

allow alternate income, minimum income, for corporations not to be taxed. Let me tell you what that means. If a corporation is profitable in this country and has hired a sufficient number of attorneys and accountants to escape all tax liability, the Republicans say "Fine, great, let them off the hook. They pay nothing," even though they made a profit.

We decided under President Reagan, not a screaming liberal, under President Reagan, to put an alternate minimum tax and say that every corporation has to pay something if it is profitable. Is that unreasonable? I do not think it is; \$17 billion will be taken out of Medicaid for poor children for their health care.

Let me tell you what it means in our State of Illinois. When these cuts are being made, it means that in my State of Illinois, 128,000 children in Illinois, poor children, will not get quality health care. That is what is part of this Republican plan. They tell us they are going to balance the budget. They have not told us what we are going to do about Robert and his diabetes. They have not told us what we are going to do about La Rabida hospital, Children's Memorial Hospital, Wyler's Children's Hospital, Presbyterian St. Luke's, Children's Hospital, that depend on Medicaid to serve these poor children.

I stand tonight to speak on behalf of this special interest group. They are never going to come to my fundraisers. They are not going to send me a PAC check. They do not own a fax machine, they cannot fax a message, but these kids are going to be nailed this week by the Republican budget plan. It is totally unnecessary. For at least those kids and their families, I hope the people of this country will contact their Members of Congress and urge them to vote against the Gingrich Republican budget plan.

ITEMS RELATED TO THE BUDGET RECONCILIATION BILL

Mr. DUNCAN. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

Mr. MILLER of California. Mr. Speaker, I object to recognizing the gentleman.

The SPEAKER pro tempore. The Chair will alternate recognition for 5-minute special orders.

Mr. MILLER of California. Mr. Speaker, did you run out of people for the 5-minute special order list?

The SPEAKER pro tempore. The Chair entertains requests on the spot.

Mr. MILLER of California. For unanimous consent?

The SPEAKER pro tempore. For unanimous consent.

Mr. MILLER of California. I object, Mr. Speaker. We have people who have been waiting who were on the list.

The SPEAKER pro tempore. All these special orders are 5 minutes.

Mr. MILLER of California. I thought you had to be on the list.

The SPEAKER pro tempore. All names on the list have been completed.

Under a previous order of the House, the gentleman from Tennessee [Mr. DUNCAN] is recognized for 5 minutes.

Mr. DUNCAN. Mr. Speaker, I want to briefly discuss several items which are directly or indirectly related to the budget reconciliation presently before us.

First, let me say that no one has cornered the market on compassion. No one has a monopoly on virtue.

Yet some around here seem to believe that they have.

Every time any budget cut is proposed, we are told that it is mean spirited, or that it shows a lack of compassion.

Yet what really lacks compassion is for the Federal Government to take so much money from families that they don't have enough money left to support their children in the way they should.

This is what is happening in this country today where the average person has to pay half of his or her income now in taxes when you count taxes of all types, Federal, State, and local—sales, property, income, gas, Social Security, and so forth.

What really shows a lack of compassion is an unwillingness to cut anything so that we can get federal spending under control.

What really shows a lack of compassion is to continue running up large deficits so that we absolutely destroy the economic futures of our children.

What really shows a lack of compassion is to tell the people of this country, through votes on this floor, that bureaucrats can spend their hard-earned money for them better than they can themselves.

And let me say something else—almost every leading economist tells us that our \$5 trillion national debt really holds this country back economically.

Times are good for some now. But they could and should be good for everyone. People who are making \$5 to \$6 an hour could and should be making \$10 or \$12 an hour.

It sure isn't compassionate to let our national debt get even higher so that the gap between the rich and the poor keeps growing.

The choice is simple. Are we going to side with overpaid and underworked bureaucrats, or are we going to side with the average people who are footing the bill.

Second, I could live with a lower tax cut than \$245 billion. But let's put this in perspective.

This is not an all-at-once cut. It is spread over 7 years.

This cut comes out to less than 2 percent—less than 2 percent—of Federal spending over this period.

This follows a 15-year period during which Federal spending has gone up almost 300 percent.

The first Reagan budget was \$581 billion. We're spending almost triple that now.

Federal spending has gone up 300 percent in the last 15 years—is it asking too much to give back less than 2 percent?

Seventy percent of this tax cut goes to people making less than \$50,000 a year. Do we ever think about that?

Most Republicans support flat tax which totally excludes people making less than \$26,000 or couples making less than \$38,000 from Federal income taxes altogether.

Do you ever think about that? Who is really for lower income people—someone who wants to keep their taxes high like now, or someone who wants to greatly reduce their taxes.

Third, last week we passed a Medicare bill that provides for a huge increase in Medicare spending.

In Tennessee, we now spend approximately \$5,000 per year on the average recipient of Medicare. This will go up to over \$7,000, an increase of \$2,000 over the next 7 years.

This bill provides for an increase in Medicare spending at twice the rate of inflation. And this is called a cut.

There is no disagreement that Medicare is going broke. The President's own trustees tell us this.

Is it compassionate to sit around and let it go under. Is it right just to fix it until after the next election.

The Medicare bill we passed may not be perfect. But it is sure not a cut; it is a huge increase.

Fourth, we will spend \$4 billion in Haiti by the time our troops pull out next February.

Now, the President wants to send 20,000 to 25,000 troops to Bosnia. We are already paying almost one third of the so-called peacekeeping costs there now. We will end up spending billions in Bosnia, too, if we are not careful, and the situation in these places is going to go right back the way it was as soon as we stop pouring our billions and billions into those places.

We should not send young American men and women to fight and die on foreign battlefields, Mr. Speaker, unless there is a vital U.S. interest present, or unless there is a real threat to our national security. Neither of these is present in Bosnia.

Finally, Mr. Speaker, let me say that when I got home last Thursday night, I read in the USA Today that Allen Greenspan is planning through the Federal Reserve Board to spend billions to prop up the Japanese financial system. We should not be doing that, Mr. Speaker. Our obligation should be to the American taxpayers, and not to the big Japanese banks. They would not bail us out if we got in financial trouble, and we should not be bailing out their big banks with billions of our dollars at this time.

RURAL AMERICA AND THE IMPACT OF BUDGET CUTS

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

Mrs. CLAYTON. Mr. Speaker, how a nation spends its resources says volumes about who is important, who is not, which regions of our Nation are favored and which are ignored.

When we vote on budget reconciliation this week, this Nation will know the winners and losers.

This budget will cause pain to many in America, but we will cause substantial harm to most in rural America.

Rural North Carolina, including my congressional district, like most of rural America, is struggling to provide a minimum quality of life for its citizens.

These communities, however, lack high-paying jobs and often lack the infrastructure necessary for economic expansion.

The lack of basic resources and opportunities, such as employment, housing, education, and utility services, especially water and sewer, is compounded by limited access to quality health care and a shortage of health professionals, especially primary and family physicians.

As Congress goes through its cost cutting, deficit reducing, budget balancing exercise, there is a message that needs to be emphasized among our colleagues: Farmers and rural communities have been important to this Nation's past, and farmers and rural communities are essential to this Nation's future, most notably, the small, family farmers.

Today, I want to briefly discuss two of the areas affected by the Republican budget reconciliation legislation, and I will begin with agriculture programs.

AGRICULTURE

Agriculture faces deeper, across-the-board cuts in Federal programs, such as the cotton and dairy programs, the food and nutrition programs, and the rural development and housing programs.

Agricultural cuts have been going on for years, \$50 billion since 1981, but these are especially painful because of the nature of the cuts and in light of all the other cuts.

The freedom to farm proposal offered by the House Agriculture Committee chairman—which will be part of the reconciliation package—contains \$13.4 billion in additional cuts to farm programs over the next 7 years.

How much muscle and bone do we have to cut from the body of agriculture?

Why should we compensate for a \$245 billion tax cut for the wealthy, by destroying a mainstay of rural life—the American farmer?

My primary opposition to the Freedom to Farm Act is that the link between prices and production will be severed as a result of these severe cuts. A fixed payment that disregards market price cannot possibly provide the help necessary when market prices are lower, while providing unnecessary payments when prices are high.

I am also apprehensive about the availability of production financing,

which will most certainly diminish as the agricultural safety net disappears.

And, my final concern is that the Freedom to Farm Act is solely concerned with the next 7 years—but what will farmers and farm communities do after 2002?

The Freedom to Farm Act will reduce farm income by 5 percent in 1998. Over the next 5 years, it has been estimated that net farm income will drop by an average of \$1.5 billion per year for a total of \$7.5 billion—that's \$7.5 billion lost from farm income to pay for an unfair tax cut. I do not consider that to be fair or just—do you?

Congress needs to address agriculture in a fair and measured way—97 percent of the population of the United States is fed by the 3 percent of farmers.

The Freedom to Farm Act is neither fair nor is it prudent.

The name is deceptive—instead of freedom to farm it should be called freedom to fail.

EDUCATION

In the area of education, more than 100,000 rural children will be denied basic and advanced skills, at a time when many small towns and rural communities are having a difficult struggle with their budgets.

Rather than promoting education, this bill is an obstruction to education and is disastrous to small and rural education systems.

Thousands of disadvantaged children who need a little help in the beginning of their lives—at the onset of their education—will not get that help.

Head Start is cut by \$137 million—abandoning 180,000 children nationwide and almost 4,000 in North Carolina.

Title I is cut by \$1.1 billion—denying critical basic and advanced skills assistance to 1.1 million students nationwide and 20,400 students in North Carolina.

Drug-free schools is cut by 59 percent—this program is currently used by 129 of the 129 school districts in North Carolina.

The program is designed to keep crime, violence, and drugs away from students and out of our schools. And, the Republican majority wants to gut the program.

The Goals 2000 Program is completely eliminated—381 schools in North Carolina will be denied this vital program.

And, Vocational Education is cut by 27 percent.

Thousands of those school children, willing to work, who have found hope in a mountain of hopelessness, will not be able to work. The School-to-Work Program is cut by 22 percent. Americorps, the National Service Program, is eliminated, denying an opportunity to 1,107 young people in North Carolina.

And, the summer jobs program is eliminated altogether. Some 9,000 young people in North Carolina will be put out of work for 1996 and some 61,000 will be out of work in our State by the year 2002. And, sadly, Mr. Speaker, that includes the 22 young people who wrote me that letter.

The privilege of an education belongs to all in America.

But, education cuts of the majority, with the stroke of a pen, takes that privilege away from many low income and rural children.

This blind march to a balanced budget, without considering the merits of programs, is taking us down the wrong path.

I wonder where it is taking our young people?

Where is the balance in this kind of budget?

Mr. Speaker, I urge my colleagues, when we consider budget reconciliation, let us not forget rural America.

□ 2000

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

Mr. MARTINI. Mr. Speaker, the vote tomorrow represents the very essence of why I was sent to Congress.

One year ago I made a commitment to my constituents that I would balance the budget and save the future of our country from irresponsible reckless spending and ever higher debt and national bankruptcy.

That is what I will vote to do tomorrow.

A child born today will pay an average of \$187,000 in taxes over his or her lifetime just to pay off the interest on the national debt, not to mention the principal.

This is unconscionable; we have to balance the budget and begin to relieve our children of this unfair burden.

But the positive impact of this bill will be felt much sooner by current generations as well.

One can always find excuses not to balance the budget.

A balanced budget will help lower interest rates, making it easier for families to finance the purchase of homes, cars, and college educations.

It will create jobs, and maintain a rising standard of living for us and our children.

In short, the package contains the most important goals of the 104th Congress: a balanced budget, tax relief, welfare reform, and Medicare solvency.

In stark contrast to Congresses of years past, today we present the American people with a responsible plan not of ever higher taxes and rapidly increasing programs, but of serious prioritizing and meaningful tax relief for working parents and their children.

The reconciliation package sets the budget on a 7-year glidepath toward eliminating the deficit by the year 2002.

Balancing the budget is simply good economic policy.

It will result in lower interest rates, a more vibrant private sector, and a reduction in the huge and growing part of our budget comprised of interest payments on our debt.

But this is also a moral imperative.

In effect, continuing to heap debt upon future generations for our short-term benefits taxes our posterity without their consent, all because, until now, we have lacked the will to make difficult decisions on budgetary matters.

Balancing the budget is the overall aim of this package, but the bill also provides some much needed and significant tax relief for the working families of America.

This bill provides families a \$500 per child tax credit, helping the middle class save and pay for college, braces, clothes, or whatever.

The point is that families, not the government, will be empowered to make decisions for themselves.

American innovators will seize upon the capital gains tax reduction as an opportunity to invest in new businesses and create hundreds of thousands of new jobs, better jobs than any government bureaucrat can ever imagine creating.

And the bill provides tax relief for seniors, repealing the 1993 Clinton tax increase on Social Security.

Also included in the bill are the provisions of the Medicare Preservation Act that saves Medicare from bankruptcy.

Solvency is achieved in a fair and reasonable manner, containing no increase in deductibles or copayments, and no changes in the rate of premium growth while offering more choices to Medicare beneficiaries than ever before.

Long overdue welfare reform is also in there.

We put an end to the Great Society notions that Washington knows best without abandoning our commitments to the Nation's poorest and most vulnerable.

As poverty rates hover around 1965 levels and illegitimacy rates skyrocket, this Congress has taken action and ended the cruel cycle of dependency and encourages workfare, not welfare.

Thirty years and \$5 trillion of misguided spending are enough: welfare reform is long overdue.

Let's contrast this overall plan with that espoused by our President only a few short years ago.

On June 4, 1992, he promised a balanced budget.

A Democrat Congress never delivered.

He promised a tax cut for middle-class families.

A Democrat Congress never delivered.

Worse than never delivering, they actually implemented the biggest tax increase in the history of our Nation.

And now, the President has even admitted he raised our taxes too much.

He never offered a plan to end welfare as we know it, and he stayed on the sidelines as we saved Medicare from going bankrupt.

This Congress is about keeping promises, not breaking them.

In the end, I will cast my vote for a bill that fulfills my commitment to the people who sent me here.

The last election was a clear statement by my constituents: They want a balanced budget and a smaller Government that works more efficiently for them.

They want a Congress committed to solving problems, not avoiding them.

They want a Congress that keeps its promises, and gets the job done.

Mr. Speaker, I am very pleased to say that this is what we will give them tomorrow.

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

Mrs. THURMAN. Mr. Speaker, like many of my colleagues, I have been here during these special order sessions for several nights to inform the public about what is in the fine print of the Republican budget package.

I think our efforts are starting to pay off. The people of America are becoming aware of the enormity of the cuts in this reconciliation package and their effects on the children, the working poor, the disabled, and the elderly.

Sen. ARLEN SPECTER speaking on the GOP budget:

... much of the pain of the spending cuts goes to the elderly, the young and the infirm while allowing tax cuts for corporate America...

This is a Republican.

Not included on this list is the group that stands to gain the most from the Republican package; The wealthiest Americans. The Republicans are financing tax cuts for their rich by increasing taxes on the middle-class and low-income working Americans.

Republicans claim they are helping the poor by reforming welfare, however, it is dishonest to say that you believe in work over welfare and then cut the earned income tax credit and Medicaid.

Again, Jack Kemp.

I hope you guys do not go too far on removing the EITC because that is a tax increase on low-income workers and the poor which is unconscionable at this time...

In Florida, 1.3 million low-income workers and their families depend on the E.I.T.C. The working poor are barely getting by as it is, and now the Republicans are pulling the rug out from under them by cutting a program that was expanded by both Presidents Reagan and Bush.

The Republican welfare reform plan, which is part of the bill, includes additional impediments to work, such as underfunding child care support services and underfunding the workfare requirement. The Republican plan is weak on work and tough on kids.

Republicans talk about freedom and choice for the States. But the cuts in this plan will do nothing but force Governors to abandon any creative programs they have been able to initiate. Instead, Governors will be spending their time trying to stretch limited dollars to provide basic services for the poor and the elderly.

The inconsistency in the Republican agenda is confusing. Are they for work, or are they for further injuring the working poor? Are they for allowing Governors to be creative and innovative in developing programs or are they

for dumping the social problems of the Nation on the Governors while denying them the funds necessary to address the problems?

The plan to block grant the Medicaid Program will be disastrous for Florida. Shifting from a program designed to meet individual needs to a capped program constrains a State's ability to meet health care demands. People will either be kicked off of Medicaid, or State taxes will have to be raised. A block grant formula allows for little flexibility to address not only variable economic conditions, but also events like natural disasters that increase the Medicaid need.

While I do not support block granting Medicaid, if that is the framework within which we are operating, let us at least make the formula a fair one.

Today, I went before the Rules Committee to offer an amendment to make the Medicaid funding formula equitable.

Under my formula, Governors who use their Medicaid dollars efficiently would receive a bigger increase in their Medicaid grant. My formula encourages efficiency and the innovative use of Medicaid dollars.

We need to correct the fundamental unfairness underlying the Republican Medicaid funding formula. Under their proposal, Florida is among the eight States that will shoulder fully one-half of the \$182 billion in cuts. Over the 7 years of the Republican plan, Florida will lose between \$9 and \$11 billion.

The formula I offered was proposed to me by the Joint Legislative Auditing Committee of the Florida Legislature. It allows for adjustments in calculations to reflect increases in a State's elderly population, and increases in the number of people in poverty.

Florida and other high growth States should not be penalized for increases in our population. We also should not be penalized for being efficient in our use of funds. Under the current plan, if a State has profited at the expense of the system, in some cases bordering on outright fraud, it gets rewarded with higher block grant numbers. To remedy this error and to encourage proper use of funds, my formula rewards States that use Medicaid dollars effectively and efficiently.

But I will be denied the opportunity to offer my amendment tomorrow. This is just another reason why I cannot support the Republican reconciliation plan.

I am glad America is listening. We will continue to try to get our voices heard so that Americans will know and understand the devastation that will result from the Republican plan.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Ms. PELOSI] is recognized for 5 minutes.

Ms. PELOSI. Mr. Speaker, I come to the floor to rise in opposition to the reconciliation bill that is before the House today and tomorrow. For those who are not aware of this, the reconciliation bill is the budget bill, and

in it we are supposed to reconcile taxes and spending.

I believe that a budget bill should be a statement of our national values and how we spend our money is a statement of those values, and how we tax and who we tax is a statement of our sense of values in our country. I do not think that this reconciliation bill before the House meets any test that our constituents would have as a statement of values, a statement of national values, and a statement of a sense of fairness in our country. Indeed, in trying to achieve a balanced budget financially, we are indeed producing a lopsided budget way out of balance in terms of values and meeting the needs of our country.

Mr. Speaker, the other day I was at an event and they asked me what the three biggest challenges to America were. What are the three biggest issues? As a Member of Congress, they wanted to know what I would name as the three issues.

□ 2015

I said, that is easy. The three biggest issues in our country are our children, our children, and our children. The sad thing about this legislation before us, the Republican majority reconciliation bill, is the devastation that it wreaks on children.

Our colleagues are fond of saying on the other side of the aisle that this puts us on a glide path to a balanced budget. It puts us on a glide path to a crash.

Because unless we invest in our children, we will never have a balanced budget. Unless we invest in our children and our families, we will not be able to produce the productive people that we need to keep our country competitive. Instead, we will continue, as this bill calls for, a continuation of the Republican notion of trickle down.

But it is on the issue of children that I would like to speak this evening. Because, as I say, if it is a statement of values of what we stand for as a country, it should be a statement of how we care for our children.

I do not think any of our listeners or viewers would consider it a statement of their values to cut millions of children out of Medicaid, guaranteed health care, in order to give a tax break to the wealthiest people in America. At the same time, I do not think our constituents consider it a statement of their values for us to give a tax break that the overwhelming majority of it benefits the top 6 percent earners in our country, the wealthiest people in our country.

Do not take it from me, though. Listen to what a Republican has to say. My colleague from Florida already referenced Senator SPECTER's remarks when he said, "Much of the pain of the spending cuts goes to the elderly, the young and the infirm, while allowing tax cuts for corporate America."

Senator SPECTER then also went on to say, "I suggest to my Republican

colleagues that we all rethink support for a combination of tax cuts and spending cuts that may lead to the perception of the Republican Party as the party of wealth, power and privilege, and not the party of ordinary workers."

As you can see here, Jack Kemp also had his concerns about what is in this bill. Jack Kemp, a leading light in the Republican Party, said, "I hope you guys do not go too far on removing the earned income tax credit, because that is a tax increase on low-income workers and the poor, which is unconscionable at this time."

Of course, the earned income tax credit is cut back in this bill. That is a tax credit that is given to the working poor in our country. Some of us view it as a subsidy for an unfair low minimum wage in our country, and it benefits America's businesses as much as it benefits the families. But no matter what, it does benefit the families. But we have to cut that back—a tax credit for the working poor—in order to give a tax break to the wealthiest people in our country.

Who was it who said that, to listen to this debate, one would think that the poor people had too much money and the rich people did not have enough?

But let us get on to the children.

The Republican budget reveals the Medicaid program as we know it which provides health security to 36 million low-income Americans. Half of the beneficiaries are children. Consumers Union estimates that the Medicaid provisions in this bill will result in 12 million Americans losing health insurance coverage in the cutbacks that are proposed. The majority are uninsured children.

Mr. Speaker, I want to just, in closing, say that we all care about our children. We want the best for our children. But unless we understand that the well-being of our own children is directly connected to the well-being of poor children of America, our own children will not be well-served. That is the reconciliation we must provide for our country.

I urge our colleagues to vote "no" on the Republican glidepath to a crash.

PREVENT THE RAID ON AMERICAN PENSIONS

The SPEAKER pro tempore (Mr. WELDON of Florida). Under a previous order of the House, the gentleman from Texas, Mr. GENE GREEN is recognized for 5 minutes.

Mr. GENE GREEN of Texas. Mr. Speaker, I am only in my second term in Congress, but I remember last year one of the issues I heard a great deal was how many Members of Congress when we passed one of those massive bills has read the bill.

I would like to throw that down today as a challenge for the folks who happen to be watching tonight, Mr. Speaker, in that they would look at both H.R. 2491 and H.R. 2517, and to-

morrow we are getting ready to vote on this bill. I am sure the reason all our colleagues are not here is they are pouring over the pages of these bills tonight before they vote on them and I hope they would because if they had the chance to look at this, they would also see one section I am going to talk about tonight.

This morning, members of the Committee on Ways and Means and the Committee on Economic and Educational Opportunities that I am a member of and the Committee on the Budget held a press conference in a joint effort to alert American workers and retirees what effect the bill will have on their pension plans.

Several weeks ago, Republicans in the Committee on Ways and Means proposed changes in the Internal Revenue Code allowing employers to take assets from pension plans and use them for any purpose. This dangerous proposal would allow companies to take money from employee pension plans that they say are more than 125 percent funded. Those excess pension assets, the funds not needed to pay immediate pension benefits, can be used freely for purposes that may not certainly be in the interest of those retirees or potential retirees.

Allowing companies to strip so-called surplus pension assets from the employee pension plans would take us back to the early 1980's, when companies took away \$20 billion from over 2,000 pension plans, covering nearly 2.5 million workers and retirees.

Prior to the 1980's, the reversions of pension assets to employers were almost nonexistent. Pension assets were returned to employers only after the plan had been terminated and after all benefits to plan participants were paid. However, as pension assets grew because of the inflation in the late 1970's and the rising stock market of the 1980's, corporations began to take these excess pension funds.

In fact, in 1983, the Reagan administration issued guidelines making pension reversions easier, in other words, to get at that pension increase. From 1982 to 1990, over \$20 billion was taken from the over 2,000 retirement plans covering those 2.5 million workers and retirees. From 1982 to 1985, the size of the reversion grew rapidly: \$404 million reverted in 1982 alone to \$6.7 billion reverted in 1985.

As retirees were left without adequate retirement, Congress took strong action to stem the tide of the pension reversions or the raiding of the pension funds. Beginning in 1986, Congress imposed a series of excise taxes. A 10-percent excise tax on the amount of the reversion was in the Tax Reform Act of 1986, a 15-percent excise tax in the Technical and Miscellaneous Revenue Act of 1988, and in the Omnibus Reconciliation Act of 1990 a 20-percent tax was on employers who established a successor plan with similar benefits or they had to pay a 50-percent tax if no successor plan was established. So they