one who comes down to the well to speak often, but having read through the papers this weekend and particularly today, I have become quite alarmed as a new Member of this 104th Congress to see that once again the majority leader and the majority party are advocating that we should default on our national debt. That is something that the United States, unlike many countries, has never done.

Mr. Speaker, it is something, if we were to default on the Treasury debt, that would preclude us from making payments to Social Security recipients, would preclude us from making payments to veterans benefits, but perhaps even more alarming is it would cause a dramatic rise in interest rates across the United States, affecting homeowners, people who are trying to buy their first home, families, people who are trying to take out loans to buy a car, kids who are trying to take out loans to go to college.

Quite frankly, it would probably drive this country into a recession, hardly a wise economic policy of the new majority.

But, Mr. Speaker, when you combine that with what the majority is proposing at this point in time after we have come off of what effectively has been a 3-week recess or adjournment, it now appears the majority has decided that we should adjourn until February 26 after we adjourn this Thursday.

Mr. Speaker, I started thinking about all the legislation that has not passed in this 104th Congress. We still are in a budget crisis, we still have not passed a number of our appropriations bills. But then the list goes on. We have the bank modernization, which is stalled. We have telecommunications reform, which is stalled. We have Superfund, which is stalled. We have not even taken up the water resources bill. We have immigration reform, which is stalled. We have housing reform, which is stalled. There is no talk of health care reform. But my constituents still ask about it. We have the safe drinking water bill, which is stalled. We have the clean water bill, which is stalled. We have the farm bill, which has heretofore disappeared.

Now, Mr. Speaker, it would appear in this monumental Congress, after 40 years of being in the minority, that the new majority, the Republican majority, would do something about it. While I was not around when Harry Truman was president and talked about the 83d Congress back in the 1950's as the do-nothing Congress, it would appear what we have now is the failed 104th, the failed 104th, which is incapable of doing the Nation's business.

Ms. LOFGREN. Mr. Speaker, will the gentleman yield?

Mr. BENTSEN. I yield to the gentlewoman from California.

Ms. LOFGREN. Mr. Speaker, as the gentleman is aware, I mentioned earlier this afternoon my concern that the Securities and Exchange Commission is supposed to run out of money completely on Friday. I know the gentleman has a strong background in financial markets. I am wondering what is his point about the debt ceiling, defaulting on the debt while the Securities and Exchange Commission has to shut down. Would that be helpful to America's markets and the economy of not only America, but the world?

Mr. BENTSEN. Reclaiming my time, I thank the gentlewoman from California for commenting. The fact that under our system of finance the companies would not be able to go public and raise capital so they could create new jobs is ridiculous. We have an economic rebound going on, we have GDP growing at a rate of about 2 to 3 percent right now. What we want are companies raising capital, investing in their infrastructure and their human capital potential to create more jobs.

Yet this Congress, under the Republican majority, believes we ought to shut down the Securities and Exchange Commission, we ought to shut down contracts for large companies like Rockwell and others that are working on the space shuttle and the space station so people will get laid off; we ought to default on the national debt so interest rates go up, companies lay people off.

That is not an economic strategy, that is an economic disaster.

Ms. LOFGREN. Mr. Speaker, for a further question, I know that I was in local government for many years, a year ago I was sitting in a local government office, and I had the opportunity to speak to some of my former colleagues over this 3-week break period. They are having a very tough time putting their budget together, because they do not know what the Federal Government is going to do. So I know that had I been back where I was year ago, no way would they walk away and adjourn for a month's paid vacation without this job done.

But I am aware a year ago you were in the private sector in the business world. I am wondering, in the private sector employment, would a man in your position have taken a month's paid vacation with this amount of work done?

Mr. BENTSEN. Absolutely not. This is no way to run a country. This is certainly a revolution, but it is the wrong kind of revolution.

THE BUDGET AND THE ROLE OF GOVERNMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from North Carolina [Mrs. CLAYTON] is recognized for 5 minutes.

Mrs. CLAYTON. Mr. Speaker, it greatly concerns me, and I believe it concerns most Americans, that we may face the prospect of not having a budget this year. As we consider the proper role of Government, let us not forget the natural dangers we face.

Over the past days and weeks, many of the Northeast have been held in the grip of inclement weather.

First, it was record-level snow that shut down the Government, without one Member of Congress being here. More recently, it was uncontrollable flooding that left many unable to function and caused one of our largest States, Pennsylvania, to make a public appeal for Federal intervention.

If nothing else proves that we need a Federal Government that works and works for all of us—it is nature's wrath that makes the point. I hope the pundits are wrong—I hope we will pass a budget that is not only cost efficient, but civil.

We have terrestrial problems that we cannot handle. We do not need to create more problems by functioning in a less than civil way and by failing to govern.

□ 1430

STATE OF THE UNION

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

Mr. OWENS. Mr. Speaker, we are about to begin the business of the 104th Congress again, the second year of this session. Tomorrow we will hear the State of the Union Address from the President. I look forward to that State of the Union Address.

The State of the Union Address, I think, will point us the way for the immediate future. The State of the Union also might certainly size up where we are at this point. There are a lot of good things that can be cited in that State of the Union Address. A lot of great things have been accomplished by this President. The Union is in a much better state in many ways and the world is in a much better state in many ways than it was before he became President.

I take this opportunity to celebrate the liberation of Haiti. Haiti has a situation now which has moved like clockwork toward a permanent democracy. Everything that was promised by General Bertrand Aristide and his leadership has been allowed to unfold. Elections have been held.

President Aristide will be resigning, stepping down next month. President Aristide will be replaced by a president who has been elected by the people of Haiti. The entire hemisphere benefits from this stabilization of Haiti because it sent a message to all the other criminals who wanted to take over. All the criminal military regimes that might have wanted to raise their ugly heads and try to take over their governments from duly elected representatives have certainly not done so. We have a more stable hemisphere. We can look forward to have democracy expanding in this hemisphere as a result

of the courageous actions taken by this administration in Haiti.

Also, I want to pause at this point to congratulate General Bertrand Aristide on his wedding. He has recently gotten married, I think it was yesterday. I take time to do that because on this floor on many occasions I have cited the wonders of the intellect and the temperament of General Bertrand Aristide, and in many cases it may appear that he may be some kind of little god. I have cited the fact that the man speaks eight languages. I have cited his long campaign against the oppression in Haiti, how he was nearly killed three times, guns were pointed at his head on three different occasions.

I have cited wondrous things that have happened to him and wondrous things that he has made happen. I think his marriage brought out some facts that shows that he is after all quite human. The announcement of the marriage said he was 40 years old. For the first time I realized that he is much younger than I am, this man that has accomplished so much for his country and set such a shining example for democratic leadership in this hemisphere.

So we want to congratulate President Aristide and congratulate the people who belong to his Lavalas Party in Haiti. We hope that they will not flinch, that they will, regardless of the circumstances, go forward and insist that democracy, the principles of democracy on which this liberation was based, will be carried forward by that government.

I also think it is time to celebrate the world being better off because of this courageous President's leadership in Yugoslavia. In Bosnia things are almost going like clockwork. We certainly are happy to see that deadlines that were set are being met. The Army of the United States, the military of the United States is there to assist in making peace happen. There is a clear framework for peace, and that peace is going forward.

I am proud of the fact that our Army could have no more noble mission in Yugoslavia. They will be feeding the hungry. They will be aiding the sick. They will be clothing the naked. They will be helping to provide shelter for the homeless. I can think of no more noble mission for an army than that, no more noble mission for a nation. So they represent a great deal of what this Nation is all about, and we salute them for that. The state of the world is better, and we are proud of the fact that we had the leadership of a President who made that happen.

Nineteen ninety-six will be a tumultuous year. There is no way we can avoid that. We hope that the Government would get back on track, that the legislative process will be allowed to go forward as it has for all the years that this Nation has existed, that there would be an end to the abuse of power by the leadership of the Republicans in the Congress, that that abuse of power we thought had sort of played itself out and that the common sense of the American people had indicated that they were not impressed and indeed they were quite upset by this continual abuse of power that is reflected in the shutdowns of the Government to obtain legislative goals, legislative ends.

The shutdown was an attempt to blackmail the executive branch. That blackmail did not work. The American people with all of their common sense could clearly see that the blackmail was coming from one side and attempted to distort the democratic process. I think that the polls clearly show that the common sense of the American people has prevailed and that they clearly see what is happening. So I am shocked to hear that perhaps there may be a shutdown.

The shutdown this time may go even further than the previous shutdown. There may be another shutdown. This time it may lead to a default, the Government of the United States defaulting on its debts, on its obligations. A shutdown is abuse of power, and a large number of people have been hurt by that abuse of power. A large number of human beings out there who did not deserve to be hurt had to go through a whole holiday season with no checks or only one check, weekly pay, all kinds of things which mean a great deal to people who are on an income based on weekly wages or monthly wages.

They could not afford, they could not reach into a big bank account. They could not live off their investments. There are a whole lot of people in the Republican Party who do not understand this. But they created a whole lot of misery. People suffered. It is all right to suffer for a good purpose, but it was totally unnecessary.

In addition to this abuse of power causing such suffering, we are now going to cause a hemorrhaging of our economic system here in this country. A default will certainly have terrible consequences. A default is economic suicide. I hope that the leaders of the Republican Party who are now waving the threat of default in order to get more concessions will reconsider and let the debate go forward.

The Speaker has clearly stated that the objective of the Republicans in this House is to remake America. They want to try to remake America in 2 years. That is their goal. I think it is unfortunate that remaking America is a goal to begin with. I think it is more unfortunate that they are going to try to remake America in 2 years.

I do not think America needs to be remade. I think we have institutions, we have agencies, we have programs, we have a large number of things that could be improved. There ought to be a process of refining. There ought to be a process of adjusting. There ought to be a process of trimming, streamlining. There are a number of things that can go forward without having the kind of revolutionary proposal that is embodied in a call to remake America. But if that is the way it is, the Speaker has the power and the leadership of the House has the power to set the parameters and determine the environment that we have to exist in, and that is the way it is.

Let us go forward in 1996 and deal with the drive to remake America. Let us look at the vision of America projected by the Republicans who control the House of Representatives and the Senate. Let us look at the vision of America projected by the President. I think the President will project some of his vision of America in his State of the Union Address tomorrow. I think the President in his behavior, the way the President has handled the budget certainly is a projection of part of his vision of America. The President has stood fast and insisted that in this remaking of America we shall not dump overboard the poorest Americans, we shall not dump overboard the powerless Americans. We shall not dump overboard the helpless Americans like children.

I think we heard earlier, less than an hour ago, a message of the President vetoing the Personal Responsibility Act. The Personal Responsibility Act is one of the most misnamed acts we might consider in a long time.

The President vetoed it and said: I want welfare reform; I started it. The President started the movement for welfare reform. I may not agree with all of his proposals. I certainly do not agree with the proposals made by the Republican majority in this House, but welfare reform is needed; reform, refinement, adjustment, streamlining, elimination of ridiculous parts of the program, making it work more effective administratively.

There are a lot things we need in welfare reform that are going to go forward, and the President is committed to that and it will happen. But I thank the President for vetoing the bill that was sent to him because it is not welfare reform. It is a destruction of a program to help the poorest people in our Nation.

Why have we used a hammer to bang on the program that provides aid to families with dependent children? The welfare reform program that was sent to the President by the Republicans was a program that was most cruel to children. It was a program which sought to end and still seeks to end the entitlement for children, the entitlement that is built into a part of the Social Security law.

There is a lot of concern about, are we going to tamper with Social Security, is Congress going to tamper with Social Security? Are the Republicans going to tamper with Social Security? Is Social Security safe? The answer is no, because most people do not know it, but aid to families with dependent children is part of the Social Security Act. Medicare is part of the Social Security Act. Medicaid is part of the Social Security Act. They are all part of Social Security. The part of Social Security which helps the people on the

bottom, those who are deemed to be the least powerful, who are not voting, who do not vote, certainly, for Republicans when they do vote, that is the part that we have bludgeoned already with a hammer.

Aid to families with dependent children, $16 billion is the amount of money estimated for this program, aid to families with dependent children. That is less than we give to the farmers. The subsidies that go to farmers in various ways, cash subsidies, home mortgages and all kinds of various programs that go to farmers, those subsidies total far more than the aid to families with dependent children. The farmers do not have to pass a means test. People who get welfare, aid to families with dependent children, they must prove first that they need it. They must prove first that they are poor. So why are we bludgeoning them with a heavy hammer, when we refuse to touch these subsidies that farmers get who do not pass a means test? We tried to pass a bill on the floor of this House. I joined with the gentleman from New York [Mr. SCHUMER], on two occasions, a simple bill which said farmers who have income from whatever source of $100,000 or more per year should not qualify for the cash subsidy program. I think we got about 60 votes the first year we tried to pass that and about 57 or 58 the second time we tried to pass that. So the overwhelming sentiment, Democrats and Republicans, was do not touch the cash subsidies for the farmers whether they are in need of it or not. But let us go after the people on welfare. It is not because they are getting more than anybody else. It is not because they are unworthy really. It is because they have no power. It is because they do not vote for Republicans. It is because in too many cases they do not vote for anybody, and that is a message I hope that the people who are, the parents of those poor children who get the aid will understand.

In America, in the final analysis, you have a weapon. In the final analysis, the fact that you do not vote is the critical action that you take. By not acting, you act. So every person out there who is an adult responsible for receiving the benefits for children who are in the aid to families with dependent children, you owe it to the children, you are neglecting the children when you do not vote. You are neglecting the children when you do not participate in the political process. If you start voting and you vote blindly for anybody who gives you some kind of divergent argument, you are also neglectful of the children. Vote for the people who say that they are interested in children and back that up with their votes on programs like aid to families with dependent children.

I hope that as we go forward for the rest of 1996, there will be an election, you are aware of it, in November 1996. Before we get to November, of course, there are many other elections that are taking place. In Iowa, in New Hampshire, et cetera, this is an election year. So I hope that in this election year, we can continue to discuss the budget. I would like to see a budget agreement reached. I think the President has gone as far as he can go, however, I would not cry, if we do not reach one, if it is going to have to be reached at the expense of the people on the bottom and the President is going to have to give even more. I think the President has come a long way, and I am not happy and a lot of Democrats are not happy with the compromise that he has offered, which I think goes too far. But I admire him for stepping out there and trying to meet the Republicans halfway. I think he has gone more than halfway.

I hope that we do work out an agreement whereby we have a budget this year. The principle of a balanced budget, I do not agree with that, but it seems that most other people agree with it. So we will have a balanced budget.

I serve as the chairman of the Congressional Black Caucus alternative budget task force. We put a balanced budget on the floor of this House. We had to do it. In order to bring our budget and be able to discuss any of our ideas and our proposals, we had to come forward with a balanced budget. So we came forward with a balanced budget. The balanced budget we have submitted for the RECORD. It is in the RECORD.

We balanced the budget without cutting Medicaid. We balanced the budget without cutting Medicare. We balanced the budget and we increased education expenditures. We increased expenditures for job training. What we did was we cut defense, and that is a very reasonable proposition to cut defense, when the United States of America is spending more than all the other industrialized nations in the world put together, we are spending more than they are put together on defense. So it is possible to cut defense. This does not in any way hamper us in conducting noble missions like the liberation of Haiti or a mission to save the people of Bosnia from ethnic genocide.

There is still plenty of room for that, even if you cut the defense budget. So we cut the defense budget. But most of all we raised the tax burden of the corporations. We did two things. We closed corporate loopholes and we insisted that there be an increase in the taxes in certain places on corporations because corporations have steadily paid less and less of the income tax burden over the last 20 years. From 1943 to 1995, they have dropped from a corporate tax burden percentage of nearly 40 percent to a corporate tax burden now of about 11 percent, while individuals have gone up from their percentage of the tax burden being 27 percent to 48 or 49 percent in 1983, and now it is still as high as 44 percent. So we balanced the budget by implementing what I call revenue justice.

Let us have the revenue flow from the place where the most revenue is being generated. Corporations are making enormous profits. That sector of the economy is booming. Individuals and families are suffering. Their incomes have stagnated. They are not making as much in terms of real terms when you look at inflation as they were making 10 years ago. Minimum wages are far too low, way behind inflation. With all those factors under consideration, we hear tax cut. For families and individuals starting with the families and individuals at the bottom of the scale, in our Congressional Black Caucus budget we started at the bottom of the scale with families and individuals who are working families. We started by giving them some tax relief.

What is being proposed now by the Republicans is just the opposite. They are proposing to change the earned income tax credit which the Congressional Black Caucus fought very hard to expand 2 years ago. They want to change the earned income tax credit which means they are increasing the taxes on the poorest people. At the same time they want to give huge tax cuts for the richest people. They have their opinion. The Republicans in the House and Senate, they have a position. It is a clear position. I want to congratulate them for clearly enunciating and setting forth exactly what their vision of America is. They think America should provide more and more for the rich who have gotten more and more out of our economy over the past 20 years. They want to give them even more. They are clearly willing to state that. They are not hedging. They are not fudging. So there is a clear choice being presented to the American people.

I hope that we will keep our eyes on this process and keep the debate going. If they insist, if they want the tax cut at the same level that they have it, let us keep focused on that. Let us not back away from the argument about the level of taxes. Let us talk about the flat tax. Let us talk about the possibility of a national sales tax, value added tax. Let us talk about changing tax rates. Let us take a hard look at the tax policies across the board, because what has often happened in the 13 years that I have been here, I am in my 14th year, is that the tax policies and whatever dealt with taxes was discussed behind closed doors, was decided behind closed doors. They had some hearings and long lines of people would line up to go, and you could barely get into the Ways and Means meetings. And then when they made the final decision, of course, they had closed meetings.

Then they would come to the floor and you would have 1 or 2 hours to debate the most important issue in the country; that is, how are we going to get the revenues to run the fiscal affairs of the Nation. The shortest period of time to debate the most important topic.

I understand that one of my colleagues in the Democratic Party has proposed that special orders be taxed, that every Member who makes special orders should pay the cost of special orders, that whatever it costs to keep the staff here and the guards and the light bill, whatever, we should be charged that, each Member should have to pay that out of his budget.

My first reaction to that proposal—it came from a Democrat that I respect a great deal, it is not trivial. I understand her concern. My first reaction to that is that I would gladly, I would gladly advocate that there be no special orders of any kind if you will give every Member of Congress the right to speak for 5 minutes on any issue that is on the floor that they want to speak on. When the important issues come to this floor, if I had the right to speak for 5 minutes, I would surrender any other compensatory arrangements like 1-minutes and 5 minutes and 60 minutes, who needs it? The problem is that we are 435 Representatives of this Nation, people from across the Nation, and we seldom have a chance to speak on the most important issues. The 435 people in this House of Representatives spend less time talking on this floor than the 100 Members of the other body. The 100 Members of the other body spend more time debating on the floor than we spend for 435 Members in the House of Representatives.

The time is so tightly controlled. We have a Committee on Rules. And the amount of time spent on the floor here debating issues is in direct proportion to the importance of the issue as perceived by the leadership. If the leadership perceives an issue to be really important, they shorten the time greatly. You can check this with the records. This can be verified. It is not an empty statement that I am making.

On issues that they do not consider very important, we have open rules, unlimited debate. But never has a Ways and Means bill come to the floor in the 14 years that I have been here where there was an open rule, an unlimited debate.

If I had that privilege and that right to have at least 5 minutes to speak on a Ways and Means bill, at least 5 minutes to speak on a defense bill, by the time, if you have only 1 hour for each side, and there have been some times when there is only 30 minutes for each side, but if you have 1 hour for each side, by the time you get through the committee, the committee of jurisdiction and any Committee on Appropriations members who also relate to that particular item, the time is used up. If you are not on defense, if you are not on Ways and Means, on those important issues you cannot say, you cannot even get 1 minute. So those who propose that we eliminate special orders, I am with you if you will join me in a fight to guarantee the right of every Member of Congress, which it ought to be taken for granted, we are elected by the people, we should have 5 minutes, just 5 minutes on any issue that we deem to be important. If every one of the 435 Members want to speak for 5 minutes, I assure you if you look at the calendar, it will not lengthen the session of Congress. We have a lot of down time, a lot of waste of time where nobody is doing anything on this floor. The Senate spends more time, as I said before, on the floor than we spend here. The other body, in terms of per Member time on the floor, is way ahead of us. So I pause to say that that is very important.

I would like to have us keep our eyes on the budget/fiscal debate. Let us go forward and talk about taxes and where they come from. Let us talk about revenue. Let us go forward and talk about expenditures. Let us keep the debate going.

I would like to see a pledge to avoid lapsing into diversionary issues. As we look forward toward November 1996, let us not back away from a discussion of revenue, taxes, programs, budget cuts, balancing the budget, et cetera. Let us keep the debate going. It is a very complicated nation that we have. It is a complicated budget. These are complicated times. We should not try to oversimplify.

For the first time I think many Americans are getting some indication of what it is all about. For good or ill, regardless of whether you agree with the position taken by one party or another or one individual or another, the debate is very healthy. Can we keep this debate going? I hope we will.

I hope that the President's State of the Union Address tomorrow will be a statement which allows us to go forward and consider his vision of America and what America would look like when he remakes America, if he had the opportunity to remake America, versus the vision that is envisaged in the Contract With America that was set forth by the House Republicans. Beyond the Contract With America, the House Republicans have done a lot of things that are not in that contract. The attack on organized labor, the attack on workers safety, the refusal to even deal with minimum wages, all of that was not stated in the contract, but some terrible things have happened. But those are worthy items.

If you want to debate the budget and talk about the fact that the Republicans, because they could not get certain things through the authorization process, because they are frustrated by the fact that the Senate will not approve some of the measures that they have passed because they are not reasonable, because the Senate wants to stay closer to the common sense agenda of the American people so they have reverted to the appropriations process.

They do not like the fact that we have an agency called OSHA, which is responsible for the occupational health and safety of workers. They want OSHA out of business. They have made a compact with some of the worst kinds of business people who want to avoid having to meet their responsibilities to provide a safe workplace. Ten thousand workers died last year; 10,000 workers died in the workplace. We can debate about other workers who died as a result of conditions in the workplace. They contracted illnesses and then they died later or they had an accident and it led to complications and they died later. But on the job, on the job 10,000 workers died.

This is not a trivial matter. It is a critical matter. Yet because they do not want to disturb the business community, which unreasonably insists that OSHA is a bother, OSHA, the Occupational Safety and Health Administration has enough employees to inspect the businesses of America. And when you take the number of businesses of America that are in the category that need to be inspected and you divide that by the number of people who are employed by OSHA to do the inspections, it will take 87 years, given the number of employees that OSHA has before the budget cuts, it would take 87 years for each one of the business sites in America that are supposed to be inspected to be inspected by that group of inspectors, 87 years.

They are going to cut OSHA drastically. So that means that it will take 100 years to get around to inspecting each business. So the argument that the businesses are being harassed and OSHA is a regulatory burden and that an attempt to provide safe workplaces for workers results in empowering or hindering the economy, these arguments are ridiculous. But they go forward.

□ 1500

Let them keep proposing that and saying that we need to save money at the cost of risking more lives of workers. Let them say that between now and November. Let us keep that going. Let us debate it. You decide. Let the American people decide.

Let them continue to tell us that school lunch programs are not being cut; it is the rate of growth that is being decreased. Let them keep telling us that, and we will tell you that if you are cutting, putting money to cut the rate of growth of the program in dollar terms, you are not looking at the rate of growth in terms of youngsters, the number of children who are enrolled in school.

They ignore the fact that the number of children enrolled in school is increasing. You cannot cut the rate of growth of the program without reducing what is available for the children who are there unless you take into consideration the fact the number of children is increasing.

They tell us immigrant children should not be given free lunches and that the schools should go and search out the immigrant children and create an atmosphere of terror within certain schools while they search for immigrant children to deny them the school lunch program.

Let this debate go forward. It is about saving money on the one hand, but if you look at it closely, there is more to this than just saving money. There is more to this than just saving money; there are some attitudes.

I think President Clinton made it quite clear in his budget message. The President had a veto message, and then the President has also sent a message down with his new balanced budget. Let us look for a moment at what is happening here, and again, it is going to be a long year. It is going to be a long debate.

Please do not lose faith. Keep the faith. Keep listening, because this is all about the remaking of America; and your faith is involved here, your children's faith is involved here.

The President was accused of not being sincere about a balanced budget. He submitted a balanced budget one time and then he said, according to CBO estimates, it is $400 billion out of balance; over a 7-year period, the President is still spending $400 billion too much.

So the President has come back with a budget that balances in 7 years, and it also has a surplus at the end of the 7 years; and now we are being told that is totally unacceptable. We are going to shut down the Government because we do not like the way you balanced the budget.

Now, was the call to balance the budget in the beginning, when they asked the President to submit a balanced budget, did they say, submit a balanced budget that we like; submit a balanced budget that is good for America; submit a balanced budget that you like? The President submitted a balanced budget he thinks is good for America, and in his message he says the following: His balanced budget upholds our values, upholds America's values.

We want to balance the budget to limit the debt, the burden of debt on our children. We want to protect Medicare and Medicaid to honor our duty to our elderly, to people with disabilities and to children. We want to invest in education and training to honor our duty to our children and families. We want to protect the environment and public health so our children grow up in a clean and safe world. We want to reward work by not raising taxes on working families. We want to provide tax relief for middle-class families.

Now, that is the message that came back with the newly balanced budget of the President, which, as I said before, ends in 7 years with a surplus.

By the way, the Congressional Black Caucus alternative budget, which I put forth on the floor of the House, the Congressional Black Caucus alternative budget also had a surplus at the end of 7 years. We had a surplus of $16 billion at the end of 7 years. I told you we balanced our budget without cutting Medicaid, without cutting Medicare, and we increased the amount of money for job training and education, and we did this using assumptions and figures that were certified by the Congressional Budget Office.

The Republican majority would not let us bring the budget to the floor if we had not used assumptions that were set forth by the Congressional Budget Office. So we balanced the budget. The Congressional Black Caucus alternative budget is a long way from where the President is right now.

I am not happy with the President and the fact he is going to cut Medicare far more than we stated in the Congressional Black Caucus budget it should be cut. Let us forget about that. Later on there was a bill introduced by Democrats that said, OK, a commission study showed that there are problems with the Medicare program, and by the year 2002 you may have a real problem, so let us cut the budget by $90 billion. I think the study said it would be a problem of $89 billion.

This bill proposed cutting the budget by $90 billion over a 7-year period. The $90 billion cut would be focused on waste, streamlining more administrative efficiency, and cutting waste, $90 billion. The President is far beyond that $90 billion.

There is a group called the Blue Dogs who have a proposal that also goes beyond the $90 billion. The President does not please me by cutting more than $90 billion, but I congratulate him on making the effort. He is stretching as far as he can in order to accommodate and reach a compromise with the Republicans. But this compromise, this stretch, has not impressed the Republicans.

They say we are going to shut down the Government, and go even beyond shutting down the Government; we are going to tamper with the economy of the United States and maybe the economy of the world by going into default if you don't give us what we want.

Now, clearly, understand, you out there with your common sense, the American people should clearly understand the power that is being wielded here. The Republicans are saying, we will threaten to shut down the Government, we will throw the Nation into default if you do not give us what we want. And even after you do that, if you meet us part of the way, we are going to do something selective. We are going to reach in and provide funding for only those programs that we approve of; we are going to strangle, through the appropriations process, those we do not like.

We do not like funds for education. We have a cut. Republicans are proposing to cut Head Start about $300 million. They will reach in and strangle Head Start a little bit.

We do not like title I, which is the largest Federal program providing aid to elementary and secondary schools. Ninety percent of the school districts across America get some portion of the title I program. They do not like it, so they will reach in and strangle that by cutting it $1.1 billion. That is about 1/7th of the total. That is a huge cut; out of $7 billion, they are going to cut $1.1 billion.

So these are horrendous actions, but at least they obvious, open. The CIA is not involved here, so they are not hiding what they are doing. It is an open position. It is up to the American people to go forward and look at what they are doing and come to some conclusions.

They are not interested just in saving money or balancing the budget. The argument that every family balances its budget and so forth, the Nation therefore should balance its budget, that argument makes a lot of sense on the surface, but that is really not what it is all about.

In the first place, very few families balance their budget in a year. In a year's period, your family's budget is not balanced and you know that too. You have not paid for your home fully. Rich people can, but we are talking about 10 to 15 percent of Americans who can go out and pay cash for a car and cash for a condominium or for a house. That number of people is very much in the minority in America.

Most Americans have to get mortgages. Most Americans have to get loans to buy cars. So very few families have a balanced budget where exactly what they take in during a year is what they spend during a year. They have debts that are carried over, long-term investments and items, and it is just ridiculous to insist we have to have a balanced budget. But that is where we are.

I will not bore you anymore by explaining the weaknesses in the argument that we have to have a balanced budget. That is accepted. Let us start out, that that is an assumption.

Everybody now is basically agreed that we will have a balanced budget. The President has agreed that we will have a balanced budget. The President has moved to put forth a balanced budget which the Congressional Budget Office and the General Accounting Office and everybody who has to sign off, they all agree the numbers and assumptions are correct.

Nobody can accuse the President of not following the assumptions of the Congressional Budget Office regardless of whether they are sound or unsound or how uncomfortable the White House may feel about it. They have gone forward and done that. So, now, let the debate go forward and let the American people make judgments about the arguments that are being made.

The President says that his budget reflects the values of the American people. One of the latest polls taken, I think there was a poll taken by the Washington Post, which shows that 50 percent, according to the poll, 50 percent of the American people agree that the President's position is a sound position and they want to support that position. I think this was January 7, not too long ago. The poll finds that 50

percent approve of how Clinton is handling this dispute, and 22 percent approve of the way the Republicans are handling it. 50 percent.

So we are not talking about what Congressman OWENS and the Members of the Congressional Black Caucus, the members of the Progressive caucus, the liberal Democrats, we are not talking about their position at this point. We are talking about the position of the President, which is consistent with the position of 50 percent of the American people. They approve of his tremendous effort to stretch and meet the Republicans.

I just hope that he understands that they do not want him to go any further. I hope the President does not disappoint the American people by stretching further, because any further stretching would be disastrous, any further stretching. Because if you stretch further, what you are doing is abandoning the values of the American people and moving to the values of the Republican elite.

The Republicans do not value the same vital commitments in Medicaid. The Republicans want to eliminate the guarantee of quality nursing home care and meaningful health care benefits for older Americans. They want to eliminate it for individuals with disabilities. They want to eliminate it for pregnant women and poor children.

All this is not necessary to balance the budget, we are saying, but they want to do that. They want to leave a lot of their dirty work to the States. They want to say, well, let the States make the decisions. People have come up with this argument, of course, that States can do a better job. The closer you get to the people, the more likely you are to have effective government.

There is nothing in the history of government which shows that State governments are more effective than the Federal Government, or that local governments are more effective than the Federal Government. Some of the worst corruption and the worst mismanagement and the worst incompetency you find in America can be found at the local level.

In New York State right now, at this very moment, we have Governor Pataki, who sits in the Governor's mansion of New York, a Republican Governor, who has turned the State government into a clubhouse patronage meal. Never before in the history of New York State government has any Governor so blatantly used the treasury, used the State apparatus, the administration of government, to bolster partisan concerns.

He has openly said he will pick up certain parts of the government in the capital; Albany is the capital of New York State. He is going to move certain programs out of Albany into Poughkeepsie, where he lives, and into other areas where he got large amounts of votes.

This Republican Governor is not pretending to be a good-government advocate. He is openly doing this. He is openly allowing certain members of his cabinet who are responsible for certain contracts to solicit in fundraising.

There are all kinds of things happening that Democrats might have done, but they never were so blatant about it; and some things, Democrats have never done in New York City.

We have a Republican mayor, Mayor Giuliani, and we have had some strong mayors in the history of our city. One of the most famous ones, who was accused of being arrogant, many times he behaved like an emperor, he was a former Member of this House, Mayor Koch. But Mayor Koch insisted on a merit system for the selection of judges. Whether he liked it or not, there were judicial panels that appointed judges, and he lived with those appointments. He followed the recommendations of the panels.

Mayor Dinkins, who followed him, did the same thing, merit appointments.

And the newspapers, the good-government organizations, applauded all this. Along comes Mayor Giuliani, Republican mayor, and he ignores or challenges the findings of the judicial review panels and appoints two people, who, in the opinion of many of the judges, the legal people who sit on the judicial review panels, are not qualified. He boasts about it, and he is going to do more of it.

In New York City the remaking of government is already going forward, the harassment of people who want to get on welfare. If you apply for welfare, there are all kinds of extra roadblocks thrown in your way, so that if you want to cut the welfare rolls, one simple way to do it is to make the paperwork more difficult. No matter how poor you are, if I insist that I am not taking your application unless you sign on just the right line, unless you answer every question, unless every ''T'' is crossed, and every ''I'' is dotted, I can keep you off welfare for months just through those technicalities.

In other words, if you have a system of values where you do not want to feed the hungry, you do not want to provide housing for the homeless or clothe the naked, you are totally out of sync with the Judeo-Christian values of this Nation, then you can proceed at the local level even with present regulations in place.

At this moment, people are still entitled to Aid to Families with Dependent Children. They are still entitled. The entitlement has not been taken away yet. It has been proposed by the Republicans in this House; it has been passed by the Republicans in the Senate, and a lot of Democrats in the Senate voted for it. So entitlement probably is going to be gone this time next year; the people who are poor families with children qualifying for Aid to Families with Dependent Children will not have a Federal entitlement. That will probably be gone next year.

I fear that that is one of the concessions that the President will make. I hope he will not, but I fear that will be a concession he will make. But it is not gone yet. It is still there.

At the local government level in New York City, we have a mayor who has gone ahead and is already doing the kinds of dirty work you can expect once that entitlement is gone. He has taken it upon himself to come up with tricks and various means to keep people off the welfare roll and deny them even when they have great needs. So that process is going forward.

Medicaid. The Governor has proposed, and then he backed away, that the standards for nursing homes in New York be watered down, that the requirement that every nursing home has to take a certain percentage of poor people be eliminated. He has backed away temporarily, but those proposals are coming back, if the States are going to have an opportunity to administer Medicaid without the guarantees.

Let us understand States already administer these programs, localities already administer these programs. What they are trying to do is take away the Federal guarantees that if you are eligible, you should get it. They want to take away the Federal appeal procedures. They want to take away the Federal guidelines. They want to take away the Federal oversight. They want to be free to take taxpayers' money and use it the way they want to use it toward their own ends.

An example is being set by Mr. Pataki in New York State and Mr. Giuliani in New York City. Those are examples of the kind of thing you can look forward to: abuse of power, abuse of the poor, balancing the budget on the backs of the people who do not have political power.

So the President says the Republicans do not value these vital commitments, and between now and November 1996, November of this year, keep watching. Do not lose your gaze. Keep your eyes on the prize.

Where are the American values? Do they say, we want to cut Medicaid and leave the poorest people without health care, leave the people who are disabled without health care, leave pregnant women and poor children without health care? Are those American values?

In Medicare, the President says the Republicans want to charge 37 million Medicare recipients higher premiums and change the system so that it benefits the healthiest and wealthiest while allowing the traditional Medicare Program to wither on the vine. That is a quote from one of the great leaders of the Republican Party, even though it is not necessary to balance the budget.

The Republicans want to charge 37 million Medicare recipients higher premiums and change the system so that it benefits the healthiest and the wealthiest while leaving those who need it most in a state of stress. I know the stress because I get more questions in my district about Medicare and Medicaid than about any other programs.

People are feeling the stress already as they contemplate what is being proposed.

In education, the Republicans call for cuts in aid for smaller classrooms, cuts for Head Start. They call for cuts in basic skills and higher standards while ending the direct student loan program. What does the direct student loan program have to do with balancing the budget? Almost nothing. In fact, just the opposite. We will end up spending more money by ending the direct student loan program, but that is an activity which is offensive to the banking community, certain favorite communities that support the leadership, and they are out there making arguments that the student loan program, the direct student loan program is some kind of evil when it has obvious benefits.

Environment. They continually put the special interests over the environment and they want to take the environmental cop off the beat. These are Republican values versus American values.

The American people indicate that they are with the President. They are with the President. Let us keep our eyes on the two sets of values, the President's values versus the Republican values, as we go forward toward November 1996. Do not take your eyes off the prize. The budget debate, the fiscal debate, the tax debate, that is it; that is what we have to focus on.

I keep insisting that we ought to keep our eyes on the prize and Americans ought to welcome the opportunity to remake America or to refine America or to adjust America and make it a better America, because I know the surprise that is coming. The Republicans are planning to back away from these very important issues and move into diversionary tactics. They are going to try to ambush the voters with the usual diversionary issues.

What are the diversionary issues? Prayer in the schools, gun control, affirmative action, set-asides, voting rights, gays in the military. Those have nothing to do with the remaking of America in terms of fiscal and budget and tax issues, but they are going to switch to those and we have to be aware that as we go forward in 1996, these are very important issues.

Prayer in school is important. It is important to talk about guns. I am all in favor of more gun control. I understand the position of those who want less; I understand their position. I disagree with it thoroughly.

The murder rate has gone down in general, but among young people the murder rate, the rate of people being shot with guns, is dramatically increasing. So you have a young population using guns, and that young population is coming to the point where they are going to be a greater percentage of the overall population. So the decrease in crime we are watching now will be accompanied by an increase in crime later on as these young people using guns reach the critical teenage ages. That is where we are going.

So we have to keep our eyes on the prize and beware of the diversionary issues. We have to keep our eyes on the prize and not let introductions of arguments about people being subhuman be introduced.

I was shocked that one of our leaders commented on a brutal crime in Chicago, indicating that a woman would not have been murdered and had the baby ripped out of her stomach if it was not for the welfare culture. That really shocked me greatly. I did not see any connection between the welfare culture and a brutal crime like that.

There are a lot of brutal crimes taking place in our country and across the world where people are not on welfare. Immorality has nothing to do directly with whether or not a person is on welfare or not. Nobody has commented on the fact that Princess Diana and Prince Charles have chosen not only to commit adultery, but to go on television and discuss it. That is being done by people who have never been on welfare, and it is the kind of horror that there is no excuse for.

It is bad enough that people have sins, and all of us sin, but to go on television and parade your sins, especially when you know you are a role model. They are role models for people in Britain. They insist on having this royal family, and sometimes Americans envy the fact that Britain has a royal family and we do not; but I think that is one great example why we do not need a royal family.

But Americans use the Royal Family of Britain as role models. Children use them as role models. Princess Diana, I am sure a lot of teenage girls identify with her, and on and on it goes.

So if welfare determines people's morality and we must get rid of welfare in order to have people become more moral, then how does the Royal Family behave this way, and they have never been on welfare? They have never worked for a living either.

Maybe they have it too easy. Maybe we are talking about decadence at a level which may be something that sociologists and psychologists and psychiatrists can deal with, but I just do not see why that has any bearing.

We are going to be talking about morality. We are going to be talking about sin versus nonsin. We are going to be talking about Whitewater. Nobody wants to talk about the real crime involved in the savings and loan association debacle. We talk about Whitewater having something to do with the savings and loans crisis. Occasionally they mention that. Most people just think it was invented by the Clintons. The Clintons lost money on a savings and loan venture in Whitewater; they lost money.

Let us look at Silverado in Colorado. I have a whole book here. I am a student of the savings and loan swindle, because the savings and loan swindle was the greatest swindle in the history of civilization. In the economic history of civilization, nothing like this has ever happened before. And yet in America we do not even talk about it anymore. It is nearing a close, as far as the people who want to cover it up are concerned.

The greatest crime in terms of economic thievery was committed right here in this country through the savings and loan association swindle and the accompanying banks swindle.

Other banks that were not savings and loan associations did the same things, the misuse of the public trust. They took out deposits backed by the Federal Deposit Insurance Corporation, which meant that if anything happened, you, the taxpayer, stood behind it. They took that; they abused and misused that, and billions of dollars were lost. In fact, one estimate by Stanford University said we are talking about a loss of $500 billion, a cost to the taxpayers eventually of $500 billion.

There has been a process of going through the Resolution Trust Corporation and cleaning these things up, and negotiating out various arrangements, and it is all coming to a quiet close.

That is real criminality. That is real dishonesty. That is real thievery.

I have two reports. I read about them and I called for them. One is from the Department of Justice, Financial Institution Fraud, Special Report, Special Counsel for Financial Institution Fraud. That report I have looked at, am still looking at it.

Another is called ''Attacking Financial Institution Fraud.'' It is from the U.S. Department of Justice, the U.S. Office of the Attorney General. It is a report to Congress that is required.

As I look at both of these reports, what strikes me is that they are deliberately confusing. They deliberately do not ever state clear facts. It is very hard to find out exactly how much money have the American taxpayers had to pour into bailing out the savings and loan associations. It is very hard to find out exactly how much.

I know on the floor of this House, when we appropriate in one bill $50 billion for this, it is $70 billion for that, and yet they do not talk in those kinds of numbers here. They talk about bringing this whole thing to a close; and you are not talking about hundreds of billions, you are talking about a few billion here and a few million there, and I cannot make them add up.

They have deliberately not reported anything in a summary fashion. I am still studying these reports to find out more about one of the greatest swindles that ever took place.

So if we get into discussions of morality and discussions of swindling, if we are going to continue the Whitewater discussions, then I think it is only fair to talk about the savings and loan association swindle in all of its dimensions and talk about the Silverado, $2,286,901,934. That is the figure that they have said they ordered to

be recovered. We were talking about $150 billion. Why has only $2 billion been ordered to be recovered?

You will hear more about this later. This is the kind of morality discussion, if we are going to have a morality discussion, that we should get into.

But my final comment is, Mr. Speaker, let us keep our eyes on the prize, continue to focus on the budget, taxes, and expenditures. It is a discussion that the American people deserve.

CONFERENCE REPORT ON S. 1124

Mr. SPENCE submitted the following conference report and statement on the bill (S. 1124), to authorize appropriations for fiscal year 1996 for military activities of the Department of Defense, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes:

CONFERENCE REPORT (H. REPT. 104–450)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1124), to authorize appropriations for fiscal year 1996 for military activities of the Department of Defense, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment, insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''National Defense Authorization Act for Fiscal Year 1996''.

SEC. 2. ORGANIZATION OF ACT INTO DIVISIONS; TABLE OF CONTENTS.

(a) DIVISIONS.—This Act is organized into five divisions as follows:

(1) Division A—Department of Defense Authorizations.

(2) Division B—Military Construction Authorizations.

(3) Division C—Department of Energy National Security Authorizations and Other Authorizations.

(4) Division D—Federal Acquisition Reform.

(5) Division E—Information Technology Management Reform.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title.
Sec. 2. Organization of Act into divisions; table of contents.
Sec. 3. Congressional defense committees defined.
Sec. 4. Extension of time for submission of reports.

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

Sec. 101. Army.
Sec. 102. Navy and Marine Corps.
Sec. 103. Air Force.
Sec. 104. Defense-wide activities.
Sec. 105. Reserve components.
Sec. 106. Defense Inspector General.
Sec. 107. Chemical demilitarization program.
Sec. 108. Defense health programs.

Subtitle B—Army Programs

Sec. 111. Procurement of OH–58D Armed Kiowa Warrior helicopters.
Sec. 112. Repeal of requirements for armored vehicle upgrades.
Sec. 113. Multiyear procurement of helicopters.
Sec. 114. Report on AH–64D engine upgrades.
Sec. 115. Requirement for use of previously authorized multiyear procurement authority for Army small arms procurement.

Subtitle C—Navy Programs

Sec. 131. Nuclear attack submarines.
Sec. 132. Research for advanced submarine technology.
Sec. 133. Cost limitation for Seawolf submarine program.
Sec. 134. Repeal of prohibition on backfit of Trident submarines.
Sec. 135. Arleigh Burke class destroyer program.
Sec. 136. Acquisition program for crash attenuating seats.
Sec. 137. T–39N trainer aircraft.
Sec. 138. Pioneer unmanned aerial vehicle program.

Subtitle D—Air Force Programs

Sec. 141. B–2 aircraft program.
Sec. 142. Procurement of B–2 bombers.
Sec. 143. MC–130H aircraft program.

Subtitle E—Chemical Demilitarization Program

Sec. 151. Repeal of requirement to proceed expeditiously with development of chemical demilitarization cryofracture facility at Tooele Army Depot, Utah.
Sec. 152. Destruction of existing stockpile of lethal chemical agents and munitions.
Sec. 153. Administration of chemical demilitarization program.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Subtitle A—Authorization of Appropriations

Sec. 201. Authorization of appropriations.
Sec. 202. Amount for basic research and exploratory development.
Sec. 203. Modifications to Strategic Environmental Research and Development Program.
Sec. 204. Defense dual use technology initiative.

Subtitle B—Program Requirements, Restrictions, and Limitations

Sec. 211. Space launch modernization.
Sec. 212. Tactical manned reconnaissance.
Sec. 213. Joint Advanced Strike Technology (JAST) program.
Sec. 214. Development of laser program.
Sec. 215. Navy mine countermeasures program.
Sec. 216. Space-based infrared system.
Sec. 217. Defense Nuclear Agency programs.
Sec. 218. Counterproliferation support program.
Sec. 219. Nonlethal weapons study.
Sec. 220. Federally funded research and development centers and university-affiliated research centers.
Sec. 221. Joint seismic program and global seismic network.
Sec. 222. Hydra–70 rocket product improvement program.
Sec. 223. Limitation on obligation of funds until receipt of electronic combat consolidation master plan.
Sec. 224. Report on reductions in research, development, test, and evaluation.
Sec. 225. Advanced Field Artillery System (Crusader).
Sec. 226. Demilitarization of conventional munitions, rockets, and explosives.
Sec. 227. Defense Airborne Reconnaissance program.

Subtitle C—Ballistic Missile Defense Act of 1995

Sec. 231. Short title.
Sec. 232. Findings.
Sec. 233. Ballistic Missile Defense policy.
Sec. 234. Theater Missile Defense architecture.
Sec. 235. Prohibition on use of funds to implement an international agreement concerning Theater Missile Defense systems.
Sec. 236. Ballistic Missile Defense cooperation with allies.
Sec. 237. ABM Treaty defined.
Sec. 238. Repeal of Missile Defense Act of 1991.

Subtitle D—Other Ballistic Missile Defense Provisions

Sec. 251. Ballistic Missile Defense program elements.
Sec. 252. Testing of Theater Missile Defense interceptors.
Sec. 253. Repeal of missile defense provisions.

Subtitle E—Miscellaneous Reviews, Studies, and Reports

Sec. 261. Precision-guided munitions.
Sec. 262. Review of C^4I by National Research Council.
Sec. 263. Analysis of consolidation of basic research accounts of military departments.
Sec. 264. Change in reporting period from calendar year to fiscal year for annual report on certain contracts to colleges and universities.
Sec. 265. Aeronautical research and test capabilities assessment.

Subtitle F—Other Matters

Sec. 271. Advanced lithography program.
Sec. 272. Enhanced fiber optic guided missile (EFOG–M) system.
Sec. 273. States eligible for assistance under Defense Experimental Program To Stimulate Competitive Research.
Sec. 274. Cruise missile defense initiative.
Sec. 275. Modification to university research initiative support program.
Sec. 276. Manufacturing technology program.
Sec. 277. Five-year plan for consolidation of defense laboratories and test and evaluation centers.
Sec. 278. Limitation on T–38 avionics upgrade program.
Sec. 279. Global Positioning System.
Sec. 280. Revision of authority for providing Army support for the National Science Center for Communications and Electronics.

TITLE III—OPERATION AND MAINTENANCE

Subtitle A—Authorization of Appropriations

Sec. 301. Operation and maintenance funding.
Sec. 302. Working capital funds.
Sec. 303. Armed Forces Retirement Home.
Sec. 304. Transfer from National Defense Stockpile Transaction Fund.
Sec. 305. Civil Air Patrol.

Subtitle B—Depot-Level Activities

Sec. 311. Policy regarding performance of depot-level maintenance and repair for the Department of Defense.
Sec. 312. Management of depot employees.
Sec. 313. Extension of authority for aviation depots and naval shipyards to engage in defense-related production and services.
Sec. 314. Modification of notification requirement regarding use of core logistics functions waiver.