ADJOURNMENT TO MONDAY, NOVEMBER 6, 1995

Mr. ARMEY. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at noon on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

HOUR OF MEETING ON TUESDAY, NOVEMBER 7, 1995

Mr. ARMEY. Mr. Speaker, I ask unanimous consent that when the House adjourns on Monday, November 6, 1995, it adjourn to meet at 12:30 p.m. on Tuesday, November 7, for morning hour debates.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. ARMEY. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

□ 1500

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. NETHERCUTT). Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

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

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

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

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

THE DEMOCRATS: AFRAID THE PARTY IS OVER?

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

Mr. SCARBOROUGH. Mr. Speaker, earlier this morning I was amused by what I heard from many of the Members on the Democratic side coming up and talking about how off base the new Republican majority was in planning to balance the budget and cut taxes. We heard one Member come up and say it was going to be the end of the Republican party; that they were going to pay, because they were absolutely outraged at these tax cuts that we were forcing on the American people.

Another Member came up and said that he was proud of what they did in 1993, that they helped bring down the debt, and that the Republicans were being mean-spirited because these tax cuts would hurt senior citizens, these tax cuts would hurt middle-class Americans, these tax cuts would hurt everybody: dogs, cats, you name it. The Democrats think if you cut taxes, it is going to hurt all of America.

The facts are these: Americans are taxed more today than they have ever been. Those Members that came up, proud of what they did in 1993 and not liking what we are doing today, forgot to mention one thing. In 1993, the Democratic Party, without the help of one Republican vote, passed the largest tax increase in the history of America. What did that tax increase do to those senior citizens who they now claim to want to protect? It raised taxes on senior citizens. In fact, it stole money from senior citizens and their Social Security funds by raising the tax rate to 85 percent.

If that was not enough, if their assault on Social Security was not enough in the 1993 tax increase, they decided to make sure that seniors would be punished for being productive. So what did they do? They lowered the earnings level from $34,000 to $14,000. Heaven forbid that our senior citizens dare to make a positive impact on our economy after they retire and get on Social Security.

I tell you, they talk about wanting to help the working class, and then they criticize tax breaks that are going to help the working class. Somehow they have not gotten past the old, worn-out 1960's radical notion that you can love jobs and you can love job creation, but you have to hate the person that creates the jobs. It makes absolutely no sense.

I guess all these Democrats coming out and kicking and screaming, saying no, please, please, save the American people from tax cuts; explain why on the cover of U.S. News and World Report this week there is a story that says ''The Democrats: Is the Party Over? They know they are in trouble, and it is even worse than they think.''

I would suggest that one of the reasons that the party is over for the liberal Democratic Party in America is because they have consistently been enemies of working-class Americans. They have consistently voted for higher and higher taxes. Any Democrat you hear speaking today on the budget most likely voted in 1993 for the largest tax increase in the history of America.

Despite what they say about wanting to protect senior citizens' wages and wanting to protect Medicare and wanting to protect Social Security, facts are a hard thing to shake. The fact is, it was the Democratic Party that voted to raise taxes on senior citizens and on Social Security recipients. How they can come up 2 years later with a short memory and criticize the Republican Party in the most just absolutely extreme terms imaginable is beyond me. They call us Nazis because we want to preserve and protect Medicare.

My gosh, the spokesman for the President of the United States said we wanted Medicare to die and probably wanted senior citizens to die, also. This is not the talk of a rational party, this is the talk of people who know that the curtain is coming down on 40 years of the most radical governing concepts that have ever invaded Washington, DC. We are moving beyond that, we are daring to make a difference, we are daring to empower American taxpayers and the middle class again. That is what we do. Hopefully the Democrats will come on board.

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Georgia [Ms. MCKINNEY] is recognized for 5 minutes.

[Ms. MCKINNEY addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

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

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

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio [Ms. KAPTUR] is recognized for 5 minutes.

[Ms. KAPTUR addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

CONTINUATION OF REPORT INTO TAXPAYER SUBSIDIZED LOBBYING IN WASHINGTON, DC

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

Mr. MCINTOSH. Mr. Speaker, I wanted to continue our report on the Subcommittee on Regulatory Relief's investigation into taxpayer—subsidized lobbying that goes on here in Washington. Most recently, our subcommittee has uncovered a group known as the National Council of Senior Citizens that receives 95 percent of its funding, or $73 million, from the taxpayer each year.

The NCSC, as it is known, is organized as a nonprofit 501(c)4 corporation. It gets its grant money mainly to operate programs that are to benefit senior

citizens, including the senior community employment program, and the chairman of the subcommittee who has oversight over that program, the gentleman from California, Mr. DUKE CUNINGHAM, this morning announced that the GAO had done an investigation into the NCSC and various groups who administer those programs and found that they had been misdirecting much of the taxpayer money to pay for their Washington operations, and that this misuse of the taxpayer funds was leading the gentleman from California to say that we need to fundamentally redo this program.

Part of what happens with the NCSC is that they have set up a Political Action Committee. That Political Action Committee, or PAC, spent $400,000 in the last 4 years giving contributions to candidates who were running for President, for Senate, and the House of Representatives. Remember, this is the group that receives 95 percent of its money from the Federal Government. They have set up a Political Action Committee. It is virtually an extension of the Federal Government.

If you think about it, would we want to have the IRS setting up a Political Action Committee, or the Treasury Department setting up a Political Action Committee, or maybe OSHA setting up a Political Action Committee? I do not think so. The taxpayer would not put up with that. That is virtually what is happening with this group here.

Even more disturbing to me was the notion of how they raised their funds from the private sector. In our investigation we discovered that in one of their housing projects for senior citizens who are on low income, they send out letters from the management urging them to pay dues to the NCSC. I want to read to the American people from a letter from one of the management in the Robert Sharp Towers in Florida.

It says to the members of that housing unit, all of whom are senior citizens, who are retired, living and barely subsisting on Government pensions or Social Security, the letter says:

There are many reasons for joining the NCSC. First of all, you have the privilege of living in these beautiful buildings, protected with security, free from financial worries of high rent and big raises.

Then it goes on to say:

The NCSC is well known and a powerful national organization, with political clout in Washington. To carry on, the organization needs money for these worthwhile projects, such as lobbying and letter writing, which take paper, stamps, envelopes, and hard work. Dues are payable June 1.

The message is, if you want to st ay in this senior housing project, you had better pay your dues to the NCSC. That type of intimidation I think is unconscionable. It goes to fund lobbying efforts by this group to spend more taxpayer dollars, and it is something, quite frankly, that we should no longer allow to occur in this Congress.

I will submit for the RECORD, Mr. Speaker, a copy of that letter, along with a recent policy statement by the NCSC saying that as of October 13, when we brought this matter to their attention, they are no longer allowng their management staff to issue such letters recruiting funds from their senior housing members, thereby admitting that it is a disastrous idea to have that conflict of interest.

The material referred to follows:

ROBERT SHARP TOWERS, NCSC HOUSING MANAGEMENT CORP.,
Miami, FL, June, 1995.

DEAR TENANT: All TENANTS are asked to become Members of the NATIONAL COUNCIL OF SENIOR CITIZENS (N.C.S.C.).

The Dues are $12.00 a year for an individual or a couple and can be paid in the office.

The N.C.S.C. is responsible for building ROBERT SHARP TOWERS, and have always been active in Benefits for SENIOR CITIZENS—Social Security, Medicare, Senior Aide Program.

There are many Reasons for joining N.C.S.C.

First of all you have the privilege of living in these beautiful buildings, protected with Security, and free from financial worries of high rent and big rates, which people are forced to pay in privately-owned apartments.

The N.C.S.C. is well-known and powerful National Organization with political clout in Washington. To carry on, the Organization needs money for these worthwhile Projects such as Lobbying and letter writing, which takes paper, stamps, envelopes and hard work.

Dues are payable the First of JUNE.

Please cooperate and pay your $12.00 DUES as soon as possible.

Sincerely,

MARJORIE MCDONALD,
Manager.

NCSC TALKING POINTS FOR HOUSE FLOOR, PREPARED FOR CONGRESSMEN MCINTOSH, ISTOOK, HAYWORTH—NOVEMBER 2, 1995

NCSC received 95% of its annual budget ($73 million) from government grants last year.

NCSC is a 501(c)(4) non-profit organization.

NCSC gets most of grant money to provide jobs to low-income seniors through a program called the Senior Community Service Employment Program (SCSEP), which is funded under Title V of the Older Americans Act and administered by the Department of Labor.

Half of NCSC's Annual Report for 1994 is dedicated to its political and legislative activity. Only four pages are dedicated to its job programs.

NCSC's PAC made $405,000 in contributions in the last 4 years to Presidential, House and Senate candidates.

NCSC is participating in a labor-based coalition that is directing a multi-million dollar TV ad campaign against Congress' efforts to balance the budget and save Medicare.

One of NCSC's wholly-owned subsidiaries—the NCSC-Housing Management Corporation—operates dozens of seniors' housing projects nationwide. In one of these projects—the Robert Sharp Towers in Miami—the NCSC threatened to take away housing if tenants refused to pay NCSC dues.

[NCSC's THREATENING LETTER IS ATTACHED].

When NCSC was confronted with this letter in October 1995, it is immediately adopted a policy prohibiting its employees from soliciting tenants to join NCSC.

[NCSC's NEW POLICY IS ATTACHED (policy is in italic)].

A recent GAO Report cites NCSC, along with 9 other groups, for improperly spending $20 million in SCSEP grant funds on excessive administrative expenses.

McIntosh, Cunningham and Hayworth held a press conference this morning [SEE ATTACHED PRESS RELEASE] to focus attention on these outrages, and to call for:

(1) block granting Title V funds to the states to eliminate groups like NCSC that do nothing but waste money on administrative expenses; and

(2) adopting the Istook/McIntosh/Ehrlich/Simpson/Craig amendment to the Treasury Postal Appropriations Bill to end welfare for lobbyists like NCSC.

Section III

SITE STAFF RESPONSIBILITIES

3–3 It is not intended that the members of the Board of Directors of the Owner Corporation implement the various daily administrative operations of the property where a Managing Agent has been contracted for such purposes. Dependent upon the extent of Board involvement in the property, many policy and procedural aspects necessary for the operation of the property are delegated to the Managing Agent. However, in all instances, the staff employed for the property are responsible to the Site Manager who, in turn, is responsible to the Property Manager and/or representatives where designated.

As the Managing Agent, NCSC–HMC expects from Site staff the utmost care and respect to be given all residents and the general public in dealing with site activities. Questions asked of you by the residents must be answered promptly and politely. If you cannot provide an accurate response, bring the question or issue to the attention of the Site Manager/Property Manager for a response.

Volunteers who work under the direction of the Site Manager should regularly convene, as should other site staff, to work out problems, bring themselves up-to-date on procedures, and to offer recommendations to NCSC–HMC on improving the conditions existing within the property.

Only authorized site staff are permitted to handle the property funds, Resident records and matters regarding sensitive property issues, (e.g., recertification/verifications, etc.). Should you have a question with respect to your role as an employee, do not hesitate to bring the matter to the attention of your immediate supervisor.

Managers and all staff of properties are prohibited from soliciting for membership, products or services to be purchased by tenants. Managers and all staff are prohibited from sending out informational material utilizing project stationary or signing such solicitation utilizing your title as manager. Any violation of this policy will result in severe disciplinary action.

CONGRESSMAND DAVID M. MCINTOSH,
Washington, DC, November 2, 1995.

MCINTOSH BLASTS LOBBYING GROUP NCSC FOR INTIMIDATING OLDER AMERICANS

WASHINGTON—Leading the drive in the House to end taxpayer subsidies to lobbyists who launder those funds for political activities, freshman Rep. David McIntosh, R-Ind., on Thursday blasted a taxpayer-subsidized lobbying group for intimidating seniors into paying dues to that group.

The National Council of Senior Citizens receives 95 percent of its annual budget, or $73 million, in taxpayer grants—making it virtually an arm of the federal government. One of its subsidiaries, the NCSC-Housing Management Corp., operates dozens of seniors' housing projects nationwide. In one housing project, Robert Sharp Towers in Miami, the NCSC threatened to take away seniors' housing if they refused to pay NCSC dues.

In a June letter to residents of Robert Sharp Towers, NCSC asked for membership dues (see attached letter). The letter also said benefits of NCSC membership include ''the privilege of living in these beautiful buildings . . . free from financial worries of high rent and big raises, which people are forced to pay in privately-owned apartments.''

McIntosh said the letter is the worst form of intimidation and prays upon vulnerable senior citizens who depend on NCSC for housing.

''The message to seniors from this thinly veiled threat is clear—either pay NCSC dues or you're out on the street,'' McIntosh said. ''Not only is NCSC using our tax dollars to pay for its lobbyists, but it also is threatening and coercing vulnerable older Americans—and that's an outrage.

''While taking more than $73 million from taxpayers, NCSC lobbies, operates a PAC to make political contributions and buys advertising against congressional efforts to balance the budget. The activities of NCSC are a scandal and an affront to every taxpayer because we're the ones subsidizing NCSC's lobbying and intimidation—taxpayers are subsidizing welfare for lobbyists.''

Each year the government hands out as much as $160 billion in taxpayer grants to thousands of nonprofit groups. While many of these groups do charitable work that benefits society—feeding the poor, housing the homeless or cleaning the environment—others engage in highly sophisticated lobbying and political advocacy. And some nonprofits even do their lobbying at taxpayers' expense.

During the last six months, the House Government Reform and Oversight subcommittee on Regulatory Affairs—on which McIntosh serves as chairman—has held four hearings into the money laundering of taxpayer funds for Washington lobbyists. Each hearing has been a window into the world of high-powered Washington lobbying and the lengths to which some lobbyists will go to hide their taxpayer subsidy.

On the NCSC, McIntosh has found that while taking in $73 million in taxpayer grants NCSC also operates an aggressive political action committee that during the last four years has made $405,000 in contributions to candidates for the House and Senate. NCSC also is participating in a labor-based coalition—comprised of other lobbyists that also receive taxpayer grants—that is directing a multi-million dollar television advertising campaign against congressional efforts to balance the budget and save Medicare. The ads include attacks against specific lawmakers.

In an investigative series on lobbying by taxpayer-financed groups, the New York Post reported last month that the ''first 15 pages of its (NCSC's) 32-page annual report detail NCSC's extensive 'advocacy' activities, including * * * lobbying for Clinton's health care plan and against the balanced budget amendment.''

The Post also highlighted the NCSC housing subsidiary and the motivation for its lobbying: ''The NCSC successfully fought cuts in a program especially important to its bottom line: the Section 202 federal housing subsidy for seniors, which brings in tens of millions to its subsidiary, NCSC-Housing Management Corp.''

Mrs. SCHROEDER. Mr. Speaker, will the gentleman yield?

Mr. MCINTOSH. I yield to the gentlewoman from Colorado.

Mrs. SCHROEDER. One of the questions I had, Mr. Speaker, to the gentleman, as the gentleman knows, I offered an amendment similar to his, vis-a-vis the military-industrial complex contractors and other people who, really, 100 percent of their money was coming through the Federal Government through contracts. As you know, they also send out letters to their management saying everyone must give, they must give cheerfully, and they must give to the following people, and so forth. That went down.

Can the gentleman tell me, what is the distinction between the charitable nonprofit side and these for profits?

Mr. MCINTOSH. Mr. Speaker, I ask unanimous consent to continue for 1 additional minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. MCINTOSH. Mr. Speaker, the key difference there is that contractors are already covered by Government regulations and have very strict limits on what they can do for lobbying. There has also been a misunderstanding about our bill. It is not only applying to charities and nonprofit groups, but also to for-profit groups, including Government contractors when they receive grants, such as research grants. So the gentleman from Colorado [Mr. SKAGGS], who does not agree with our legislation, pointed out that many businesses would be limited by our bill in how much lobbying that they could in fact do.

Let me, if I might ask the gentlewoman, if we incorporated her provision into the bill, would she then be able to work with me to try to get this passed?

Mrs. SCHROEDER. Mr. Speaker, if the gentleman will continue to yield, one of the reasons I offered this is because I think it is unbelievable we are going after the Girl Scouts and not after the Lockheeds and the big military people. I am shocked at the people who voted to go after the Girl Scouts, but not to go after that. I think we ought to be evenhanded. I would prefer we go after neither.

Mr. MCINTOSH. Let me say, Mr. Speaker, we are not going after the Girl Scouts.

THE EFFECT ON THE AMERICAN PEOPLE OF THE POTENTIAL CRISIS IN THE BUDGET AND CUTS IN SOCIAL PROGRAMS

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

Ms. JACKSON-LEE. Mr. Speaker, we come to this podium to raise several issues, and so many are before us. I do think in terms of the philanthropic limitations on pressing their points, we do trample on constitutional rights of first amendment speech when we deny the Boy Scouts and Girl Scouts and United Way to press their issues before the U.S. Congress. I hope we will consider that.

What I would hope that we would also consider as we proceed this week is to not talk about Democrats and Republicans, frankly, but really to talk about the American people and the potential crisis that we are not facing in light of some very argumentative language and mean-spirited language about holding this country hostage, about train wrecks and refusing to lift the debt ceiling, which for many people might sound extremely confusing, but we are not at a point with a budget reconciliation proposal, dominated and proposed by the Republican majority, that cuts $270 billion from Medicare and $182 billion from Medicaid, cuts education, training, and cuts the opportunity for research and development, clearly not a direction this country should go in as it relates to the needs for our young people to be educated, cutting and burdening our students in colleges by increasing the amount of student loan payments they have to make by taxing them during the time they are in college.

We find that really, whatever persuasion the American people are, you will find now cited in the Wall Street Journal that 73 percent of Americans prefer smaller Medicare and education cuts over a 10-year budget.

No one is denying that there should be an opportunity to balance this budget. Most of us in our right mind are concerned about the future of this country, and those of us who have come from local government and State government, I have come from local government in the city of Houston, have balanced budgets. But it is patently unfair as the American people, these are not Democrats and Republicans, who have said 73 percent prefer a 10-year budget plan and much smaller cuts, because they know what they will face as working Americans when their children who are in college, whether it be community college or whether it be a 4-year college or graduate school, will have interest accruing on their student loans. They understand what it means when we have cut 30 percent of research and development, the very crux of creating jobs in America for those who come out with their diploma and are told that there is no employment. They, frankly, know what it means when 61 percent ask for the President of the United States, as I have done by way of a letter to him, to veto this Budget Reconciliation Act.

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My challenge and charges to the Republican majority and to the Speaker is that we should not hold this Nation hostage with respect to the debt ceiling. We have bonds that may be in default, we have the potential for mortgage rates to go up over this period of time, car payments to go up over this period of time, and we are facing a crisis that will not allow us, frankly, to consider the concerns of Americans.

I have to look at, in the summer of 1996 in Houston, TX, the loss of some 6,000 summer jobs for our young people.