersey. Mr. Chairman, for the first time since the end of the cold war our country will be allowed to make significant reductions in our national defense budget. We will be able to finally benefit from the peace dividend. There is a national consensus that we have an obligation to place some of our savings in taking better care of our domestic needs, as we have heard here, and to use a significant portion of the savings to reduce our national debt.

But, at the same time the Congressional Black Caucus takes the strong position that we also have an obligation to right the wrongs this same cold war created in Africa.

Somalia is a perfect example of where an African country was used as a pawn by both the United States and former Soviet Union in the cold war.

Let us refresh our memory on why the starvation and terrible clan war happened in Somalia.

I remember back in 1989 during my first term in Congress when the headlines in our newspapers read, "Somali Army Said To Kill 5,000 Unarmed Civilians." This was 10 years after the United States had shifted its support from the Marxist Government of Ethiopia to the Barre government of Somalia. At that time the Soviets decided to shift their alliance from Somalia to Ethiopia. So, the superpowers simply swapped sides, simply took different teams just as a basketball school would do as it changed coaches, bringing misery to thousands of people.

For 10 years we provided weapons to the Somalis for our strategic interests so as to deny the Soviets access to the Arabian Sea, thereby protecting our interests in the gulf, and the Indian Ocean and the Red Sea. Why? To insure the flow of Persian Gulf oil. Then, when the cold war threat reduced, Congress pressed the administration on the human rights abuses of the Barre Somalia Government, and the United States quit supporting that immoral government.

We should remember that the arms shipped by the United States to Somalia during this period were the guns put in the hands of roving bands of young people who were killing their own people but we did not care because that was in our best interests. These same guns we supplied them are now the guns that they are using on their own people because they make no guns in Somalia.

Now we have engaged in a great crusade to right these wrongs, and I support very strongly Operation Restore Hope, but Operation Restore Hope costs money, and a job of peace making and peacekeeping still must be accomplished in that country of Somalia.

There are other crisis management problems resulting from our cold war

with the former Soviet Union, such as Angola where we supported Jonas Savimbi and the UNITA government, where we gave covert CIA funds to that government for decades. We had the problem in Zaire where we have a corrupt government, where Mr. Mobutu, who has stolen up to \$5 or \$6 billion where our Government has not yet fully denounced that government, all because of the cold war. We have seen Angola, as I mentioned, where they have more amputees per thousand than any country in the world because of mines supplied during that brutal civil war, so we have a moral obligation, as American people who have always stood for fairness and humanitarian values, to do the right thing now.

Then we are still faced with the tragedy in Liberia, a nation founded by freed slaves, a country still divided after more than 3 years of war and violence, and yet one-half of the population is still refugees, but we do not hear about them, but less than that number in Iraq where we had 800,000 refugees there. The world heard about them.

Mr. OWENS. Mr. Chairman, will the gentleman yield?

Mr. PAYNE of New Jersey. I yield to the gentleman from New York.

Mr. OWENS. Mr. Chairman, the distinguished gentleman from New Jersey [Mr. PAYNE] is one of the most knowledgeable people in the House on foreign affairs and the various threats that we face around the world, and he has enunciated some of them. Would the gentleman say that those threats are very different from the kind of threats we faced in the past in terms of the amount of money needed? In this CBC progressive budget we did not spell out in great detail where the cuts were coming from, but in the process of making the cuts they made certain assumptions about the fact that we could cut the CIA and intelligence budget. Would the gentleman say that we need a CIA budget which is above \$30 billion still, given the way the world is now? The budget, we do not know exactly where it is, but we know from calculations that it is at least \$30 billion or more. Would the gentleman say we could cut that budget drastically?

Mr. PAYNE of New Jersey. The budget could easily be halved, and we would still be safe and secure.

Mr. OWENS. We would cut at least half, which means we would realize more than \$7 billion a year.

Mr. PAYNE of New Jersey. Absolutely.

Mr. OWENS. Really \$14 billion a year.

Following that same logic, do we need a whole set of new weapons like the C-17 aircraft, and the Minute Man No. 3, and the D-5 missile? Would you say we would not be at risk? Would you say that we would not be at risk at all if all of these new proposed weapon sys-

tems and some obsolete systems were put aside and totally eliminated?

Mr. PAYNE of New Jersey. Absolutely, we would be as safe as we are today.

Mr. OWENS. I thank the gentleman from New Jersey [Mr. PAYNE] because I just want to point this out to the constituents who are listening, that the budget of CBC is not in as much detail as it was previously. It does not spell out where the cuts are coming from, but they may rest assured that most of the cuts are coming out of the military budget and other kinds of absolutely obsolete activities that we have carried on in the past, and in the gentleman's judgment America is not put at risk at all. We do not need it to fight the various crises that arise in the world, the anticipated kinds of problems that are going to go wrong. We do not need any kind of massive military machine that we maintain so far. We certainly do not need a CIA which at the peak of its funding could not predict the collapse of the Soviet Union's economy.

Mr. PAYNE of New Jersey. Absolutely the remarks of the gentleman from New York are certainly well taken. The F-22, the B-2, at \$900 million each, the *Sea Wolf* at \$2 billion each; that is the cost, and a submarine, an aircraft carrier, \$4.9 billion per aircraft carrier with the cost of \$1 billion annually to run it. We are still building it, and we are supposed to have a peace dividend, and so I certainly say that the gentleman from New York is right on target.

As I conclude, Mr. Chairman, let me say that there is still a civil war in the Sudan. There is still starvation, starvation equal to that of Somalia. Recent disturbances in Togo and Rwanda must also be dealt with. All of this will take a reauthorization of the \$100 million flexible fund for African relief, rehabilitation, and recovery added to last year's regular budget.

Also in conclusion, the U.N. Peace Keeping and Peace Making Force; and U.N. specialized agencies like UNICEF, UNHCR, and UNDP will also require additional support.

□ 2300

The Congressional Black Caucus has gone on record, for several years, that the United States should pay its back dues to the United Nations, and that the schedule for the payment should be accelerated. We have no right to expect an increased role of the United Nations when we are not paying our dues. That simply is not fair.

Several years ago the CBC was instrumental in creating the Africa Development Fund. This fund, which enabled those countries that are moving from relief and rehabilitation into development, represents one of the very positive approaches to sustaining the growth and quality of life in each African country we assist. These programs

consist of teaching better agricultural methods, stimulating free-market economies, and encouraging democracy and human rights.

Last year we spent \$800 million on this program, an increase from \$585 million when it was first designed. We then say that we should move this fund to \$1 billion.

As I conclude, although it is in the Western Hemisphere, we also feel that Haiti should have its duly elected President, President Aristide, restored to democracy, and that we should immediately create a \$1 billion fund to immediately start a recovery for Haiti. That also will be a part of our budget.

Mr. MFUME. Mr. Chairman, I yield 3 minutes to the gentleman from Virginia [Mr. SCOTT], a distinguished member of the Committee on Education and Labor.

Mr. SCOTT. Mr. Chairman, a lot has already been said. We know what the problems are.

We have an economy that is growing but not creating jobs and we have a Government that spends more than it can afford.

Most of us here today can agree on the problems. The real question is how to solve these problems.

Both the President's and the Congressional Black Caucus' budgets are good budgets.

Both budgets make clear that investment at home is needed. This is shown by the proposals to ensure that all children are properly immunized, proposals to fully fund Head Start, to increase the educational grants to the States, and to give more support to job skills training. And both budgets invest strongly in our infrastructure, a key to our future prosperity.

The CBC's budget, however, even goes further than the President's budget in several critical areas. First, the CBC budget eliminates the energy tax, a regressive tax. It designates more for economic conversion needed due to the military build-down. The budget would increase funding for college scholarships and for training and employment programs for long-term jobs. The CBC would provide more for substance abuse prevention and treatment, and for major gang prevention initiatives for at-risk youth, and other crime prevention initiatives.

Mr. Chairman, I, therefore, urge you to support the CBC budget.

Mr. MFUME. Mr. Chairman, I yield 5 minutes to the gentleman from Louisiana [Mr. FIELDS], a distinguished member of the Committee on Banking, Finance and Urban Affairs.

Mr. FIELDS of Louisiana. Mr. Chairman, let me first commend the chairman of the Congressional Black Caucus and the chairman of the progressive caucus for their outstanding work on this alternative budget.

Mr. Chairman, in considering the President's alternative budget, the

questions we must continue to ask ourselves are: How much do we value our children? Do we want them to have opportunities, now and in the future. If so, are we willing to invest in early childhood programs like Head Start, Pell grants to enable them to attend college, a summer jobs program so that they work and not be idle for 3 months. Do we want them to ride on safe roads and highways? Do we want them to have the opportunity to become entrepreneurs, live in communities that are rebuilding, rather than crumbling?

Do we want them to have the opportunity for economic growth?

The question that we must ask about this budget, and that is the question that is already addressed, is addressing crucial issues. It addresses the issues about economic growth. How can we pass up the opportunity to help some of the 10 million unemployed people go back to work, to work on projects that range from teaching our children, to upgrading our infrastructure.

What better way to stimulate our economy than to help small business grow? We keep hearing that the economy is growing and is about to come back. Some even say it has already recovered. But let me tell you what we are really talking about. We are talking about consumers who are really optimistic, optimistic about this new administration.

I am one of the new Members of this Congress who was sent to Washington for change, and the practices and policies of the last 12 years must change in order to move this country forward.

Yes, it is going to be tough. It is going to require sacrifice on everyone's behalf. It is going to be about having a good vision for our future and for our children. It is about having courage. It is about taking crucial steps to make everybody feel good, not necessarily right now, but feel good for our future.

This plan is a short-term bridge to immediate recovery and a long-term road to future stability, the most important part of this package, and that is the next generation.

So we must make the decision today, do we care about the next election, or do we care about the next generation. So in considering this plan, do not ask yourself can we afford to do it now. The big question that we must ask is can we afford not to do it now.

Mr. Chairman, this plan has a real war on drugs. We talk about needing a war on drugs. Well, let me tell you, the war on drugs does not mean just saying no to drugs. Just saying no to drugs is the moron's answer to the drug problem. This package adds \$2.4 billion over a 4-year period for substance abuse and drug prevention in State and local governments. It also adds \$100 million to develop and implement alternative incarceration programs.

This package is a package of the future because it provides some \$650 mil-

lion to community development banks. It also requires those financial institutions to expand to low-income neighborhoods, that is, let us reinvest in America.

It provides for sanctions to lending institutions who fail to loan to those communities and have redlining policies within their institutions.

It adds some \$12 million in funding for minority businesses and development agencies. It earmarks joint training and partnership programs to train and develop skills among the public housing tenants. More importantly, it also deals with the issue of education. It adds some \$2 billion for Pell grants. It raises the award from \$2,300 to \$3,000. Why? Because many college tuitions all across the country are rising every day.

It increases by some \$3 million the amount for the Mississippi Delta. I can talk about the Mississippi Delta because, Mr. Chairman, I represent one of the poorest parishes or counties in this country. I represent the third poorest county in the United States of America in the Mississippi Delta.

So I suggest this is the alternative for the present, this is the alternative for the future, but, most important, this is the alternative for the next generation.

Mr. STOKES. I rise today in strong support of the Congressional Black Caucus [CBC] fiscal year 1994 alternative budget, "A Budget To Rebuild America." I would like to commend the chairman of the Congressional Black Caucus, the Gentleman from Maryland, Mr. MFUME, for bringing the CBC budget to the floor this evening. This budget is a well constructed and comprehensive package based primarily on the domestic needs of the American people.

Unlike the inflated Pentagon budgetary items which dictated the budget policy of the past two administrations, the CBC budget to rebuild America redirects savings from the downsizing of our Nation's military infrastructure to domestic issues such as employment, health care, housing, and education. More importantly, this budget is met by an administration who understands that "we must put people first."

The CBC alternative budget provides for realistic programmatic funding levels in our Nation's domestic discretionary programs. It is the opinion of my colleagues and I in the Congressional Black Caucus that, while the President's budget clearly sets the course for substantial consideration for domestic priorities, more can be done. We need to go above and beyond what has been proposed by the administration and in the resolution proposed by the House Budget Committee to improve the quality of life for all Americans.

Mr. Chairman, specifically, the CBC budget provides an additional \$1 billion for economic conversion planning associated with the military build-down. We also provide a \$3 billion increase for employment and training programs, including JTPA and Job Corps. In the area of housing and community development, our budget supports President Clinton's pro-

posals to increase funding for the Community Development Block Grant Program and the Local Partnership Act.

In order for us to remain competitive in the global economy, we must strive to make our educational system the best in the world. The CBC alternative budget adds \$2 billion for Pell grant funding, increases Chapter 1 funding by \$2 billion to serve an additional 2 million children, and adds \$1.5 billion in funding increases for other priority education programs. These programs include the Individuals with Disabilities Act, Urban Schools of America Act and adult education. In addition, the CBC alternative budget endorses President Clinton's commitment to full funding for Head Start by increasing funding to \$2.1 billion beginning in fiscal year 1994.

I am especially pleased, Mr. Chairman, to support the CBC budget recommendations for health care, particularly since our country lacks a comprehensive national health care policy. Reform of our Nation's health care delivery system has great significance to African-Americans and other minorities who, despite the tremendous medical advances in this country, have not benefited fully or equitably from these gains. This crisis in health for African-Americans has been documented and reported in some detail in recent years. That is why we support in this budget national health care reform to improve the health status of African-Americans and other minorities.

In order to address these urgent needs, the Congressional Black Caucus proposes to provide for a major expansion of Federal efforts to:

Support the expansion of primary and preventive care including child immunization; increased training of minority health care providers; and increased research on health problems affecting minorities.

Moreover, to address the devastating impact of such concerns as substance abuse, HIV/AIDS, and violence in our community, the CBC budget increases the Federal commitment to the prevention, treatment, and elimination of these health problems.

Mr. Chairman, the Congressional Black Caucus alternative budget has been designed to meet the true needs of the American people. It is a working blueprint toward the success of the goals of this administration, and for this reason I urge my colleagues to join me in support of this measure.

Mr. MFUME. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, we have run well into the evening on the debate on this matter of the budget and the alternative proposals that have been put forth. The men and women who have gone to the well tonight have done so with a sense of urgency and with a sense of commitment, not for form or fashion or to play games or posture in any regard, but to put forth a real and meaningful alternative to business as usual.

It is not something that yields for one a great deal of public attention or acclaim or notoriety. In fact, in many respects members of this House who dare to defy the status quo often receive scorn.

But we put forth these alternatives because we recognize we have come

here with a specific goal in mind, and that is to attempt in the finite amount of time that we have to shape alternatives and to shape new directions and to challenge ourselves and to challenge this Nation.

We also come to challenge this House to confront the problems of our Nation, to set and make them right again. You can only do that by dealing straightforward with issues, by having the proper forum for debate, by making the points we think are cogent, and then by either, as someone said earlier, putting up or shutting up.

So these budget alternatives that have come before the House today and tonight and will be before us for deliberation tomorrow come in that vein. In particular, the budget offered by the Congressional Black Caucus and the House progressive caucus underlines and underscores in the greatest sense of the word the kind of commitment that we feel can do the things we believe are right.

□ 2310

People have come and talked about various aspects of this budget, what is right and perhaps what is wrong, what can be embellished and what should be withdrawn and taken back, what should be changed in terms of priorities.

We come tonight to ask the American people who have watched this process and who continue to view it tonight and will look at our actions tomorrow and then measure us by our votes late in the evening tomorrow to ask themselves if, in fact, they are prepared for the kind of meaningful change that the Congressional Black Caucus has put forth in this budget in cooperation with the progressive caucus of this House, not for form or fashion. We do not like deficits either. We know that we did not get deficits by divine intervention. We got them through misguided priorities that occurred year after year after year, the turning away, in many respects, by responsible Members who knew better and who allowed then the momentum of the moment to capture them and carry them away. That is how we got deficits, misguided priorities.

We believe in a strong defense, but we make the case that we can only have so many Star Wars and that we can only build so many B-1 bombers and that while we are so rapidly moving in the direction of building smart bombs, countries that compete against us are in the process of building smart minds in young people who will compete in this world, this global economy that we hope to shape, and ultimately compete against us one day.

So perhaps that is our challenge also, to find ways to build those smart minds. We are against street crime as much as anybody else. It ravages many of our communities, even more so, and

disproportionately too often, but we recognize that street crime just does not happen overnight. It is born out of hopelessness and despair. And while we breed hate in this society too often, too little do we breed hope, the sort of hope that keeps alive people and communities and families. And we do that in this instance by putting hope into this budget process and by offering a real alternative.

We believe in small business development and minority development and business development. We want that sort of activity to continue in our society. We recognize that there is an economic cycle of give and take. We know that they are still the generator of the most jobs that we produce in our society, that while major corporations continue to downsize and to lay off, it is these small businesses that reach down into the very heart of communities and try, with very little resources, to provide hope and to provide help.

We understand, as most Members of this body do, the need to have adequate housing and shelter in our society, that this shame of homelessness that has overtaken this society in the last 20 years can be defeated.

We recognize that the movements and the efforts by the gentleman from the other side of the aisle, Stewart McKinney, who some of us had the distinction of serving with before his death, are efforts that hate to be replicated and duplicated over and over again, that they go beyond simply naming a bill in his name but moving toward the things that he and others believed were necessary to provide shelter in our society and to provide adequate housing for those persons who are at the very bottom of the totem pole.

We know that for people with middle incomes and particularly for young families just getting started, that they need opportunities to be able to buy that first house and to be able to start themselves on the course that so many of their parents and grandparents headed on too.

We know that housing for middle-income people and for people in rural communities and urban communities is crucial, that it will not happen by itself. It happens by selecting budget priorities that move us in that direction.

So when all is said and done, the budget process in our alternative budget has less to do with politics than it does with the interests of people who are affected by what we do.

The alternative budget is fair. It does not pit one segment of our society against another. We are simply concerned that people's interests are protected.

The only way that we can accomplish that, Mr. Chairman, is to be fair and honest and open in our efforts.

No one likes to waste time or money, especially when it is the time and the

money of other people. The alternative budget is not about taxing and spending and clichés that are often thrown and dropped around the well of this House, as if they were free and had no thought of consequence to them. It is not about taxing and spending. It is about investing and receiving dividends.

We can either pay now, as I said earlier, or we can pay later. We have been paying later and later over and over again.

At some point in time, it catches up with us. At some point in time, people just get to the point where they cannot take any more. And so we usher forth this budget out of that kind of a backdrop, urging Members of this House, regardless of their political persuasion, to look at the merits of it, to judge it by the case that we make, and then to honestly vote either yea or nay to bring about real and meaningful change.

I do not believe our current economic problems are just the result of Government spending. Our problems are because we have not, in many respects, been honest with the American people about just who has benefited from Government over the last 12 years and who, in fact, has suffered.

Not all the bills that we passed in this House went to welfare or social services. Many went to bail out private industries and to assist the private sector in its weak-kneed effort to compete against other foreign countries. The alternative budget, then, is a straightforward proposal that demonstrates new and creative thinking to old and tired problems.

The Congressional Black Caucus and the House progressive caucus take the budget process very seriously. To be sure, we care so much about this process that we endeavor every year, every year, not just when it becomes fashionable because there might be a new occupant in the White House, but every year to attempt to fashion a document that reaches every sector of our society.

We want to ensure, quite frankly, that there are resources to provide for the homeless, the indigent, the hungry, the dispossessed, middle-class working men and women, for farmers of this Nation, people in urban communities and rural communities, our alternative budget addresses America's concern that children must be adequately educated and that they must receive job training for the future that will allow them one day to develop as adults and to be able to raise families.

So it really does not matter, Mr. Chairman, when all is said and done, whether we have an "R" or a "D" after our name, if we call ourselves to the right of center or to the left of center. What really matters is whether or not we are prepared to be bold enough and daring enough and caring enough and,

yes, visionary enough to move forward with change and to break away from the status quo.

The alternative budget achieves this end, and we balance the budget. We balance the budget with this proposal by the year 1998.

Yes, Americans want to work. Americans also want their Government to work for them. We achieve deficit reduction. We represent the farmer and the stockbroker and the doctor and the engineer and the teacher and the carpenter, the merchant seaman and the textile worker and the average people who go to work every day and the average people who wake up wishing they could go to work. It is an American document. It just happens to be that the Congressional Black Caucus and the House progressive caucus have helped to fashion it and to give it birth and to let it find its genesis among our Members, but it is in all respects an American document.

So when the history of this era is written, long after many of us have left this House, let it not be said, Mr. Chairman, that for some strange reason and in some strange way we failed to seize the time, that we shrunk and turned away from opportunities, that we were not daring enough to put the first step forward and the second step after that, that we, in our bliss and our own way to argue points and to make partisan arguments, did not grasp a special and golden opportunity to once and for all break free.

Few will remember, Mr. Chairman, what we say tonight. But all will remember what we do. I and members of the Congressional Black Caucus have not given up on the American idea or on the American possibility, and we urge other Members of this body not to give up also.

□ 2320

We believe that this House and the other body really represent the last expression of a possibility of men devising a social order where justice is a supreme ruler and law is but its instrument, where freedom is the dominant creed and order becomes but its principle, where equity is the common practice and fraternity the common human condition.

We achieve that by reaching out, by laying out the debate, by making the case, by receiving the criticism, and by moving forward on the Democratic rule.

I urge Members of this body tomorrow when the roll is called to stand up and to be counted for the people of this Nation who sit and watch all that we do; when the roll is called to stand up and to vote in the affirmative for this budget proposal as offered, and to seize this opportunity and to grasp this great moment to break the status quo, to end this notion of gridlock, to move forward in a daring and bold way, and

to be wise enough and caring enough to understand that what we do affects millions all over this country.

Mr. Chairman, I will conclude my remarks at this point, and I would inquire of the Chair as to how much time I would have remaining.

The CHAIRMAN. The gentleman has 22 minutes remaining.

Mr. MFUME. Mr. Chairman, I reserve the balance of my time.

Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. RANGEL) having assumed the chair, Mr. SERRANO, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the concurrent resolution (H. Con. Res. 64) setting forth the congressional budget for the U.S. Government for the fiscal years 1994, 1995, 1996, 1997, and 1998, had come to no resolution thereon.

REPORT ON RESOLUTION PROVIDING FOR FURTHER CONSIDERATION OF H.R. 1335, EMERGENCY SUPPLEMENTAL APPROPRIATIONS ACT OF 1993

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 103-36) on the resolution (H. Res. 132) providing for the further consideration of the bill (H.R. 1335) making emergency supplemental appropriations for the fiscal year ending September 30, 1993, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR FURTHER CONSIDERATION OF H. CON. RES. 64, CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1994

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 103-37) on the resolution (H. Res. 133) providing for the further consideration of the concurrent resolution (H. Con. Res. 64) setting forth the congressional budget for the U.S. Government for the fiscal years 1994, 1995, 1996, 1997, and 1998, which was referred to the House Calendar and ordered to be printed.

INQUIRY REGARDING FILING OF PRIVILEGED REPORTS ON RESOLUTIONS

(Mr. WALKER asked and was given permission to address the House for 1 minute.)

Mr. WALKER. Mr. Speaker, there are a number of us on this side of the aisle who have several problems with the rules that are being filed, but the one thing in particular that worries us at

the moment is that in the supplemental there was an amendment made in order that we do not find anywhere on the filings of the committee, that were submitted to the committee in a timely manner for inclusion in the rule. It is listed, as I understand it, on the sheet as the Natcher amendment.

Could the gentleman from Massachusetts [Mr. MOAKLEY] at least inform us what the subject matter of that amendment is?

Mr. MOAKLEY. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Massachusetts.

Mr. MOAKLEY. After the bills were submitted to the Committee on Rules for their approval, the Committee on Appropriations found that there were some spending cuts that they did not make. This is an amendment so that the chairman of the Committee on Appropriations could make some reductions in the appropriations bill.

Mr. WALKER. Mr. Speaker, there were a number of Members on our side that also submitted amendments to make spending cuts, I would say to the gentleman. None of those amendments were made in order. As I understand it, all of those amendments were filed in a timely manner, and yet not one of them was made in order.

In fact, the minority's ability to strike, or for that matter, any Member's ability to strike in the legislation, was taken away from us in the rule.

Now it is my understanding that we have given the Committee on Appropriations unspecified authority. Do we have a copy of what those spending cuts are going to be that will be included in the amendment?

Mr. MOAKLEY. If the gentleman will yield further, we do not have a copy, but there are some technical changes that were found to have to be made to make the bill conform to the committee's decision to report it out. They are cuts, they are reductions, they are of a technical nature.

Mr. WALKER. Mr. Speaker, I thank the gentleman, but as I say, one of the problems that we have is that as we do these rules and tighten down on the processes of the House, we more and more find ourselves in the dilemma of having to do an end run around those processes in order to accommodate things that could easily be done under an open rule process.

There is absolutely no reason why the Committee on Appropriations could not have, under an open rule, come to the floor and done exactly what the gentleman is specifying. Yet, because the Committee on Rules has decided to close that rule to the point that it shuts Members out, now they have to do an end run around what the members were assured was the process in order to give the Committee on Appropriations a chance to come in with their amendment.

I will say to the gentleman, Mr. Speaker, that in view of what to many of us is just unfair, that if the Committee on Appropriations had this they should have filed it in a timely manner, and they should have been put on the same status as everybody else coming before the committee.

Mr. MOAKLEY. If the gentleman will continue to yield, the gentleman makes a point. I agree that there were some problems with this bill that is not an ordinary problem that comes up. I agree, the gentleman makes a good point.

Mr. BURTON of Indiana. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I am glad to yield to the gentleman.

Mr. BURTON of Indiana. Mr. Speaker, one of the things that really concerns those of us in the minority, particularly those of use who have been deeply involved in this budget process for maybe the first or second time, is that we have had staff working for 3 weeks to comply with the rules request and the request of the Committee on the Budget and the 1974 Budget Act in order to bring our substitute to the floor.

It really chagrins us to find that something that was filed late, was not specific, is made in order when our work product, which has taken 3 weeks, is not made in order.

I would just like to say to the chairman of the Committee on Rules that since we are not treated in a way that we think is fair, that I and I think some of my other colleagues are going to call so many votes and going to take so much time that it would have been much more in line and easy for the Committee on Rules to give us half an hour, which would have been our time to debate our issue and have the vote, which would have taken 15 minutes. That would have taken a total of 45 minutes. We would have had our day in court.

We worked 3 weeks day and night to produce this to give to the Members. Since that will not be the case, we are going to spend probably 2 or 3 hours more on votes tomorrow, and in the future there will be a lot more votes, simply because of that fact.

I have not done that in the past, Mr. Chairman, but I want the chairman to know that I am going to call votes on every single thing I possibly can until we get some modicum of fairness around here.

Mr. MOAKLEY. Mr. Speaker, if the gentleman from Pennsylvania will continue to yield, I want the gentleman from Indiana to know that the gentleman's substitute was not summarily dismissed. It was the subject of much conversation in the Democratic caucus.

Mr. BURTON of Indiana. I thank the gentleman.

CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1994

The SPEAKER pro tempore (Mr. RANGEL). Pursuant to House Resolution 131 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution (H. Con. Res. 64).

□ 2229

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution (H. Con. Res. 64) setting forth the congressional budget for the U.S. Government for the fiscal years 1994, 1995, 1996, 1997, and 1998, with Mr. SERRANO in the chair.

The Clerk read the title of the bill.

□ 2330

The CHAIRMAN. When the Committee of the Whole House rose earlier today, the gentleman from Maryland [Mr. MFUME] had 22 minutes remaining in debate.

The Chair recognizes the gentleman from Maryland [Mr. MFUME].

Mr. MFUME. Mr. Chairman, I would like to yield to the gentleman from Pennsylvania [Mr. WALKER]. I will still control the time, but I indicated to the gentleman, based on his inquiry at the beginning of the 2 hours of debate, that if there was time remaining I would certainly recognize him. I am told we still have another Member who is trying to get here to participate in this debate, so that is the reason why I cannot yield the time, but I will certainly yield to the gentleman so that he might proceed, and I will do that in 5-minute allotments, if I might.

Mr. Chairman, I yield 15 minutes to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Chairman, I thank the gentleman for yielding this time. I think that is in the best traditions of the House, and I thank the gentleman for allowing the opposition to have some say in this matter.

I have listened carefully throughout the debate to the presentation made by the Black Caucus and by the progressive caucus, and it was a serious effort on their behalf. And I think that the House should take it in that manner. They are obviously sincere in the measures that they have brought forward and in their version of what the national priorities should be.

I think some of us, though, have some concerns about the national policies as outlined in that particular budget submission. For example, it relies extremely heavily on taxes.

There is an opportunity here to say that what we are going to do is tax the rich. The fact is that that philosophy has consistently ended up being a phi-

losophy that has undermined the economy as a whole.

I happen to be one of those unfortunate people who had a business in his district that got caught in the last major attempt to tax the rich, and that was the luxury tax. The luxury tax was this wonderful idea that we were going to make rich people pay for the luxury goods that they bought, and one of the things we were going to tax was the yacht industry. And surely no one would have any objections to big taxes being put on yachts, because absolutely only rich people could buy yachts.

The problem was that you had businesses like the Trojan Yacht Co. in Lancaster, PA, that built these yachts and employed a lot of blue collar workers. In fact, at one point that particular business employed over 400 people in Lancaster, PA. As a result of the luxury tax, this tax on rich people, 400 people, most of them blue collar workers, no longer have a job. In fact, the company no longer exists. The company has gone out of business, forced out by some kind of stupid policy developed in Washington that was supposedly aimed at taxing the rich.

That is the problem that we see time and time again when we are told on the floor that we can have all of these good things and all of these big programs and bring them in by simply taxing the rich. And I find an awful lot of that philosophy both in the debate that took place here this evening and this particular philosophy in the budget.

The other thing that I found that was a very interesting portion of the budget was the down-sizing of defense that takes place in the budget as presented. I think it goes from a figure of, if I saw correctly on the chart, it went from a figure of around \$285 billion now down to \$175 billion in the 5-year period, almost a \$100 billion cut during that period of time. It was a considerable decrease down to \$175 billion.

Now I understand that there is a desire on the part of the Black and Progressive Caucuses to attempt to downsize the defense establishment. The problem that I see with the presentation that they brought forward is what is the methodology for doing that. There was a lot of talk in the debate about restructuring defense. The fact is that over the last couple of days we have seen some of that restructuring taking place, and the bases actually being closed pursuant to downsizing that is already taking place. And the screams have been long and loud from some of the very Members who on this floor for a number of years yelled the loudest about the downsizing of defense. One of our colleagues who is now in the U.S. Senate came to the floor on a consistent basis and talked about the fact that we could cut defense budgets up to 50 percent and there would be no harm come.

That particular colleague is today screaming about the fact that in California bases are actually being closed.

You cannot do this without there being considerable pain and in fact a loss of jobs. I understand that there is a study that will soon be out that demonstrates that the cuts already proposed by President Clinton in defense matters could in fact result in 2.8 million people losing their jobs in defense industries alone. Where are those jobs going to be made up? I heard nothing that indicated that any of the proposals coming out of this budget or the one that the Democrats had brought to the floor comes anywhere close to creating 2.8 million jobs.

You may decide you want to restructure defense and downsize it, but the fact is that there are human costs in that particular equation that do not get satisfied in the situation that is then created.

Mr. KOLBE. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I am happy to yield to the gentleman from Arizona.

Mr. KOLBE. Mr. Chairman, the comments the gentleman from Pennsylvania just made about taxes reminds me that this is I think an element of this debate that sometimes we forget. Sometimes it is so easy to get into this debate and talk about numbers, and pretty soon your eyes glaze over and all of these policies kind of run into one another. And yet we are talking about real things here and real people and real jobs that are going to be created or not going to be created.

The gentleman's comments reminded me that earlier today I participated in a talk show, a call-in show I should say on National Public Radio. And a gentleman from the State of Washington called in who had a small business. I believe it was an engineering firm. And he said, "You know, after looking at this tax package," he said, "I just cannot see any way that I can hire that extra engineer that I was planning to hire, and so I have just decided to go ahead and postpone that decision to hire." And this weekend when I was home in my district I was talking to a small law firm, a lawyer who is a single practitioner, or his business is solely owned and he has five or six lawyers with him, and he said, "I've been planning to hire one lawyer and one paralegal this year, but my accountant, after looking at the proposed taxes, said you are not going to be able to do it. So," he said, "I have made that decision already to postpone hiring these people."

So just on the basis of the proposals that have been made, I can cite two examples where people said I am not going to make this hiring decision based on that.

So this is real, this is reality, and this is what we are talking about with this kind of impact on jobs.

Mr. WALKER. I thank the gentleman. And that is precisely the concern that middle-class America has out there, is that too often we do not think through the consequences of the actions we take, and that they end up bearing the brunt of what we do. Either the taxes on the rich end up impacting on them and they find out that instead of just millionaires being taxed it is \$30,000 a year people being taxed, and they think to themselves something has gone drastically wrong here, or they are the people who lose their jobs.

I am certain when the luxury tax was passed in the Congress there were no workers, blue collar workers at Trojan Yacht in my district who thought that had anything to do with them until it hit, until all of a sudden they realized that that meant that people were not going to buy the boats that they built, and they all of a sudden had this major problem that they thought Congress at least had thought through. The fact is we did not think it through. I do not remember anybody on the floor when we passed the luxury tax suggesting that this was going to be something that was going to cost hundreds of blue collar workers across this country their jobs. Nobody suggested that. It was all that we were doing to get those rich people.

Well I think that we have a duty from time to time to talk about the consequences of the actions we take.

I listened to the presentation of the budget here a few minutes ago and I heard a lot about investments. And it turned out that those investments that were being talked about was more government spending. Herein lies the problem. Government spending is not a true investment because there is no risk involved. Nobody in the Government when they put money out is taking any kind of a risk with that money because it is not their money to begin with. It is money that belongs to other people who earned it that we coerced away from. And the problem with that kind of investment is it often is spent on wrong things.

If we take a look at the supplemental bill that is about to come up here, there were a whole bunch of crazy things in that, money being spent in that in the name of investment. We are making an investment in the sickle-finned club fish, or something like that. I mean, that is one of the investments. Now my guess is that most people who had to actually put their money at risk would not regard that as a good investment for the future.

□ 2340

I wonder whether or not people with real money that had to take real risks with the money they earned for themselves would really put money into some of the other items that are in that supplemental bill; for example, a beach parking garage and a number of

things like that. Those are investments only because it is money that is not being risked by anyone, and no one knows the consequences of spending money where there is no risk. That is not true investment, and so it is simply a term, and I heard the term used over and over again as we heard the budget discussed here a few minutes ago as though it was a term of reality. It is not reality when you term Government spending investment. Instead, what you get is simply more Government spending that drags down the productive sector of the economy in favor of the unproductive sector of the economy.

That is a consequence of major moment.

Mr. BURTON of Indiana. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I am happy to yield to the gentleman from Indiana.

Mr. BURTON of Indiana. Mr. Chairman, just to followup on what the gentleman just said, the stimulant package that they are talking about and we are going to be voting on tomorrow is laden with pork. The gentleman and I and others have been working for years trying to cut the pork out of these spending bills, and they say that they want to get control of this deficit, and that is just laden with pork, pork, pork.

I would just like to address one thing that the gentleman touched on.

Mr. WALKER. But they are not called investments. It has now become investment.

Mr. BURTON of Indiana. Nevertheless, it is pork.

Let me just say that the gentleman talked about the Black Caucus' defense cuts. While I admire the Black Caucus for the work they put into the budget, those cuts are draconian. They are even worse than what the President has proposed, his \$112 billion in defense cuts.

With the uncertainty that is taking place in the former Yugoslavia, with the uncertainty that we see in Russia, I mean, there could be a dramatic change over there at a moment's notice; with the problems we have in Somalia and other parts of the world, it seems to me imprudent for us to cut into the muscle and the bone of defense.

Secretary Dick Cheney, former Secretary Cheney, was on "Crossfire," I think, last night, and Secretary Cheney indicated that the cuts that President Clinton has been proposing are so draconian that it is going to cut our military preparedness to such a degree we will not be able to respond around the world in times of emergency, and he as the former Secretary of Defense, was very, very concerned about that.

These other proposals we are hearing about cut even further.

So if we really care about the No. 1 objective of Government, and that is to

protect our citizens and provide for the national defense, we had better take a real hard look at these defense cuts. We can cut, and we can make some economies, but we should not cut into the muscle and bone.

Mr. WALKER. The gentleman makes an excellent point. There is no doubt that many of us believe that there are cuts in the military that can take place, and a restructured military is necessary to meet the needs of a restructured world.

But the fact is that that restructured world is also a very dangerous world. I think this administration is more and more coming to the conclusion, as they meet with world leaders, and President Clinton has an opportunity to get in touch with some of the world leaders, he is finding out that there is great danger out there in this world.

The question then becomes: If you believe it is a dangerous world, do you think that it is cheaper to maintain a strong defense, or to rebuild a strong defense at the moment that you need it? My guess is that it is vastly more expensive to do what we had to do during the 1980's, and that is to rebuild a defense that had been allowed to become hollow, and all of those defense expenditures that were pointed out in the course of the debate a few minutes ago were an attempt to rebuild a Defense Establishment that had been allowed to atrophy to the point of being incapable of meeting our world events.

Now, we are talking about cutting back in some cases so drastically that we would be forced to come back and do an expensive rebuild all over again.

It seems to me it would be far more rational and, in the end, more inexpensive to maintain the strong defense that we have now built; restructured, yes; less costly, yes; but not allow it to be destroyed by a budget-cutting scheme here that, in fact, will take us to a defense amount less in terms of gross national product, less than what we were spending just prior to Pearl Harbor.

Mr. BURTON of Indiana. If the gentleman will yield further for a brief moment more, I think that all of us in the Congress who are controlling the purse strings of this country need to talk to the experts at the CIA, the experts at the Defense Department, the Joint Chiefs of Staff, and find out their view of the world situation before we start making draconian cuts.

Many of those in those agencies I just talked about have told me that the world is even more uncertain in certain areas today than it was during the cold war. We had one major adversary during the cold war. Now we have wars breaking out all over the place as more and more countries start deteriorating. Azerbaijan, Yugoslavia, and so forth.

With that uncertainty, it is extremely important that we have this military preparedness. The world is

even more unstable than it was and more uncertain than it was during the cold war.

Mr. WALKER. The gentleman is absolutely correct, and now we hear that North Korea may be developing nuclear weapons. We know that they have the capacity to launch those nuclear weapons aboard missiles.

Now, you know, one of the places where the Black Caucus budget wants to cut out almost altogether is our ability to do the strategic defense initiative, the SDI, because they say, well, that is no longer needed in this world. My guess is that if the North Koreans develop the capacity of being able to launch a missile into a west coast city that maybe we might appreciate the ability to defend an American city against that kind of an attack, perhaps by a terrorist government, and at that point it will have been far cheaper to develop an SDI capability than it will to lose a city the size of Los Angeles.

Mr. BURTON of Indiana. If the gentleman will yield for just a moment on that point, many of my colleagues do not know this, because they have not studied the defense issues, but if a missile is launched at New York City, Chicago, Los Angeles, or one of the major cities in this country right now, you can kiss off 6 or 8 million people, because they are gone, because we do not have any way to shoot down an incoming ICBM at 17,000 miles an hour. You may say that that may not be a real prospect, but the fact of the matter is these weapons are being sold around the world on the black market, and they are going to have a delivery system, and we need to be prepared for it.

Mr. WALKER. Mr. Chairman, I thank the gentleman from Maryland. He has been courteous and generous with his time, and I thank him very much.

Mr. MFUME. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, for the first time in more than a decade we stand on the threshold of an opportunity to bring the executive and legislative branches into a partnership, as we see it, to address for the first time in a meaningful way the economic and social ills that have beset our country.

The Congressional Black Caucus, in coalition with the House progressive caucus, has developed a comprehensive alternative budget for fiscal year 1994 which provides projections over 5 years of spending by the Federal Government.

This budget proposal attempts in many ways to respond to the dramatically changed world conditions and to the urgent national crises that face this country. The alternative budget that we have fashioned views the establishment of these fiscal priorities from the perspective this time of those who have suffered most at the hands of previous administrations and their agendas.

So this alternative then is presented to this House for deliberation as part of the debate on the fiscal year 1994 House budget resolution, and it is offered as an amendment in the nature of a substitute to the House Budget Committee resolution. Our proposal grows out of the moral imperative which we, as legislators, believe must be addressed. It is motivated by the pain of those who suffer homelessness, illness without access to medical care, frustrated educational opportunity, rampant drug abuse, violence in our communities, the stagnation of our economy in many respects, the stagnation that continues to pull many Americans across this Nation further into unemployment, despair, and permanent hopelessness.

The Congressional Black Caucus and those who have worked to find progressive solutions to the problems of this Nation and to the world seek to advance the cause of human dignity and to set the course, the right course, for our Nation to travel. Our alternative accepts the economic forecast and projections offered by the Congressional Budget Office, but it also does something else. It looks at realities. It recognizes also that the world has changed dramatically, and the challenge to us in this House has changed accordingly.

There has been discussion and speculation as to whether or not this is a new world order or an old world order. Let me point out something, if I might, with respect to the world order that we really have. Yes, it is true, we need to maintain some semblance of strong defense to be able to respond adequately if and when the threat arises.

But it also is true to say that other things have happened as well. NATO is strong in 1993 as we stand to debate this, and its defense capabilities remain strong. The Warsaw Pact no longer exists. The Soviet Union no longer exists. The Berlin Wall has been reduced to a speed bump. There has been a reordering, if you will, of defense priorities in many respects, because the new world order that we have oftentimes been told that we are dealing with now says to us that we must adjust accordingly and prepare ourselves to redefine defense and defense readiness in such a way that we take into consideration all of those aspects as well as the considerations that were raised by my colleagues on the other side of the aisle.

The bottom line, though, Mr. Chairman, is that when all is said and done, this alternative budget reduces the budget deficit over 5 years, and by 1998 eliminates it and leaves us with a surplus of over \$800 million in the Treasury.

□ 2350

It leaves us with a surplus of over \$800 million in the Treasury. That is the bottom line. The question is wheth-

er or not we are prepared to move toward that or do we just keep saying to the people that we represent, over and over again, "I didn't cause it, and therefore I can't fix it," while another generation moves hopelessly toward the legacy we are leaving.

I think we can do more than that. I think we can accept the daring proposal that eliminates our budget deficit by 1998, that leaves us with a surplus and also leaves us with the feeling of having done something good and right for the people of this country, for black, white, brown, yellow, for the north, the northeast, the south and the west, who want to believe, as all of us must believe, that we can do better if we believe that we can and if we are prepared to reach out and to embrace change.

It is change that this budget represents. It ushers in a different and a new era, but it is change we believe that many people around this country are waiting for and will embrace.

So, Mr. Chairman, with that I say on behalf of the Congressional Black Caucus and the Hispanic caucus and the House progressive caucus and women and all the other groups who have oftentimes rallied behind the causes that we try to hold before this group, that we appreciate the work and the sensitivity of the chairman of the Committee on the Budget, the ranking minority member of that committee, and the chairman of the Committee on Rules and the ranking minority member on the Committee on Rules, all of whom recognize we are different people from different places and motivated by different things, but who recognize also that in order for democracy and a democratic form of government to be operational and to have some sense and semblance of respect, that we have to have an opportunity to hear all of our different perspectives and to debate all of our different issues.

We will be back on this floor tomorrow to make the case once again for passage of this budget. I would strongly urge Members who have been a part of this debate and who are viewing it to step forward tomorrow when the roll is called and to vote in the affirmative. We would hope also in the time intervening between now and then that those people who still have some hesitancy about whether or not we ought to be daring enough to change, will step forward and accept change, and do it in the name of the American people, that we might be able to bring a sense of fairness to this process that we call the budget.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Chair will note that the gentleman from Arizona [Mr. KOLBE] has 1 hour and 26 minutes left and the gentleman from Minnesota [Mr. SABO] has 56 minutes left.

Mr. KOLBE. I thank the Chairman. Before I yield to the gentleman from

Indiana, I would just like to say that I appreciate very much the comments that the gentleman from Maryland made. I think that the debate that we have had here tonight on the budget that is offered by the Black Caucus is one that is good. It is a real budget proposal. It is one that has different priorities than I would put and I think most of us on this side would have. But it is a real proposal.

My only regret tonight is that we did not have a dialogue on it, we did not have an opportunity to have that. I would hope that tomorrow we would have the opportunity during the hour debate that we will on that budget proposal do that.

But I do appreciate the fact that the time, as we have put time into our budget proposal over here, a great deal of time and thought has been put into that budget proposal. I think the gentleman ought to be commended, the gentleman from Maryland, and the members of his caucus and their staff, for this daring budget proposal this evening. I look forward to continuing this debate.

Mr. Chairman, I yield 11 minutes to the gentleman from Indiana [Mr. BURTON].

Mr. BURTON of Indiana. I thank the gentleman for yielding.

Mr. Chairman, it is almost midnight, and I know everybody is tired and wants to go home. Unfortunately, our budget proposal was not made in order. So, the only way we are going to be able to discuss it is discuss it in the wee hours of the evening or in the early morning.

I have heard time and again from my Democrat colleagues on all their proposals that we must be bold enough to accept change. I think we ought to change. I think everybody in this place thinks that we ought to change.

The problem is how do we change? And where do we change? What do we change?

You know, I would like to go back just a little bit to some discussions that we have had in the past in this Chamber. You know, 10 years ago we had our first \$1 trillion national debt. It took us 200 years to get there. Here we are 10 years later, and we are over \$4 trillion in debt. The interest on the debt is one of the largest expenditures in our budget.

And the projections are, if we keep on the same trend line we are on right now, that we could have at least an \$8 trillion debt by the turn of the century, and some people think it will be more like \$13 to \$13.5 trillion in debt.

That will eat up the largest part of all of our spending in interest, in plain old interest. That means that Social Security, veterans, military, and infrastructure of this country, all of those things will go wanting because we will be spending our money for interest because we did not take care of our ex-

penditures on a current basis; we kept borrowing against the future, borrowing against our kids and grandkids, against future generations.

So, when people say here on the floor do we care about our children, of course we care about our children. We care about our children and our posterity so much, many of us, that we are willing to make the hard choices necessary to get spending under control now; not to raise more taxes, not to spend more, not to dig us into a bigger and bigger hole, but to make the hard choices and set the priorities for spending today that will get us to a balanced budget.

Many of my colleagues say we need \$400 billion more in taxes. President Clinton is advocating raising taxes on the backs of the American people by \$402 billion, when you include not only his tax increases but his hidden fees and his hidden taxes that he is calling spending cuts; \$402 billion, the largest tax increase in history. In fact, it is more than double the largest tax increase in U.S. history. So, that is not going to be the answer, because you take that kind of money out of the buying power of the country, you are going to put us into a major economic downturn. Many economists are predicting that we are going to lose as many as 1.4 million jobs in the next 5 years because of President Clinton's proposal and it is going to take a lot of money out of people's pockets.

So, the answer is not more taxes. Ten years ago we brought in \$500 billion in tax revenues, today it is \$1.2 trillion, almost triple 10 years ago.

So, we are bringing in more money, but the problem is we are spending way too much. The budget proposals we have heard here tonight do not cut into the spending as they should, they continue to talk about more tax increases and more spending to get us to a balanced budget, and that just simply is not going to work. It has not worked in the past, and it will not work in the future.

So, we do want change, we do need change. But what should the change be? I submit to you that the budget proposal that I sponsored along with some of my colleagues and worked on by the Republican study committee for a long time, that budget proposal was taken to the Rules Committee. It took us 3 weeks to work that thing up. We complied with every one of their requests. They would not make it in order.

That budget proposal would have frozen all Government spending at last year's level plus no more than a 2-percent growth over the next 5 years. It would have pinched a lot of toes, it would have caused some pain, but it would not have hurt the country economically and put us into a major recession and cost millions of jobs.

Now, what does this 2-percent proposal do? I wanted to answer questions

from my colleagues tonight. I know many of them are in bed by now. They are not paying attention. But I would like to place it into the CONGRESSIONAL RECORD for those who are still awake. I would like for them to hear the defense of this 2-percent budget.

Why do we want a 2-percent budget? Because if we had a 2-percent cap on spending over the next 5 years, we could reach a balanced budget before the turn of the century without a tax increase and without a major economic downturn because of these huge tax increases that they have been talking about.

Will a 2-percent freeze, 2-percent growth above the freeze, will that hurt Social Security or Federal retirees or military retirees? The answer to that is a resounding "no," because under the 2-percent cap you can cancel some programs, shift funds around underneath to make sure you fill those gaps. There are programs that will have to be cut, like the Honey Program that President Clinton wants to do away with. Obviously, you do not want to continue that program.

But within that cap, under that cap you can move these funds around and get to the balanced budget without cutting the senior citizens of this country who have worked so long and hard for their retirement.

□ 2400

Now, some of my colleagues have said tonight that their programs reduce the deficit more than any other proposal that has been made. That simply is not true. Our proposal, a 2-percent freeze over a 5-year period, would cut the spending into the baseline by \$848.1 billion.

Now, many of my colleagues say, well, how in the world are you going to come up with \$848.1 billion?

Well, the way you do it is you take the Kasich budget cuts that he has proposed, you take the Heritage Foundation budget cuts that they have proposed and you come up with \$1.1 trillion in spending cuts.

We are cutting \$848 billion. So you take those funds, that \$1.1 trillion in proposed spending cuts and you intermix those with the \$848 billion and you still have \$300 billion left over.

So we have \$1.1 trillion in spending cuts that we have proposed, Heritage has and the Kasich plan has. We can reach that \$848 billion deficit reduction target we are talking about without cutting into Social Security, Medicare, Medicaid, or any of these other programs.

Now, some of my colleagues have said, will this not require cuts in Medicare and Medicaid? We obviously will have to prioritize our spending and prioritize the cuts, but we can get there without cutting into Medicare and Medicaid.

But I might add that Hillary Rodham Clinton is working on a new proposal

for health care in this country and the entire Medicare, Medicaid, and health care problem that we face in this Nation I understand is going to be solved by her. All of us on the Republican side are watching the President's wife, Hillary Rodham Clinton, to see what she comes up with, because she has been telling us that they are going to get the problem solved, and we are hoping that she succeeds.

Unfortunately, in addition to the \$402 billion in new taxes that President Clinton is talking about imposing on the American people, more than double the largest tax increase in history, we also understand that Hillary Rodham Clinton is going to advocate about \$90 billion more for a new health care proposal and it is going to involve a lot more tax increases that the American people probably will not want or be able to live with because it is going to hurt their job status and hurt the economy dramatically.

Let me just end up by saying that tomorrow we will be bringing to the floor a series of charts that show how we get to this balanced budget with the 2-percent freeze and what it will mean to all Americans.

We have to decide in this place what course we are going to follow, the Democrat course of \$400 billion in new taxes that is going to put us into a recession, cost millions of jobs, and will not solve the deficit problem, or are we going to decide on a course of action that will help get us to making the hard cuts, the hard decisions that have to be made.

I have said for years around here that when attacking pork barrel projects that we have to prioritize spending. We never want to do that around here. Every Congressman wants his bridge projects. Every Congressman wants a new basketball center or library for his district, and maybe these are important projects, but the local communities ought to accept the responsibility for most of these things, but we keep loading on pork barrel project after pork barrel project.

In fact, that supplemental, that stimulus package that we are talking about tomorrow, \$16 billion, actually \$19 billion when you take into consideration everything, \$19 billion, most of it is pork. Probably 75 percent of it is pork. More special projects for more special Congressmen. That is not the way to get to a balanced budget.

So in closing, Mr. Chairman, let me just say that the way to solve our economic problems, the way to solve our deficit problems is to prioritize spending and take a meat cleaver to the Federal spending that is going on in this place.

We have plenty of tax dollars coming in and the American people know it. They do not want more loaded on to their backs.

So we should take a meat cleaver to spending, and then after we do that if

we cannot reach our targets of a balanced budget in a 4- or 5-year period, then talk about taxes, but not taxes first. Let us have spending cuts before tax increases.

Ask any one of your constituents what they think about a 2-percent freeze and spending cuts before you talk about tax increases. I will bet you that 90 percent of the people in this country will opt for cutting spending and pinching their toes rather than opting for more taxes. All you have to do is ask them.

If we do that, then I am confident we will be reevaluating our position, not passing a \$400 billion tax increase, followed by another \$90 billion when Hillary Rodham Clinton comes up with her health care proposal, and we will be cutting spending and getting on with getting this country on the right track.

Mr. ORTON. Mr. Chairman, I yield 8 minutes to the gentlewoman from California [Ms. WOOLSEY].

The CHAIRMAN. The Chair will note that the gentleman from Utah [Mr. ORTON] is recognized to control the 56 minutes remaining on his side.

Ms. WOOLSEY. Mr. Chairman, I rise today in strong support of the budget resolution. I commend my colleagues on the Budget Committee for their hard work in putting together this budget resolution—and in particular, I compliment Chairman SABO.

Although I am the Budget Committee's newest member, I am proud to have played an important role in crafting a budget resolution which fundamentally reorders our national priorities. With the end of the cold war, we have an unprecedented opportunity to change our Nation's spending patterns to ensure a sustainable future for our children and grandchildren. The budget before us is the most significant piece of legislation that will come before the 103d Congress. It will set the agenda for our Nation for the next 5 years.

A few years ago, as the cold war came to an end, I joined concerned citizens in the district I represent, Sonoma and Marin Counties in California, to call on our Government to shift spending away from defense to programs that address the real concerns of Americans—jobs, health care, education, and deficit reduction. We call it the common agenda. Last year, the county governments of Marin and Sonoma endorsed the common agenda's call to reprioritize our Federal budget. They sent a message to Washington to cut defense spending and invest in our people again, but Washington did not respond.

Just 1 year later, I brought those concerns to the table as a member of the Budget Committee and I am satisfied that they were heeded. That's exactly what I came to Washington to do and I declare today with confidence and pride that this budget resolution reflects our Nation's common agenda.

This budget resolution recognizes that we can invest in our Nation's future by using defense savings to jumpstart the economy, promote long-term economic growth, and invest in the people of America.

This resolution cuts discretionary defense spending by \$17.4 billion in fiscal year 1994. In fact, the committee cut an additional \$3.4 billion beyond President Clinton's defense cuts over the next 5 years, as defense is reduced in this budget, funding is increased for key investment in Americans and national infrastructure programs—programs such as education, community development, health, research and development, and transportation programs, programs that have been ignored for the past 12 years.

For close to 25 years, I have been involved in the business of people as a human resources manager for a large high-technology manufacturer, and as the owner of a human resources consulting firm. I know firsthand the benefits of investing in people. Simply speaking, this budget assumes President Clinton's pledge to put people first, and recognizes that investing in our children and families not only improves our nation's standard of living, but clearly saves us money down the road. That is why this resolution assumes full funding for Head Start; for the Women, Infants, and Children [WIC] Program; for childhood immunizations; and for summer jobs for economically disadvantaged youth.

This resolution provides for those who have been hurt the most by the recession by assuming increased funding for the Food Stamp Program; rental housing assistance; community development block grants [CDBG]; and by expanding the earned income tax credit [EITC] for working families.

This budget also addresses the health concerns of Americans who have been disenfranchised. It assumes increases for women's health research; the Ryan White AIDS Program; cardiovascular disease research; and family planning programs. Increased funding for these programs is essential, since these areas have been severely underfunded in recent administrations. Now is the time to correct these inequities.

I am pleased that this budget provides substantial increases for education funding. A central part of the President's plan is to revitalize our education system—this is my No. 1 priority. Under this budget proposal, education, training, and social service expenditures will rise with each succeeding year—with a \$1.2 billion boost in fiscal year 1994 alone. Discretionary education outlays rise from \$37.2 billion in fiscal year 1993 to \$53.7 billion in fiscal year 1998. These increases embody President Clinton's bold proposal for change, by investing in our infrastructure—our people.

I have just outlined the broad budget picture—without addressing one very

key issue: deficit reduction. President Clinton proposed \$140 billion of deficit reduction in fiscal year 1997.

When the Congressional Budget Office [CBO] scored his proposed cuts, however, CBO determined that the cuts would not achieve the same results as the President had expected. The Budget Committee, and Congress, were then charged with making up the difference by reducing spending.

I am pleased to say that this budget plan will reduce the deficit by \$510 billion over the next 5 years. With the spending increases being offset by substantial decreases in the defense budget, overall discretionary spending will not increase over the next 5 years under this budget agreement.

As you know, this budget also calls on Americans to make some sacrifices. I agree that these sacrifices must begin at the top. Here in Washington, I commend the President for cutting the White House staff by 25 percent and Congress' willingness to cut its budget as well. But this is only a start. There is no doubt that the spending cuts will require some rethinking on how the Federal Government spends its money. It is important that Federal agencies and departments use this opportunity to evaluate the effectiveness and efficiency of their programs and look for ways to improve and streamline their efforts.

For the last 13 years, the wealthiest of Americans became richer, while most Americans got poorer. During this time, the tax burden fell substantially on the middle class. The Clinton administration wants to ensure that everyone pays their fair share through a truly progressive tax plan.

Although I represent one of the more affluent areas of the Nation, the people in my district continue to tell me that they are willing to pay their share, as long as those taxes are fair and as long as they are coupled with meaningful spending cuts. That is exactly what this budget is about.

Some of my colleagues say that we did not cut enough. Others say that we cut too much. There is no doubt, however, that we crafted a budget that successfully reorders our national priorities in the context of reducing our budget deficit. Frankly, we were faced with tough choices, and we made difficult, but responsible, decisions.

This budget proposal is balanced, fair, economically responsible and it strikes a common, middle ground that will work for all Americans. It is a common agenda in which we will all contribute and from which we will all benefit.

We finally have an administration that understands the importance of investing in our infrastructure and in our Nation's most valuable resource—our people. It is not only a plan that makes sense—it is necessary for our Nation to remain economically competitive.

Mr. Chairman, I strongly encourage my colleagues to support the budget resolution.

□ 0010

Mr. KOLBE. Mr. Chairman, I yield myself such time as I may consume, and I will yield to the gentleman from Indiana [Mr. BURTON] for 30 seconds in just a moment here, but I could not help but, in listening to the comments of the gentlewoman from California [Ms. WOOLSEY] and her waxing so enthusiastic about the additional defense cuts that are being talked about, the \$113 billion of additional defense cuts in the Democratic budget, wondering whether she has made any estimate of the base closings that will be required in order to meet that additional \$113 billion of defense cuts.

Now it may be the right thing to do. It may be good national defense policy to cut another \$113 billion. Some of us may disagree with that. But I dare say that there has been, and I certainly heard, a lot of consternation expressed by Members from the California delegation about the recent base closings that were announced to meet the current reductions in defense spending, and I wonder if the gentlewoman from California [Ms. WOOLSEY] is enthusiastically looking forward to more base closings in California in order to meet this additional defense cut.

Mr. Chairman, I yield 30 seconds to the gentleman from Indiana [Mr. BURTON].

Mr. BURTON of Indiana. Mr. Chairman, I thank the gentleman from Arizona [Mr. KOLBE] for yielding this time to me.

Mr. Chairman, let me just say to the gentlewoman from California [Ms. WOOLSEY] that she indicated that President Clinton has a \$140-some billion in spending cuts in 1997, and that is two elections away. We have got two congressional elections between now and 1997, and, if my colleague would look back through history, and I know she is new here, but, if she looks back through history the last 10 to 20 years, she will find that every year, 2 years at the outside, we change everything around here, and, if she thinks those spending cuts are going to materialize in the fifth year, 1997, then she simply is not aware of the facts because President Clinton has all of his tax increases and all of his spending increases on the front end, and the cuts are at the back, and those cuts will never materialize.

Mr. KOLBE. Mr. Chairman, I thank the gentleman from Indiana [Mr. BURTON] for his contribution.

Mr. Chairman, I yield 3 minutes to the gentleman from Virginia [Mr. GOODLATTE].

Mr. GOODLATTE. Mr. Chairman, I thank the gentleman from Arizona [Mr. KOLBE] for yielding this time to me and for the opportunity to be the first speaker on our side on the second

day of the debate on the budget resolution.

Mr. Chairman, I am concerned that the President and some Members of this body support a \$360 billion tax increase, the largest in U.S. history.

I recently received a letter from a couple in my hometown of Roanoke, VA, which said, "In the last 30 years, never have so many sacrificed so much for so few and had so little to show for it. Middle-class folks like us are working to death and taxed to death and these politicians who stand there with their hands out are always wanting more and more." A blue collar worker in my district wrote saying, "President Clinton said in his campaign that he felt our pain, but evidently he does not feel the taxpayers' pain." These good people put it more succinctly than I ever could.

The real issue today is budget cutting. But the question is whose budget will be cut? President Clinton is cutting the already tight budgets of millions of American families by increasing their taxes. Instead, we should be cutting the budget of this bloated Federal bureaucracy.

The solution to our Nation's debt will not be found in placing even higher taxes on struggling families and businesses. In my opinion, Mr. Chairman, President Clinton and Congress should be embarrassed to ask Americans, in the name of patriotism, to sacrifice more of their hard earned tax dollars. The problem is not that Americans are undertaxed. The problem is government spends too much.

Despite increasing revenue, spending is rising even faster. For every dollar in new taxes, Congress historically spends \$1.59. We have an ever-growing deficit because the Federal Government refuses to rein in unnecessary and out-of-control spending.

Unfortunately, President Clinton does not understand this simple fact. That's why he wants over \$163 billion in brandnew spending programs. At a time when we have a \$300 billion plus budget deficit and a national debt of over \$4 trillion, our President wants to dole out \$163 billion more.

We cannot continue this reckless fiscal policy. Let's cut out these new spending projects. Let's vote against these new tax increases. And let's get serious about getting spending under control. Thank you.

□ 0020

Mr. ORTON. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, tonight I rise in support of the budget resolution. This is a somewhat historic occasion for me. I have been here now for 2 years and this is the first budget resolution that I will be able to vote for. In the past 2 years I have voted against the budget resolutions, both the congressional and the Presidential budget resolutions, be-

cause I believed they included too much in political posturing, that in fact they did not include a real plan to sufficiently address the deficit crisis which faces this Nation.

I can support this budget because I do finally see a commitment to reduce the deficit. I would like to commend Chairman SABO and my Democratic colleagues on the committee who over many hours have worked together, have caucused, have argued, have debated. We have not thrown things at one another, but we have come close. And we have found compromise among ourselves.

Because of that compromise, everyone here can find something in this budget to hate. In fact, if we are looking for a reason to vote no, there is plenty of reason here to vote no.

There are things in this budget that I do not particularly care for. If mine were the only vote, would I cut defense spending as much as this budget resolution cuts? No, I would not. If mine were the only vote, would I increase some of the domestic spending programs as much as this resolution increases them? No, I would not.

As we work on a compromise, we find that there are areas where we can agree and areas where we disagree. I would like to personally commend the gentleman from Ohio [Mr. KASICH] and the other Republican members of the committee whom I think have put forth a very honest and very sincere effort to identify budget cuts. I find that I agree with many of the proposals that my colleagues have submitted. I certainly hope that as we continue going through this process, and this only being the first step in the process, we will have appropriation bills coming before this House, we will have reconciliation coming before this House, we will have the opportunity to look back and make statutory reform in areas in front of us. We will have opportunities, and I hope we can revisit many of the good ideas and good recommendations that my colleagues have made.

In fact, I find that I am in agreement with much of what the gentleman from New York [Mr. SOLOMON] and the gentleman from Wisconsin [Mr. GUNDERSON] said here a couple of hours ago on the floor of the House. I think they have come up with also reasonable compromise.

The reality of the situation is that the people have spoken, and the people have said they want government to work. They want government to find a solution. They want us to stop just saying no. They want us to find ways that we can compromise together, that we can work together, that we can find real solutions that will reduce the deficit, that will eliminate unneeded spending, that will help us to spend our resources smarter, that will help us to get our economy rolling again, that will help us to increase jobs.

So as I look at this budget, yes, I can find that there is something in here for everyone to hate, but I can also find that there is something in here for everyone to like.

Mr. Chairman, I would submit if you are looking for a reason to vote yes on this budget, you can find a reason to vote yes as well, many reasons. I submit that one of those reasons, and a very significant reason, is real deficit reduction.

The deficit reductions in this budget are in fact real. There is a 5-year hard freeze on discretionary spending. That is not increased by inflation. In fact, we are spending in 1993 \$547 billion on discretionary programs. In each of years 1994, 1995, 1996, 1997, and 1998, we will spend less than \$547 billion on discretionary programs.

I think that is real movement. I think we have done something real. Is it enough? No. Will it alone resolve the deficit crisis? No, it is only the first step. You cannot resolve the deficit crisis with discretionary spending alone. In fact, none of us would suggest that we could eliminate defense spending. If in fact we do not cut defense spending, we could eliminate 100 percent of the rest of discretionary spending and not balance the budget.

Is it enough? No, this is only the first step.

The gentleman from Wisconsin [Mr. OBEY], who spoke with us earlier this evening, was correct. We must look to the other area of spending, which area is entitlements. But spending limits, caps, or limits, such as a 2-percent solution or a 2-percent cap, a 2-percent increase on entitlements, simply will not work.

Entitlements are programs where beneficiaries are eligible to receive a government benefit based upon a statutory requirement. If you meet the statutory requirement, you receive the benefit.

To simply place a spending limit or a cap or a percentage increase limitation on those types of spending programs simply does not resolve the problem, because you must spend under the statute the money, you must provide the benefits, and at the end of the fiscal year if all you have done is placed a cap on it, you find that in July, August, early in September, you have run out of money under the cap. You find that at that point you have two alternatives: one is waive the budget cap and continue to spend more, or two is simply go to the beneficiaries and say I am sorry, but you will not receive your payment this month, or I am sorry that you have to leave the hospital because we have run out of money for the entitlement.

So clearly in order to resolve the problem we have to look to statutory reform of those entitlements. That is the way we must resolve those problems. We have got to resolve the health

care crisis by reforming Medicare and reforming Medicaid. We have got to do it statutorily, and we cannot do that in a budget resolution. In a budget resolution you cannot legislate. It is a resolution, not a legislative bill. Therefore, to attempt to place spending caps or limits on entitlements simply does not work.

□ 0030

I suggest that we must look to the President's recommendations on health care. It will not pass as submitted. We need to work on both sides of the aisle to find real solutions to the health care crisis.

The President has suggested he wants to reform welfare as we know it. We need to reform welfare as we know it. In order to do that, we cannot do it just as the Democratic Party. We are going to have to have cooperation between the two parties in order to resolve the welfare crisis.

In order to resolve statutory spending programs, we have to look to the statute. We also, I would suggest, that we must have real enforcement of this budget resolution. If, in fact, we are going to see the savings in the out-years if we are going to see the \$500 billion reduction in spending over the 5 years, we are going to have to have real enforcement of this budget.

I believe that in order to do that, we need process reform. Since this is not a legislative bill, I cannot submit the amendments that I would like to submit in order to amend the process. But I commend former Chairman Panetta. Last year he submitted a budget reform proposal with real sequestration. He submitted a bill with real sequestration.

I have submitted a budget process reform bill which would create a line-item veto, which would mandate a balanced budget, which would bring the President and the Congress together in the budget process to find solutions, which would create a 2-year biennial budget, which would create sunset provisions, which would create performance standards by which we can judge the effectiveness of our spending programs, which would have mandatory sequestration, if we do not balance the budgets.

I strongly believe that we must have process reform in order to enforce the budget limitations in this budget resolution. We must put our fiscal house in order. This is only the first step. We will have additional steps. We will have budget reconciliation coming before us. We will have appropriation bills coming before us.

We will have the opportunity to look to statutory reform. But those are steps 2, 3, 4, 5 down the road. In order to get to those steps, we have to take the first step.

The first step is a budget resolution. And although, if I were the only vote,

we would have a much different budget resolution, I think this resolution does make serious progress. It is a compromise which can be passed, and it is better to pass a resolution that will start us down that road than to pass no resolution, to have gridlock, to continue to do nothing. That is the worst case scenario.

Mr. BURTON of Indiana. Mr. Chairman, will the gentleman yield?

Mr. ORTON. I yield to the gentleman from Indiana.

Mr. BURTON of Indiana. Mr. Chairman, the Republican Study Committee did a very extensive study of President Clinton's budget proposals, and gentleman indicated that there was a domestic spending cut over the 5-year period.

Mr. ORTON. Mr. Chairman, I did not say a domestic spending, a discretionary spending. There is a freeze on discretionary outlays.

Mr. BURTON of Indiana. Mr. Chairman, if the gentleman will continue to yield, in any event, we did not see a cut. We saw a \$94 billion increase in spending over the period, \$94 billion increase in spending.

Mr. ORTON. I do not know where the gentleman is getting his figures.

Mr. BURTON of Indiana. I will give the gentleman a copy.

Mr. ORTON. The gentleman should look at the way CBO has scored the budget.

Mr. BURTON of Indiana. Mr. Chairman, I will give the gentleman a copy of it.

The other thing I would like to comment, the gentleman said that the 2-percent freeze will not work because we cannot possibly take care of entitlements under a 2-percent freeze.

We can, if we transfer funds from programs that are not absolutely essential into Medicare, Medicaid, Social Security and other retirement plans. That is what we anticipated, that we would have to make hard choices under a hard 2-percent freeze to get there. That is what we think ought to be done instead of having \$400 billion in tax increases.

Mr. ORTON. Mr. Chairman, if I might inquire of the gentleman, would these hard choices and transferring funding be between entitlement programs?

Mr. BURTON of Indiana. Mr. Chairman, no.

Mr. ORTON. Mr. Chairman, the gentleman is suggesting that limiting total growth in the budget to 2 percent, when we know that entitlements are increasing at 4 or 5 times that figure, the gentleman is suggesting that we can achieve all of the cuts he has submitted in the budget, that the gentleman from Ohio [Mr. KASICH], that the gentleman from New York [Mr. SOLOMON] has submitted, and additionally fund entitlements with additional cuts, unspecified cuts?

Mr. BURTON of Indiana. They are not unspecified.

Tomorrow I will have \$1.1 trillion in cuts, and I will hold them up for all to see tomorrow.

Mr. ORTON. But those cuts, I think, the gentleman should indeed make them public.

I might simply say to the gentleman from Arizona and the other gentlemen on the Committee on the Budget, the Republicans have been forthcoming in saying specifically where they would cut. I commend them for doing that. And I agree, as I said, with many of those areas that they would cut.

I am hoping that we will be able to find some of those cuts, as we go through the appropriations process. But I would suggest that in order to maintain a simple 2 percent solution, if we are applying it to entitlements, and that was my point, it does not work. If we are looking to entitlements, which are increasing more rapidly than 2 percent, placing caps on entitlements does not work. We have to make draconian cuts from discretionary spending programs, even deeper cuts than have been suggested in any of the budgets presented.

I have not seen the gentleman's with the additional cuts that he would make, but these, in my opinion, would be draconian cuts on discretionary spending in order to fund the entitlements because, in fact, entitlements do continue to grow. And we are not freezing the growth of entitlements at 2 percent. They are still going to grow by 8, 10, 12 percent.

But what the gentleman is saying is, he would take even more cuts out of discretionary to continue funding entitlements at the higher level.

I would submit that we are better off making statutory change in entitlement programs so we do not have 8-, 10-, 12-percent increases.

Mr. BURTON of Indiana. Mr. Chairman, I assume that Hillary Rodham Clinton is going to come up with statutory changes in Medicare and Medicaid to deal with it.

Mr. ORTON. Mr. Chairman, I hope so, and I look forward to it.

Mr. Chairman, I reserve the balance of my time.

Mr. KOLBE. Mr. Chairman, I yield 6 minutes to the gentleman from Michigan [Mr. HOEKSTRA].

Mr. HOEKSTRA. Mr. Chairman, I rise in, I guess, this morning, to express my appreciation and support for the work that the Republicans on the Committee on the Budget have done.

As I have gone around the district and have had town meetings, I believe it is the only proposal that will be in order on the floor tomorrow that meets the ultimate test of the American voters. And that is, cut first.

As we have gone and talked to the voters and have heard them express what is important to them, fixing the deficit is of ultimate importance. But also recognizing that only 19 percent of

the American public believes that Congress can be trusted. The message was loud and clear: A package proposed by the President, which has spending cuts that are backloaded in the plan in years 3, 4, and 5, with spending cuts versus tax increases, which start day one, and new spending which starts day one is unacceptable.

What we need to do is we need to cut, cut, cut.

□ 0040

That is what the Kasich proposal does. That is where we need to start. It meets the test of the American people.

The second thing that the Kasich proposal also meets is, it is the only real way to stimulate the economy. I find it very ironic that we in this Chamber identify new Government spending as the way to get the economy moving. As I understand it, coming from the business community, the only thing that new Government spending does, and that assumes that we tax the American people to get the money, is that new Government spending says, "We here in Washington are better able to identify where and how your money should be spent."

Once again, I think the President's proposal fails the test. I think it is time that we left the money in the people, especially in the middle-class.

Mr. KOLBE. Mr. Chairman, will the gentleman yield on that point?

Mr. HOEKSTRA. I am happy to yield to the gentleman from Arizona.

Mr. KOLBE. I think the gentleman has made a very good point, and that is that the best economic stimulus that we can possibly get is by cutting spending, because if we do not cut spending, if we increase spending as the Clinton program would do, we have to get that money someplace. We either have to tax people, which means we are taking it out of the productive sector, or we are going to borrow, which means we are going to be reducing the savings stock in another area.

Or if we are going to do it, if we are going to increase some spending and have some spending reductions over here, there is some rationale that says, "We have identified something that is a more sensible form of spending," but we do not see any of that there. We just say this is going to be increased spending. We are going to tax people to pay for it, and in the third and fourth year maybe we will get some spending reductions.

I think the gentleman has put his finger on what is the key to this, and that is that if we really want economic stimulus we ought to reduce spending and do it now, and get that money back into the productive sector of society. I thank the gentleman for his point.

Mr. HOEKSTRA. Mr. Chairman, I would just like to build off of that point.

Having been here all of 10 weeks now, Mr. Chairman, I look somewhat skept-

tically at the claim that says, "We are going to spend, so naturally we have to get the taxes first so that we can pay for the new spending."

I believe the pattern that I have seen and that the American people have seen is that as we spend, we always have the habit of spending more than what we take in in new taxes. That is what is the problem here in Washington. That is why I feel so strongly about the program and the proposal that has been developed which says, "No new spending, no new taxes, and what we are going to do is, we are going to shrink or at least slow the growth of government."

I think that is important. I think it is frightening when I read the statistics that say, "We now have more people working in government than we have people working in manufacturing." Just think about it. We have more people working in government than we have people making things in this country. I think the numbers are out of whack. We need fewer people in government and we need to drive more emphasis into manufacturing.

We have got to slow, if not stop, the growth of government. I think that is what the Kasich proposal does, and that is why tomorrow on this floor I will stand up hopefully again and endorse that program, but most importantly, vote for its passage.

Mr. ORTON. Mr. Chairman, we have no additional requests for time. I would inquire of the gentleman from Arizona how many additional speakers he would have.

Mr. KOLBE. I would say to the gentleman, we have two or three.

Mr. Chairman, I yield 11 minutes to the gentleman from Pennsylvania [Mr. WELDON].

Mr. WELDON. Mr. Chairman, I thank my colleague for yielding time to me.

Mr. Chairman, I realize the hour is late. We would like to end this debate so we can come back again in 10 hours and start this process all over again, but sitting back in my office, as I have been for the last several hours, and on the House floor, I could not help but come over and respond to some of what I heard here on the House floor from the other side.

I have taken great pride in my 6 years in Congress in working with coalitions on a number of issues with my Democratic colleagues. I have helped to form and currently cochair five or six very active coalitions with Democrats in the areas of recycling, energy assistance for the former Soviet Republics, technology, emergency response, and empowerment, and find a great deal of satisfaction in working on these issues in a bipartisan way, in a bipartisan spirit. As a matter of fact, I was invited to the White House on the first major bill that we acted on in this session, to come down by President Clinton to the bill-signing ceremony, be-

cause of my help with that effort. However, the debate here tonight has bothered me greatly, and there were some things that were said that I have to respond to.

We heard the President just a few short weeks ago in the podium right next to us here say that the time for blame has ended. Mr. Chairman, anyone listening to this debate tonight, and I counted it along with my staff, heard 46 Members of this body from the other side blame Ronald Reagan and George Bush for the deficit, 46 Members all of the Democratic persuasion. That is absolutely amazing.

Mr. Chairman, we saw one Member get down here with charts and graphs and talk about how all of this was the doing of 12 years of Ronald Reagan and George Bush.

I am a teacher by profession, and I can recall back in my days of teaching the way the budget process works, and thinking of what Ronald Reagan said when he came into office 12 years ago, he said two basic things: We need to cut tax rates, and that was an easy decision for Congress to make, to cut tax rates, because they could run back to their districts and say, "We are great. We in fact have done something great for our constituents."

The second thing Ronald Reagan said, which no one talked about with their charts and graphs, was that we had to cut spending, because that is something the Democratic Congress did not want to talk about and did not want to do. There was no success on the part of the Reagan administration in getting this body and the other body to agree to spending cuts. In fact, that is why the deficit started to grow as dramatically as it did.

We might think that Congress has been out to lunch for the past 12 years and that all of these things happened, this deficit grew, simply because the Congress was not a player, and that it was all the fault of Ronald Reagan and George Bush.

I want to say to my colleagues, and in saying to my colleagues, to the American people, there are some questions they need to answer. What about the appropriations process?

When I taught school and taught my kids civics, we always understood there were 12 appropriation bills that we were supposed to pass each year that appropriate the spending levels for the Federal Government. During 7 of the 8 years that Ronald Reagan was the President, the Congress did not pass the appropriation bills. Why? Because Congress did not want to give Ronald Reagan 13 chances to veto their spending levels.

Congress wanted to have their way, so they would lump all the spending in the CR and force the President to veto or approve Congress' spending levels with no chance to go through and wipe out the pork and the abuse. We did not hear anything about that today.

What about targeted tax relief? Every tax bill that has come through this body has been loaded down with pork, rifle shot targeted tax relief provisions benefiting individual corporations and individual citizens. That the Philadelphia Inquirer on the 1986 Tax Reform Act estimated cost us \$30 billion in revenue, all stuck in anonymously by Members of this body and the Senate Finance Committee.

Why didn't we hear about that today? That is not anything that Ronald Reagan and George Bush had something to do with, because they had no choice but to accept all of those rifle shot provisions buried in those tax bills.

Every tax bill that originated in this body had the same type of targeted tax relief, yet that was not discussed as a reason why the deficit grew.

What about unauthorized appropriations? I sit on the Committee on Armed Services. I can recall very well in my first term a meeting that we had with SAM NUNN and Les Aspin up in the Intelligence Room, where we talked about an average of \$5 billion to \$7 billion a year of unauthorized appropriations in the area of defense alone, most of them never having seen the light of day, many of them having nothing to do with defense.

Yet each year this body would stick in, the Senate would stick in unauthorized appropriations that happened to be in somebody's district or some pet project that never in fact saw the light of day, and we never gave the President the time, whether it was Ronald Reagan or George Bush, a chance to knock them out. We did not hear anything about unauthorized appropriations today.

What about all of the spending bills over the past 12 years? What about all the spending bills that always have that first clause that waives the Budget Act that said, "We are going to waive the Budget Act in this instance because we want to spend X amount of dollars"? We heard nothing about these gross abuses on the part of Congress.

Mr. Chairman, what bothers me the most is all the rhetoric we heard from those 46 Democratic Members blaming Ronald Reagan and George Bush, that they have to accept responsibility for what occurred over the past 12 years, and even before that.

□ 0050

The Clinton plan does not address any of the issues that I have just discussed. It is not real. It is full of contradictions.

The economy is in recovery, yet Clinton proposes to stimulate it. Our government is too big, yet the President wants to make it even larger. And Americans are already burdened by taxes, and he wants to have them pay more, \$328 billion of additional taxes.

The only real cuts in this plan are in defense, and yet we have no details. As

a member of the Armed Services Committee, I am outraged that we have not been given any specifics as to where these cuts will occur. As a matter of fact, my reading of the Clinton plan is that in the first year we will only achieve a net savings of \$2 billion. And talk about smoke and mirrors, \$1 billion of that \$2 billion is achieved by shifting the date of reimbursement for hospitals from a fiscal to a calendar year basis. That surely is not a real cut.

Economic stimulus. Economic stimulus, sure, we have economic stimulus in this plan for all of those 5.5 million defense-related workers in this country, and what you can be assured of is that over the next 5 years one out of every two of you will lose your job. And in fact, the Office of Technology Assessment and the Congressional Budget Office have both come out with statements that the Clinton plan over the next 5 years will cost the American economy between 1.8 and 2.8 million jobs.

We do not have places to put these people into in terms of equal pay and equal technology capabilities. We are not ready to make that transition yet.

One of my Democratic colleagues who will remain anonymous said to me last week, and I would never reveal his name because I am sure he would be torn apart by his leadership, that when you look at the outyear of the 5 years of the Clinton economic plan, welfare programs in total spending will become No. 3 in the Federal budget process. They will in fact surpass defense spending. That is something that has not been talked about yet, something that tomorrow perhaps we can focus on, that welfare will surpass defense as the third largest item of spending by the Federal Government.

We in fact will have two alternatives tomorrow, and I will vote for the first one being offered by the Budget Committee, and by the gentleman from Ohio [Mr. KASICH], which contains 84 pages of specific cuts and not broad generalizations. The second is a refinement by the gentleman from New York [Mr. SOLOMON] that adds the process reform that begins to deal with some of those issues that we have talked about.

I am sorry the gentleman from Indiana [Mr. BURTON] will not be able to offer his package, because we would have had three that were better than the Democrats' plan.

Mr. Chairman, as a Russian citizen said in criticizing the Soviet system following the death of Chernenko, and I quote, "There are three kinds of lies: a small lie, a big lie, and politics."

My fear is that tomorrow in this body on this vote, politics will prevail and the American people will be the losers.

Again I thank the gentleman for yielding me the time.

Mr. KOLBE. Mr. Chairman, I yield 15 minutes to another distinguished gen-

tleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Chairman, I thank the gentleman for yielding the time.

What occurs to me in this debate is the fact that we learned in the last election that the people want change. What they are getting here is more of the same, because I listened carefully to the gentleman from Utah as he spoke about the Clinton program that he is going to vote for. And he mentioned the fact that what we need is better enforcement of these budget provisions.

The problem is the enforcement never works. We have the Budget Act now that supposedly is the enforcement mechanism. As the gentleman from Pennsylvania who spoke before me, my colleague pointed out, we waive the Budget Act all of the time, and what good is enforcement if we waive it? And the fact is the Democratic Party votes over and over again for rules that waive the Budget Act, so there is no enforcement.

Take the supplemental. I do not know if my colleague from Utah is going to vote for the supplemental tomorrow or not, but one of the things we have in the rules of this House to try to prevent us from spending money that we do not have is an authorization process that is supposed to go before the appropriation process. And yet, in the supplemental appropriation that is going to come out here as a part of the Clinton program tomorrow, that enforcement is going to be done away with, because there are all kinds of unauthorized appropriations that are going to be in that supplemental tomorrow. Where is the enforcement? Where is the attempt to do something to really maintain a real presence? It does not exist and the Clinton program is a phony. It simply is not going to do the job because it refuses to face up to the realities of what has gone wrong in the past.

My colleague from Utah also mentioned the fact that there is a freeze on discretionary spending in the Clinton budget. There is no such thing. If you do not look at the realities of it, the reality is that the only spending cuts they have are in defense. And even there they have refused to face up to the obvious. When the supplemental appropriation comes to the floor tomorrow I understand, and my colleague from Pennsylvania who serves on the Armed Services Committee may be able to confirm this, there is no money in the supplemental tomorrow to take care of the expenses that we are incurring in Somalia.

Mr. WELDON. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I am happy to yield to my colleague from Pennsylvania.

Mr. WELDON. Mr. Chairman, the gentleman has raised an excellent point that we were going to raise today

but did not have time, and that is the fact that the President did in fact, President Bush requested a specific amount of money to pay for Somalia. Yet, the Clinton administration has yet to request that. We have put funding in for swimming pools and historic renovation of movie theaters in, but we have yet to pay for the services of our military over in Somalia which now are approaching \$700 million.

Mr. WALKER. Let me get this right. In their budget what they are proposing is \$112 billion in additional cuts in defense, but when it comes to paying for the defenses already being incurred in Somalia, in the supplemental, emergency supplemental coming up tomorrow there is no money in there? Where are we going to get the money while they are cutting \$112 billion out of defense, where are we going to get money to pay the expenses already incurred by our troops in Somalia? The fact is we are not. The program is a phony, and they have no money to pay for that which is going on. And yet they give us a whole bunch of unspecified cuts that they cannot justify.

If you ask them where is the money going to cut, where are we going to find \$112 billion in cuts, they cannot tell you.

Mr. KOLBE. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I am happy to yield to the gentleman from Arizona.

Mr. KOLBE. Mr. Chairman, the gentleman made a very good point just a moment ago about the enforcement mechanisms, and I think that the gentleman from Pennsylvania knows better than perhaps any Member of this body, having sat on the floor here and fought the good fight against the waivers in the Rules Committee over and over again, that what we have in this, basically what we have in this Democratic budget proposal is a proposal to give us additional spending immediately, more taxes, and a promise of cuts somewhere down the line. But as we know, we never get the spending cuts, because when it comes time for that we will see each of the Appropriations subcommittees march in, and I serve on the Appropriations Committee, march in with waivers to the Budget Act. I dare say that everything in the appropriations bill we had last year came with waivers to the Budget Act, and it will be one waiver after the other.

The gentleman from Pennsylvania and I have cosponsored a bill which would try to change that to get some discipline to require a super majority in this body to waive points of order under the Budget Act. The Senate has done that. They did that back in 1985, and it restored some discipline to the process over on that side in the appropriations process.

But unless we get some kind of reform over here to do that we will never

get that kind of discipline on the spending side of things. So all of this is just a game we are playing. We are going to have the taxes, we are going to have the additional spending, and we will have the promise of the spending cuts, but we will never, never see them. And I think the gentleman makes a good point on that.

Mr. WALKER. I thank the gentleman, and he is absolutely right. And there is absolutely no enthusiasm for the idea that we use super majorities here for those kinds of things, because the fact is they are going to go on spending. And to call the Clinton proposal real, and to say that somehow this is a different budget from anything we have seen before, and that we have broken the gridlock, and somehow we are going to do something real here is nonsense. There is nothing real in that budget proposal. It is the same old stuff.

Now I would like to discuss one thing that we were attempting to bring about, a reform that would be a real enforcement mechanism, but were denied the opportunity to do so by the Rules Committee. And that was that I had an amendment to try to implement the 10-percent taxpayer buy down check off on taxes that was taken before the Rules Committee, was absolutely germane and was a process reform that would have ensured true enforcement of spenddown.

□ 0100

The way it works is this, the American people would be given an opportunity on their tax form every April 15 to check off up to 10 percent of the money they were paying in taxes to go for one purpose and one purpose alone, to buydown the national debt, and for every dollar designated for debt buydown, \$1 would have to be subtracted from spending.

Now, either this money was subtracted from spending by Congress, that made the necessary cuts across the board, or there was an automatic sequestration that took place, in other words, an automatic spending cut that took place to equal that amount of money, so that the American people would get real spending cuts, they would get deficit reduction and debt reduction at the same time.

We had the CBO run the numbers on this, and we found that this particular plan, if worked optimally, within a 5-year period balances the budget, and within a 15-year period, and I think this is important, because it is the one hope the American people wish to have handed out to them, within a 15-year period this plan, if worked optimally, absolutely eliminates all of the national debt; every penny of national debt is gone. That is the kind of hope that the American people would like to have that what they are doing is meaningful.

I read reports about bake sales taking place across the country that are aimed at helping us get rid of the national debt, and I think that the hope behind those is very positive. It is the American people trying to do something about a real problem.

Rush Limbaugh has estimated that if those bake sales managed to raise \$1.5 million a year, and that would be an awful lot of cookies being baked, if they managed to raise \$1.5 million a year, it would take 2.8 million years to pay off the national debt.

Mr. KOLBE. If the gentleman will yield, the gentleman makes a very good point.

I noticed that somebody had pointed out, and I am not sure, but it might have been Rush Limbaugh who made this point, or somebody pointed out that the President made quite a to-do, of course, about the call that he made to the young man from North Dakota who sent him a check for \$1,000, and if every American taxpayer made a similar contribution of \$1,000, we would reduce the Federal deficit by about half, the Federal deficit by about half, and we would not even balance the budget.

So while the President is going to take this \$1,000 from this young man, we are going to increase the Federal deficit immediately with the \$16 billion of additional stimulus package, and then we are going to have all of the other investments that will add more than \$140 billion in additional spending over the next 3 or 4 years.

Where are we going to pay? How many times is that young man going to have to write out that \$1,000 check?

Mr. WALKER. That is exactly right. The fact is that what happened to his \$1,000 was it got spent away, just like all the new taxes that are going to be raised are going to be spent away, and the difference between that and what happens with the taxpayer debt buydown that I hoped to offer on this approach, the difference between that is that in the taxpayer debt buydown, because you get a dollar spending cut for every dollar of debt reduction, you get a real change in the habits, and the important factor is this, we would no longer have to depend upon a group of politicians to enforce this.

The enforcement mechanism would be, for the first time, the American people, and that is the important ingredient in all of this.

I do not think that any deal cut among politicians in this town is ever going to work, because I think when you get to the point that you have to culminate the deal and really cut spending, the politicians are going to walk away from it.

I looked carefully at the charts of the gentleman from Wisconsin [Mr. OBEY] out here earlier today, and in the charts of the gentleman from Wisconsin [Mr. OBEY] they showed how Gramm-Rudman II actually did for a

period of time level off the amount of deficit and debt we were accumulating. And guess what, we got to 1990. And what happened? His chart all of a sudden showed the deficits shooting up. Why? Because in the 1990 budget deal we canceled Gramm-Rudman because it began to pinch. It got too hot to handle.

Spending was actually being reduced, and we had to get rid of it, and so the politicians got together and cut a deal to get rid of Gramm-Rudman.

Guess what, the deficit shot through the ceiling. The reason why that could happen is because the people were not involved. But in the debt buydown, you will have had millions of Americans who will have designated money to go for debt and deficit reduction who all of a sudden are going to say to the politicians who do not do what they asked them to do, "Hey, fella, you are not doing what we demanded you to do. You are gone."

The politicians say to the American people, if they say "In your face, we are not going to make the cuts," they have got this big problem, because you have got people out there who have demanded the cuts be made, and that is going to be an issue in the next election. So all of a sudden you have put an enforcement mechanism that gets outside the Halls of Congress and takes it to the American people, both the obligation in the first place to designate money for debt reduction, and then the ability later on to discipline politicians who do not follow through. And that is what makes it work.

That is why getting the American people involved in the process, having, if you will, a referendum every April 15 on debt and deficit reduction really begins to change the dynamic of what happens in Washington.

I look to offer that kind of an approach on the floor. I look for an opportunity to offer as a process reform to the budget, and it is included in the Republican substitute budget. It is part of the budget presentation offered by the gentleman from Ohio [Mr. KASICH], and that is one reason I will enthusiastically vote for that budget presentation, because the debt buydown concept is included in it. I wanted to offer it on the floor. I was turned down by the Committee on Rules despite the fact that this was an absolutely germane amendment available to them, and I am disappointed by that.

The majority leader, in the course of the evening tonight, has told me that we will have hearings in the Committee on Ways and Means on the idea, and that I am grateful for, but it would have been nice to be able to debate it as part of the budget. Nevertheless, it will be on the floor as part of the Kasich amendment.

I will hope that at that point many people will see this as the populist way to go about doing something about the budget.

Let us not have as many bake sales in the future. Let us give the American people a real chance on April 15 to stop debt and deficit by designating a portion of the taxes they are paying to go for that purpose and that purpose alone.

We have an opportunity to begin that new wave with the adoption of the budget drafted by the Republicans on the committee, a much better budget, a much better budget than the Clinton budget that the Democrats have so enthusiastically brought to the floor today.

Mr. KOLBE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I think we are about at the end of our long ordeal or our long debate. Before we finish, I would just like to take a moment to summarize.

Mr. Chairman, it was just a week ago that the Committee on the Budget met to consider the budget proposal, the Clinton proposal, the revised proposal coming from the Democrats, and the Republican alternative. I went into that committee meeting with a lot of enthusiasm and hope that we were going to have a serious debate about some differences and some alternatives. I especially went into that hopeful because, as a member of the Committee on the Budget, I had found myself under attack from the President and the Director of the Office of Management and Budget because Republicans had not been sufficiently forthcoming in coming up with their specifics about where they would cut.

Many of us were critical after the President stood in this body just a month ago and made his presentation and outlined what he was going to do with regard to budget proposals and new spending proposals. Many of us were critical of that.

We were told, "If you have got a better idea, show us. Show us where the spending cuts would be."

And so, as one member of the Republican Committee on the Budget, we worked very hard on coming up with an alternative. We had task forces, and we met, and we met, and we met. We repeatedly discussed these things. We thrashed out ideas, and we came up with very specific cuts, cuts that will take \$38 billion out of the spending this year and a total of more than \$400 billion over the next 5 years, real spending cuts, specifics, as to where we would get those spending cuts, and then to come in to the Committee on the Budget and find that in order to meet the scoring or the revised scoring of the Congressional Budget Office, the Democrats have come back with \$62 billion of additional cuts, and not one dime of them specified was, well, to say the least something of a shocker.

I could not believe that after having been beaten around the head for 4 weeks that we were confronted.

Mr. ORTON. Mr. Chairman, will the gentleman yield on that?

Mr. KOLBE. I am happy to yield to the gentleman from Utah.

Mr. ORTON. Mr. Chairman, I think it is slightly inaccurate to suggest that not one dime was specified. In fact, in the budget resolution from the committee, less than \$20 billion is in unspecified reductions in the out years, which is a common practice and has been a common practice to allow some flexibility in the out years to determine where additional cuts can be made.

But the bulk of those are specified within the spending categories, and as the gentleman knows, on a budget resolution we cannot bind either an authorizing committee or an appropriation committee to a specific cut. There are within the report numerous recommendations to the Committee on Appropriations as to where these funding cuts can be obtained in specific programs.

□ 0110

And so to suggest that not one dime is specified is simply inaccurate.

Mr. KOLBE. I thank the gentleman for his comment. I would point out two things. One, I would repeat my statement: Of the \$62 billion of additional cuts brought in, not one dime is specified as to where it would come from. And of the largest part of the cut in the defense budget, nothing, nowhere, zero. If you know where some of those cuts are going to come from and how we are going to achieve that, which is the heart of the cuts that the President proposes, we would be happy to see them.

Mr. Chairman, I would yield to the gentleman, and perhaps we are going to finally get enlightened here at 1 in the morning.

Mr. ORTON. As the gentleman I submit already knows and understands, the budget resolution cannot and does not bind the Committee on Appropriations to a specific appropriation or rescission on any specific program. What we do is set the spending caps or the spending limits within each function. We designate within the function the amounts that can be spent. That is, as the gentleman knows, the purpose of a budget resolution. Within those functions we have in fact identified what the amounts are that would be cut from those specific functions.

As I pointed out, there are, in 1994, there are no unspecified cuts. They are allocated among the functions. Within those functions the committee report specifies areas where it is recommended to the Committee on Appropriations the specific areas to look that we have identified and suggested, areas that could be considered for cuts, to find these specific cuts within those functions.

But as the gentleman knows, we could put in the resolution that the

Committee on Appropriations must eliminate XYZ programs or cut X amount from a specific program for spending to build a new bomber or something like that, but the gentleman knows that that has no binding effect on the Appropriations Committee.

Mr. KOLBE. Reclaiming my time, if I might, the gentleman has of course precisely made my point for me. And that is that, no, the budget resolution has dollar amounts in it but you have policy that drives you to get to those amounts. What the heck were we holding all these hearings for? Where we were listening to the Secretary of the Treasury, listening to the OMB Director, listening to Secretary Shalala, listening to Secretary Reilly, where we were talking about policy, if all we were going to do was plug a number in there and have no idea of what it meant and how we got it? We saw some additional cuts that were brought, and they were very specific in number, function X, let us say, \$341 million of less spending next year. I asked the chairman why is it \$341 million and not \$340 million or \$342 million? And, of course, there was no answer. That is what I mean when I said unspecified.

The Republicans came up with specific ideas of how we would get to the spending cuts.

If I might, I would like to yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding because I listened to the hearing that was held when the Republicans put forward their specific cuts. If I recall correctly, there were a number of Democrats who were willing to specifically criticize the specific cuts. Now, if this was all macroeconomic policy, why did they feel it was necessary to even debate the specifics that the Republicans put forward? Or why was it that the President, for weeks going around the country telling people, "If you don't like my budget, come up with specifics," and when we got into the Budget Committee meetings, the only people who put forward specifics were the Republicans and the Democrats wanted to deal with macroeconomic numbers?

I would also ask the gentleman if this report exists that has all these details, where is the report?

Mr. KOLBE. The gentleman is right; we have not seen that report, because there are not any details, there are no details for this. The President did say, "Give us some specifics." We gave specifics. We have gotten none from the other side. The reason is obvious, they do not want to put Members on record prior to voting for the economic stimulus package and the budget resolution which, as the gentleman from Utah has correctly pointed out, is nonbinding and means nothing and will mean even less when we have waivers from the Appropriations Committee.

Mr. ORTON. If the gentleman would yield, it is binding in the numbers, in

the caps, in the amounts that can be spent within function. You cannot bind them to eliminate a particular program.

Mr. KOLBE. Unless we waive the numbers, which we do with great frequency around here.

Mr. ORTON. Perhaps too much frequency.

Mr. KOLBE. If I may reclaim my time, the reason that is so, we said they do not want to have people go on record as being specific and having to vote for specific things, specific cuts that might be required, some that would be very painful, making some specific choices. It is easier to vote for the extra spending that we are going to get tomorrow; it is easier to vote for the ephemeral cuts that might come down in the out years and never have to make the tough decisions, and we will avoid them again this year.

I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman. But I understand the gentleman to say that the report to which the gentleman from Utah refers does not exist?

Mr. KOLBE. None with anything that has the specifics that he was referring to that I know of.

Mr. WALKER. Could the gentleman from Utah tell us where this report is?

Mr. KOLBE. I yield to the gentleman.

Mr. ORTON. I believe you will find the committee report out on the bench.

Mr. WALKER. So there is a committee report that has all of these things listed specifically.

Mr. KOLBE. The committee report has just the numbers, that is all we have; no policy direction as to how we arrive at these numbers. So we do not have any idea, the Budget Committee gives no direction.

What we heard last week, to answer, perhaps, the gentleman from Pennsylvania's question; what we heard last week in the committee was, after all this talk about how important this was, the Budget Committee is saying,

Oh, we have nothing to do with this. All we have the responsibility for is the 1 page with 15 to 16 functions on it, and we report those numbers out there, and that is all we have to do. We don't set policy, we have nothing to do with determining how much we are going to spend around here, determining the budget. That is not our responsibility; others will make those determinations. We just plug these numbers in here, we pull them out of hats someplace and plug them in, and then we hope that everybody will abide by those.

Mr. WALKER. The gentleman from Utah just told us there is a report that exists that has all of these specifics in it, how they got to those specifics, that that report exists. Does that report exist, or does it not exist?

Mr. KOLBE. To my knowledge, I have seen no such report. The only one that shows anything is the Republican budget alternative, which is very specific in outlining how we would get to

those spending limits that we have in our budget resolution.

Mr. WALKER. So the gentleman was absolutely right in his statement that no specifics exist in the Democratic budget?

Mr. KOLBE. Reclaiming my time, there are some specifics in President Clinton's earlier proposal to the Congress, but none in the area of defense and none for the additional \$62 billion. As we know, the ones President Clinton originally proposed got scored differently so that they were \$55 billion short.

Mr. WALKER. Have the Democrats endorsed all the ones that President Clinton came up with?

Mr. KOLBE. Good question. I do not know.

Mr. WALKER. Because they do not have specifics in the recommended budget to tell us whether or not they endorsed everything the President sent up.

Mr. KOLBE. Because they cannot tell whether they have endorsed those.

Mr. WELDON. Mr. Chairman, will the gentleman yield?

Mr. KOLBE. I yield to the gentleman from Pennsylvania.

Mr. WELDON. I thank the gentleman for yielding.

On the issue of defense cuts, this is very critical because we have been told time and time again the American people have bought President Clinton's plan. But he has been very careful in not discussing what any of those defense cuts would be. So, therefore, the American people have heard there is going to be this huge savings and all of it is in defense but none of us knows the details of whose programs are going to be cut, which jobs will be lost.

Therefore, he has been able to have all these people think that these cuts are not going to be in their area and are not going to hurt our national security, and that is precisely the point that we need to make. The plan is full of nonspecifics. The President and the Democrats have not identified any of the areas where we are going to have to cut the military. That is going to cause tremendous pain. As I said, over the next 5 years, one of every two defense-related jobs in this country are going to go. And those are the people that should be asking the question today: Is this what I really want to see America do over the next 5 years?

Mr. KOLBE. I thank the gentleman for his contribution. The gentleman is absolutely correct about the defense cuts.

But if I may just finish up very quickly, and I appreciate the dialog we have gotten into; it is important to have this kind of discussion.

□ 0120

One of the things that is most distressing I think to many people, and I certainly find to a lot of Americans

that I have talked to about this, is the now Orwellian language, what I would call the "new speak" that is being used to describe elements of this budget. What we used to call spending is now investments. It does not matter what kind of spending it is, it is an investment.

Presumably in the supplemental appropriation we will see tomorrow one of the investments is to make up a shortfall in the District of Columbia budget of \$28 million. The American people know that is not an investment, that that is phony. That is simply being dishonest with the American people.

We no longer call increases in the amount of money people pay out of their paychecks tax increases. That is what I always used to call it. No, no. We call those contributions now, and some of them are spending cuts.

The most unbelievable of all is that the money that senior citizens are going to pay in additional Social Security taxes as the result of having that part of their Social Security benefits that are taxable raised from 50 to 85 percent, that is not a tax increase. It is a spending cut.

Try telling that to the senior citizen who is suddenly going to find his income tax bill going up by \$200, \$300, or \$500 next year. We need to be more honest with the American people.

Then if that was not enough, we redefined the whole definition of income so that the President can say that 70 percent of these taxes are being paid by the wealthy. So we suddenly wave the magic wand over income and say we are going to change the definition of income to include an imputed value on the rent of a home. Even though you have owned it for 40 years and you have paid it off, now you are going to have a rent attached to that and that is part of your income.

Oh, and guess what, that just puts you into the category of being rich. Voila, you are going to pay the tax. That is dishonest. That is simply not being straightforward with the American people.

We offered an alternative that I think offers a very clear choice to the American people. I believe that tomorrow in this final part of the debate we will be able to focus very clearly in understanding the differences between the Republican budget alternative and that which is offered by the Democrats.

The Republicans offer an alternative that means less government, that means less spending, that means more jobs, that means more take-home pay, and it means no new taxes.

The Democrats, on the other hand, offer a very different vision of the future. They offer a very different vision of where government should go. It is an honest difference. It is one that they have always adhered to and it was expressed very clearly right in this room

a few weeks ago by the President of the United States when he talked about making government work again, that government can be the answer to the problems that we have in this country. We know that is not the case, but they believe that more government and more taxes and more spending is the solution. If that had been the solution, we would have solved these problems long ago.

We have been taxing and we have been spending and we have been spending more and more, driving ourselves deeper into deficit, taking more money out of people's pockets.

Pretty soon we will have what some people want to achieve, and that is taxing people so much that they will be very grateful to government for whatever they can get in the way of services from government because they cannot afford to buy those services themselves.

Make no mistake about it, there are those in this country for whom that is the goal, to make the American middle class totally dependent on government to provide those services, to tax them enough so that they will not be able to buy those services themselves.

So the philosophical differences between these two budgets are very clear. Tomorrow we need to make not only a choice, but we need to have an intelligent debate as we talk about the specifics of that.

I look forward to that opportunity to go in and talk about some of these decisions that we came up with in our budget proposal, tough decisions, such as raising the retirement age for Federal employees, such as reducing or eliminating the COLA's for military retirees. Those are some of the tough choices that we have made in our budget proposal that we will be able to discuss tomorrow, or later today I should say, as we get into this debate.

Mr. Chairman, I think we are at a historic crossroads in this country. I think that this debate over the budget is perhaps the most important debate in which I have participated, certainly with regard to the economy of this country, in the last 8 years that I have had the privilege of serving in the House of Representatives.

Every Member of the Congress needs to participate in this debate if we are going to make decisions that will assure the future of our country.

Mr. GALLO. Mr. Chairman, more than 50 years ago, Winston Churchill described Russia as a "riddle wrapped in a mystery inside an enigma." I can only imagine what he would say today if he were asked to comment on the budget resolution our Democratic friends have presented to us today. Its details are as much a mystery to its advocates as to its skeptics.

I find it extraordinary that we are debating a budget resolution fully 2 weeks before the President has even submitted his budget.

Back during the days of gridlock, the Democratic leadership declared Republican Presi-

dents' budgets "dead on arrival." Now, the majority leadership expects us to pass this President's budget even before it arrives. Khrushchev could have blushed at such a procedure. Yet we stand accused of perpetuating gridlock because we want to see for ourselves what the President has in mind before we vote on it.

But, Mr. Chairman, while the details remain enigmatic, there are certainly things about this budget that are no mystery to me.

One thing that those of us from New Jersey know all too well is that raising taxes neither creates jobs nor stimulates economic recovery—especially in an economy that is still trying to regain strength. Governor Florio tried that in New Jersey and New Jersey has yet to recover.

I had a sense we were in trouble when, 2 weeks before he presented his economic plan to the Congress, I heard the President tell the New Jersey Chamber of Commerce that he wanted to do for the Nation what Governor Florio had done for New Jersey. Thanks, Mr. President, but no thanks.

But, I must concede that what this budget proposal lacks in substance its supporters more than make up for in rhetoric. For example, the President and many of our colleagues claim that it's time that those who benefited from the economic growth of the eighties pay their fair share in the nineties. I don't know anyone who is against fairness. But since when is it fair, or, for that matter productive, to punish success?

Frankly, Mr. Chairman, the continuing effort to incite class warfare in this country does not stand up to the facts. The facts reveal that the arguments of the class warriors are nothing more than a convenient cloak for those who want to continue to tax and spend under the guise of contribution and investment.

The indisputable fact is that everyone's net tax burden went down during the eighties with one exception—the top 20 percent of Americans, who saw their tax burden go up. Everyone else saw a decrease. It is worth noting that those most in need saw their effective tax rate fall the most—an astounding 264 percent. Yet one would never know that from listening to the rhetoric of the class warriors.

If we are going to create jobs in this country and reinvigorate our economic engine, we have got to stop talking and acting in ways that punish success and reward failure. Government should be the friend of those who create jobs—not their enemy. Why this simple truth remains such a riddle to those who carry the class warfare banner is a mystery to me.

Furthermore, Mr. Chairman, before this Member would even consider asking any American to pay another penny in taxes, he would want to show the American people that Congress could get its spending habits under control. New Jersey, and 48 other States, have a mechanism to keep State spending within limits. We in the Congress should put the same restraints on Federal spending.

This Congress has within its power to send to the States an amendment to the Constitution that would require a balanced budget. We could do it tomorrow. Does anyone doubt that such an amendment would be ratified by the States in record time?

In fact, the States themselves are on the verge of convening a constitutional convention

for that very purpose. Why not show the taxpayers that we can pay more than lip service to their call for change? Let's embrace this effort to advance real change.

We could also, tomorrow, give the President line-item veto authority. President Clinton supported the line-item veto during his campaign—although he has been strangely silent about it since November 3. I say, let's give him this authority and let's do it right away. That would be real change.

Mr. Chairman, we all know that the American people want change. But unless we change course, the only change they will see is the change left in their pockets. But it doesn't have to be that way. We should start by rejecting the \$16.3 billion in new spending that we will be asked to approve tomorrow, less than 24 hours after we hear all this talk about how the majority's budget resolution heralds the dawn of a new day of deficit reduction.

Well it won't even last a day. Passage of this so-called stimulus package will immediately increase the deficit by \$16.3 billion. Maybe that's why it's being called an emergency.

Mr. Chairman, I would say to my newly elected colleagues who were elected as catalysts for change: you have an extraordinary opportunity to lead this institution through the courage of your example.

Stand up to the power of the status quo. Stand up to those who would have you go back home having to explain why you failed to advance change. I know it's not easy to forge a new direction in an institution as hidebound by tradition as this. But trailblazing never is easy.

And to my new colleagues on the other side of the aisle: join those of us who are swimming against the relentless tide of business as usual. Help us reject this riddle wrapped in a mystery inside an enigma.

The public has invested their trust in us—but trust is a fragile thing.

If we do not at least insist on unwrapping the unknown mysteries hiding in this budget resolution, we will have fallen short of the mark and will have only ourselves to blame.

If we do not at least insist on showing we can cut spending before we ask for any more new taxes, we will have fallen short of the mark and will have only ourselves to blame.

And if we do not insist on living up to our responsibilities as a coequal branch of the Government, we will have lost the trust of our constituents, and will have only ourselves to blame.

Mr. CASTLE. Mr. Chairman, I want to express my strong opposition to House Concurrent Resolution 64, as presented by the Budget Committee. I urge my colleagues to support the Republican budget alternative.

First, let me say that I believe President Clinton and the Budget Committee have made a good faith effort to present a plan which addresses the economic problems of this country. Nevertheless, the priorities of the plan are wrong. The committee resolution puts the cart before the horse; it relies far too much on tax increases and contains far too few spending cuts. Approval of this resolution is equivalent to endorsing a tax-and-spend budget.

This is not the policy the American people want. Our constituents want Congress and the

President to take a hard look at every Federal program and reduce spending as much as possible before any tax increases are considered. This resolution does not accomplish this task. The committee resolution projects deficit reduction of \$460 billion over 5 years. However, it calls for \$267 billion in new taxes to achieve the goal. This includes an energy tax which will cost an average family of four in Delaware an additional \$500 a year; as well as a tax on the Social Security benefits of moderate-income senior citizens.

While the committee plan does include spending cuts, it does not specify where these cuts will come from. The lack of specific proposals leaves us vulnerable to blue smoke and mirror tricks later in the budget process. The resolution assumes cuts in defense of \$122 billion over 5 years with no specifics on how these savings will be achieved. In addition, it proposes \$63 billion in additional domestic spending cuts, but gives no indication on how these savings will be made.

In comparison, the Republican budget alternative would reduce the deficit by \$38 billion in fiscal year 1994 and \$430 billion over 5 years, without increasing taxes or touching Social Security benefits. The Republican alternative would cut the Federal bureaucracy further; reduce funding for Congress and the franking privilege; revise Medicare and treats senior citizens more equitably than the Democratic plan. The Republican plan makes a much stronger effort to achieve the type of spending reform the American people are demanding.

I agree with President Clinton that an economic call to arms is needed in this country. However, Congress' charge must be to make the tough decisions on where to cut Government spending and streamline Government operations. We should not resort to the easier, but ultimately more costly, alternative of increasing the taxes of the American people and spending money this country does not have. I urge the defeat of the committee resolution and adoption of the Republican alternative.

Mr. GONZALEZ. Mr. Chairman, I rise in support of the fiscal year 1994 House budget resolution which reflects much of President Clinton's underlying assumptions for housing and community development programs as outlined in President Clinton's "A Vision of Change For America." I offer for the RECORD the Subcommittee on Housing and Community Development's views and estimates which were given to the House Budget Committee regarding programs under the subcommittee's jurisdiction and a brief outline of the assumptions for housing and community development programs within the fiscal year 1994 concurrent budget resolution.

I am pleased that the administration has recently changed its policy direction regarding one issue—the consolidation of the three housing development programs into the HOME Investment Partnership Program. These three programs, namely the Public Housing Development Program, the Section 202 Supportive Housing for the Elderly Program, and the Section 811 Supportive Housing for the Disabled Program, provide vitally needed new units to the existing federally subsidized housing stock. The subcommittee looks forward to working cooperatively with the

new administration in all policy and funding areas in the future.

I am also pleased that the economic stimulus portion of President Clinton's plan includes a much needed \$2.5 billion for the Community Development Block Grant [CDBG] Program, \$423 million for the Supportive Housing Program for the homeless, \$235 million for the Section 502 Guaranteed Single Family Homeownership loans, and \$6 million in grants and \$3 million in loans under the Farmers Home Administration's Section 504 Low Income Repair Program.

ASSUMPTIONS FOR HOUSING AND COMMUNITY DEVELOPMENT PROGRAMS WITHIN THE FISCAL YEAR 1994 CONCURRENT BUDGET RESOLUTION

FY 1993 Economic Stimulus: The FY 1993 Supplemental Appropriations bill contains the economic stimulus portion of President Clinton's economic plan and provides approximately \$16 billion in spending for domestic discretionary spending in FY 1993, including \$2.5 billion for the CDBG program, \$423 million for the Supportive Housing program for the homeless, \$6 million in grants and \$3 million in loans under the Farmers Home Administration's Sec. 504 Low Income Home Repair program, and \$235 million for the FmHA Sec. 502 Guaranteed Homeownership Loan program.

FY 1994 Concurrent Budget Resolution Underlying Assumptions: The FY 1994 Resolution contains aggregate spending assumptions which are binding for five fiscal years, FYs 1994–1998, for both domestic non-defense discretionary programs and defense programs. Essentially, the FY 1994 Budget Resolution follows the Clinton Administration's funding assumptions for all programs. Since the Resolution contains aggregate levels by budget function, there are no funding details available for each housing and community development program under the Subcommittee's jurisdiction. The Administration is expected to send its FY 1994 Budget Request to Congress that contains specific program funding levels in early April 1993.

Clinton Budget Assumptions within FY 1994 Concurrent Budget Resolution: Generally, the Budget Resolution contains as underlying assumptions the increases in spending and priorities that were included in the investment portion of the Clinton budget package to Congress released on February 17, 1993. These include: 1) an increase from 40,000 to 100,000 units of Section 8 rental assistance over 5 years, FYs 1994–1998; 2) a \$690 million increase above the current services level for the CDBG program over a 5 year period; 3) an increase of \$241 million over 4 years above the current services level for the Supportive Housing program for the homeless; 4) an increase of \$206 million over a 4 year period for public housing operating subsidies; 5) an increase of \$1.3 billion over a 5 year period over the current services level to address the HUD-held multifamily property disposition issue; 6) an increase of \$2.4 billion over a 5-year period above current services to preserve federally-subsidized housing units which are threatened with the possibility of prepayment by project owners; 7) an increase of \$312 million above the current services level for a new Urban Partnership Against Crime initiative to address the increase in gang and drug related crime activity in and around public housing; 8) an increase of \$241 million over the next 4 years to restore dilapidated public housing; 9) an increase of \$368 million over 5 years for the Youthbuild

program to assist disadvantaged youths with jobs; 10) an increase of \$300 million in additional funding over current services for the Farmers Home Administration (FmHA) rural housing direct and guaranteed Section 502 homeownership program; and 11) an increase in rental assistance of \$75 million for existing FmHA's Section 515 Rural Multifamily Rental developments.

Reconciliation Instructions under FY 1994 Concurrent Budget Resolution: 3 of the 4 reconciliation requirements included in the FY 1994 Concurrent Budget Resolution to the House Banking Committee are under the Housing Subcommittee's jurisdiction. These are savings projected by the House Budget Committee over a 5-year period, FYs 1994-1998, as follows: 1) a total of \$336 million for FHA changes through savings derived from changes in acquisition and disposition; 2) a total of \$1.649 billion for HUD/IRS income verification requirements from savings derived by collecting amounts due because of tenant underreporting of income; and 3) a total of \$730 million from savings derived through requiring the Government National Mortgage Association (GNMA) to issue Real Estate Mortgage Investment Conduits (REMICs).

COMMITTEE RECOMMENDATIONS TO THE BUDGET COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT PROGRAMS

The Banking Committee looks forward to a good and cooperative working relationship with the new Administration in determining both the funding levels and policy direction in the areas of housing and community development. The Committee has jurisdiction over the Department of Housing and Urban Development (HUD) housing and community development programs, rural housing programs administered by the Department of Agriculture's Farmers Home Administration, and the Emergency Food and Shelter Program for the homeless administered by the Federal Emergency Management Agency.

To date, the Banking Committee's Subcommittee on Housing and Community Development has held 3 hearings with Cabinet representatives from the new Administration, HUD Secretary Henry Cisneros and Agriculture Secretary Mike Espy. Their appearances before the Subcommittee symbolize a change of new vision and hope in the areas of housing and community development for low-income Americans in both urban and rural areas across the United States.

The Committee understands that the Budget Committee will soon be considering the Fiscal Year 1994 Concurrent Budget Resolution which may contain possible budget reconciliation requirements. The Committee strongly requests and urges the Budget Committee to specifically exempt the housing and community development programs under the authorizing jurisdiction of the Banking Committee from any budget reconciliation instructions as they may pertain to required savings expected. These housing and community development programs predominately serve low-income Americans and as such should be exempt from any reconciliation instructions.

Further, the Banking Committee requests that the underlying assumptions to the FY 1994 Concurrent Budget Resolution assume full funding of housing and community development programs authorized in the Housing and Community Development Act of 1992 (Public Law 102-550) (the Housing Act of 1992), with some exceptions noted below, and

any funding increases assumed by President Clinton for particular programs. The 1992 Housing Act authorized housing and community development programs through FY 1994 and the Committee urges the Budget Committee's favorable consideration of this request.

President Clinton announced generally to Congress on Wednesday, February 17, 1993, his plans for housing and community development programs in three areas: economic stimulus; investment; and deficit reduction. However, there is very little detail known at this time, particularly about the deficit reduction and investment proposals. In fact, the Committee understands that based on discussions with Secretary Cisneros at the Housing Subcommittee's recent hearing, there have been further changes to the budget documents generated by the Office of Management and Budget. The Committee also understands that the Administration will deliver to Congress its amended budget documents detailing each program account by late-March or early April, 1993.

The Committee, in developing its views and estimates, has relied on excerpts from two documents which were released from the Office of Management and Budget. These documents are "A Vision of Change for America" and the "Highlights of the President's Economic Program". There are various funding and policy issues raised in these documents which the Committee has highlighted below.

Finally, the Committee believes that any funding recommendations for HUD's housing programs must be viewed taking into account the legacy of the previous Administrations. After 12 years of purposeful and benign neglect, nearly every program at HUD should receive scrutiny and monitoring to ensure full compliance with the spirit and letter of the law as well as to ensure sound and basic program operations. The Committee believes that there are three priority areas which deserve particular attention by the new Administration and should help define the budget process. These include mission, management and money. For the most part, the money or funding issue is referenced throughout the text below; however, the mission and management issues are highlighted in the attached "The Legacy of the Last 23 Years."

ECONOMIC STIMULUS PROPOSAL

The Committee applauds the new Administration for proposing a much needed economic stimulus plan to Congress. The Committee is pleased that the Administration has clearly recognized the dire situation facing our nation's communities and has proposed an approximate \$30 billion economic stimulus package, which is similar to the level proposed by Committee Chairman Henry B. Gonzalez and several Committee Members in legislation introduced in both the 102nd and 103rd Congresses, H.R. 4073, and H.R. 7, respectively. This legislation would provide much needed assistance to communities and states through a streamlined Community Development Block Grant (CDBG) program and rural housing programs. The Committee is pleased that President Clinton has adopted this approach in his economic package. The Committee is also encouraged that the Budget Committee in the FY 1993 Concurrent Budget Resolution included this economic stimulus approach in the accompanying Committee Report.

The urgent need for financial assistance was particularly highlighted during a series of Committee field hearings held on Chairman Henry B. Gonzalez's economic stimulus

proposal. In a series of hearings held in the 102nd Congress, the Committee visited many different cities, including Los Angeles, Cleveland, Baltimore, Bridgeport, Milwaukee, and Spartanburg, South Carolina. In all of these cities and areas, the problem was similar: the failure in recent years of the federal government to support state and local governments has contributed to the decline of our communities in terms of infrastructure, housing, and services. In addition, the recession and its attendant loss of jobs has exacerbated the problems of homelessness and poverty and increased the demand for the already strained resources of our communities.

The approximate \$30 billion for the Clinton economic stimulus package for FY 1993 includes the following through a FY 1993 Supplemental Appropriations Request: 1) \$2.536 billion for the HUD CDBG program; 2) \$423 million for the HUD Supportive Housing program for the homeless; 3) \$6 million in grants and \$3 million in loans through the Agriculture Department's Farmers Home Administration's (FmHA) Sec. 504 Rural Low-Income Repair program; and 4) \$235 million for the FmHA's Sec. 502 Rural Single-Family Guaranteed Loan program.

The Committee is very encouraged by the inclusion of these programs in the stimulus portion of the Clinton economic plan. The Committee is also pleased that the Administration has additionally proposed the quick expenditure of already appropriated funds in certain HUD programs. The comments that follow address specific portions of the Administration's economic program.

HUD Community Development Block Grant (CDBG) Program: The Administration proposal provides \$2.536 billion for the CDBG program to be expended by December 31, 1994. Like the regular CDBG program, Indian tribes and Insular areas would receive a part of the appropriation. The proposed Supplemental Appropriations provision provides the HUD Secretary with general waiver authority for all program requirements except for fair housing, environmental reviews and labor standards (i.e. Davis-Bacon wage requirements).

The Committee is concerned that the general waiver authority raises a number of concerns and questions. The Committee is pleased that HUD Secretary Cisneros indicated in his February 24, 1993, appearance before the Housing Subcommittee that he intends to consult with the Committee leadership when waivers are necessary. However, for the reasons listed below, explicit rather than broad waiver authority for the stimulus proposal may best serve the interest of Congress and the Administration.

First, the Committee is concerned about ensuring proper accountability in the expenditure of program funds. Without knowing which program requirements will be waived, Congress loses its ability to hold HUD accountable for efficient and proper expenditures and procedures. If audits conducted afterwards find what Congress views as inappropriate expenditures, there is little recourse.

Second, the Committee believes that there are a number of program requirements that it may not want to be waived. These include, but are not limited to, the provision long advocated by the Committee on residential anti-displacement and relocation assistance as well as the limitation of funds spend on public services activities to 15%.

Third, the Committee is concerned about how these waivers will be implemented. For instance, if HUD intends to provide broad

across-the-board waivers, such waivers should be identified and specified in statute. If HUD intends to provide waivers on a case-by-case basis, there are concerns about what criteria will be used in each case to ensure consistency and about whether adequate staff to review each such waiver request exists at HUD.

HUD Supportive Housing Program for the Homeless: The Committee applauds the Administration for requesting \$423 million in FY 1993 for the Supportive Housing program for the homeless. The Committee believes that this program provides an array of housing and services to meet the needs of the millions of homeless persons in the United States. The program also provides flexibility to nonprofit and governmental entities to provide these drastically-needed transitional housing units and services to the homeless.

The Administration proposal would appropriate \$423 million in FY 1993 to remain available until December 31, 1994. This amount is estimated to create 10,000 new jobs during 1993-1995. HUD is required to fund approvable applications in the order submitted to HUD (i.e. "first-come-first-serve-basis"). HUD is given the discretion to waive any program requirement except fair housing and nondiscrimination requirements. Site control is required and no one applicant may receive more than \$10 million. Funding is deobligated and expires if the program grantee has not drawn down funds from its letter of credit by December 31, 1994. HUD is required to publish these program requirements by a notice published in the Federal Register.

The proposed \$423 million level of funding should be viewed as a good beginning for the new Administration in providing much needed homeless assistance. However, there are greater needs which must be addressed by fully funding all of the homeless programs in FY 1994 and the following four fiscal years, including HUD Emergency Shelter Grants, Section 8 Assistance for Single Room Occupancy (SRO) Dwellings, and the FEMA Emergency Food and Shelter program.

The Committee also notes that the Administration should develop a comprehensive strategy to provide funding to attack the rudimentary causes of homelessness, namely the lack of shelter and the need to provide permanent housing for the homeless. The various McKinney homeless programs essentially address the emergency housing and transitional housing needs of the homeless, but with the exception of the HUD SRO program, do not provide permanent housing to the homeless. The Committee believes that providing funding for the array of McKinney homeless programs does not obviate the need to address permanent housing to assist the homeless and those near homelessness.

The Committee believes that there are also a number of questions about the provisions relating to the proposed \$423 million in Supportive Housing program funds for FY 1993. A major concern about this language is that approvable applications will be funded on a first-come, first-serve basis. HUD has apparently made the determination that this method will be the quickest for getting the funds expended by the December 31, 1994, deadline. However, the concern is that in the haste of funding applications, those funded may either lack merit or may normally in a regular ranking of projects not get funded.

Second, the proposal does not address the question as to whether existing McKinney projects will be allowed to participate and whether all of the funds will be committed to these projects (i.e. since 1987, projects have

been funded under the McKinney Act, with only 5 years of assistance; these projects are now up for renewal and must compete for funding).

FmHA Rural Housing Programs: The Committee supports the Administration's request to include supplemental funds for the Section 504 Rural Low-income Housing Repair Loan and Grant program and the Section 502 Rural Guaranteed Loan program. The Administration proposes \$3 million in loan authority and \$6 million in grants for the Section 504 program and \$235 million for the Sec. 502 Guaranteed Loan program.

The Committee assumes that these programs were selected for two reasons—the loan programs represent a budget outlay expenditure at only a fraction of the loan levels authorized and funds can be spent down relatively quickly. In addition, Section 504 Low-Income Repair program is a valuable tool for rural homeowners who lack the necessary funds to do home repairs and helps alleviate substandard living conditions for rural Americans.

The Committee is also pleased that the new Administration has included funds for the Section 502 Rural Guaranteed Homeownership program, particularly given the general lack of mortgage credit in rural areas. The Committee notes that this program is designed as a moderate income program (115% of area median income or below), as compared to the Section 502 Rural Low-Income Direct Loan program which has an interest subsidy and consequently is targeted at 80% of area median income. The Committee believes that the guaranteed portion of the Section 502 homeownership program should clearly be viewed as providing a more moderate income approach, and should not be viewed by the Administration in future budget decision making as a substitute for the direct loan approach which targets lower income persons.

Acceleration of HUD Existing Program Funds

The Committee also commends the Administration for including within its economic stimulus package proposals to accelerate the expenditure of funds already appropriated for two HUD programs: public housing modernization and the HOME Investment Partnership program. The Administration proposes to speed the disbursement of \$2.5 billion in previously released HOME funds and accelerate the obligation and expenditure of two pools of public housing modernization funds: \$3.1 billion which was appropriated for this FY 1993 and \$6 billion of unspent appropriations from previous fiscal years.

The Committee is encouraged that the new Administration is eager to get these existing funds out quickly to entities in order to provide badly needed funding to local communities and states and to produce jobs. The Administration estimates that accelerating the spendout of public housing modernization funds will create over 10,000 jobs during 1993-1998 and will result in the repair and restoration of approximately 2,500 more public housing units in 1993, and 31,800 more public housing units over a 5 year period.

The Committee remains concerned that only 4% of the HOME program funds have been committed to participating jurisdictions, and only 2% have actually been expended. The Committee is encouraged that the new Administration has indicated that it intends to propose regulatory and statutory changes soon to the HOME program in order to accelerate program spending and simplify the program. The Committee looks forward to working with the Administration to solve program design problems and is prepared to

act quickly on any statutory provisions necessary toward this purpose.

The Committee believes that it is important to provide funding as quickly as possible to modernize the existing public housing stock in order to house low-income persons, particularly given the fact that there is an estimated \$27 billion in backlogged modernization needs. The Committee is particularly pleased that the Administration is working with Public Housing Authorities (PHAs) to identify ways to accelerate public housing modernization. The Committee also encourages HUD to examine ways to similarly accelerate the use of public housing development funds by PHAs. The Committee understands that many PHAs find that HUD has delayed development projects by imposing difficult and bureaucratic reviews and refusing to provide timely approvals for acquisitions and rehabilitations. The Committee also believes that the new Administration should work with PHAs in order to develop realistic per unit cost limits in order to modernize public housing units.

INVESTMENT PROPOSAL

The Committee believes that the new Administration proposes much needed investment in housing and community development programs to assist low-income persons throughout the United States in its "Investing in the Future: Increasing Public Investment" portion of "A Vision of Change for America". This investment portion establishes concepts for specific programs under the Committee's authorizing jurisdiction. The Committee believes that the initial funding proposals included in the Administration's investment proposals are a good starting point in order to fund vitally-needed housing and community development programs. The budget highlights which are known to the Committee at this time are listed below.

The Committee understands that the Administration is still refining and modifying these concepts into specific proposed levels of budget authority and outlays which will form the basis of the Administration's FY 1994 Budget Request to Congress which is expected to be submitted in late March or early April, 1993, which should contain specific proposed funding levels for each of the programs under the Committee's jurisdiction.

HUD Funding Level Assumptions: The Committee assumes, generally, that the proposed FY 1994 budget authority and outlay levels will be based on the current services levels as prepared by the Office of Management and Budget (OMB). The Committee understands that the FY 1994 current services levels will reflect the FY 1993 appropriations levels increased by an inflation factor of 3 percent.

The Committee also understands through a review of the two OMB documents given to Congress and some staff discussions with HUD that there are some HUD programs which will be proposed for FY 1994 at the FY 1993 appropriations level and a few that will be proposed for reductions from the FY 1993 levels. Again, the Committee does not currently have the specific budget authority levels for each program under its jurisdiction but is commenting on those programs where there are some preliminary funding indications by the Administration.

The Committee generally is disappointed that the Administration most likely will not provide higher funding levels for housing and community development programs for FY 1994 given the need to reduce the deficit. However, the Committee encourages the Ad-

ministration to consider higher funding levels for these programs in the out years (i.e. FYs 1995-1998) because funding of housing and community development programs represents long-term investment for the future.

The Committee understands that the Administration is currently "reinventing" the Department of Housing and Urban Development and will be addressing the problems of a demoralized staff, a lack of adequate management and monitoring systems, and the need to set new priorities and reshape the Department's mission.

The Committee encourages the Administration in this effort to revitalize HUD so that the Department can return to its mission of ensuring that all residents, and especially low-income and homeless persons, are adequately housed in viable communities. The Committee shares this common goal with the Clinton Administration and looks forward to working in a cooperative partnership to enact statutory provisions and to provide the necessary leadership and consultation in order to realize this goal. Certainly as the Administration looks beyond FY 1994, the Committee urges that housing and community development programs play a larger role in an investment scenario given the potential of these programs to produce jobs.

Community Development Block Grant (CDBG) Program: The Committee is encouraged that the new Administration has proposed \$690 million above the current services level for the CDBG program between FYs 1994-1998 as an "investment" to provide an important source of jobs and economic development in communities. The Administration estimates that this increased funding will directly create 60,000 jobs over the next five years, with even more jobs created indirectly in the local economy. This investment, along with the \$2.5 billion proposed by the Administration in its economic stimulus plan referenced above, will begin to help local governments and states fund the backlog of "ready to go" projects for much needed infrastructure improvements including work on streets and drainage, building rehabilitation, and public service projects. The CDBG program is funded at \$4 billion in FY 1993 and is authorized at \$4.168 billion for FY 1994.

Rental Assistance: The Committee is pleased that the Administration has provided as an "investment", an increase in Section 8 rental assistance from 40,000 units in FY 1993 or 100,000 units by FY 1998, an investment over four years of \$716 million above current levels. The Committee notes that the need for federal rental assistance is great. There are more than 1 million low-income Americans on waiting lists for public housing, more than 800,000 on the Section 8 waiting lists, and more than over 2 million homeless persons in the United States.

The Committee notes that funding for rental housing was drastically cut throughout the 1980s and the cuts continued into the early 1990s. HUD assisted housing generally was at \$26.7 billion in FY 1980 and was reduced to a \$8.4 billion level by FY 1992. The Committee estimates, based on information from the Congressional Budget Office (CBO), that it would have taken \$46.6 billion in FY 1992 to replicate the 1980 funding level, which represents an approximate 82% reduction for the assisted housing programs between 1980 and 1992 in FY 1992 dollar terms.

The initial OMB budget documents generally refer to the term "vouchers" which the Committee believes is simply a reference to Section 8 tenant-based rental assistance. Vouchers are authorized under Section 8(o)

of the United States Housing Act of 1937. The 1937 Housing Act also authorizes Section 8 certificates which have been the primary HUD rental assistance program since the Section 8 program was created in the Housing and Community Development Act of 1974. The voucher program was first authorized as a demonstration program in the Housing Urban-Rural Recovery Act of 1983 and made permanent in the Department of Housing and Urban Development Reform Act of 1989. In recent years, funding has generally been equally divided in the Appropriations Acts between vouchers and certificates. In FY 1993, Section 8 Certificates were funded at \$695.8 million and vouchers were funded at \$543.5 million. The Committee recommends that the total amount for rental assistance be allotted to Section 8 existing certificates primarily because a tenant's contribution to rent is capped at 30% of adjusted income and GAO has in the past indicated that the voucher program costs the federal government more than the Section 8 certificate program.

While the initial OMB documents do not refer to the funding of the renewal of expiring Section 8 contracts, the Committee again urges that the Concurrent Budget Resolution assume the full funding for the renewal of expiring Section 8 contracts. This renewal is necessary because each year some of Section 8 certificates and vouchers come due for contract renewal and without continued funding of these contracts currently assisted tenants may lose their assistance or become homeless. The Committee also encourages the Administration to improve its system for identifying the number of Section 8 units and the amount needed to renew these units. The previous two Administrations did not provide Congress with reliable estimates because of the general lack of available information and an adequate computer system to coordinate this data.

The Committee also encourages the Administration to evaluate its reliance on tenant-based assistance as the principal form of HUD rental assistance as compared to project-based assistance. While in budgeting terms, tenant-based Section 8 assistance, may have a five-year term, and appear to be more cost-effective in terms of budget authority than a longer term project-based program, such as the conventional public housing development program, it appears that there is very little difference monetarily between these two approaches when estimating them on a 15-year basis (as long as the policy to renew all expiring contracts continues, Section 8 assistance should be viewed as having a longer than 5-year life). For instance, in nominal dollars, if you provide Section 8 tenant-based assistance for 15 years, the cost is \$102,180 (i.e. using a \$6,812 per unit cost for 15 years) where as under the public housing program there is a total cost of \$102,209 (i.e. \$75,209 for a new construction grant and \$1,800 operating subsidy per unit for 15 years).

Supportive Housing Program: The Committee commends the Administration for providing an estimated \$241 million over four years above the current services level for the Supportive Housing program for the homeless. The program is funded at \$150 million in FY 1993 and authorized at \$212.6 million for FY 1994. The Committee believes that this additional funding will be a true investment to eradicate homelessness by providing transitional housing, permanent housing for the handicapped homeless, supportive services and funding for innovative homeless projects.

Public Housing Operating Subsidies: The Committee supports the Administration's request for an additional \$206 million above the current services level over a 4-year period for public housing operating subsidies. Public housing operating subsidies provide funding to PHAs for the difference between tenant rent payments and day-to-day operating expenses. The Committee believes that this additional assistance will help enable PHAs to provide and maintain safe, sanitary and decent living conditions in public housing. Public housing operating subsidies are funded at \$2.282 billion in FY 1993 and are authorized at \$2.378 billion in FY 1994.

Multifamily Property Disposition: The Committee compliments the Administration for proposing an additional \$1.3 billion over a 5-year period, FYs 1994-1995, over the current services level to address the HUD-held property disposition issue at HUD. Property disposition is currently funded at \$93 million through a set-aside of 15-year Section 8 Certificates in FY 1993 and is authorized at \$96.9 million for FY 1994.

The Committee is concerned that the size of the HUD-held multifamily inventory is growing at an alarming rate. HUD owned 170 multifamily projects at the beginning of FY 1992, up from 48 in FY 1989. In addition, a total of 260 projects were in foreclosure at the beginning of FY 1992. These projects, taken together, contain some 48,000 units. The growth of the inventory is largely due to three factors: (1) the restrictive nature of the law governing property disposition which currently requires that units be sold with 15-year Section 8 Certificates; (2) the failure of the previous Administration to seek appropriations for and implement this law; and (3) the absence of any coherent strategy or suitable capacity at HUD in the past to prevent defaults.

The Committee looks forward to working cooperatively on any proposed statutory changes necessary in order to address this HUD-held multifamily stock and to prevent the HUD-held stock from growing larger. The Committee believes that this stock offers an opportunity to house homeless persons and low-income persons currently on the public housing and Section 8 waiting lists. The Committee encourages the Administration to look at ways to provide this stock to public agencies, homeless service providers, nonprofits and public housing authorities so that persons currently in need of housing are assisted.

Preservation and Prepayment: The Committee also understands that an additional \$2.4 billion over a 5-year period is being proposed above the current services level to provide assistance for the preservation programs which were established in the 1987 Housing Act and the 1990 Cranston-Gonzalez National Affordable Housing Act. The Committee notes that the cost of the preservation efforts will begin to rise substantially in FY 1994 with the bulk of the preservation inventory becoming eligible for incentives during the mid-1990s. HUD estimates that the funding range for FY 1993 for preservation is between \$459 million to \$555 million. Apparently, the funding range for FY 1994 is between \$658 million and \$754 million. The Committee continues firmly to believe that federally subsidized housing units must be preserved with use restrictions for occupancy by low income families. The preservation program is funded at \$600 million in FY 1993 and is authorized at \$665 million for FY 1994. The Committee further understands that in order to achieve cost savings the new Administration has proposed reducing the

federal cost limits from 120% of the fair market rents to 100% of the fair market rents. While there may be savings, this may have the effect in high cost areas like Boston, Los Angeles, San Francisco, Chicago, and New York of permitting prepayments and a loss of the affordable housing stock in direct contrast to stated Congressional intent. The Committee would encourage the Administration to reconsider changing these federal costs limits.

Crime in Public Housing: The Committee is pleased that the new Administration has specifically targeted for investment a new Urban Partnership Against Crime initiative to address the increase in gang and drug related crime activity in and around public housing developments. The Committee assumes that this initiative includes a total of \$312 million over 4 years above the amounts provided for the Public Housing Drug Elimination Grant Program which is currently funded at \$175 million in FY 1993. The Committee looks forward to working with the new Administration to develop and consider authorizing legislation to focus resources to combat crime in areas with the greatest need.

Restore Dilapidated Public Housing: The Committee is pleased that the new Administration has devoted as an investment an additional \$241 million over the next 4 years above the current services level to rehabilitate and restore severely dilapidated public housing projects. The 1992 Housing Act established the Revitalization of Severely Distressed Public Housing program which enables PHAs to revitalize distressed public housing units through competitive HUD planning and implementation grants. A version of this program was funded at \$300 million through the FY 1993 VA-HUD Appropriations Act, known as the Urban Revitalization Demonstration Program. The Committee expects the program that was authorized in the 1992 Housing Act to be the primary program to address severely distressed public housing.

The Committee strongly believes that there is a great need to reduce the approximate 80,000-100,000 public housing vacancies. This investment will assist PHAs in making public housing units viable so that they can provide decent, safe and affordable housing for low-income renters. While there is a great need to rehabilitate existing units, the Committee also believes that new units of public housing must also be provided through acquisition and new construction through the public housing development program.

The Committee also is encouraged that the Public Housing Vacancy Reduction Program is being implemented by the Administration and will provide much needed funding to troubled PHAs to have an assessment of their stock and a plan to reduce their vacancies. This program was initially created in the 1990 Cranston-Gonzalez National Affordable Housing Act, however, the previous Administration never implemented this valuable program. The program was amended by the 1992 Housing Act and currently is funded through a 4% set-aside of public housing modernization funds. In FY 1993, this will amount to approximately \$120 million under the program.

Youthbuild Program: The Committee also understands that the new Administration provides an investment of \$368 million over 5 years for the Youthbuild program which is funded in FY 1993 at \$40 million out of the HOPE program. The 1992 Housing Act created this innovative program which provides

economically disadvantaged youths with jobs in programs that expand the supply of affordable housing for homeless individuals and members of low and very low income families. The program is intended to provide individuals with an opportunity to work, and to obtain skills and education necessary to become self-sufficient.

Farmers Home Administration Rural Housing Programs: The Committee is pleased that both the direct and guaranteed section 502 programs are slated to receive \$300 million in additional funding over that appropriated in FY 1993. The Committee always has advocated the direct loan program as the most effective means of providing financing to low income families in rural America; so the Committee commends the Administration for continuing to rely upon the direct loan program. The Committee also commends the Administration for providing additional authority for the guaranteed loan program, not, however, at the expense of the direct loan program. The Committee believes the guaranteed loan program is an effective means of providing affordable financing for moderate income families—families who are falling through the cracks—who can not be served by either the direct loan program or conventional lenders without the federal guarantee.

The Committee is aware that the President's plan also includes \$75 million in funding for the newly authorized voucher program which is limited by law to 5000 units in any one fiscal year as well as increasing rental assistance payments by \$75 million. Such a request would in all likelihood fund only half of the authorized number of units in the voucher program. The vouchers are to be used in areas where there are vacancies in section 515 developments, where there are "soft" housing markets and where there is an affordability gap between a family's income and the rents in the market.

As to the increase in rental assistance of \$75 million for existing section 515 developments, there continues to be a need for additional servicing rental assistance particularly for the families who are paying in excess of 30%, and some in excess of 50%, of their income to meet the basic rent. The Committee understands that only 60% of the section 515 units are covered by rental assistance. The Committee continues to be concerned that the voucher program not replace the section 515 development program or the rural rental assistance program.

The Committee is also aware that the Administration may propose a blurring of the line between servicing rental assistance and that which is necessary for new units. The Administration also may propose having the flexibility to shift funds between the section 515 development program and rental assistance. The Committee is concerned that such flexibility would reduce the funds that are available for expanding the supply of rental units even as the demand for such units has increased.

Transfer of Housing Programs to Rural Development Administration (RDA): The Committee also understands that there may be a proposal forthcoming to transfer the FmHA housing programs to the Rural Development Administration (RDA). The Committee is concerned that such a transfer will impede the quality and level of service that FmHA already has in place. RDA as established now, has seven regional offices and in some states already has robbed personnel from FmHA District Offices. The Committee is aware that the FmHA housing programs are administered through the network of nearly

1700 county offices (single family programs), district offices (multifamily programs) and the state offices. The Committee believes, therefore, that in order to provide similar service if there were such a transfer, there will have to be major restructuring of the RDA because seven regional offices cannot provide the same effective delivery system. In the Housing and Community Development Act of 1992, the Congress expressly prohibits such a transfer.

DEFICIT REDUCTION PROPOSAL

Consolidation of Programs Proposal

The Committee understands that as part of deficit reduction, the Administration's initial economic plan proposed to consolidate public housing development into the HOME Investment Partnership program, along with the supportive housing programs for the elderly and persons with disabilities. The Fiscal Year 1993 VA-HUD Appropriations Act funded the public housing development program at \$400 million and the supportive housing programs for the elderly and disabled at \$1.3 billion. These programs are authorized for FY 1994 at \$597.7 million and \$1.365 billion, respectively.

The Committee now understands that the Administration has modified its initial plan and will separately fund each program and not merge them into the HOME program. The Committee strongly supports this modification given that each of these programs are longstanding, proven programs which build new housing to meet the ever growing housing needs of low-income Americans. In the event that the deficit reduction argument prevails, the Committee continues to believe in the need to retain these programs particularly given the need to develop and construct new units to assist an ever growing number of persons on public housing and Section 8 waiting lists. The Committee has reservations about this consolidation from a number of perspectives, particularly with regard to public housing.

Subsidy level

The Committee is concerned that the HOME program simply can not provide the deep subsidies that are required to serve the average public housing families with incomes between \$6900 and \$7200 yearly, unless it is radically changed. HOME, if it were used effectively, should be a shallow, gap financing mechanism in order to provide assistance to as many affordable housing units as possible. The public housing development program provides a 100 percent capital grant and requires on-going operating assistance to cover the gap between the residents' rents based on their low incomes and operating expenses. (The current HOME regulations prohibit any kind of project based rental assistance or operating assistance.)

Number of eligible jurisdictions

Another problem is that there are only 435 participating jurisdictions in the HOME program while there are more than 3100 public housing authorities. Merging public housing development with HOME leaves more than 2500 communities unable to provide deeply subsidized housing for their citizens. It also relegates most housing authorities to no more than management agents of existing public housing.

Replacement housing

Still another problem concerns one for one replacement, demolition and disposition, requirements, etc. in public housing. Right now development money is used for replacement housing or to meet the requirements under the demolition and disposition re-

quirements established in Section 18 of the 1937 Housing Act. The 1992 Housing Act retains the one-for-one replacement requirements but makes it easier for PHAs to replace any public housing units lost through demolition or disposition. There is a prohibition in law against using HOME funds for such activities. Consolidating the programs places PHAs in a catch 22 situation.

Mixed populations

Finally, last year the Congress enacted provisions to address the mixed populations problems (i.e. mixing of elderly and disabled in housing developments) in public housing. Part of the solution relies upon a set aside of development monies and a new section 811 tenant based assistance program. The Committee is particularly concerned that consolidating the programs kills the provisions before they get implemented.

Supportive housing

As to the sections 202 and 811 programs, which were funded at approximately \$1.4 billion in Fiscal Year 1993, they, too, involve capital grants and long term operating assistance so the HOME program does not lend itself well to these programs. Second, the eligible non profit sponsors do not fit the definition of Community Housing Development Organization (CHDO) in many instances.

Long term concerns

The Committee is concerned that the consolidation, particularly for public housing, may in the long run do more harm than good because the expansion of the affordable housing stock will be seriously limited and cost more, serving fewer of those in need at a higher cost. In short such a consolidation may be "penny wise and pound foolish," sacrificing the long term investment strategy for the short term budget reduction. If a criticism of the public housing development program is that it takes too long to construct and expend funds under the program, then the Committee believes that the Administration and Congress must work together to remove any impediments that cause delay and get funding out quicker so that low-income Americans can benefit from this vitally-needed housing development program.

The Committee is also concerned that there is a long-term emphasis on block granting programs in the housing area. The Committee believes that to simply block grant programs does not deal necessarily with increasing housing opportunities to low-income Americans. Also, the Committee is mindful of other block grant approaches such as the General Revenue Sharing program that were eliminated over time because of budget pressures, and is concerned that a new block granting approach will yield the same result.

The Committee also believes that the HOME program which was intended in the initial OMB proposal to incorporate the public housing and supportive housing programs is new and untried, and may not necessarily produce adequate levels of multifamily rental housing to meet housing needs. The Committee is also mindful that under a block grant scenario, local communities are free to determine what their priorities are which may not result in rental housing. For instance, preliminary data from HUD reveals that as of February 24, 1993, with the commitment of \$79 million out of the \$1.46 billion of FY 1992 funds, 45% or \$36.8 million will go for homeownership opportunities (i.e. \$10 million for first-time homebuyers and \$26.8 million are committed to rehabilitate the homes of existing homeowners) and 55% or

\$44.2 million of the HOME funds are committed to rental housing.

Also, the Committee understands that spending under the HOME program may be slow. For instance, HUD estimates that \$300 million out of the \$1.5 billion appropriated for FY 1992 will be expended by the end of FY 1993, which leaves about 80% of the HOME funds to be actually spent in the outyears. The Committee also understands that the complicated program regulations contribute to the slow spending and that the Department is reviewing the existing regulations for appropriate revisions to speed up spending. Several revisions have already been announced along with regulations to implement provisions of the 1992 Housing Act which should also facilitate implementation of the HOME program.

HOPE programs

The Committee understands that the Administration will propose funding the HOPE I and HOPE II programs at \$100 million in FY 1994 for those projects that have received planning grants and may wish to actually implement the HOPE programs. The Committee has supported the HOPE programs on a limited, demonstration basis; therefore providing limited funding for projects which can be implemented is appropriate, if only to meet the expectations of the community and tenant groups that have received planning grants. However, if there is such an appropriation, the Committee would recommend that it be reprogrammed within a reasonable period time, if there is insufficient demand for the funds. In Fiscal Year 1993, HOPE I received \$161 million and HOPE II received \$95 million.

The Committee also understands that the Administration will recommend termination of the HOPE III program, the single family program. Of all the HOPE programs, this is the one the Committee has supported in the past. It is also the HOPE program which has experienced the greatest implementation demand. The Committee understands that similar activities can be undertaken under the HOME program; however the Committee would support continuation of the program, even if funding were minimal. The Committee would recommend that unused HOPE I and II funds be reprogrammed to support the HOPE III program. HOPE III funding in Fiscal Year 1993 was \$95 million.

Possible Reductions in HUD Staff: The Committee understands that the underlying assumptions by OMB for HUD may include a reduction of \$491 million in budget authority and \$486 million in outlays which includes a \$102 million cut in full time employees (FTE) at the Department. The Committee is very concerned that if there are to be staff reductions they occur at the HUD Central Office and not in the HUD field or regional offices. However, before any reductions are made, the Committee believes it is critical that HUD undertake a thorough review of HUD staff capabilities and placements at all levels. The Committee obviously would prefer that no reductions be made at this time. A fuller discussion of HUD staffing is included below in the management section of the "Legacy of the Past 12 Years."

Real Estate Mortgage Investment Conduits (REMICs): The Committee understands that the Administration proposes to have the Government National Mortgage Association guarantee prompt payment to all investors in secondary mortgage market securities known as REMICs. The Administration estimates that \$584 million will be saved through this proposal over a 4-year period. The Committee notes that HUD currently has the

necessary discretion to provide such a proposal for REMICs. However, the Committee cautions that such an expansion of business may necessitate an appropriate increase in HUD staffing to ensure effective implementation.

FHA Insurance Reforms: The Committee understands that an underlying assumption within the OMB documents include a savings of approximately \$336 million between FYs 1994 and 1998. In general, the Committee is concerned that this savings not be accomplished on the backs of low and moderate income FHA-insured borrowers. The Committee believes that administrative changes and improvements could obtain this savings rather than statutory changes. The Committee recommends that such savings not be included under any reconciliation instructions because it is unclear how much and whether the Department can actually achieve such estimated savings through such regulatory actions.

The Committee is quite concerned that any savings in the FHA area not include an imposition of a 57% cap on the amount of closing costs that can be financed through the FHA mortgage program. The Committee notes that the FY 1993 VA-HUD Appropriations Act specifically included such a prohibition on the Department on implementing such a 57% cap. Previous to this prohibition in law, the prior Administration implemented a 57% limit on the amount of financeable closing costs, raising the up-front costs of homeownership to low and moderate income homebuyers. Instead of helping the MMI fund continue to reach actuarial soundness, the implementation of HUD regulations effective July 1, 1991, may actually have had the opposite effect of reducing business and driving good risk mortgages into the private mortgage insurance market.

THE LEGACY OF THE PAST 12 YEARS

The last twelve years have produced a Department of Housing and Urban Development that has neither a mission or purpose nor program management capacity. The lack of both will have substantial impact on the future budget needs of the Department.

The Department, as it exists today, does not have a defined mission that will promote the Federal government as a partner in housing and community development programs for low- and moderate-income residents of our nation's communities. This lack of mission has been exacerbated by the revelations, first, of the most public HUD "scandals" and second, of a long term pattern of systemic mismanagement. Even the most basic program and financial information is lacking and monitoring is left undone at HUD, leaving the Department and its programs unmanageable and unaccountable.

Mission and Management

As noted, HUD can use its resources and programs to fulfill the housing and community development needs of this nation. However, these efforts cannot begin until two simultaneous and interrelated challenges at the Department are addressed. These challenges are:

- (1) To redefine and reinvigorate HUD's mission to meet the current demands and challenges of the 1990s; and
- (2) To correct the serious lack of administrative control and information management at HUD.

The lack of mission affects every one of HUD's programs and prevents an efficient and targeted use of HUD's limited resources. The lack of administrative controls and

management systems means that current housing needs cannot be assessed and that the Department is open to fraud and theft. Addressing these problems will require the commitment of considerable resources—both staff and money—and will be hampered by the burdens of recession and the soaring deficit. However, while redefining and carrying out HUD's mission and correcting the management problems may be expensive now, such actions will provide the necessary investment for the future. Thus, the most critical issues facing HUD can be discussed under three broad categories: mission, management, and money. (Specific money considerations provide the basis for the primary memo to which this memo is appended.)

Mission

One of the overriding issues with regard to the Department is to restore its context, its focus, and its administrative capacity in implementing housing and community development programs. This has had and will have budgetary impacts. HUD has evolved into a myriad of poorly managed and unrelated divisions, programs and initiatives which has diminished the federal government's commitment to these programs. In order to redefine HUD's mission, priorities need to be established, programs consolidated and developed, and policies and required procedures implemented as they were originally intended.

In developing this mission, HUD's ability to successfully coordinate its housing and development missions to spearhead efforts for investment in America should be considered. HUD administers numerous programs which can play a central role in targeting economic stimulus and development to deserving communities. For example:

Needed public housing modernization can provide significant economic stimulus while simultaneously investing in future housing stock (it is estimated that 22,000 jobs can be produced per billion dollars spent on modernization and rehabilitation of such stock and HUD currently has a backlog of approximately \$6 billion in modernization funding which could be spent quickly);

The CDBG program targets substantial funds to states and localities for community development and infrastructure-related activities.

However, simply continuing programs as usual will not answer the needs of our communities; issues of consolidation within HUD and coordination among HUD and other agencies need to be considered. Among these issues are:

How to coordinate and combine HUD's rural and urban development policies and programs.

How to identify the most effective use of HUD's resources: Should certain programs be consolidated? Should others be replaced with more comprehensive initiatives? How could existing programs be strengthened or expanded?

How best to formulate a proactive policy to enhance affordable housing through coordination of HUD's activities with those of the private and secondary markets financing activities.

Further, because one aspect of both HUD's mandate and the Committee's jurisdiction is "community development" a critical issue in defining the mission of the Department will be how to provide for the development of viable, livable communities. The key to success in housing and community development centers around a comprehensive effort that focuses attention on the myriad of related problems in a single community—addressing

in a comprehensive manner the needs of individual neighborhoods and communities. For example, combining supportive services, including job training and child care, and housing is one obvious linkage that is necessary to address the broad needs of neighborhoods and communities. However, a lack of funding both at the federal and local levels has inhibited such linkages even though they have been required under such programs as Family Self-Sufficiency.

HUD's ability to coordinate community development efforts was recently enhanced by enactment of the 1992 Housing Act, which expanded the affordable housing activities of the Federal National Mortgage Association (FNMA or Fannie Mae) and the Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac). In fact, HUD has the singular capacity to harness the tremendous resources of these and other housing enterprises in service of a new community development agenda.

Management: Addressing systemic failure.

The lack of a clear mission has both resulted from and contributed to widespread and systemic management failure at the Department. HUD's Inspector General has identified pervasive critical management problems which, the IG estimates, drain hundreds of millions of dollars from HUD coffers and involve over \$1 trillion worth of programs. These critical management failures occur throughout HUD and undercut the Department's ability to implement and execute many of its most fundamental programs.

The ruinous impact of these problems has in turn been exacerbated by the sharp reduction in HUD's staffing level over the past 10 years, a reduction of over 20% (from 17,000 to under 13,000 people) which was not accompanied by a corresponding decrease in program levels or activities. In fact, if anything, the responsibilities have increased with the enactment of NAHA and the 1992 Housing Act. There are also questions about the capacity of the staff that exists and the staffing patterns—whether limited staff is properly trained and assigned. These problems include:

Lack of data systems. The Inspector General has reported that "HUD does not have efficient, effective, and integrated financial management systems that can be relied upon to provide relevant, timely, accurate, and complete information as a basis for sound program oversight." The same can be said for making sound budget estimates. For example, the Inspector General has reported that "HUD does not have an adequate system for tracking and controlling billions of dollars of long-term Section 8 subsidy commitments, resulting in millions of dollars of incorrect or misdirected subsidy payments and difficulty in establishing program funding needs."

Poor servicing of insured multifamily housing projects. Since inception, FHA's Multifamily Programs have assisted the creation of 3.5 million affordable rental units. However, according to the Inspector General, the failure to adequately service these FHA-insured multifamily housing projects "allows project owners and management agents to continue to violate their HUD Regulatory Agreements by misusing or diverting project assets and income from project operations." Such drains on the projects, whether deliberate or inadvertent, can only end up costing the Federal Government and denying decent, affordable housing to millions of low and moderate income families in the long run.

Inadequate asset management. The Inspector General has reported that "Management

controls over HUD's multi-billion dollar Single Family and Multifamily property management and disposition activities are not adequate to preserve HUD's housing inventory and protect the financial interests of the government." In addition, the Inspector General has reported that GNMA's insufficient staff and reliance on outside parties to manage its assets "lessens assurance that critical program functions are properly performed and that subservicer claims for services and costs are reasonable or valid." GAO is currently studying this issue for the Subcommittee.

Insufficient controls. Audits by the Inspector General of CDBG grantees "have consistently found that CDBG activities do not provide benefits to low- and moderate-income residents as required. . . HUD does not provide sufficient oversight of CDBG grantees through the provision of effective guidance and monitoring. Thus, HUD cannot assure that CDBG monies are used as they were intended." In all likelihood CDBG is not the only HUD program that suffers from insufficient controls or monitoring.

Financial and management problems of Public Housing Agencies. The Inspector General has found that "PHAs are providing ineffective management in administering the Public Housing Program. Millions of dollars are being spent, but most units do not meet HUD's prescribed Housing Quality Standards, and unit inspections are inadequate." While relatively few (23) of the 3128 PHAs around the nation are classified by HUD as troubled, they represent 18% of all public housing units and receive close to one-third of all public housing operating subsidies. Typically these PHAs are the large, old, urban authorities with the highest visibility.

Findings of systemic failure, as outlined above, are not unique to the Inspector General. They were confirmed in a 1992 report by the General Accounting Office which stated that:

These department wide deficiencies—inadequate information and financial management systems, including computerized systems; weak internal controls; inappropriate organizational structure; and insufficient staffing—leave the Department open to fraud, waste, abuse, and mismanagement.

They have been buttressed by audits conducted by the independent firm of Price Waterhouse. In fact, a recent internal HUD memo noted that:

These problems have been identified in numerous reports by independent observers of the Department, including the General Accounting Office (GAO), HUD's Inspector General, Congressional committees, and accounting firms retained to audit HUD's financial statements.

These problems raise two primary and immediate issues:

Addressing HUD's current lack of systems, staff or policies to administer the broad responsibilities of HUD. A primary example is how to prevent defaults of HUD's insured multifamily housing portfolio, to mitigate losses once defaults occur, and to manage and dispose of property. The combination of weaknesses in these areas could lead to hundreds of millions or even billions of dollars in financial losses, reductions in the stock of affordable housing, and the need for increased appropriations. If not quickly addressed, the problems and needs in this area could crowd out the Department's ability to further other aspects of its mission.

Overseeing any changes in the organization of the Department and its programs and the required staffing changes that may be

necessary. Such changes may include reorganizing the regional and field office structure and consolidating and streamlining programs, as well as deciding how programs and functions should be distributed across the Department, e.g. whether programs such as those dealing with supportive services including family self-sufficiency, drug elimination grants, and homeless programs should be centralized within the Department.

Mr. MCCLOSKEY. Mr. Chairman, I rise today in support of House Concurrent Resolution 64, the budget resolution for fiscal years 1994–98. Overall, it is a sound realistic and courageous program that comes at a time when the American people are thirsting for real leadership and economic recovery.

I commend the hard work of the House Budget Committee in drafting a resolution which contains the outlines of the Clinton proposal, while providing an additional \$63 billion of spending cuts. I believe my constituents will support the package if they are convinced that the spending cuts are real, and that the tax increases will go to reduce the deficit. The budget resolution is an admirably balanced program, with needed investments in infrastructure and a more productive work force, makes real progress on the deficit, and commits more funds to education, job training, research and development, and such vital programs as Head Start and the Women, Infants, and Children [WIC] Program.

Unemployment is as high as it was during the lowest point of the recession, wages are stagnant, the national debt is too big, and we have neglected the types of investment that will ensure a productive work force in the future. The President's stimulus package which we are also debating this week is intended to infuse life into the economy immediately, and includes \$16.3 billion of spending and tax incentives designed to create new jobs. The stimulus plan includes accelerated investment in infrastructure which includes Indiana's highways, a summer jobs program, vaccinations for children, technology, housing, rural development, energy, and the environment.

These investments will provide a short-term economic boost without risking higher inflation or scaring financial markets. The stimulus package also contains a temporary 2-year investment tax credit to stimulate purchases of equipment and machinery, a permanent tax credit for small business, and increased loans to small businesses which provide nearly 80 percent of the job growth in our economy.

It is essential that we examine Federal spending with an eye toward emphasizing programs that make the economy more competitive. Therefore, the investment portion of the plan funds programs that we all know are successful, like Head Start, natural resource and energy conservation, and research and development of civilian technology with commercial applications, and cuts programs that do not work or are no longer needed.

Furthermore, the investment portion of the plan responds to the demands of an international economy that forces American workers to compete with low-wage economies. To meet this challenge we need lifelong learning programs such as apprenticeships for high school graduates, retraining for existing workers, measures to protect America's workers, such as removing tax incentives to move jobs

overseas, and a national service program that could help to provide every American the opportunity to obtain a college education.

While doing all this, we also must act to reduce the deficit. Without any changes in spending and tax policy, the Congressional Budget Office now projects a Federal deficit of about \$653 billion in 10 years. Lower deficits will encourage private savings and reduce long-term interest rates, and allow the Government to better respond to the needs of the country.

The budget resolution provides for deficit reduction totaling \$42.6 billion in fiscal year 1994, and \$510 billion over the next 5 years. The savings would be achieved by essentially freezing discretionary spending at current levels for the next 5 years. The spending cuts come from all areas of the budget including foreign aid, defense, domestic discretionary spending, and mandatory entitlement spending.

The most painful part of the resolution is the tax increases. However, the resolution follows the Clinton proposal by requiring those who can most afford it to pay more. No one likes taxes, but if there are taxes it is important that they be fair.

The budget resolution is an honest plan that serves as a framework for a reconciliation bill addressing the economy and the budget deficit. In addition, passage of the budget resolution will send a clear signal that the spending cuts be made before any tax increases or additional spending is approved.

I have heard from thousands of constituents in recent weeks during town meetings, and through the mail and phone calls I receive. People want credible action on the economy, and they want real spending cuts, deficit reduction, and tax fairness. In my view, this budget resolution meets this test, while also providing vital long-term investment that will bear real benefits to the economy in the future.

Mrs. VUCANOVICH. Mr. Chairman, today we are considering the budget resolution for fiscal year 1994. Ironically, President Clinton has not even submitted his full budget to Congress.

However, the resolution generally assumes all of the various pieces of the President's economic program. This translates into the largest tax increase in history—\$300 billion over 5 years—which includes increasing taxes on Social Security benefits, imposing a new energy tax, and extending the gas tax. Mr. Chairman, what about the tax cuts for the middle class that were promised during the campaign.

The resolution also contains \$180 billion in new spending initiatives and an additional \$63 billion in unspecified, miscellaneous spending cuts. In addition it assumes cuts in national defense of \$122 billion over 5 years with no specifics as to where the cuts will be made. To me this package is nothing but fog.

Mr. Chairman, I reject any tax increase to reduce the deficit. The best approach is to either freeze or cut spending—with the exception of Social Security—without raising taxes. My own State of Nevada is currently experiencing economic problems. Our State has called for strict spending and efficiency in Government. Last year we made \$173 million

in cuts and we will make significant cuts again this year. I believe the Federal Government should also be able to take the same kind of hard measures to get its fiscal house in order without raising taxes.

Increasing taxes will severely harm my State. Let me just point out a few of the sacrifices Nevada will have to make. The proposed 12.5-percent gross royalty on mineral production in effect could cost more than half of Nevada's 13,500 miners to lose their jobs because it would make mining uneconomic.

We also see a proposed energy tax. The American Agriculture Movement just released a study showing rural consumers bear a 52-percent greater burden in gasoline excise taxes than urban consumers. Nevadans and westerners in general will be hit hard.

Eighty-seven percent of Nevada is owned by the Federal Government. Yet this proposal plans to target public land use. That means the ranchers, the miners, and the sheep herders will all be hit.

Mr. Chairman, Nevadans are willing to help out but only if there is true deficit reduction. This can be achieved only by bringing spending under control. So let's do it. Let's freeze and cut spending without raising people's taxes.

Mr. MONTGOMERY. Mr. Chairman, I would like to comment on that portion of the budget resolution which affects veterans programs. The resolution assumes funding for veterans programs in fiscal year 1994 of \$34.7 billion. There is no increase assumed for discretionary programs above the 1993 level, and very modest growth—2.2 percent—for veterans compensation, pension, education, and housing programs—mandatory programs.

This is a very tight budget, but I also want to caution my colleagues that the President has yet to announce all of his budget priorities. The administration's economic plan assumes a number of Governmentwide initiatives to keep discretionary spending relatively constant. Within the overall freeze on discretionary spending, there is some leeway to increase funding for high-priority programs. I believe that the President will provide additional funds for veterans medical programs and to alleviate the huge backlog in processing claims for veterans benefits. However, the budget for these administrative accounts, which are primarily intended to pay salary costs, will not grow as much as it has in the past several years.

The President's economic plan assumes savings from a 1-year freeze on Federal salaries, a policy that will save almost \$300 million in veteran programs. There are other administrative savings and savings from streamlining Government that can reduce the increase that would otherwise be needed to keep service levels for veterans programs at acceptable levels. Since the details of the effect of these policies are not yet spelled out, the House Budget Committee assumes that they will be spread equally across all Government agencies.

In addition to these cuts in amounts available to provide services to veterans, the budget resolution includes reconciliation instructions to the Veterans' Committee. We have been instructed to report legislation revising programs in our jurisdiction to save \$266 mil-

lion in fiscal year 1994 and \$2.6 billion over 5 years. Coming on top of the cuts proposed in discretionary programs, there is little doubt that veterans will feel the pain from this deficit-reduction effort. But some veterans organizations have already indicated that the President's plan is a good one, and this resolution would not require any savings beyond those which his economic plan proposes. Our committee will meet and deliberate on the best means of meeting these reconciliation instructions, and we will choose those legislative changes which will have the least impact on the essential benefits on which veterans rely.

There follows our analysis of the effects of the budget resolution on the Department of Veterans Affairs:

EXPLANATION OF PROPOSED BUDGET COMMITTEE ACTION IN FUNCTION 700 VETERANS BENEFITS AND SERVICES

The total budget for VA assumed in the budget resolution is \$34.7 billion. There is no increase assumed for discretionary spending and very modest growth (2.2 percent) for compensation, pension and education programs.

The Clinton Economic Plan "A Vision of Change for America" proposes overall gov-

ernment-wide savings from such initiatives as:

A "freeze" on federal salaries (no national or locality-based pay increases in 1994) (\$1.36 billion in savings in 1994);

"Streamlining" government and administrative cost cutting (\$604 million government-wide savings in 1992); and

"Other administrative savings" (\$676 million in 1994). The House Budget Committee has taken the savings identified with these proposals and applied them "pro rata" to each Federal agency in proportion to the number of persons employed by that agency as reflected in total salary costs.

The Clinton economic program did not identify the effect of most of these savings on individual agencies, so that Function 920, "Allowances", simply showed a savings of \$3.3 billion. The Senate Budget Committee followed the Clinton budget in not allocating these "allowances" to the individual functions.

According to the House Budget Committee, the combined effect of allocating these "reforms" and other management reforms specifically targeted at VA is as follows:

CBO ESTIMATED OUTLAY SAVINGS¹

(In millions)

Item	Fiscal year—					Total
	1994	1995	1996	1997	1998	
Home loan fees	-143	-118	-122	-126	-124	-633
Pensions-Medicare-Nursing homes					-531	-531
Pension income verification					-136	-136
Montgomery GI bill	-78	-88	-88	-95	-95	-444
Medical care reimbursement	-11	-130	-143	-154	-168	-606
Prescription copayment					-79	-79
Multiple use, guaranty	-27	-22	-23	-24	-23	-119
Resale losses	-7	-6	-6	-6	-7	-32
Insurance administrative costs						
Total	-266	-364	-382	-405	-1,163	-2,580

¹Note: Neither the Budget Resolution nor the accompanying report of the House Budget Committee include specific programmatic assumptions underlying the reconciliation instructions. Although the proposals shown above were included in the President's Economic Plan, the Veterans Committee may choose to substitute proposals which save an equivalent amount in mandatory programs under its jurisdiction.

Mr. DINGELL. Mr. Chairman, I rise today in support of House Concurrent Resolution 64, the fiscal year 1994 budget resolution. This budget will reduce the Federal deficit by \$510 billion over the next 5 years. It will redirect Federal spending priorities away from consumption to investment. It will streamline existing Federal programs and restore fairness to the Tax Code. And, it will, in combination with the additional \$63 billion in spending cuts added by this body, demand sacrifice from every American.

In January, President Clinton confronted a budget deficit for fiscal year 1993 of \$330 billion. He has prepared a bold budget and economic plan that honestly and fairly addresses the critical problems facing our Nation. Coupled with responsible health care reform, it will end the gridlock and move our country forward.

If something is not done the national debt will grow by at least \$1 trillion every 3 years, and the interest on the debt will go up proportionately.

The budget resolution will cut spending substantially. But, spending cuts alone cannot reduce the deficit, or the debt.

This year, the Federal Government will spend \$1.52 trillion. Of that total, \$214 billion will pay interest on the national debt, \$290 bil-

lion will go toward defense spending, and \$766 billion will go to entitlement programs, principal among them are Social Security and Medicare.

The remaining 16 percent of the budget—or \$250 billion—will be spent on everything else: veterans benefits, Federal law enforcement, education, medical research, meat inspection, child nutrition, scientific research and development, environmental cleanup, community development, transportation improvements, disaster relief, energy and housing programs, and all international assistance.

If we were to entirely eliminate these programs we could not balance the budget. We would be \$80 billion short.

This resolution, which embraces the President's proposal, involves three parts. First, a short-term stimulus to strengthen our recovery and create additional jobs. Second, long-term investments in infrastructure improvements, education, health care, and private sector growth. Last, and most important, a mix of spending cuts and tax increases to produce \$510 billion in deficit reduction in 5 years.

More than half of the President's plan will be financed by spending cuts. Among many reductions, the proposal will cut defense spending by \$110 billion, trim Federal employee benefits, and reduce the size of the

FISCAL YEAR 1994 DISCRETIONARY CUTS—VA SHARE (In millions)

Item	Budget authority	Outlays
VA—Reform major construction	-\$146	-\$7
VA—Improve management of VA hospitals	-100	-86
No Federal pay raise—VA share	-328	-299
Other administrative savings	-131	-94
Streamlining government ¹	-82	-50
Cut 100,000 FTEE	-180	-166
FTE 2000	-16	-15
Total	-983	-717

¹ Although the Clinton plan assumed no savings from streamlining government would be assessed against VA in 1994, the House Budget Committee estimated VA's pro rata share as shown in this table.

The \$983 million which the House Budget Committee assumes will be saved in discretionary VA functions is partially offset by the Clinton proposal to "invest" \$282 million in VA Medical Care for staff. The net effect on discretionary spending for VA is a reduction from the CBO baseline for 1994 of approximately \$701 million.

In addition to these cuts in discretionary amounts assumed for VA, the Budget Resolution will include reconciliation instructions to the Veterans Committee for \$266 million in savings in 1994 and \$2.6 billion over 5 years. The CBO estimate of the outlay savings associated with the President's specific proposals are as follows:

Federal work force. Other savings will be achieved through overhead reductions on university research, Agriculture Department program reforms, overseas broadcasting consolidations, and much more.

The United States quadrupled the national debt over the last decade. At the same time, Presidents Reagan and Bush both argued that a line-item veto and a balanced budget amendment were essential. Neither, however, were honest enough to submit a balanced budget. Both left it to the Congress to cut their budget requests. In fact, the Congress appropriated \$28.8 billion less than both Presidents requested.

For 12 years, Mr. Reagan and Mr. Bush submitted budget proposals with rosy economic scenarios, inaccurate assumptions, and asterisks in the place of specified spending cuts. Last year, the President's own Secretary of Housing and Urban Development, Jack Kemp, commented that the President's budget was full of accounting gimmicks.

Today's budget package is serious, honest, and responsible. It will reduce our deficit, strengthen our recovery, create jobs, and invest in our future. It will restore hope and opportunity to our people. And, it will bolster and strengthen our Nation's leadership in the world.

I would have done some things differently, but I believe this is the best package which this country can adopt to get our economy moving again. I urge my colleagues to support this bill.

Mr. CARDIN. Mr. Chairman, I rise in support of the budget resolution for fiscal year 1994. The resolution provides a broad outline of President Bill Clinton's 5-year package for strengthening the economy, creating jobs, and reducing the Federal deficit.

Our country and, I believe, this House are united in their determination to strengthen the economy. We all recognize the need to bring the deficit under control and to end a decade of gridlock and fiscal irresponsibility.

In evaluating President Clinton's package, I believe there are two questions that should be asked. First, does the package do the job? And second, is it fair?

I believe President Clinton has come forward with a bold, innovative package that will reverse the tide of red ink in Washington and strengthen our economy through the creation of goods and jobs. The comprehensive package includes spending reductions in domestic, defense, and international programs; entitlement reforms; and tax increases.

The changes enumerated by the President are real and will cause pain for millions of Americans. For example, the President has proposed an elimination of the cost-of-living adjustment [COLA] for all Federal workers for fiscal year 1994 and a 1-percent reduction in anticipated COLA's in fiscal year 1995, fiscal year 1996, and fiscal year 1997. I am concerned about the size of the contribution Federal workers are being asked to make. The COLA cut will have a significant impact on the more than 2 million Federal workers.

Cuts in the Defense budget, which will total \$127.6 billion over the next 5 years, will have a significant economic impact on communities facing base closings and on firms that depend on defense contracts. The President's defense conversion proposals and job-training initiatives will be essential as we try to convert our military-industrial complex to civilian applications. Until this conversion takes hold, however, defense cuts will spell real pain in many regions of the country.

Many of the entitlement cuts, particularly the \$48.3 billion cut in Medicare payments to providers, have been proposed in the past. The difference this time is that they are part of a comprehensive economic package.

The inclusion of \$63 billion in deeper spending cuts clearly shows the commitment of this institution to cut Government spending. The President's budget includes 150 specific budget cuts. As we work through the appropriations and reconciliation processes, we must make sure we make real, specific spending cuts to meet the targets established in the budget resolution. It is important to remember that the budget resolution is only a blueprint. The decisions that need to be made in the appropriations and reconciliation processes will be extremely difficult, but we can no longer afford to avoid action on this crisis.

The budget committee resolution, modeled on the President's package, holds discretionary outlays below the current level in each of the next 5 years. It does so by cutting or eliminating low-priority items and adding

spending in areas of the budget that will help promote job creation and economic growth.

Deficit reduction is essential. But let's be clear on why we need to reduce the deficit. We do not need to reduce the deficit simply for the sake of reducing it. Instead, we need to reduce the deficit in order to put our economy on a path toward growth and the creation of good jobs.

The underlying objective of President Clinton's package is to make the Federal Government work better. We must identify the programs that work and distinguish them from those that do not work. This is the essence of sensible, constructive budgeting.

One final point. As the President so clearly stated 1 month ago today in his speech in this chamber, in the final analysis, all of our efforts will be in vain if we do not control the skyrocketing costs of health care in this Nation. The economy cannot sustain double-digit growth in health care spending. The Medicare cuts proposed by the President are significant cuts that will be felt by Medicare providers, but they are only a downpayment. Systemic reform of the health care system is needed to ensure long-term deficit reduction and economic growth.

Mr. Chairman, our Nation's long-term economic strength and international competitiveness depend on our ability to reduce the deficit and realign the Federal Government's priorities. I urge my colleagues to support President Clinton's economic package as outlined in the House Budget Committee's resolution. It is a fair and credible package for reducing the Federal deficit, strengthening the economy, and creating good jobs.

Mr. SENSENBRENNER. Mr. Chairman, how serious can the President be about deficit reduction when on the heels of his budget resolution, the first major spending bill we address is \$20 billion worth of pork designated as emergency spending? There is \$28 million to reduce the District of Columbia's budget deficit, \$450 million in research projects, \$23 million in historic preservation, and the list goes on. We get all of this and more simply by piling on the deficit. I don't find this stimulating in the least, nor do the taxpayers in my district who have given me one resounding message over the past few weeks—cut spending. As the President and Democrat Members of Congress clamor for sound bites over what they can cut from the budget, they bring \$20 billion in deficit spending to the floor, much of it the same type of waste we have heard so much about recently. This is high hypocrisy. Even if this bill were to create the 219,000 jobs it claims, which is doubtful, they would be mainly short term and would cost the Government nearly \$90,000 per job. The private sector created that many jobs in a month at no cost to taxpayers.

For the first time in American history, government jobs outnumber those in manufacturing. The Clinton administration, in cahoots with congressional Democrats would like to see this trend continue. Using former East Germany as an economic model is not the type of policy I want to see the United States pursue.

Candidate Clinton's promised middle-class tax cut is now going to feed the pork barrel. Far from a stimulus, this is an unnecessary, irresponsible impediment to the economic recovery already underway.

Mr. PACKARD. Mr. Chairman, President Clinton has proposed the largest tax increase in American history, as part of his so-called \$493 billion deficit reduction package. Stripped of all its political rhetoric, this package is neither balanced nor does it generate the level of savings as his Presidential campaign promised.

Instead, it reveals many falsely packaged gimmicks such as hidden tax increases that are sold to the American public as spending cuts. These gimmicks are going to drive the American public into debt further as our economy strives toward revitalization.

Historically, it has been proven time and time again that increasing taxes does not reduce the deficit. Higher taxes means increased spending. A recent report found that for every dollar raised in new taxes in the 1990 Budget agreement, \$2.37 occurred as a product of increased spending. What's more traumatic than this startling figure, is the absence of any safety mechanism that prevents Congress from increasing spending. Clinton's budget is a blank check that he personally endorses to the U.S. Congress.

I ask you, my colleagues, how these tax increases can be justified with the knowledge that no spending mechanisms exist in this budget. Consider the cries from your constituents that will be heard through these Halls when their taxes and the Federal deficit increase simultaneously as President Clinton unveils all of the crucial points of his budget.

Last November, the American people voted for change. They sent a strong signal to the White House and Congress that they wanted a budget fueled by positive ramifications for one and all. If enacted, Clinton's tax increase will fuel more than Federal spending. It will reduce economic growth, destroy jobs, minimize our competitiveness, and increase the budget deficit. These consequences I doubt, are the type of positive ramifications that sent President Clinton to the White House last November.

Mr. HOKE. Mr. Chairman, many times in recent months, I've been asked whether I would support President Clinton's new domestic agenda and vote for the concurrent resolution on the budget. I have consistently deferred answering while waiting to learn the details of the Democrats' plan and whether the President would stand by his campaign commitments to work toward a balanced budget, enact a line-item veto, and reduce taxes on the middle class.

Like many Americans, I was hopeful as the President unveiled his proposal before Congress. But as I listened with my colleagues in the House Chamber, it became disappointingly apparent to me that President Clinton has quickly forgotten all three of his pledges. That disappointment was heightened as the Budget Committee began its hearings on the budget resolution, and various administration officials further outlined the President's package. His plan does not begin to balance the budget, does not even mention the line-item veto, and raises—not lowers—taxes on the middle class. The House will vote this week on the budget, and it is not likely to garner much bipartisan support.

In his Economic Address, the President outlined what he claimed is a \$493 billion deficit

reduction package over 4 years. The day after releasing the written outline of his plan, the White House acknowledged it instead to be a \$325 billion reduction package. During the Budget Committee hearings, some administration representatives placed that figure even lower. The Orwellian and frankly frightening reality is that this is not a deficit reduction plan at all. It is actually a \$916 billion deficit expansion package. Only in the surreal world of Washington, DC, can increases in spending be called reductions, through the dark alchemy of baseline budgeting.

Most Americans who heard the President's speech or read reports about it are under the false impression that this plan will reduce the current \$4.2 trillion national debt by \$325 billion. In reality, if the President gets his entire program, there will be a substantial deficit every year for the next 4 years, and by the end of fiscal year 1997, the national debt will have increased by more than 20 percent to over \$5 trillion. This plan does not stop the runaway Federal deficit. It barely slows it down.

What makes the administration's plan more worrisome is that I do not believe the President will get all of his program. He will only get parts of it—the parts that are easiest for Congress to pass: an immediate \$16 billion program of new spending, and then the biggest tax increase in the history of the Republic—by a factor of 2. What the President will not get is spending cuts.

The same Congress that will gleefully divvy up the new spending and not quite as gleefully dish out the new taxes will quietly dig in the heels of its tasseled alligator loafers before cutting one penny of spending. History proves that for every new dollar in taxes raised, Congress spends \$1.59.

Therein lies the great flaw of Clinton's program and why it cannot succeed. The President fails to understand that from a practical standpoint, it is nearly impossible for even the best-intentioned Members of Congress to vote for spending cuts, because while taxpayers may genuinely want fiscal responsibility, in the parochial sense they do not. Taxpayers quite naturally want Federal funding for their own districts and deficit reduction for the rest of the country.

We believe that cuts need to be made, but not in our own backyards. And all too often, voters measure the effectiveness of their elected representatives by the pork they barrel for consumption back home.

Even for those Members of Congress philosophically committed to cutting spending or convinced that our current fiscal irresponsibility is creating an incipient national crisis, it is politically damaging to vote for cuts.

If President Clinton seriously wanted to grapple with this country's most pressing problem, he should have called for spending reductions only. He should have explained that tax increases and new spending programs would be addressed only after exhausting the possibilities for reductions. He should have repeated his campaign commitment to a Presidential line-item veto and supported in the strongest language the need to pass a balanced budget amendment to the Constitution.

This last item is the most important, because without such an amendment and the

implicit political cover it provides, it forces Congress to pass painful spending cuts, we will never get out from under the growing mountain of debt now posing such a real threat to our future. Those who believe otherwise should consider the words spoken last September by the President's own Director of the Office of Management and Budget, Leon Panetta. "If we fail to change our ways," he warned, "the damage will be enormous. The current prospects are for deficits so large, and economic growth so slow, that the deficits will feed on themselves, leading to an ever worsening upward spiraling of debt and interest payments * * * and ultimately a real danger of losing control of our money supply and inflation."

Why did President Clinton offer a plan that in a best-case scenario adds \$916 billion to the national debt? Why did the Democrat majority on the Budget Committee accept his proposal with only minor modification? And why didn't they include the fundamental structural changes that must take place before the problem can be solved?

In calling for change and challenging us to contribute, the President and his allies in Congress have sidestepped the real solutions to our national crisis. Our country would be better served had they invested their political future, and our economic future, not in tax increases and spending programs, but in structural reforms engraved on the rock of law.

It is not cynical to insist that the new administration and Congress reduce spending before raising taxes. It is a practical necessity based on a 30-year observation of Congress' inability to balance the national checkbook.

Can we stop the administration's plan, complete with new taxes and budget deficits? Yes. But the burden falls squarely on the voters' shoulders. Independents, Republicans, and Democrats must keep the phones ringing. Concerned citizens must let Congress and the President know that they are watching and they care. If we redefine political statesmanship as the courage to make the tough choices in order to live within our means and preserve the American Dream for our children, then we truly do have a chance.

Mr. FRANKS of Connecticut. Mr. Chairman, President Clinton denies that his budget proposal is the largest tax increase in history. This is because the Clinton administration has falsely classified the increase in Social Security taxes as a spending cut. Under the Clinton plan, a senior citizen earning \$25,000 a year is rewarded by having more Social Security benefits subject to taxation.

I've heard from many senior citizens in Connecticut about the injustice of this tax increase. They can recognize that our budget problems are most appropriately solved through spending cuts. The Clinton administration should listen to the wisdom of those who have successfully overcome depression and world war to maintain our country's status as the envy of the world.

Let's not add another financial burden to senior citizens who have contributed so much to make this century the American century. Rather than taking the money of older Americans and diverting it to already bloated Government programs, let's solve our deficit problem by cutting back on the wasteful spending that caused it.

Mr. KOLBE. Mr. Chairman, I yield back the balance of my time.

Mr. ORTON. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time for general debate has expired. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. SCOTT) having assumed the chair, Mr. SERRANO, Chairman of the Committee on the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution (H. Con. Res. 64) setting forth the congressional budget for the U.S. Government for the fiscal years 1994, 1995, 1996, 1997, and 1998, had come to no resolution thereon.

GENERAL LEAVE

Mr. ORTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include therein extraneous material on the debate just concluded on House Concurrent Resolution 64.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Utah?

There was no objection.

ST. PATRICK'S DAY MESSAGE OF PEACE AND JUSTICE

(Mr. FISH asked and was given permission to address the House for 1 minute and to revise and extend his remarks and to include extraneous matter.)

Mr. FISH. Mr. Speaker, I rise today to submit for the RECORD the 1993 St. Patrick's Day message of peace and justice, circulated by the Ad Hoc Committee for Irish Affairs and cosigned by 35 of our colleagues.

Each year, this St. Patrick's Day message serves to remind Congress, the Administration and all Americans of the ongoing violence and discrimination in the six counties of Northern Ireland. This year, the message recognizes the promises which President Clinton made to the Irish American community during his campaign and urges him to maintain a strong commitment to carrying them out during his Presidency.

These promises include first, making the ongoing human rights abuses in Northern Ireland a top priority in the United States relations with Great Britain; second, the appointment of a special envoy to Northern Ireland; third, implementation of an equitable visa policy which does not deny protection to Irish political refugees; and fourth, support for passage of MacBride Principles legislation at both the State and Federal levels.

There is a positive role for the United States to play in reaching a solution to the strife which plagues Ireland, but it

will require new thinking in this country as well as in Great Britain and Ireland. I urge President Clinton to exhibit the leadership that is necessary, and I urge my colleagues to read our St. Patrick's Day message and take an active role in finding a solution to this problem.

HOUSE OF REPRESENTATIVES,
Washington, DC, March 17, 1993.

1993 ST. PATRICK'S DAY MESSAGE OF PEACE AND JUSTICE

On this St. Patrick's Day, we the undersigned Members of Congress renew our commitment to bringing about peace, justice and an end to all violence and discrimination in Northern Ireland. We note with regret that while peace and democracy have replaced heavily armed borders and security checkpoints in Eastern Europe, under British rule, the people of the six counties of Northern Ireland continue to live in a war zone.

The political history of Northern Ireland is certainly one of the most tragic of any nation. Well-documented human rights violations continue to be caused by the violence and terrorism perpetrated by all the parties to the conflict there, including not only the IRA and loyalist paramilitary groups, but also the Royal Ulster Constabulary and the British-run criminal judicial system. Continued suppression of individual legal, human and civil rights only fosters heightened violence and deeper disregard for authority.

There is a positive role for the United States to play in reaching a solution acceptable to all sides, but new thinking is required in this country as well as in Great Britain and Ireland. We are heartened by the attention President Clinton paid to this issue during his campaign, and urge him to make the goal of ending the strife in Northern Ireland a top priority in our relations with the United Kingdom.

We support President Clinton's pledge to appoint a Special Envoy to Northern Ireland to facilitate the peace process. We believe the United States, because of our strong ties with both the people of Ireland and the United Kingdom, is poised to play an important role in bringing about a lasting solution to the bloody conflict which divides that nation. We also support his promise to implement an equitable visa policy which does not deny protection to political refugees, particularly those from Ireland.

We are especially encouraged by the President's stated support for passage of MacBride Principles legislation at both the state and federal levels. Peace will not come to people who have been left disenfranchised, chronically unemployed and impoverished by generations of deep-rooted economic discrimination. We remain steadfast in our belief that this Congress cannot allow U.S. business to continue to be party to this type of religious discrimination, and call for the prompt passage of the Northern Ireland Fair Employment Practices Act.

We realize that a solution that has eluded men not just for decades, but for centuries, will not be easy. But peace and justice in Northern Ireland are achievable if sound leadership is provided, if policies are formulated to end the severe economic injustices there, and if all violence is ended.

As we recommit ourselves to working toward these goals, we are reminded that in the time since the Berlin Wall was toppled, thirteen new walls have been erected throughout Belfast, Northern Ireland—symbols of the war and hatred which still rages there. It is our great hope that by St. Pat-

rick's Day next year, these walls, too, will have fallen and will have been replaced with true peace and justice for all Irish people.

Benjamin A. Gilman, Constance A. Morella, Rick Lazio, George Hochbrueckner, Donald M. Payne, David E. Bonior, Gary L. Ackerman, David A. Levy, James T. Walsh, Jack Quinn, Andrew Jacobs, Jr., Jerrold Nadler.

Thomas P. Manton, Eliot L. Engel, Leslie L. Byrne, Jerry F. Costello, Carolyn B. Maloney, William J. Hughes, Pat Danner, Gerald B. Solomon, Peter G. Torkildsen, William O. Lipinski, Nita Lowey, Richard E. Neal.

Hamilton Fish, Jr., Peter T. King, Peter Blute, Jim McDermott, Charles E. Schumer, Michael R. McNulty, Robert A. Borski, E.B. Johnson, Susan Molinari, Louise M. Slaughter, William J. Coyne.

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. KOLBE) to revise and extend their remarks and include extraneous material:)

Mr. YOUNG of Alaska, for 5 minutes, on March 18.

Mr. FRANKS of New Jersey, for 5 minutes, on March 17.

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

Mr. RICHARDSON, for 5 minutes, on March 23.

Mr. MCCLOSKEY, for 1 hour, on March 23.

Mr. GUTIERREZ, for 1 hour, on March 24.

Ms. WATERS, for 1 hour each day, on April 7, 14, 21, and 28.

EXTENSION OF REMARKS

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

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

Mr. SUNDQUIST.

Mr. CRANE.

Mrs. VUCANOVICH.

Mr. TAYLOR of North Carolina.

Mr. GINGRICH, in four instances.

Mr. SCHIFF, in two instances.

Mr. HYDE.

Mr. LIVINGSTON.

Mr. GOODLING.

Mr. ALLARD.

Mr. OXLEY.

Mr. SOLOMON.

Ms. MOLINARI.

Mr. GILMAN, in three instances.

Mr. SKEEN.

Mr. GALLO.

Mr. MYERS of Indiana.

Mr. DORNAN.

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

Mr. GORDON.

Mr. WAXMAN.

Mr. BERMAN.

Mr. ACKERMAN.

Mr. MANN.

Mr. HAMILTON.

Mr. TORRES.

Mr. SWETT.

Mr. SARPALIUS.

Mr. FAZIO.

Mr. CONYERS, in two instances.

Mr. FOLEY.

Mr. FOGLETTA, in two instances.

Mr. EDWARDS of California.

Mr. MARKEY.

Mr. RICHARDSON.

Mr. LEHMAN.

Mrs. MEEK, in two instances.

Mr. CLAY.

Mrs. MALONEY.

ADJOURNMENT

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

The motion was agreed to; accordingly (at 1 o'clock and 29 minutes a.m.) the House adjourned until today, Thursday, March 18, 1993, at 11 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

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

915. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting copies of original report of political contributions of Strobe Talbott, of Ohio, to be Ambassador-at-Large and Special Adviser to the New Independent States; and of Harriet C. Babbitt, of Arizona, to be Ambassador to the Permanent Representative of the United States to the Organization of American States, and their families, pursuant to 22 U.S.C. 3944(b)(2).

916. A letter from the Director, Legislative Affairs, Federal Deposit Insurance Corporation, transmitting a list of property that is covered by the Corporation as of September 30, 1992, pursuant to Public Law 101-591, section 10(a)(1) (104 Stat. 2939); to the Committee on Banking, Finance and Urban Affairs.

917. A letter from the Acting Comptroller of the Currency, transmitting their annual report of consumer complaints filed against national banks and the disposition of those complaints; jointly, to the Committees on Banking, Finance and Urban Affairs and Energy and Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DERRICK: Committee on Rules. House Resolution 132. Resolution providing for the further consideration of the bill (H.R. 1335) making emergency supplemental appropriations for the fiscal year ending September 30, 1993, and for other purposes (Rept. 103-36). Referred to the House Calendar.

Mr. BEILENSON: Committee on Rules. House Resolution 133. Resolution providing

for the further consideration of the concurrent resolution (H. Con. Res. 64) setting forth the congressional budget for the U.S. Government for the fiscal years 1994, 1995, 1996, 1997, and 1998 (Rept. 103-37). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. SISISKY (for himself and Mr. HANSEN):

H.R. 1378. A bill to amend title 10, United States Code, with respect to applicability of qualification requirements for certain acquisition positions in the Department of Defense; to the Committee on Armed Services.

By Mr. BERMAN:

H.R. 1379. A bill to provide statutory authority and standards for the conduct of U.S. Government international broadcasting activities, to provide the President with flexibility in using international broadcasting resources to meet the foreign policy needs of the United States, and for other purposes; to the Committee on Foreign Affairs.

By Mr. CONYERS:

H.R. 1380. A bill to amend the U.S. Housing Act of 1937 to require the Secretary of Housing and Urban Development to administer a program of construction and revitalization of public housing, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. EVANS (for himself, Mr. ANDREWS of Maine, Mr. WILLIAMS, Mr. PACKARD, Mr. FRANK of Massachusetts, Mr. ABERCROMBIE, Mr. PETERSON of Minnesota, Mr. WAXMAN, Mr. HOCHBRUECKNER, Mr. ENGEL, Mr. GUTIERREZ, Mr. LIPINSKI, Mr. NEAL of North Carolina, Mr. LEVY, Mr. BONIOR, Mr. SANDERS, Mr. PENNY, Mr. STUDDS, Mr. GRAMS, and Mr. SCHAEFER):

H.R. 1381. A bill to amend title 5, United States Code, to provide that civilian employees of the National Guard may not be required to wear military uniforms while performing civilian service; jointly, to the Committees on Armed Services and Post Office and Civil Service.

By Mr. PETERSON of Minnesota (for himself, Mr. RICHARDSON, and Mr. KOPETSKI):

H.R. 1382. A bill to amend the Internal Revenue Code of 1986 to treat for unemployment compensation purposes Indian tribal governments the same as State of local units of government or as nonprofit organizations; to the Committee on Ways and Means.

By Mr. REGULA:

H.R. 1383. A bill to provide for a 2-year Federal budget cycle, and for other purposes; jointly, to the Committees on Government Operations and Rules.

By Ms. ROS-LEHTINEN (for herself and Mr. SHAW):

H.R. 1384. A bill to authorize a junior reserve officers training pilot program by the Coast Guard; to the Committee on Merchant Marine and Fisheries.

By Mr. SCHIFF:

H.R. 1385. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to allow formula grants to be used to prosecute persons driving while intoxicated; to the Committee on the Judiciary.

H.R. 1386. A bill to amend title 23, United States Code, to require the Secretary of

Transportation to withhold certain funds from States that fail to deem a person driving with a blood alcohol concentration of 0.08 percent or greater to be driving while intoxicated, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. SENSENBRENNER:

H.R. 1387. A bill to correct the classification of timing apparatus with opto-electronic display only; to the Committee on Ways and Means.

By Mr. SMITH of Oregon:

H.R. 1388. A bill to compensate owners for the diminution in value of their property as a result of Federal actions under certain laws, and for other purposes; jointly, to the Committees on Merchant Marine and Fisheries, Public Works and Transportation, and Natural Resources.

By Mr. STARK (for himself, Mr. EVANS, Mr. JEFFERSON, Mrs. MEEK, Mr. MILLER of California, Mr. MINETA, and Mr. TOWNS):

H.R. 1389. A bill to amend title XVI of the Social Security Act to make a State ineligible for Medicaid reimbursement payments under title XIX of such act, unless the State maintains the level at which the State supplements Federal supplemental security income benefits or passes along increases in such benefits; jointly, to the Committee on Ways and Means and Energy and Commerce.

By Mr. WAXMAN (for himself and Mrs. COLLINS of Illinois):

H.R. 1390. A bill to award a congressional gold medal to Lou Rawls; to the Committee on Banking, Finance and Urban Affairs.

By Mr. DEFAZIO:

H.R. 1391. A bill to provide certain protections for wildlife on public lands from airborne hunting, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. FAWELL (for himself, Mr. PENNY, Mr. SHAYS, Mr. HANCOCK, Mr. WALKER, Mr. STENHOLM, Mr. INHOPE, Mr. SMITH of Texas, Mr. PETRI, Mr. BALLENGER, Mr. ALLARD, Mr. BURTON of Indiana, Mr. DORNAN, Mr. BOEHNER, Mr. MANZULLO, Mr. ORTON, Mr. SUNDQUIST, Mr. KLUG, Mr. SOLOMON, Mr. STUMP, and Mr. KNOLLENBERG):

H.R. 1392. A bill to rescind unauthorized appropriations for fiscal year 1993; to the Committee on Appropriations.

By Mr. RICHARDSON (for himself, Mr. SCHIFF, Mr. FRANK of Massachusetts, Mr. FRANKS of Connecticut, Mr. OBERSTAR, Mr. RAMSTAD, Mr. McDERMOTT, Ms. ROYBAL-ALLARD, Mr. BATEMAN, Mr. BACCHUS of Florida, Mr. NEAL of North Carolina, Mr. TOWNS, Mr. REYNOLDS, Mr. ANDREWS of New Jersey, Mr. SANDERS, Mr. DEUTSCH, Mr. KREIDLER, Mr. COLEMAN, Mr. LEVIN, Mr. LAFALCE, Mr. INGLIS, Mr. GENE GREEN, Mr. DORNAN, and Mr. PETRI):

H.R. 1393. A bill to amend the Internal Revenue Code of 1986 to provide that the luxury excise tax shall not apply to certain equipment installed on a passenger vehicle for the use of disabled individuals; to the Committee on Ways and Means.

By Mr. STUPAK:

H.R. 1394. A bill to improve coordination of National Oceanic and Atmospheric Administration Great Lakes activities; to the Committee on Merchant Marine and Fisheries.

By Mr. HAMILTON:

H.J. Res. 155. Joint resolution designating October 6, 1993, and October 6, 1994, each as "German-American Day"; to the Committee on Post Office and Civil Service.

By Mr. YATES:

H.J. Res. 156. Joint resolution concerning the dedication of the U.S. Holocaust Memorial Museum; jointly, to the Committees on House Administration and Natural Resources.

By Mr. GILMAN (for himself, Mr. MANTON, Mr. ACKERMAN, Mr. BLUTE, Mr. DORNAN, Mr. FALEOMAVAEGA, Mr. KENNEDY, Mr. McDERMOTT, Mr. NEAL of Massachusetts, and Mr. TOWNS):

H.J. Res. 157. Joint resolution to designate September 13, 1993, as "Commodore John Barry Day"; to the Committee on Post Office and Civil Service.

By Mr. DORNAN (for himself, Mr. HANCOCK, Mr. BURTON of Indiana, Mr. SMITH of New Jersey, Mr. HYDE, and Mrs. VUCANOVICH):

H.J. Res. 158. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right to life; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 36: Mr. FISH.

H.R. 39: Mr. SCHUMER, Mr. MORAN, Mr. COOPER, Ms. ENGLISH of Arizona, Mr. NEAL of North Carolina, Mr. FRANK of Massachusetts, Mr. McHALE, Mr. STARK, Mr. KOPETSKI, Mr. ANDREWS of Maine, Ms. NORTON, Mr. EDWARDS of California, Mr. PAYNE of New Jersey, Mr. RAHALL, and Mr. BORSKI.

H.R. 55: Mr. BROWN of California.

H.R. 93: Mr. BURTON of Indiana, Mr. LIGHTFOOT, Mrs. BENTLEY, Mr. BREWSTER, Mr. CALVERT, Mr. COMBEST, Mr. MANZULLO, Mr. MYERS of Indiana, Mr. REGULA, Mr. SCHAEFER, Mr. SHAW, Mr. SKEEN, Mr. SMITH of New Jersey, Mr. SPENCE, Mr. THOMAS of California, Mr. KIM, and Mr. HEFLEY.

H.R. 100: Mr. FRANKS of New Jersey.

H.R. 113: Mr. HAYES.

H.R. 146: Mr. ARMEY.

H.R. 147: Mr. ARMEY.

H.R. 214: Mr. PAYNE of Virginia.

H.R. 300: Mrs. LLOYD and Mrs. THURMAN.

H.R. 306: Mr. TALENT.

H.R. 328: Mr. MANTON, Mr. McDERMOTT, Mr. STUPAK, Mr. ANDREWS of New Jersey, Mr. EVANS, Ms. MALONEY, Mr. KLINK, and Mr. OBERSTAR.

H.R. 340: Mr. HEFLEY, Mr. SAWYER, Mr. GRAMS, Mr. BILBRAY, and Ms. WOOLSEY.

H.R. 349: Mr. BOEHNER.

H.R. 410: Mr. DELAY, Mr. LINDER, and Mr. CLINGER.

H.R. 412: Ms. FOWLER and Mr. KINGSTON.

H.R. 419: Mr. YATES, Mrs. MORELLA, and Mr. TUCKER.

H.R. 429: Mr. PAXON, Mr. HANSEN, and Mr. BAKER of Louisiana.

H.R. 437: Ms. WOOLSEY.

H.R. 438: Ms. SLAUGHTER.

H.R. 493: Mr. MOORHEAD.

H.R. 518: Mr. SMITH of New Jersey, Mr. MORAN, Mr. PORTER, Mr. RICHARDSON, Ms. ROYBAL-ALLARD, and Mr. BORSKI.

H.R. 546: Mr. CRAMER, Mr. STRICKLAND, and Mr. HINCHEY.

H.R. 549: Mr. KLUG, Mr. ALLARD, Mr. GOODLATTE, Mr. McMILLAN, and Mr. HEFLEY.

H.R. 551: Mr. HENRY, Mr. TOWNS, Mr. SUNDQUIST, Mr. GUNDERSON, Mr. PAXON, Mr. STENHOLM, Mr. HANCOCK, Mr. DREIER, Ms. LOWEY, and Mr. BORSKI.

H.R. 556: Mrs. ROUKEMA.

H.R. 557: Mrs. ROUKEMA.

H.R. 576: Mr. BISHOP.

H.R. 635: Mr. SCHIFF and Mr. BAKER of Louisiana.

H.R. 667: Mr. McMILLAN, Mr. HYDE, Mr. PAXON, Mr. WALKER, and Mr. BEVILL.

H.R. 682: Ms. DELAUNO, Mr. PAXON, Mr. KOPETSKI, and Mr. ANDREWS of Maine.

H.R. 723: Ms. SHEPHERD, Mr. TAYLOR of Mississippi, Mr. DORNAN, Mr. ZIMMER, and Mr. MCKEON.

H.R. 790: Mr. CONYERS and Mr. SANTORUM.

H.R. 822: Mr. BLACKWELL, Mr. HINCHEY, and Mr. UNDERWOOD.

H.R. 823: Mr. STARK, Mr. FRANK of Massachusetts, Mr. PETERSON of Minnesota, Mr. STRICKLAND, and Mr. HYDE.

H.R. 863: Mr. MCINNIS, Mr. BAKER of Louisiana, Mr. LIGHTFOOT, Mr. GALLEGLY, and Mr. ALLARD.

H.R. 875: Mr. KINGSTON.

H.R. 885: Mr. BAKER of Louisiana, Mr. JACOBS, Mr. OXLEY, Mr. BAKER of California, Mr. ALLARD, Mr. GOODLATTE, Mr. BATEMAN, Mr. HANCOCK, Mr. SCHIFF, Mr. WELDON, Mr. BEREUTER, Mr. GOSS, Mr. KLINK, Mr. LIVINGSTON, Mr. MCHUGH and Mr. ARMEY.

H.R. 915: Mr. LEHMAN, Mrs. MEEK, and Mrs. LLOYD.

H.R. 921: Mr. BECERRA, Mrs. SCHROEDER, Mr. BARRETT of Wisconsin, and Mrs. MEEK.

H.R. 959: Mr. FORD of Michigan, Ms. FURSE, Mr. FISH, Mr. BERMAN, Mr. ROMERO-BARCELO, and Mr. HINCHEY.

H.R. 986: Mr. BLACKWELL.

H.R. 996: Mrs. MINK.

H.R. 1002: Mr. SCOTT.

H.R. 1036: Mr. WAXMAN, Mr. DELLUMS, and Mr. ROEMER.

H.R. 1067: Mr. HILLIARD, Mr. HUFFINGTON, and Mrs. MEYERS of Kansas.

H.R. 1076: Mr. RAHALL, Mr. SUNDQUIST, Mr. WELDON, Ms. BYRNE, Mr. DUNCAN, and Mr. BLACKWELL.

H.R. 1114: Mr. FISH, Ms. THURMAN, and Mr. ROMERO-BARCELO.

H.R. 1161: Mr. NATCHER.

H.R. 1164: Ms. BYRNE and Mr. NEAL of Massachusetts.

H.R. 1188: Mr. REYNOLDS.

H.R. 1254: Mr. WASHINGTON, Mr. LEWIS of Georgia, and Mr. JEFFERSON.

H.R. 1313: Mr. MOORHEAD.

H.R. 1322: Mr. TAYLOR of Mississippi, Mr. COPPERSMITH, Mr. PRICE of North Carolina, and Mr. ROWLAND.

H.J. Res. 4: Mr. BLUTE, Ms. DUNN, Mr. ARMEY, Mr. HERGER, Mr. FRANKS of New Jersey, Mr. INHOFE, Mr. FIELDS of Texas, Ms. PRYCE of Ohio, and Mr. GOODLATTE.

H.J. Res. 61: Mr. CLINGER, Mr. DELAY, Mr. DOOLITTLE, and Mr. SAM JOHNSON of Texas.

H.J. Res. 79: Mr. BEVILL, Mr. LIPINSKI, Mr. MCCLOSKEY, Mr. PICKETT, Mr. TOWNS, and Mr. WOLF.

H.J. Res. 80: Mr. ACKERMAN, Mr. BEVILL, Mr. BLUTE, Mr. JACOBS, Mr. KING, Mr. LIPINSKI, Mr. MCCLOSKEY, Mr. PICKETT, Mr. ROMERO-BARCELO, Mr. TOWNS, and Mr. WOLF.

H.J. Res. 94: Mr. FRANKS of Connecticut, Mr. HILLIARD, and Mr. SHAYS.

H.J. Res. 118: Mr. LEVIN, Mr. BORSKI, Mr. DEFazio, Mr. FALEOMAVAEGA, Mr. FILNER, Ms. EDDIE BERNICE JOHNSON, Mr. LANCASTER, Mr. MARTINEZ, Mr. McDERMOTT, Ms. NORTON, Mr. PAYNE of New Jersey, Mr. RANGEL, and Mr. CAMP.

H.J. Res. 119: Mr. STUPAK, Mr. FILNER, Mr. FROST, Mr. HUGHES, Mr. LANCASTER, Mr. LEHMAN, Mr. McNULTY, Mr. RANGEL, Mr. SERRANO, Mr. TOWNS, Mr. SANDERS, Mr. REGULA, Mr. SOLOMON, and Mr. WALSH.

H.J. Res. 120: Mr. SLATTERY, Mr. REGULA, Mr. HANSEN, Mr. HUTCHINSON, Mr. TAUZIN, Mr. CARDIN, Mr. BARLOW, Mr. INHOFE, Mr. GOODLING, Mr. VOLKMER, Mr. MARTINEZ, Ms. FURSE, Mr. NATCHER, and Mr. HEFNER.

H.J. Res. 142: Mr. PICKETT.

H.J. Res. 148: Mrs. VUCANOVICH, Mr. REYNOLDS, Mr. TOWNS, Ms. MEEK, Mr. PALLONE, Ms. FURSE, Mrs. LLOYD, Mr. TUCKER, Mr. LANTOS, Mr. SWETT, and Mr. HUTCHINSON.

H. Con. Res. 5: Mr. ACKERMAN.

H. Con. Res. 14: Mr. PAYNE of New Jersey, Mr. SANGMEISTER, Mr. ANDREWS of New Jersey, Mr. HALL of Ohio, Mr. WALSH, Mr. BRYANT, Mr. KASICH, Mr. MURTHA, Mr. LAZIO, Mr. GILLMOR, Mr. MILLER of California, Mr. SPENCE, Mrs. MORELLA, Mr. BROOKS, Mr. LIPINSKI, Mr. EVANS, Mr. VALENTINE, Mr. FIELDS of Texas, Mr. HOCHBRUECKNER, Mr. SANDERS, Mr. JEFFERSON, Mr. BORSKI, and Mrs. THURMAN.

H. Con. Res. 15: Mr. ACKERMAN and Mr. WASHINGTON.

H. Con. Res. 52: Mr. SANDERS, Ms. NORTON, Mrs. ROUEMA, Mr. REED, Mr. COLEMAN, Mr. KREIDLER, Mr. ABERCROMBIE, Mr. ANDREWS of Maine, Mr. FAZIO, Mr. KENNEDY, Mr. MILLER of California, Mr. MINETA, Mr. PETERSON of Florida, Mr. SWETT, and Mr. WHEAT.

H. Con. Res. 61: Mr. NEAL of Massachusetts, Mr. DELLUMS, Mr. ENGEL, Mr. ACKERMAN, Mr. WYNN, Mr. MURPHY, Mr. MENENDEZ, Mr. CLYBURN, Mr. UNDERWOOD, Mr. SLATTERY, Mr. TORKILDSEN, Mr. GUTIERREZ, and Mr. MEEHAN.

H. Res. 13: Mr. SAXTON and Mr. LIPINSKI.

H. Res. 40: Mr. REYNOLDS, Mr. WASHINGTON, Mr. CONYERS, and Mr. YATES.

H. Res. 47: Mr. HYDE, Mr. SMITH of Oregon, Mr. CRAPO, Mr. POMBO, Mrs. JOHNSON of Connecticut, Mr. PETRI, Mr. THOMAS of Wyoming, Mr. OXLEY, Mr. MCHUGH, Mr. HUNTER, Mr. WELDON, Mr. MCKEON, Mr. LEWIS of Florida, Mr. BARRETT of Nebraska, Mr. GREENWOOD, and Mr. ARMEY.