

Again, Mr. Speaker, we would simply ask the President of the United States to join with us and govern, to set the stage for a balanced budget in 7 years, because the American people deserve nothing less.

Mr. SMITH of Michigan. Mr. Speaker, I would like to compliment the gentleman from Connecticut [Mr. SHAYS] for organizing this special order and would ask for his conclusion.

Mr. SHAYS. Mr. Speaker, I thank the gentleman. I know we have about 2 minutes left, and the bottom line is that what is not negotiable is getting our financial house in order within at least 7 years and to use real numbers scored by the Congressional Budget Office.

We are not saying the President has to accept our budget. We are eager to see his budget and then work out where our differences are. Obviously, we will have our differences. People have said to me this must be kind of tough being down in Washington, the polls are somewhat negative about what is going on both to the President and the Congress, even more so to the Congress. And I have responded in a like response to say we are doing some heavy lifting.

I am proud of what we are doing. If we just looked at the polls, I am reminded of thinking if Abraham Lincoln had looked at polls we would not be one Nation under God, indivisible, we would be two nations. When President Lincoln was bringing about change and fighting the great conflict, his poll ratings were, according to historians, practically nonexistent. He was considered a bumbler. He had to be snuck into the city. Ultimately, it was not until the fourth year people began to realize the significance of what was taking place.

The bottom line for us is we are going to get our financial house in order. We will do it ultimately, I think, on a bipartisan basis. We will do it with an extended hand, as the gentleman has pointed out, but we are determined. We have left the old world for the new world, and we are not going back to the old world. We burned our ships. We are either going to succeed or fail, but we are not going to return to business as usual.

With that I thank my colleagues who have joined us and thank you, Mr. Speaker, for your attention and your willingness to preside over this.

#### THE BUDGET NEGOTIATION PROCESS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from New York [Mr. OWENS] is recognized for 60 minutes as the designee of the minority leader.

Mr. OWENS. Mr. Speaker, as we have heard from previous speakers, the countdown has begun on the budget negotiation process. It is a countdown of greater significance than we have ever experienced probably in the history of

the Nation. It is a countdown to the remaking of America.

We are not just talking about budgets and appropriations. We are talking about a drastic overhaul, a remaking of America. We are not just talking about reforms, we are talking about destruction. We are talking about the wrecking ball that has to precede any rebuilding that may take place.

As we move toward December 15, we have gone through a period where a gun was held at the head of the American Government. The Republican majority refused to allow a continuing resolution to go forward until it extracted certain promises from the Democratic President in the White House. That is a most unfortunate way to proceed.

The general way of proceeding is to have appropriations bills passed, the President acts on those, Congress reacts, and we go through an orderly constitutional process. But a crisis was created this time and we have gone through that, and now we have a new framework established. The new framework says that we have until December 15 to work out the budget process, and in the process we must adhere to certain parameters that have been established.

The framework is established. The environment for negotiations is set. We must negotiate within the parameters of the establishment of a balanced budget by the year 2002. In 7 years we must balance the budget. We must negotiate this. If we do not, we will not be able to continue the Government beyond December 15. The same kind of crisis that was artificially created a week ago will be recreated. So we are negotiating with a psychological bomb threat hovering over the process.

Is this a logical and scientific way to remake America? No, but it is the conditions that have been set by people who have enormous amounts of power, and the process goes forward. The engagement is on now. The engagement is between the Democratic President and a Republican controlled Congress. The crisis in a revolutionary atmosphere has been created artificially and does not improve the decisionmaking process. We cannot expect a better America to emerge under the kind of atmosphere that has been created, a kind of bomb threat hovering over.

I do not think the decisionmaking is going to be the best that we are capable of. I do not think the decisionmaking is going to be the kind of decisionmaking that the American people deserve, but that is the crisis and the revolutionary atmosphere that has been created.

Those that have created the crisis obviously do not trust a rational step-by-step decisionmaking process. They do not agree with the process. They think that we have to have a crisis, we have to have a bomb threat hovering over the process. They are intellectual cowards who have nothing but contempt for the deliberative process of democ-

racy, but they are in power. They have created the situation. That is the way it has to go forward as we count down toward December 15.

Reform is not on the agenda of this controlling group. The Republican majority is not interested in reform. They talk about reform. They come to us in the clothing of reform, in the camouflage of reform, but what they really mean is they want to wreck and destroy. Wrecking and destroying is on the agenda of the Republican controlled Congress. They want to wreck what has been put together over the last 60 years. They want to wreck Franklin Roosevelt's New Deal. They want to wreck Lyndon Johnson's Great Society.

□ 2145

They want to wreck Medicare. They do not really want to save Medicare. There are quotes which clearly show that they never believed in Medicare. The Republican votes were never there.

Medicare was created 30 years ago. It is an infant program. In the life of nations, 30 years is a very short period of time. But now, Medicare must be slowly strangled. The reforms are not to save Medicare. It is hoped that Medicare, "would wither on the vine."

There are other people that felt that Medicare was an idea that never worked anyhow, so the fact that they are attempting to make drastic cuts in Medicare now should surprise no one. It is logical. They are wrecking and destroying.

The original Contract With America came camouflaged in the clothing of reform, but destruction is the objective. Destruction is the goal, and destruction is the mission of the present Republican-controlled Congress.

The framework has been established. The countdown has begun. But each American voter, each constituent out there is not condemned to merely be a spectator. They do not have to be merely a spectator in this process. Their common sense has a vital role to play. Their common sense is already having a profound impact here in the distorted world of Washington decisionmaking.

I want to thank the American people for raising their voices. I want to thank them for letting it be known that they can clearly understand the language of political used car salesmen. They can understand when they are being swindled. The public is far more intelligent than a lot of the professional decisionmakers here in Washington. I want to thank the American public.

There are people who say that, "Well, things are improving." Unfortunately, some within the Democratic Party. They say, "Things are improving, and the public is coming around to seeing things the way Democrats see them and, therefore, we should lower our voices and we should not be shrill."

Mr. Speaker, I do not understand that reasoning at all. I think that raising voices has led to American voters

listening to each other. It has led to citizens out there waking up to the dangers that exist. It is not by accident that the polls now show that more than 60 percent of the American people do not want the cuts being proposed by the Republican majority in Congress. More than 60 percent. More than 70 percent do not want the Medicare and Medicaid cuts.

Common sense is prevailing. People raised their voices and they heard each other. I do not think anybody wants to be shrill unnecessarily. For God's sake, understand what is at stake here. For the sake of the American people, for the sake of our families and our children, and for the sake of the greatest Nation that ever existed in the history of the world, it is necessary to raise our voices, wake each other up.

Common sense is going to play a major role in what happens here. Common sense is going to be at the table in the White House, if it is kept highly visible and if the polls continue to record the truth of what the American people think out there.

We have a problem and common sense will help us with that problem. We have a collision of visions. I heard this phrase used on the floor by one of my Republican colleagues. I do not remember exactly who the gentleman is, I cannot attribute it to him properly, but I liked what he said. I wrote it down. Definitely, there is a collision of visions.

We heard the speakers before talk about their vision of America and one of them said that the government does not create wealth. The government has not created wealth. It has no role. Workers create wealth.

I am glad the gentleman gave workers some credit. That is the first time I have heard workers being praised by that side of the aisle. Well, I would like to think that it is great that workers are given credit for the creation of wealth, but wealth is created by a number of different forces, and where there is no government, there is no wealth. Government is the key component of the preservation of wealth.

Where would America be if there were no government to put the armies in the field to defend the principles of capitalism and the principles of democracy? Where would America be if we had no government to protect private property; if there were no government to maintain the kind of conditions which make it possible for some men to labor in the fields and sweat and others sit in their offices and earn their living by their ability to think of new kinds of ideas, and others to sit in offices and invest the money of other people?

There is a whole range of activities that would not go on unless we had the government. When we had no control over the process of investment on Wall Street, we had the Great Depression brought on by the collapse of the stock market which was the result of no government, no government properly controlling.

Of course, in all the wars that have been fought where American soldiers, ordinary people, sons and daughters of ordinary people have gone out to fight, if they had not gone out to fight those wars, we would have a different world. We would not have a world where America is basically economically in command and basically in a position of great privilege and advantage. That position is not there because some individual was able to use his mind and his advantages and his opportunities to create individual wealth. It all goes together.

The Constitution had the focus of the idea of promoting the general welfare. Had the Constitution not made a commitment to facilitate the pursuit of happiness, we would have a different kind of America and a different kind of government, and a lot of the wealth that exists would not exist.

The government also, in many other ways, has developed wealth. Science, technology, the organization and management of human resources; if there had been no American research and technology initiatives, if they had not been monumental, no individual corporation, no individual person could have financed and organized the kind of research and technology which went into the effort to win World War II and to maintain the edge, the technological and scientific edge on the Soviet Union following World War II.

That great effort, all the research that developed radar and computerization and miniaturization and all the kinds of things that private industry now uses as a matter of fact and takes advantage of, all that wealth would not exist if it were not for government.

So, the vision of those who say that government is in the way, and government is the problem, and government does not create wealth, that vision has to be challenged. Because if we do not believe that government is important, then we are saying that the great majority of the people who live in this society under the government are not important. Only those who can fend for themselves and are lucky enough to have reaped the benefits of all the previous efforts of government are worthy of existing. There is a collision of visions, definitely. And there is a collision of values.

There is definitely a collision of values. The values of the Republican Majority go in the direction of abstract, hypothetical children of the future. They say,

We are going to save the children of the future from having to pay debts. We are going to crusade and pressure the present system. We are going to create a crisis. We are going to make children go hungry in the present, so that the hypothetical children of the future will not be saddled with hypothetical debts. We are not going to recognize the fact that wealth is increasing geometrically. We are going to focus, instead, on the fact that there are scarce resources and create an atmosphere where it is believed that resources are scarce and there is not going to be enough for everybody and, therefore, we

must squeeze the system and certain people will be squeezed out and thrown overboard.

There will not be enough for the elderly who need nursing homes and there will not be enough for all the children who need lunches. We are going to create a finite number of lunches available for poor children, and when that number runs out, then the rest will have to go hungry. We are going to subscribe to elitism.

The collision of values says that the Republican Majority believes that elitism is good for the country; a certain small minority has the right to control all the resources; they have a right to benefit from what is happening in America.

We have a great shift in wealth in America where a small percentage of the people control most of the wealth. That shift has gone on at an escalating rate. Great Britain used to be the place where the ratio of the wealthiest to the poorest was the greatest. They had this great divide between the wealthy and the poor. Now, America has taken over. It has surpassed all the other countries in that notoriety. The difference between the wealthiest Americans and the poorest Americans, their income, is greatest, and it is increasing at an alarming rate.

So, greed is good. If you have the value that greed is good and those that have the most should get the most and keep the most and not share and not even be bothered with a minimum amount of taxes; let the corporations continue to get away with paying the least amount of taxes, while individuals and families pay more and more taxes; then your value system certainly supports that of the Republican majority.

There is a collision. There are Democratic values which say we ought to have a minimum wage, as small as it may be. There are millions of people who are paid on the basis of that minimum wage and that minimum wage is way, way behind in terms of the cost of living. We only want to increase the minimum wage by 90 cents over a 2-year period and we cannot even get more than 110 cosponsors on the bill.

The Republican majority refuses to let it be discussed in committee. Increasing the minimum wage has not been discussed in my Committee on Economic and Educational Opportunities, which has jurisdiction. My Subcommittee on Workforce Protections has jurisdiction, but we cannot get the majority to even have a hearing on the minimum wage.

The value system is such that greed is great; those who have, let them have more. It has nothing to do with balancing the budget, by the way. Increasing the minimum wage does not impact on this great process of balancing the budget.

But, Mr. Speaker, the public is the savior of the situation, the American people, the voters out there. Their common sense should continue to be focused. They set their common sense against the monstrous blunders that continue to go on here.

Both Republicans and Democrats have to look over their shoulder and watch the polls. The polls reflect the common sense of the American people. As I said before, the polls have shifted. The polls show that the word is getting out. The double-talk is being understood. The used car salesmen are being exposed. The public's common sense will save us.

I urge those who are listening to continue to raise their voices and maintain a steady focus on the critical life-and-death situation that is taking place here. This is no ordinary congressional session. This is no ordinary year.

Keep focus on the budget. The Republican remaking of America is an appropriation and expenditure revolution. This is war without blood, but there will be many casualties through this process of the way we appropriate money and the way we expend money. Many people will suffer and die. The process is beginning to take place already.

So, Mr. Speaker, I say to those listening tonight, "Raise your voice and maintain your focus, because what is happening here is more important than anything else that is happening in America today, or anything else that is going to happen in a long time."

I think Bosnia is important and we must make some critical decisions about Bosnia, because our government is a part of a world of governments and we cannot exist as if we were on an island by ourselves. We have to deal with that situation. I am not saying it is not important, but nothing is more important than the budget negotiation process that has begun now between the Democratic White House and the Republican-controlled Congress.

Let common sense lead us to keep our eyes on the prize, and we should refuse to yield to any diversions. Between now and November 1996, "It's the budget, stupid." "It's the appropriations process, stupid." "It's the expenditure process, stupid."

How we spend the taxpayers' money is the issue of the 1996 campaign. The campaign for Members of Congress, the campaign for the Presidency, the campaign for the other body. That is the issue. Do not let anybody divert us from that issue. Keep the focus. Do not let Bosnia be used as a diversion. Do not let affirmative action, set-asides, voting rights be used as diversion. Do not let them abuse religion.

□ 2200

Come with a hypocritical focus on family values. We must not allow at this critical moment anybody to move away from the focus of the budget, the use of the American taxpayers' funds to provide for priorities that are determined by the American people. This countdown is everybody's business, and you can place yourself at the negotiation table. That is what I am trying to say. Keep your voices up, understand that you belong there. If you are not

there, then terrible things will happen that will affect you right away and will affect your children and grandchildren, posterity.

The framework is established, environment for negotiations is set. I am happy that the chief of staff of the White House hugged the chairman of the Committee on the Budget of the House of Representatives. I am happy that they hugged when this agreement was made and the parameters were set for the negotiations.

I wonder if we are not in a situation similar to that faced by the Greeks who made the Trojans happy when they said: Look, we are going to stop all this fighting and in order for us to show that we no longer have any animosity toward you, even though we came over here to take your gold and to plunder your fields and to do everything we could to enrich ourselves, we use family values as an excuse, somebody stole somebody's wife, so that was a great excuse, we did all that, we came over here. We have slaughtered your young people. We have killed your great hero, Hector. Now we have a stalemate. We would like to show you that we are no longer angry at you for all the terrible things you let us do to you. We want to give you a horse, and we have constructed a horse, and we will push it inside your walls.

So the Trojan horse was pushed inside the walls of the city of Troy. The Trojans who had fought against the awesome might of the Greeks for so long found themselves overcome by a situation where a few men slipped out, inside the Trojan horse slipped out, then locked the gates and all heck broke loose. Troy was sacked. Every male child was murdered, and so forth. The legend goes on and on.

I hope we understand that there is a danger that a Trojan horse is here, that the people who want to remake America are in a hurry to make a revolution and are not going to accept a mere balancing of the budget by standards that deal with accounting only. People who want to remake America want to destroy certain programs. They want to destroy aid to families with dependent children. They do not want to reform it.

The President came into office saying he wanted to reform welfare as we know it. But he did not say he wanted to destroy welfare. He did not say he wanted to destroy the part which deals with children. But we have now reached a point where the entitlement which says that every poor child who meets a certain criteria and shows that they are poor is eligible for Federal aid.

They have taken the entitlement away. Yes, the final has not been signed, it has not been, but on the President's desk, but the agreement was made. The agreement has been made by all who are concerned. We cannot bring back the entitlement for aid to families with dependent children. It is dead.

It is dangerous to expend a great deal of energy mourning for that entitlement because the entitlement for Medicaid is now on the table. I cannot stress it too much. The entitlement for Medicaid is on the table. The beast has devoured the entitlement for aid to families with dependent children. And now the beast is hungry. The taste of entitlements is too strong to resist. The beast wants to devour the Medicaid entitlement.

We have had discussions about trimming the budget and balancing the budget for the last 13 years. I have been in Congress for 13 years. Since my first year here, there was a classmate of mine named Tim Penny. His name has been used often in the last year. I saw his picture in the paper recently. Tim Penny is a part of a group that is trying to get together an independent run for the Presidency. So I take my hat off to Tim for his integrity. I take my hat off to Tim for his consistency. I take my hat off to him for his persistence, Tim Penny and the people who surrounded him and from the very beginning were pushing for more budget sense and wanting to trim the waste from the Federal Government and wanting to move toward a balanced budget.

Tim Penny always started his dialog by saying, we must trim the entitlements that are not means tested, the entitlements that are not means tested. He did not talk about the means tested entitlements. By means tested, I mean you have to show you are poor before you can qualify. You cannot get aid to families with dependent children unless you prove you are poor. You cannot get Medicaid until you have proven you are poor. Those are means tested entitlements.

I even think at one point our Budget chairman, Mr. KASICH, was a part of the same group. They always emphasized not going after the means tested entitlements. In the process of balancing the budget now and moving towards a balanced budget, all we hear about now is the destruction of the means tested entitlements, the destruction of aid to families with dependent children, an accomplished fact almost, and the destruction of the entitlement for Medicaid. We are not talking about the entitlement for farm subsidies, various farm credit programs, farmers' mortgage, all kinds of programs out there which go to farmers regardless of whether they are poor or not. In fact, there is no means test whatsoever.

On two occasions, Congressman CHARLES SCHUMER, a colleague of mine from New York, has offered amendments, and I supported those amendments which said: Look, let us take away the farm subsidies from any farmer who makes \$100,000 or more. Farmers who make \$100,000 or more should not be given a government handout.

Each time that bill was on the floor, it went down to inglorious, inglorious

defeat. I think we got less than 70 votes out of 435. Recently, the last time the agriculture appropriations were on the floor, several bills were offered to take away subsidies for tobacco and for mines and for a number of things. They went down to defeat also.

The means tested entitlements have been put on the chopping block. One has been devoured already, and the others are about to be devoured. But the entitlements which do not relate to means testing—and there are some others that have not been put on the chopping block at all. The corporate welfare programs have not been put on the chopping block. The subsidies to corporations, the corporate tax loopholes have not been put on the chopping block. They are not even under discussion. They refuse to discuss my chart.

The best way to destroy an idea and to defeat an idea is to ignore it. Here is the most ignored chart in Washington. Here is the most ignored chart which is definitely a part, could be a part of the solution to the budget balancing problem. Here is a chart which says that the revenue stream in America which flows primarily from income tax comes in two directions. It comes from families and individuals. And it comes from corporations.

Yes, there are other taxes which make up the revenue, but the income tax comes from families and from corporations. Here is a chart that shows what has happened over the last 50 years. In 1943, this chart shows that families and individuals were paying a very small percentage of the revenue of the taxes; 27.1 percent was being paid by families and individuals; 39.8 percent was being paid by corporations. In 1983, that is the blue line, that is the families and individuals. And the red line is the corporate, corporations.

In 1983, under Ronald Reagan's regime, the amount of money paid by families and individuals jumped all the way to 48.1 percent. This is from 27.1 percent in 1943 to 48.1 percent in 1983; at the same time watch the red bar. The red bar dropped all the way down to 6.2 percent; corporations, their income taxes dropped drastically.

Do you want to know why we have a deficit? Do you want to know where your taxes went? Do you want to know why people are angry about taxes? They ought to be angry. Individuals and families have been swindled. I said this before and I will say it again and again, but nobody wants to talk about it.

Finally, in 1995, is the situation drastically improved? No. Watch the blue bar and the red bar, and you still have 43.7 percent being paid by families and individuals and 11.2 percent being paid by corporations.

This is fact that nobody wants to discuss in Washington. This is a fact that everybody wants to ignore. I invite you, the American public, the voters, to use your common sense and interpret what this means, especially in 1995.

In 1995, individuals and families are suffering drastically from downsizing and streamlining. People who lost their jobs in industrial enterprises have gone to work in service enterprises at much lower salaries. Individuals are suffering but the economy is booming. The economy is booming. So corporations are making tremendous amounts of money as a result of their application of the science and the technology which has been developed by the American government, building on telecommunications, radar, computerization, miniaturization, all the things which our space program and our military program helped to design. Corporations are able to take advantage of that. And nobody wants to begrudge them. Let them make money. That is what capitalism is all about, making money. Why do they not pay their fair share? Why do not corporations pay half the total revenue that is derived from income taxes? They are the one sector that could afford it. They are the one sector that would hurt the least if they were to pay.

So here is the kind of fact that is destroying the kind of idea that does not exist because it is ignored. I urge you, the American people, to use your common sense and put this back on the agenda. Ask the question. Ask the question everywhere. Ask the Congress the question. Ask the Members of Congress. Ask the President the question.

We are going into a situation now where the negotiations are going to take place within very narrow parameters. They will not even put this on the table. There are certain kinds of cuts that will not be on the table. The farm subsidies will not be on the table. The farm subsidies that go to people who are not poor, entitlements that go to people and they are not means tested, they will not be on the table.

In 1990, we had a similar situation where there was a gridlock between the Congress and the President. The President at that time happened to be a Republican, President Bush. And the Congress was controlled by Democrats. At that time you had the same kind of negotiations initiated at the White House.

On May 24, 1990, I entered into the CONGRESSIONAL RECORD the following extension of remarks, and I find it so relevant at this moment that I am going to bore you by reading part of it.

In Extension of Remarks I submitted the following.

Mr. Speaker, the White House budget summit now underway is a process saturated with pitfalls. These discussions generate great fear among those Americans who have been repeatedly neglected or violated by similar deal making.

Since 1981, under the cloak of sweet reasonableness, we have watched the Democratic leadership being swindled. Tax reform gave more breaks to the rich while payroll taxes increased, resulting in the poor paying a greater

percentage of their income than the rich.

Let us not forget also that the Gramm-Rudman conspiracy almost drove a life threatening dagger into the heart of certain vitally needed, low-income safety net programs.

Remember Gramm-Rudman? Senator GRAMM is still around, Gramm-Rudman.

Vigilance by the Congressional Black Caucus thwarted the vicious intent of the Gramm-Rudman conspiracy. It was through the efforts of the Congressional Black Caucus that seven low-income programs were exempted from the budget cutting axe of Gramm-Rudman: AFDC, school lunch and dependent care food program, commodity supplemental food program, food stamps, Medicaid, SSI, and WIC. They were all exempted from the Gramm-Rudman cuts.

Remember the Gramm-Rudman cuts went across the board and cut everything equally, but we will manage to exempt these safety net programs.

□ 2215

Thank God for Tip O'Neill and his wisdom. He responded positively to our requests that the safety-net programs which are now under attack, which are now being destroyed, that they be exempt from Gramm-Rudman and not cut drastically.

Mr. Speaker, these same crucial low-income programs are now in danger. This I am reading from my May 24, 1990, entry into the CONGRESSIONAL RECORD:

White House spokesmen have announced that they want to "close the Gramm-Rudman loopholes." Our interpretation of this threat leads us to believe that a tradeoff will be offered. Defense cuts will be on the table in exchange for low-income program cuts. Beggars will be robbed and all who are present will be pressured to accept this goal as a reasonable exchange.

Mr. Speaker, the fear of the budget summit process in the streets of my district is very real. I would like to use the language and the attitude of a street constituent to sum up this deeply felt concern.

And it is at this point that I entered a rap poem into the RECORD, a poem that I wrote from the point of view of a constituent in the street out there watching the process.

THE BUDGET SUMMIT

All the big white D.C. mansion  
There's a meeting of the mob  
And the question on the table  
Is which beggars will they rob.  
There's a meeting of the mob  
Now we'll never get a job.  
All the gents will make a deal  
And the poor have no appeal.  
Which housing for the homeless will they  
hit?

School lunches they will cut all the way to  
the pit.

There's a meeting of the mob!  
Big ballouts they will cheer  
Cause the bankers they all fear.  
Closing loopholes is their role  
But never mind the S and L hole  
There's a meeting of the mob!  
Medicaid is against the wall  
Watch health care take a fall

There's a meeting of the mob!  
 These good fellows won't be frisked  
 But welfare children are being risked  
 There's a meeting of the mob!  
 Not a cent will be left for AIDS  
 When they finish with their raids  
 Let addict babies remain with their pain  
 This gang will deal a budget that is certainly  
 insane

There's a meeting of the mob!  
 These bosses lack logic but they all have  
 clout  
 Old folk's COLA's will rapidly get rubbed out  
 There's a meeting of the mob!  
 At the big white D.C. mansion  
 There's a meeting of the mob!  
 Now we'll never get a job  
 All these gents will make a deal  
 And the poor have no appeal  
 There's a meeting of the mob!

This was in May 1990. History has gone slowly, in unfortunate circles, and we are right back to where we were in May 1990, only the situation is far worse.

An agreement has been made already that the budget will be balanced in 7 years, and it is required that the beggars must be robbed. Nobody is talking about taking away anything from the entitlements that exist for the middle class. It is the beggars who must be robbed.

In my district right now there are poor people who are on welfare, home relief. The constitution of the State of New York requires that they take care of poor people, and home relief cannot be abolished, so there are people on relief, home relief, who are being forced to work for their welfare check. I have no problem with having anybody work for their check, their income. It is altogether fitting and proper that everybody should work who can work. There are able-bodied people who cannot find jobs and for various reasons are on welfare, and the workfare that has not been thrust upon them would be appropriate if they were being paid the minimum wage. But they are being made to work more hours than are necessary if they were making minimum wage to generate the equivalent of their welfare check.

What does that mean? That means they are working for less than the minimum wage, they are moving toward a situation which you might call semi-slavery. When you are forced to work for your food and your basic necessities, and arbitrarily you are told that you must do a certain amount of work, even if it is inconsistent with the minimum wages that would be paid for that amount of work, then you are in a very serious situation, and that is a situation that exists in New York City right now. We have no problem with the workfare programs; the streets are cleaner, there are a number of things that are going on as a result of people being put to work. It should have happened a long time ago, but why not compensate them to the level of minimum wage, minimum wages? It is so slow anyhow.

We are fighting to get minimum wages on the agenda here in the Congress. The President has stamped his

approval on a minimum-wage bill, an increase of 90 cents per hour over a 2-year period, 45 cents one year and 45 cents the next year. The minority leader, the gentleman from Missouri [Mr. GEPHARDT], is the sponsor of the legislation, and yet we can only get 110 people signed on.

There is suffering already as a result of the double-barreled agenda which has a lot to do with more than balancing the budget. New York hospitals are suffering already as a result of the atmosphere that has been created. They know the cuts are coming. The mayor has moved to drastically overhaul the hospital system; privatization is on the agenda. Whether it improves health care or not is of no concern. It will save money, so large numbers of administrators and supervisory personnel of hospitals are bailing out. They are leaving the system already. We have a lot of chaos and confusion in the city's hospitals now that could be avoided if we did not have this revolutionary atmosphere created that frightens everybody at various levels of government.

Cost of Federal Government is a primary ingredient in the income of these hospitals. They are thrown into panic almost by the fact that so much change over such a short period of time is being projected.

Schools are crumbling literally. There was an editorial in the New York Times yesterday which talked about every time it rains New York City schools get washed away or a little bit more. That is on the editorial page, and you think, well, what kind of joke is this? You look at the article more closely, you read more carefully, and they are literally describing a process whereby every time it rains and the rain runs through the crevices of the bricks and washes away the remaining dry cement, the bricks begin to fall off, and they have falling bricks. At a lot of schools you have ceilings falling, you have literally brigades of people in New York City schools carrying buckets and various newly fashioned aluminum vessels that collect rain.

It is the truth described in the pages of the New York Times. Schools are crumbling, and there is no relief in sight in terms of new construction.

At one time we had a bill that was passed here that called for the Federal Government to begin a program of physical assistance to exist in the physical plants of schools. It was a small program by Federal standards. The authorization, and Senator CAROL MOSELEY-BRAUN and I worked on it, and we had an authorization of \$600 million to begin a process of emergency repairs in various schools that had emergencies; \$600 million, a small amount of the total Federal budget. Well, that was cut down in the appropriations process to \$100 million, and when the rescission bill came, it was cut down to zero.

So the Federal Government might have stimulated a process, might have

kept a process going and encouraged the State government and the city government to approach the physical plants of school buildings in New York differently, but it provided no stimulus. I cannot blame the Federal Government for what New York is failing to do or the State and city are failing to do, but the Federal Government certainly in education has been a stimulus and lost a great, we lost a great, opportunity.

In this crisis and revolutionary atmosphere no one is willing to make any decisions about building new schools. There is nothing on the drawing board of consequence. As I said before, the crisis and revolutionary atmosphere does not approve of decision-making. It panics people not only here in Washington, but at the local level and at the State level, the panic sets in, and we are not having the best government at any level as a result of the kind of crisis atmosphere that has been created.

Reform is not on the agenda. If it was reform, it would go at a slower pace. There would be a more deliberative situation. I am all in favor of getting rid of waste as fast as possible. It is the duty of every elected official, everybody who is in government at any level, to constantly try to get the maximum output for every dollar that is put into any program.

We are in favor of reform, but reform is not on the agenda. It is wrecking and destroying that is on the agenda. If we wanted to reform, we would not have to throw programs down to the level of the State government. One of the ways to destroy programs for the poor is to block grant them to the State level. The States had the responsibility before the Federal Government assumed that responsibility for most of the history of the United States of America. States have had the responsibility for programs for poor people. States have had the responsibility for health care. States have had the responsibility for nutrition programs.

When World War II came along and they had to enlist large numbers of men over a short period of time, they found thousands of American males not fit for the process of training to go into combat. They were malnourished, they were weak, they were undeveloped as a result of the tremendous crisis in feeding programs throughout the country. The States had ignored the fact that their populations were not receiving proper nutrition. The States had produced a situation which endangered the security of the Nation because you did not have healthy bodies to deal with the crisis created by World War II. The States were in charge, the States have been in charge of health care, and their charity hospitals kept us going for a long time, but we know there were great gaps in services provided by charity hospitals or by the Hill-Burton Act which later came on from the Federal Government level and offered funds.

The States had had responsibilities before, but they are now being handed back, and States have done a very poor job.

Now if we really wanted to make some improvements and to reform, we would not have this blanket determination that give it to the States and let them handle it. If you want to destroy programs, then give it to the States, and let them handle it. It is an ideological decision, not an administration decision. It is understood that the States will let Medicare wither on the vine. It is understood that the States will ignore large numbers of poor people, and welfare as we know it will certainly be gone in 5 to 10 years if the States are in charge. States have made monumental blunders. States have been guilty of horrific corruption.

I served in government at all three levels. I was commissioner in New York City government for 6 years. I was a State senator for 8 years. I have been in Congress now for 13 years. And I will tell you that the level of government which is the least efficient, the level of government which is most unreal, the level of government where you have the greatest amount of waste, is at the State level, not the municipal and local level where people in the government have to meet face to face with the people they are serving, not at the Federal level where you are forced to a process of competition. Believe it or not, 435 people from all over the country do generate a kind of creative competition in working out programs, and oversight, and a number of other things that we do right, but at the State level, this sort of in between, they have a lot of power and no responsibility, and if you want to cut out one level of government and save money, you find the State is a level you could cut out, and you would not miss it. Just give the money directly to the local governments, and you save a lot of money, but States have moved in to use their powers, the Governors are using their powers to grab a great segment of the American Treasury. We have a Balkanization of America about to take place. It is very dangerous when you start dividing up the responsibilities at the Federal Government and giving them to the States. You set in motion a process where States will begin to compete with each other, and in the case of services to the poor, Mr. Speaker, they will all strive to reach the lowest common denominator most rapidly.

In other words, the State which provides the least amount of services to the poor, the worst Medicaid that is provided will become the norm because every other State will be moving in a way to prevent citizens from one State which provides lower levels of service from moving to their State.

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You will have a situation where Mississippi, which is at the bottom of the rung in so many ways, will set the

level for the rest of the country. The States right around Mississippi in the South will be pushed into a situation where they have to lower their standards to keep Mississippians from moving out of their States, and then those States in the South, the surrounding States that surround them, will lower their levels, and it will go right across the country, where everybody will have the lowest possible level of service in order to defend themselves against people seeking better health care services trying to survive.

You may even have tremendous tension created between the States. There was a time in our history shortly following the Emancipation Proclamation and the 13th, 14th, and 15th amendments, where slaves were moving across the country, not wanted in any State or city, and large amounts of people were driven out with violence, large amounts were murdered, from one locality to another. They pushed them around because nobody wanted to take responsibility for poor people who had nowhere else to go. You may have that kind of situation. You may even have a situation which results in the largest States using their muscles to force the smaller States to not drop their people off on them.

You have a situation now where the United States of America is one America. You have a situation now where FDR, or Franklin Roosevelt, who started the New Deal, looked at the richest on the east coast. Franklin Roosevelt was a New Yorker. He clearly understood that New York is much richer than Georgia or Tennessee or Mississippi. He clearly understood if you create a new deal, if you have a Federal Government taking revenue from the richest States and you need to supply funds for programs in the poorer States, that it is going to come from the richest States and go into the poorer States.

Franklin Roosevelt was not stupid, not naive. He clearly understood that America is one America, and where there are riches and surplus, where people can give, they should not mind assisting the rest of America. That is what happened. It even endures until today, the unevenness in the distribution of Federal funds I have talked about previously.

There is a study that is done every year by the Kennedy School of Government and Senator MOYNIHAN, who originated the study in his own office. Jointly Senator MOYNIHAN and the Kennedy School of Government do a study of how the revenues of the Federal Government are distributed throughout the States. They list States which give more than they receive. They list States that receive more than they give also.

The pattern is shown, and I read from that booklet from this podium, and the pattern is clear. It is the Northeast States, it is the Midwestern States, the Great Lakes States, which even until today are giving much larger amounts

of money to the Federal Treasury than they receive from the Federal Treasury.

The pattern is clear at the other end, the Southern States, all of them except Texas, and whether that is Southern or Western, it is not clear which category they fall in, but all of the Southern States are recipient States. They receive large amounts of Federal money, much more than they pay into the Treasury.

New York State, almost \$19 billion in 1994, almost \$19 billion more flowed from New York State taxpayers to the Federal Government than went back to the New York State people in terms of Federal services and expenditures; \$19 billion.

Now, if you have a balkanization of America and every State is allowed to reclaim some of what they pay in, if you had a revenue justice program, a revenue justice act, maybe the New York legislators ought to join me in creating a revenue justice act, where every State will get back at least half of what it overpays.

New York would be receiving, if it got half of \$19 billion, they would be receiving \$9.5 billion. \$9.5 billion would balance the budget of New York State. We could solve all of our budget problems if we had \$9.5 billion. If we had the whole \$19 billion, New York State would be a paradise. Prior to that, there was \$16 billion more paid by New York State the year before than they received back. Prior to that, \$23 billion more was paid into the Federal coffers than New York received back.

So, the question is, who benefits by the balkanization of America, if you start giving the States the power, if the States are going to run it. Where does it lead to? The Southern States receive \$68 billion. The collective Southern States receive \$68 billion more from the Federal Government than they pay into the Federal Government. The Southern States, they lose if you balkanize America.

What is the great advantage of this process of handing it down to the States with the hope that the States are going to destroy the programs? It is dangerous precedent. It is not needed to accomplish the process of balancing the budget, but it is part of the destruction of programs.

The framework has been established, the countdown has begun. But, as I said before, each American, each constituent out there, is not condemned to be merely a spectator. Common sense has a vital role to play. Your common sense is already having a profound impact.

Stop and consider what some of the commonsense impacts are. If you or your child who is a sophomore in high school, or maybe they are just in the fourth grade, were to take out a pencil and paper and look at the options, take a look at the chart that I showed you before, would you not consider that it makes a lot of sense to help balance the budget by lowering the level of income taxes for families and individuals

while you raise the level of income taxes paid by corporations? Would not your common sense tell you that ought to be one of the answers to increase the amount of money paid by corporations into the Federal coffers? Corporations are making all the money. Let them pay more in revenue as a part of the way to solve the problem.

Using your common sense, would you not say that even though there has been an agreement to do all of this in 7 years, that there is no magic to 7 years? If you have to, in order to do it in a more humane way and lessen the suffering, if you have to do it in 10 years or 9 years, why not do it in 9 or 10 years? Your common sense would tell you that.

Yes, your common sense has told you over the years that something is wrong in Washington. You wanted to eliminate the high price toilet seats that the military was putting in their planes. You want to eliminate the \$600 coffee pots.

Common sense has always been against waste. Medicaid waste, Medicare waste, food stamp waste, Embassies abroad wasting money, all of that waste, your common sense tells you to eliminate. So let us bring our common sense into this debate, keep it focused.

Look at the CIA. The CIA has blundered and is now a danger to our foreign policy, a danger to America. It makes so many blunders, until we would be better off if we did not have a CIA. Yet the CIA goes on.

Recently the CIA was exposed as having a petty cash slush fund that nobody knew about, the Director of the CIA did not know about it, the President did not know about it. It was at least \$1.5 billion.

We have proposed on this floor several times that you cut the CIA budget by just 10 percent a year. If you cut it by 10 percent a year over a 7-year period, take out your pencil and paper, and you will see that the CIA cut by 10 percent a year, and the admitted amount is at least \$28 billion, 10 percent is \$2.8 billion a year, times 7 years, you will end up with \$19 billion in 7 years. The CIA would still exist, but it would only be cut 10-percent a year over that seven-year period.

If you take that \$19 billion that you get from the CIA cut of 10 percent over a 7-year period, and you add to that the \$1.5 billion slush fund that the CIA discovered that it had and nobody knew about, you would have \$21 billion, and \$21 billion is more than you need to make up for the education cut. Education is being cut by \$4 billion next year.

\$21 billion is not quite enough. Take the B-2 bomber and add that. The B-2 bomber over the period of its life will cost about \$33 billion. One-third of that is \$11 billion. You add the \$11 billion of the B-2 bomber to the \$21 billion of the CIA, you have \$32 billion. Education cuts are going to be \$4 billion left over, if you take out your pencil and paper and use common sense and get rid of

real waste. But nobody is discussing a cut of the CIA. The CIA goes on blundering and nobody cuts it.

We must raise our voices, maintain a steady focus on the critical life and death target here in Washington. It is the budget. The Republican remaking of America is an appropriation and expenditure revolution. This is a war without blood, but there will be casualties. The common sense of the American people is necessary to minimize the casualties and to save America. We must raise our voices. We must maintain a steady focus. Do not let anybody tell you to lower your voice. Scream and scream loud.

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#### ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will remind all Members to direct their remarks to the Chair and not to the viewing audience.

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#### NEW YORK TO BE DISPROPORTIONATELY HURT BY CUTS IN MEDICARE AND MEDICAID

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York [Mrs. MALONEY] is recognized for 5 minutes.

Mrs. MALONEY. Mr. Speaker, I believe we have the greatest health care system in the world and New York City has many of the Nation's best hospitals to support that great system, hospitals that have the enormous responsibility of caring for the citizens of America's largest city, that train a disproportionate number of our next generation of health professionals, that conduct the cutting edge research to save and improve our lives. Yet many of these hospitals will be decimated by Republican Medicare and Medicaid cuts that will cost these great New York City hospitals billions in reduced payments.

Where will these institutions be forced to make up these cuts? Conservative estimates put the New York City job loss at 107,000 health care positions, more than 2.3 percent of the city's total employment.

Doctors will be cut, nurses will be cut, janitors who keep our hospitals clean and sanitary will be cut. New York medical technology will not be purchased. Yes, this will hurt seniors; yes, this will hurt the poor; yes, this will hurt the health care of every New Yorker and every American.

The House of Representatives voted to cut Medicare spending by \$270 billion over 7 years and to cut \$170 billion to the Medicaid Program. There are several unique features of the New York City health care system which make it especially vulnerable to the type of targeted cuts in the spending contained in the Republican legislation.

The New York City metropolitan area trains 15 percent of the medical residents for the entire Nation. The New York biomedical system is a rec-

ognized world center of advanced science, medicine and education. New York hospitals reach these heights while simultaneously serving a high percentage of patients with special needs far exceeding the national average. These patients include the elderly, the disabled, the chronically ill, and the poor, and it is not only the health care we all receive that will be affected by the proposed cuts. New York's economy will also be hard hit due to the State and city's dependence on its large and complex health care system.

Cuts in the formulas for Medicare, graduate medical education, and disproportionate share payments, would create unacceptably severe reductions in payments for New York's hospitals. This is because indirect medical education and disproportionate share payments are based on percentages of overall medical payment rates. As the overall Medicare payment rates are reduced as a result of smaller inflation adjustments, payments for graduate medical education and disproportionate share are automatically reduced and their rates of growth are slowed. Thus, further reductions in graduate medical education and disproportionate share would amount to double cuts, which our hospitals, most of which are operating below the break-even point, simply cannot withstand.

Changes in Medicaid will also have a drastic impact on New York's health care providers, especially those providing long-term care. New York has received one of the lowest rates of Medicaid payment increases among the States. New York's nursing homes could lose 25 percent of the money necessary for their survival by 2002.

According to the Health Care Association of New York, New York State, with 7 percent of the Nation's population, would take 11 percent of the cuts in Medicare and Medicaid. New York City, with 2.9 percent of the Nation's population, would absorb 6.5 percent of these cuts, more than double its fair share. Over 7 years, cuts in Medicare and Medicaid payments to hospitals would cost New York State \$20 billion and New York City \$12 billion. Funding for long-term care and personal health services would decline by \$11 billion in New York State and \$7 billion in New York City.

The proposed cuts will dangerously damage health care services, but that is not all. The cuts would wreak havoc with New York's many health care workers, their employment and their income. New York City will lose 107,000 jobs, and New York State may stand to lose well over 200,000 jobs. Any budget plan must include everyone having to do their part to balance the budget, but I argue that any budget plan must treat all States equally.

I think the cuts to Medicare and Medicaid and the impact on hospitals and health care systems across the country is deeply disturbing. The disproportionate impact of these cuts on New York State and New York City is