

to save Medicare, and has engaged in a Medicare campaign designed to frighten and deceive senior citizens about the Republican plan.

Instead of coming forth with a bill to end welfare as we know it, as the President promised when he ran for President, the President remains silent throughout the welfare debate. Instead of delivering on a middle-class tax cut, as he also promised when he ran for President, and it is interesting that Candidate Clinton said one thing and President Clinton did another thing although, but instead of delivering on a middle-class tax cut as he promised during his Presidential campaign, the President pushed through the biggest tax increase in history, a tax increase that the President has recently admitted was a mistake. In fact, he said down in Houston at a fund raiser:

Probably there are people in this room still mad at me for that budget because you think I raised your taxes too much, and it might surprise you to know that I think I raised them too much, too.

That is what the President said. But, characteristically, the President blamed someone else for his own mistake, in this case the Republican Party in the Congress, which voted unanimously against the Clinton Democratic tax increase.

So, Mr. Speaker, at a time when Americans are embracing the value of personal responsibility, what does the President do but blame everyone else for his own lack of leadership?

Well, Mr. Speaker, Republicans in this Congress are different. We are keeping our promises, and we are stepping up to the Nation's challenges. No more excuses, no more Washington gimmicks, no more blame game. Republicans are providing the leadership that President Clinton promised but which, unfortunately, he lacks, the leadership that America needs.

It took less than a year for us Republicans to accomplish what President Clinton, in the most powerful office in the world, the most powerful political office, could not deliver in 3 years. In fact, just last week, we passed historic landmark legislation which balances the Federal budget for the first time in 26 years. We actually balanced the budget by the year 2002 by limiting the increase, not the decrease, the increase in Federal spending to approximately 3 percent per year between now and 2002.

Second, we preserve and we protect and strengthen Medicare while allowing Medicare spending to increase for every senior every year. The increase in California, where I come from, is from \$5,000 per Medicare beneficiary today to \$8,000 per Medicare beneficiary in the year 2002. In fact, over that 7-year period, we plan to spend an aggregate of \$50,000 per Medicare beneficiary in California.

Third, genuine welfare reform that requires work, that emphasizes the family, and gives people hope for the future.

Last and very importantly, tax cuts for families and for economic growth

and job creation in the private sector which gives us most of our new, good-paying jobs.

Mr. Speaker, it is time for the President to follow the Republicans' lead, do the right thing for America's future and support a budget, our budget, that truly reflects America's values.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 2492. An act making appropriations for the Legislative Branch for the fiscal year ending September 30, 1996, and for other purposes.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1382. An act to extend the Middle East Peace Facilitation Act.

THE HORRIBLE TRUTH ABOUT TAXES IN LIGHT OF BUDGET AND APPROPRIATION PROCESS

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

Mr. OWENS. Mr. Speaker, the budget and appropriation process is behind schedule. I think that it has seldom been as far behind as it is now. But, as we all know, it is moving, and the critical high point is about to arrive. The negotiations between the Democratic President and the Republican-controlled Congress will mark the high point of this whole process.

Already there have been preliminary negotiations, I understand, at the White House; and we are beginning to enter that process. I think it is important at this point to take stock of where we are and to have the American people understand their vital role in this process.

I would like to, first, congratulate the American people, because the polls show that American common sense is again on target. American common sense, despite all the confusion, the double talk, the contradictions, the obfuscation, the diversions, despite it all, the American people understand basically what is going on; and their common sense has prevailed, and we have to listen to it.

According to the Wall Street Journal, 61 percent of the people want the President to veto the Republican budget. Yes, the Republican budget produced by this House of Representatives and the Senate, both controlled by Republican majorities, 61 percent of the American people, according to the Wall Street Journal, want the President to veto that budget. Thirty-two percent said it is OK.

Seventy-three percent of the American people prefer smaller Medicare

and education cuts, and they prefer a 10-year budget, according to the Wall Street Journal. Seventy-three percent prefer a 10-year budget and smaller cuts. Only 22 percent would go with a 7-year budget and the deep cuts that are proposed by the Republican majority.

Common sense is on target. Congratulations, American people, congratulations to democracy.

When the decisionmakers and the people who are locked into the closets of Washington lose their way and cannot understand the obvious, the American people can bring them back to reality.

Yes, the American people are on target right now, but I fear, as we move closer and closer to the climactic point of this whole process of budget and appropriations that there is going to be more attempt to confuse the American people. There will be more obfuscation and more diversions thrown at the American people.

So we have to be careful. Contradictions will be rampant. There will be a refusal to acknowledge certain things, like they will not acknowledge the horrible truth about taxes in America.

I believe we should have a tax cut. I believe American individuals and families, certainly those making \$50,000 or less, must have a tax cut. It is only fair, because they have been swindled, they have been swindled since 1943 by having the great shift in the proportion of the revenue burden borne by individuals and families versus corporations.

That is my chart that always brings because there is no truth more fundamental, no truth more important than the truth of this chart, which shows how the tax burden shifted from American corporations to American individuals and families.

Herein lies the solution to the problem of the deficit, herein, lies the solution to the problem of a balanced budget, and herein lies the solution to the problem of giving some relief to the American people who have borne such high taxes for so many years.

There might have been a justification during the era when we were fighting the cold war. So the American people made sacrifices. They bore the high taxes. The cold war is over now. There is no reason to continue, and there certainly is no reason why you had the shift which is so dramatic from the corporate world bearing the great portion of the tax burden to a situation now where the corporate world bears a very tiny portion of it and individuals and families are forced to bear most of it.

I will come back to that, but that is one of those acknowledgments, one of the pieces of truth that both the White House and the Republican-controlled Congress refuse to acknowledge. We are going to have negotiations at the White House, and I certainly support my Democratic President. I am glad that you have the President there instead of a Republican President. We are

going to have a little more balance, but I worry about it.

I recall several years ago when negotiations took place at the White House between the Republican President, George Bush, and the Democratic Congress, at that time I also worried, because the same phenomenon was under way, where corporations were still getting away with murder. Corporations were still being allowed to pay less and less taxes. Democrats will have to take responsibility for that.

I remember at that time I wrote a rap poem which started:

In that great white D.C. mansion there's a meeting of the mob.

And the question on the table is which beggars will they rob.

There's a meeting of the mob.

Now I'll never get a job.

I wrote that from the point of view of the average person out there who deserves to have at least an economy which is producing jobs and an economy which is not going to take away too great a portion of his wages after he is able to get a job and make some wages.

So this contradiction will not be discussed at the White House at great length. They are going to just give in to the phenomenon which exists, give in to corporations, and that is most unfortunate. We cannot let them do that.

I think if the American people understood what is going on in a better way, that common sense out there, that common sense which makes our democracy work among the people, that common sense would be communicated up the ladder to both the Members of the Republican-controlled Congress and the President and his staff in the White House.

There is a refusal to acknowledge the great income gap that exists in America right now, that is getting greater, the gap between those who are richest and those who are poorest, has never been larger. We are at the top of the countries in the world in terms of income gap. We used to be in the middle. Great Britain had a greater income gap between the very rich and the very poor. Now it is in America.

Democratic America now has the greatest gap between the very rich and the very poor. We have to acknowledge that. If we acknowledge that, then at the White House they would be discussing an increase in the minimum wage.

The Republican-controlled Congress says, "We will not discuss an increase in the minimum wage. We will not increase the minimum wage even one penny." That is what they have said. They will not discuss it because we want to bring the wages of American workers down to the level of the cheapest labor in the world. The labor in Mexico is cheap but it is even cheaper in Bangladesh. We want to make our workers come down to that level so our products will become competitive.

□ 1545

What they mean is so our profits will skyrocket even more than they are

now. We are making the highest profits in the history of Wall Street, in the history of American corporations. They are doing very well, but they want to go down, wages to go down even lower so that they can make even bigger profits. That is a contradiction. That is a problem that they will not acknowledge on one side of the table at the White House. The President is on record that he is willing to raise the minimum wage, but not the Republican-controlled Congress. They will not acknowledge the fact that all of this talk about giving block grants to the States and having the States take over programs, especially the programs that are for the poor, that that has a big contradiction built into it. It is not sound at all.

They imply that certain States, like my home State of New York, are wasteful States, that we spend too much money on Medicare and Medicaid, and yet the facts are that New York State as a State consistently pays more into the Federal Treasury in terms of Federal taxes than any other State in the Union.

In 1994, we paid in almost \$19 billion more than we got back from the Federal Government. It went as high as \$23 billion 1 year, what New York State was paying into the Treasury, \$23 billion more than we were getting back.

On the other hand, the States of the South all pay less into the Federal Treasury than they get back. They get back more from the Federal Government than they pay in, all of the States of the South, except Texas, and the difference is they paid a little bit more in 1994. They paid a little bit more in than they got back.

But \$68 billion more was received from the Federal Government by the southern States than they paid in. It is the Northeast States, it is the Great Lakes States, those are the States that are paying more in.

If you want to have block grants, if you want to push these programs down to the State level, you are going to hurt, you are going to hurt the southern States. You are going to hurt the poorest States. If you gave New York all of its money and said, "Look, you take care of yourself," we would have in New York \$19 billion more than we have now. Nineteen billion more would be available to take care of the problems of New York State if they did not have to go to the Federal Government.

You know, that kind of contradiction is built into all of this talk about States being given the priority to run programs, all of this criticism of States like New York State that has a higher expenditure for Medicare and Medicaid. We spend our money taking care of people. You know, what do the other States spend their money on? What is wrong? What is more noble than taking care of the health of people? That is another acknowledgment that needs to take place if these discussions are going to go on at the White House.

They ought to come back to the American people's level. They ought to

come back to the common sense level. They ought to acknowledge that there are generous, giving States and ungrateful, receiving States. Because those Representatives of the ungrateful, receiving States are always up talking about how horrible it is that you have so much money being spent on Medicare and Medicaid in places like New York, they do not acknowledge the fact that they are getting more money from the Federal Government than they paid in on a consistent basis.

There is also a refusal, and this is a very costly refusal, a refusal by one side of the table, the Republican-controlled Congress side of the table, to recognize education as a priority investment, and to give education top priority. Again, there is a contradiction here, because we just had today on the floor an amendment related to giving certain additional funds to the District of Columbia for certain items related to education that the Speaker finds very pleasant and thinks, in his own commonsense opinion, a good idea, and we were going to add money to the D.C. budget for that purpose while, at the same time, the almost \$4 billion in cuts in education by the Federal Government, when you take away the D.C. portion of that cut, it means that D.C. has lost a tremendous amount of money as a result of actions taken by the Speaker and his Republican-controlled Congress. They are taking away far more than they are giving.

It is like the slaves used to have to live under abominable conditions all year long. They had the worst possible housing, they had to wear flax shirts that scratched, they could not sleep in decent beds, they were fed the worst kind of food. At Christmas time the master always made sure everybody got as much as they wanted to eat. You could eat ham on Christmas day, and people rejoiced and they loved the master all year around sometimes because of what he did for them on Christmas.

So there is an attempt in this D.C. budget that the Speaker has proposed for education to create Christmas time in D.C. and let everybody be grateful for some extra money that is going to be dropped in there while they cut the basics away from the education aid that comes from the Federal Government.

So for education, health care, and other vital programs, we need to act here in Washington in a way which puts us in touch with the common sense out there in the rest of America. The rest of America is on course. We in Washington do not seem to get it. We are caught up in our own rhetoric. We are confused by all the entanglements, and we just do not understand what the basic American people understand.

The budget and the appropriations process goes forward. The Senate and the House Appropriations Committees are now going to finalize a budget that

they both agree on. In both the Senate budget and the House budget, there are horrible cuts to very vital programs. There is not much that can be done. That process is in motion, and if the two reach some kind of agreement on the basis of what they both have, the results will still be horrible, because they both have passed budgets and appropriations and the reconciliation package that, in the final analysis, cannot be salvaged. There is no salvaging of the budget between the Senate and the House for Medicaid. Medicaid as an entitlement is taken away. It is no longer there in the House-passed reconciliation bill. They did not do Medicaid the honor of having Medicaid be put in a separate bill so we could vote on Medicaid by itself and discuss the various aspects of what is being lost through these budget cuts. They would not give Medicaid that honor.

They had Medicaid treated with great contempt. After all, Medicaid is a program for poor people. They had the worst of contempt for Medicaid, so they just folded Medicaid into the reconciliation bill. Medicaid does not even get a discussion, but the cuts in Medicaid are horrendous, \$180 billion, more than \$180 billion over a 7-year period. That is a greater percentage cut in Medicaid than the \$270 billion cut in Medicare. The percentage cut in Medicaid is greater than the cut in Medicare.

Who is getting cut?

Mr. Speaker, the budget appropriation process goes forward. The good news is that the American people are on target. The common sense in America will redeem that situation if common sense is allowed to prevail, if common sense is not subjected to a lot of manipulation, a lot of confusion between now and the time the budget is finally decided during the negotiation process between the White House and the Republican-controlled Congress. Common sense says that the Republican budget should be rejected.

Again, 61 percent want the President to veto the Republican budget. Thirty-two percent are willing to live with it. Again, among the American people, common sense says that 73 percent of Americans prefer smaller Medicare and education cuts and a 10-year budget.

In other words, they say balance the budget over a 10-year period. Do not do it over a 7-year period, because that means that you have to throw certain groups of people overboard, deny them vitally needed services, and create a mean America, an extreme America that does not have to exist. They have come to that conclusion.

At the time when Washington, when in Washington both Democrats and Republicans are wavering and nobody can see a clear path on a 10-year budget course, we once had that proposed by the President, then it became 9 years, 8 years, there was a lot of seesawing back and forth. The American people said, "Look, what makes sense is to have a balanced budget, and if you do it in 10 years, that is good enough, because you can do it then without inflicting great amounts of pain and suffering on large amounts of people."

Why destroy the fabric of the Nation in an attempt to get the budget under control, if you can get it under control over a longer period without inflicting

all of the destruction and pain? Why deliberately dismantle the New Deal, the Great Society programs which large numbers of people benefit from, and they have not been heard from in terms of their not wanting to have these programs continued. They want Medicaid to continue. They want Medicare to continue. They want the small Federal investment in education to continue.

Federal investment in education is not that great. So why have that 7 percent of the total education budget for the whole country, why have that cut back? You know, most of the education funds spent in this Nation are supplied by the States and by local governments. The Federal Government only provides 7 percent of the total. About \$360 billion-plus is spent on education in all forms. For the last years the figures are available, \$360 billion-plus, and of that amount 7 percent only are expenditures that were Federal. So it is the other two levels of government that bear the education burden.

The Federal Government bears a portion of it that is vital, however. It is very critical that there be some kind of research and development in education, very critical that there be guidance in terms of standards. It is very critical that what the States themselves would find very inefficient to do, because one State having to bear the burden of educational research means that you have a budget for research that is out of proportion with the total budget.

Why do that when you can have the benefit of the economies of scale and have education research, since we all are Americans? We all are living in the same society and the same economy, basically. Why can you not have research with respect to how to improve our schools, how to teach better, how to make better use of our facilities, how to use new educational technology, equipment, why can you not have that done on a national basis by a Department of Education, and have all of the benefits of that research and development shared? That is common sense again, and we do not want to divert from that common sense.

So we will have a situation where the commonsense approach that the American people have shown will be under attack, under assault. They will be trying to confuse the issue, trying to manipulate opinions, and the contradictions will be rampant. The contradictions, things that just do not make sense, keep coming out of Washington. Things that just do not make sense are proposed by the Republican-controlled majority.

It does not make sense that you have cut education by almost \$4 billion, the Federal aid to education, and when you cut Federal aid to education, you are cutting Federal aid to Washington, DC.

It does not make sense to cut that so drastically and then come back in a D.C. appropriations bill, District of Columbia appropriations bill, and offer \$45 million for vouchers for poor children in the D.C. public schools. You are taking away some money that they had for lunches, you are taking away the money or part of the money they

had for title 1 programs, you have taken away part of the money they had for Head Start programs, you have taken away Aid to Families with Dependent Children, so poor children may not have decent clothes or a decent place to stay. You have taken all of that away. Now you are proposing here on the floor to spend \$45 million just for vouchers for children in the District of Columbia. You are going to start a voucher system so that children can go to private schools, instead of improving the public schools, and you are going to do that using a special approach which is totally out of sync with the rest of what the education laws are doing.

□ 1600

You are going to do that without using the Department of Education? You are going to do that in a way which would allow the worst kind of intrusion into education by the government?

Government at any level should not have partisan interference with education. We work very hard to try to keep partisan interference with education at a minimum. But here the Federal Government is feared most of all. We went for years without having the Federal Government have any role in elementary and secondary education, because the American people did not want dominance by the Federal Government on education matters.

I have always said this fear on education matters is an unfounded fear, because the tiny portion of the education funds provided by the Federal Government will never place it in a position to dominate education. If we are only providing 7 percent of the funds and the States and local governments are providing the rest of it, how can we come in and dominate education with only 7 percent of the funds?

Even if you move that up to 25 percent, and I think it ought to go that way, I think we ought to have the Federal Government participating in the education process in the United States of America to the point where they are at least bearing 25 percent of the cost. If we went up to 25 percent of the cost, then State and local governments control 75 percent of the revenue and the funding, and they would have control of the decisionmaking.

Any democracy, if you have 75 percent of the control, then you are in control. Nobody can take 25 percent and come in and dominate how our schools are run.

But if you have a program as the Speaker is proposing here in Washington, where they are going to set up their own private foundation with Government money and the Government money is flowing as a piece of largess from the Speaker, the master of the plantation will provide for Christmas some special goodies, and the master of the plantation wants to sit back and talk about his schools in the District of Columbia, his students in the District of Columbia and what they are doing and play games with it in a way which constitutes dramatic Federal interference into local school activities.

That may lead to a lot of good. Christmastime was better than nothing. To be treated like animals all year long, given the least in food, clothing, and shelter, was the lot of the slaves for 232 years. They had to live that way. But if 1 day a year the master decided at least to give some decent food and let them take the day off to eat well and to be free to have a little fun, then Christmas stood out.

We do not want that kind of situation in the funding of American schools. I do not see why the D.C. schools have to be a plantation, run by a benevolent Speaker, to have a situation where he can reach in and play with the resources, using Federal money, and dictate the degree to which students go to private schools, can use the powerful office of the Speaker to attract private money.

There is a whole lot of interference there, which may be good, but, in the final analysis, will take away the decisionmaking and will set precedents that will be poisonous throughout the whole of America in terms of local school control all over the Nation.

So that is one of those contradictions. That is one of the kinds of things you have to sort out.

There were people who came to the floor and said, "Should I vote for that Christmas gift on the plantation approach to D.C. schools? Should I make sure that some handful of kids get some benefits? Or should I vote for the principles of not having Federal interference to play with the schools in the District of Columbia?"

It was not an easy decision, because when the Speaker hands out a possible Christmas gift of \$45 million, it is kind of a hard gift to turn down. It is hard to say to the children of the District of Columbia, you cannot have this gift, because, in the long run, it is going to poison the whole Federal relationship with local governments. This will be a precedent that will certainly lead downhill. Every powerful politician in the Congress, in Washington, will want at some time to play with the education budget in order to be able to have his own plantation and give out Christmas gifts as he sees fit.

That is not the way to go. It is dangerous. Despite the fact is passed the House today, I hope that wisdom will prevail and we will never see the Christmas gift approach to Washington

schools, turning them into a plantation, take place.

That is a contradiction you ought to take a hard look at. Take a hard look at the details, American people, with all your common sense. I leave it up to you to evaluate that and see it for what it is worth.

Let me give you another example of the kind of contradictions you have to live with. In the great White House negotiations on the budget, neither side is going to be truthful about the waste of more than \$28 billion by the Central Intelligence Agency. The budget of the CIA, an intelligence operation of the United States, is admittedly \$28 billion or more. Nobody knows that secret figure. Who can tell it? The few people who know it are sworn not to tell it. So the \$28 billion that goes into the CIA is supported by both parties.

Along with some colleagues, I brought a bill to the floor which would cut the CIA budget by 10 percent over a 5-year period. Now, over a 5-year period, if you got 10 percent of \$28 billion, you would get \$2.8 billion per year over a 5-year period. That is not bad in terms of funds that could be transferred to education.

You are cutting education specifically by \$3.8 billion, almost \$4 billion. You are cutting job training programs. You are cutting the Summer Youth Employment Program. With a \$2.8 billion cut from the CIA budget, and it still would have 90 percent of its budget, we only cut it by 10 percent a year, if you got that \$2.8 billion from the CIA budget, you would have some way to give money back to some of these vitally needed programs that have been cut. It is as simple as that.

But the CIA budget will not be touched. We brought the motion to the floor. We had the amendment on the floor to cut it by 10 percent. The first year, we got 57 votes. The last time we brought it up, we got 54 votes. We are going in the opposite direction.

Why do Democrats and Republicans all want to keep a CIA funded at the level of \$28 billion when the cold war is over and half of the role of the CIA was to spy on the Soviet Union? And they missed out on that because they did not predict the collapse of the Soviet Union.

Since we brought our bills to the floor, there have been some recent developments in the CIA that even more justify the fact that the CIA is a great waste of the taxpayers' money. I am not saying to cut it out completely, but you could streamline and downsize the CIA, probably by cutting the budget in half.

Because it is obvious that half of the people there are nothing but fumlbers and bunglers, old boys in the network, who have a good time. They use the safe houses for illicit sex. They run up expense accounts that nobody can really control. They come up with slush funds.

Recently, it was announced they had a slush fund, a petty cash fund, that

was more than \$1.5 billion. Can you imagine a petty cash fund in an agency for more than \$1.5 billion, and the head of the agency does not know about the petty cash fund? Nobody in authority. The Director of the CIA stated he did not know that there was a petty cash fund of \$1.5 billion or more. They do not give figures exactly, but I know from good sources it was at least \$1.5 billion.

Nobody knew about it. The President did not know. We have got two intelligence committees, one in the House and one in the Senate. Whenever you talk about cutting the CIA budgets, they always have spokesmen from those committees come forward and talk about the great work the CIA is doing and they need every penny. Here is a slush fund out there nobody knew about.

The CIA also built a building for \$370-some million near the Dulles Airport. They had a building going up under construction, and the Federal Government did not know who was constructing it. The intelligence committees here in Congress did not know that the CIA was constructing that building.

How can you construct a building which costs \$370 million near the Dulles Airport, and it be invisible? I suppose that may be an example of how wonderful the CIA is, how masterful their work is. They can construct a building for \$370 million and you not know it is there, that takes real skill. I do not know whether it is espionage skill or skill in manipulating, but it takes some kind of skill to have a building that costs \$370 million constructed near the Dulles Airport, and it be invisible to the members of the Permanent Select Committee on Intelligence and the President and the people who should know about it.

So what I am saying is that while this great budget cut is going forward, while we are trying to balance the budget, while we are saying that we want to bring the Federal Government under control, we want to streamline the Government, while we are saying that the Medicare Program must make sacrifices to the tune of \$270 billion, while we are saying we have to take away the Medicaid entitlement and Medicaid has to make a sacrifice to the tune of \$180 billion, while we are saying we can have no more Summer Youth Employment Program, while we are doing all these horrendous things to streamline the budget and balance the budget in 7 years, we are still willing to keep funding the CIA at the same level. We are still willing to keep tying up taxpayer money in an enterprise that has discredited itself.

We will not even cut it 10 percent, let alone one-half. Of course, you all know the Aldrich Ames story. I conclude finally with the CIA and the Aldrich Ames story.

The last time we had our amendment on the floor, an amendment which called for cutting the CIA by 10 percent, the Aldrich Ames story was out

there. We knew that Aldrich Ames, a key figure, a key person in the CIA, responsible for counterespionage or espionage with Eastern Europe and the Soviet Union, was a spy for the Soviet Union. That was a fact that had been let out there. The CIA probably would have wanted to keep it secret, but circumstances were such that it could not be kept secret. Ames used safe houses for eliciting sex. He was a drunkard. I am sure his petty cash vouchers were never correct. Everything you can imagine, Aldrich Ames did it for years and years in the CIA. Yet they kept pushing him upstairs. They kept promoting Aldrich Ames.

He got away with so much, he decided to go for broke, and he was on the Soviet Union's payroll for millions of dollars.

Aldrich Ames is still arrogantly challenging the CIA. Aldrich Ames still has not told everything. But the Inspector General of the CIA has conducted an investigation, and the recent conclusion, it is not a secret, it is in the papers, the conclusion is that Aldrich Ames not only caused the death of more than 10 agents in the employ of the United States, not only caused the death of all those people, but he also had a system which was passing on false information up the ladder. Even when the supervisors in the CIA became suspicious of the information that they were getting, they passed it on anyhow, as high as the Secretary of Defense and the President. They let the information go through without saying there is a problem here, or there might be a problem here. The supervisors and the whole old-boy network within the CIA was contaminated to the point where they were knowingly passing on false information to all the Presidents in the past 10 years.

That was going on while Aldrich Ames was in charge of spying on Eastern Europe and the Soviet Union. This is known. Yet we have in the budget an untouchable item. The negotiations at the White House will go forward and say yes, we can get rid of the Summer Youth Employment Program, 32,000 youngsters in New York City, all the big city across the country, where we have thousands of youngsters who get summer employment from the program. We can get rid of that, but must keep every dime in the CIA.

These contradictions are what the American people need to know about, so you can keep your focus. You are right. You are on track when you say that the President should veto the Republican budget and when you say we should not cut Medicare and Medicaid so drastically; when you say we should spread the budget cuts out for a 10-year period and balance it over a 10-year period instead of 7 years. You are on target. American people, you are on target. Congratulations, democracy. Do not let anybody turn you around. Keep remembering the CIA and that kind of waste. Keep remembering the D.C.

Christmas present, the D.C. plantation Christmas present that comes from the Speaker at a party that has cut education across the country by almost \$4 billion.

I have one more example, and then I will stop giving examples of contradictions that are running rampant. The final example I give you is an example taken from the Washington Post magazine. This magazine, October 29 of this year, the Washington Post. I give you the documented source. You can get a copy of this, there is no problem. Rush Limbaugh does not have to put his researchers to work to put this out. If Rush Limbaugh wants his researchers to check out the Washington Post, he has enough to do that, and he can do that. But this is a story of monumental waste that every taxpayer should be indignant about.

□ 1615

Monumental waste. And yet it took place in the defense budget. The defense budget is being increased, Mr. Speaker. Over a 7-year period the defense budget will go up.

The defense budget will be increased at a time when there is no more evil empire in the Soviet Union, at a time when we can certainly close down most of our overseas bases, at a time when we do not need any more *Seawolf* submarines, do not need any more high cost nuclear aircraft carriers, at a time when star wars is ridiculous. We are going to continue funding some of those same items.

So the contradiction, the greatest contradiction is in the insistence by the Republican controlled majority in the Congress that we continue to build up the defense budget. A sad portion of that contradiction is that the Democrats in Congress and the White House do not challenge that assumption. Democrats have not proposed, as a party, that we cut the defense budget.

Oh, yes, the Congressional Black Caucus proposed deep cuts in wasteful defense expenditures, but Democrats will not touch it and Republicans want to increase it drastically. That contradiction the American people should bear in mind. They should keep their commonsense head on.

Mr. Speaker, listen to this. According to the report in the Washington Post, October 29, 1995, the magazine section, the Pentagon spent \$3 billion on a stealth bomber that was never built. Pentagon spent \$3 billion on a stealth bomber that was never built. Now, \$3 billion would almost keep the education programs, 70 education programs. Education programs were cut drastically. Some were zeroed out. The overall cost was \$3.8 billion in cuts, to be exact. \$3.8 billion.

If we just got back \$3 billion from the waste in the Pentagon on this stealth bomber, we would be way ahead of the game in terms of funding education programs that are vitally needed. So understand the relationship, the refusal of the White House, the refusal of

the Republican controlled Congress to talk about the waste in defense, which generates suffering and pain in the rest of the budget and it prevents us from investing in vitally needed programs like education and job training.

Mr. Speaker, we vitally need education programs and we vitally need job training programs. We cannot do that if we continue to waste money like this. We spent \$3 billion to build a stealth bomber and it was never built. Here is the additional information that the American people need to know. We may have to spend \$2 billion more in order to get it finally canceled. Listen. We have already spent \$3 billion on a stealth bomber that was never built, never flew, but we may have to spend \$2 billion more because the companies that were supposed to build this bomber are now suing the Government and stating that the taxpayers owe them another \$2 billion.

This is going on right here in Washington, DC at a time when Medicare is being cut drastically, at a time when Medicaid is being cut, at a time when education is being cut by almost \$4 billion.

Mr. Speaker, listen to this. I read from the Washington Post magazine:

It looks like something out of a sci-fi movie. A flying triangle, 37 feet long and 70 feet wide. A plane that does not have wings but it is one big wing. It is sitting in a huge hangar in a defense plant in Fort Worth propped up on a makeshift trailer. Bill Plumley, the man who saved it from the scrap heap, stands on his tiptoes, reaches up to the plane's lightweight underbelly, he sticks his right hand into its innards, he taps on the landing gear and he says, 'It is all plastic', he says with a smile. That makes sense. After all, this is a model. This is a model plane. It is a full-sized mock-up constructed to test whether all the parts would fit together. But now it is all that remains of the United States Navy's A-12 Avenger".

This is what the stealth bomber was called, the A-12 Avenger.

A plane that has never flown and never will. It is a procurement fiasco that has already cost the American taxpayers more than \$3 billion and is quite likely to cost them \$2 billion more.

The A-12 was killed in 1991, smothered in its cradle by Dick Cheney, who was then Secretary of Defense. Cheney was angry that the plane was at least a billion dollars over budget and a year behind schedule.

He was angry because those were the facts, but he was also angry because the Navy and its contractors had concealed from him until after he testified to Congress the fact—they told him the A-12 project was proceeding just fine. In other words, the Secretary of Defense came to Congress and testified the A-12 is on schedule and it is not exceeding its cost, and shortly after that he discovered that not only was it not on schedule, it was a year behind schedule and it was at least a billion dollars over the projected cost.

Inevitably, because this is America, the A-12 has spawned a lawsuit. The Secretary of Defense killed it. He said,

no, we will not go further. I will not waste any more of the taxpayers' money. This project is over. We have spent \$3 billion, the plane is not here, it does not fly, it is continually mounting in overrun costs, it is canceled. But he found he could not do that. The company sued.

It is a gargantuan and seemingly endless case, described in various newspaper accounts as the largest claim ever filed against the Federal Government and the most expensive lawsuit ever. In other words, the American taxpayers have paid out already \$3 billion and now these suits will cost them another \$2 billion, these lawsuits that the companies are bringing.

At issue is a huge sum of money. The Navy wants the contractors to return \$1.35 billion of the money that they have already received for the plane that they never built. All this has happened and no one has gone to jail yet. Only in America could this happen and no one ever go to jail. Even in Europe the head of NATO was recently told he is under investigation and probably will be indicted for some crooked things he did in terms of procurement of weapons. But in America nobody has been indicted; nobody is being investigated for wasting \$1.35 billion.

Mr. Speaker, the contractors now have the nerve to say not only did they not build the plane and wasted the taxpayers' money, but they want the taxpayers to pay \$1.6 billion more. Nobody expects this case to end any time soon, and one attorney for the contractors said it could drag on until the year 2007. The government could lose this case merely because the Secretary of Defense eagerly took responsibility and said I will not let this swindle of the American taxpayers go on any longer. He took action quickly and hastily, and they say he had no authority to take that action. Somebody else was supposed to make that decision. And that is the basis of a court suit that will rob the American people probably of another \$2 billion.

Mr. Speaker, the taxpayers have spend \$3 billion on a plane that cannot fly. Three billion dollars. Three billion dollars is the cost of all the cuts in education except a few. We could take that \$3 billion and restore most of the cuts in education programs.

\$1.1 billion has been cut from title I programs. Title I programs go all across the country to schools where poor children exist. Three hundred million dollars has been cut from Head Start programs all across the country. The only time Head Start has been cut since its existence. President Nixon funded Head Start with an increase, President Bush increased Head Start, President Reagan increased Head Start and President Carter increased Head Start. We have never cut Head Start since it came into existence.

Now we have cut Head Start, but we will continue to pour money down the drain on this weapon system we have already decided to cancel. And in this

reconciliation package, which is summarized here, the one place where there are increases in the budget is in the defense budget. Great increases take place here in defense.

Mr. Speaker, the American people are on target. Remember what I said in the beginning. The American people said the President should veto this budget. He should veto the budget that contains these increases. He should veto this budget that contains all these increases for defense while cutting education, while cutting Medicare, while cutting Medicaid. Sixty-one percent of the American people said veto the budget. Seventy-three percent of the American people say we prefer smaller Medicare and education cuts, and we prefer smaller Medicare and education cuts, and we prefer a balanced budget over a 10-year period. Common sense is on target.

The contradictions are what we have to watch in order for the American people to maintain their common sense and in order for the American people to understand they are right and people are wrong here in Washington; that the Republican-controlled Congress is wrong. The Republican-controlled Congress is dangerously wrong. The American people are right and the Republicans are wrong. The American people should keep their heads on. They should not let all these contradictions I just talked about confuse them.

Mr. Speaker, another thing the American people have to worry about, and the reason why they are right and the Republicans are wrong here, is because the Republicans refuse to acknowledge basic facts like the ones exhibited by this chart. They refuse to acknowledge the horrible truth about taxes in America.

The horrible truth about taxes in America is that families and individuals have been grossly swindled. And I cannot say this too often, because nobody else in Washington is willing to say it. Here is the answer. Yes, we need a tax cut. The American people need a tax cut. Families below \$50,000 deserve a tax cut. They should have a tax cut. I think the President's proposal for a tax cut is on target. The gentleman from Missouri, Mr. Gephardt's proposals for a tax cut is on target. When we combine the two, we can get a sensible tax cut that takes care of trying to correct a wrong that has been done to the American people.

The red line here is corporate America's share of the tax burden. The blue line here is the share of the tax burden borne by individuals and families. In 1943, the first year for these two charts, individuals and families were paying only 27.1 percent of the total tax burden.

If Rush Limbaugh and his various researchers want to check these figures out, these figures come from the U.S. Office of Management and Budget. They can go to the Congressional Budget Office. These are not the kind of figures that there is any controversy

about. These figures are all hard figures.

In 1943 27.1 percent of the tax burden was borne by the families and individuals, while 39.8 percent, almost 40 percent of the tax burden was borne by corporations. Corporations, where they are making the greatest amount of money now. Individuals are making less money. Wages have gone down but corporations are making more. At that time they were bearing more of the burden.

We had a great change take place in 1983 when Ronald Reagan first proposed his trickle-down theories. It was not just Ronald Reagan by himself. He had to have some cooperation by the Democratically-controlled Committee on Ways and Means. So the burden for this one is borne by all of the Washington decisionmakers.

It shot up from 27.1 percent in 1943 to 48.1 percent of the tax burden being borne by individuals and families in 1983, 40 years later. 48.1 percent of the tax burden while corporations dropped all the way from 39.8 percent of the tax burden to 6.2 percent.

Mr. Speaker, the American people should listen and let their common sense go to work. They should let their common sense look at these figures. There is no common sense in Washington. Somehow it all gets clouded. There are a lot of factors that go into motion here which make it impossible for Democrats to see this chart and makes it impossible for the Republicans to see this chart. There are obvious answers that jump out at us from this chart.

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Are things better now in 1995 than they were in 1983? Yes, they are slightly better. Individuals and families are paying 43.7 percent of the tax burden, instead of 48.1 percent of the tax burden. So individuals are paying a little less than they were before.

Corporations are paying 11.2 percent of the tax burden instead of 6.2 percent, which was the low point they achieved under Ronald Reagan's trickle-down theory. There has been an adjustment. It is a little bit better. But look at the discrepancy here. We still have 48.7 percent of the tax burden being borne by families and individuals, while 11.2 percent is borne by corporations.

Do Members want to balance the budget? Do Members want to lower the deficit. Do Members want to give a tax cut all at the same time? We do not need to use magic. Magic is not necessary. Cut the defense budget that is wasteful that I was talking about before and we get rid of the corporation loopholes.

Mr. Speaker, no Democrat wants to be caught raising taxes. No Republican wants to raise taxes. We can raise this figure here, the share of the revenue that is contributed by corporations can be raised without increases taxes. What we do is close the tax loopholes.

Close the tax loopholes which allow foreign corporations, American corporations with foreign operations, to pay less taxes than corporations in this country totally. Corporations who have all their operations in this country and give all their jobs and business to American workers and pour it into the American economy, they do not get the same benefits as corporations who have foreign operations.

Mr. Speaker, if we just eliminated that loophole, we would raise this figure a little bit. If we eliminated the subsidies that go to corporations for advertising products in foreign markets, we would raise it a little bit more.

In our Congressional Black Caucus alternative budget we eliminated enough loopholes to raise the revenues of the corporations up to 16 percent. If we raise it up to 16 percent and we cut the defense budget, the waste in the defense budget, we can end up with a balanced budget and we do not cut Medicare and Medicaid 1 cent.

We could end up with a balanced budget and not cut education. Instead of cutting education, education was one area where we increased the budget by 25 percent. In the Congressional Black Caucus alternative budget, education was increased by 25 percent.

Mr. Speaker, education is an investment that America needs to make. It is an investment that the Federal Government needs to make, and we gave it the highest priority. We can do that and still balance the budget and eliminate the deficit and give a tax cut, but we have to deal with the corporate tax loopholes. We have deal with the swindle, the great swindle down from 39.8 percent to 11.2 percent.

We do not have to be geniuses. Any sophomore in high school could do the figures and see, calculate the percentages and see what this figure is. It got as low as 6.2 percent. The scandal was so great, until there was an agreement that we had to do something about this figure. Corporations were paying in 1983 as little as 6.2 percent of the total tax burden, and individuals were all the way up to 48.1 percent.

What am I talking about? I am saying that there are facts and circumstances which the negotiators at the table who are going to decide on the budget that is going to set the course for America for a long time to come will not even acknowledge. They will not acknowledge this chart provides the key to balancing the budget, ending the deficit, and giving a tax cut. They will not acknowledge that a great swindle took place.

So, Mr. Speaker, I present it to you. The American people have common sense who show in the polls that they know what is happening. I say to the American people, "You be the judge. You be the judge of what ought to be happening here in Washington." This is a truth that must be acknowledged.

Another truth that must be acknowledged is the fact of the income gap. Those people who are lucky enough to

have a job, the only way that they can get more income is if we lower the taxes. They deserve a tax cut. Families and individuals making \$50,000 or less must get a tax cut. I am in agreement with the President and the gentleman from Missouri [Mr. GEPHARDT] on the kind of tax cut that we ought to have.

Mr. Speaker, we lower this figure so that the income of these people would be increased. That is justice, to bring down the tax here. It would be justice if we brought them up here, so that we do not increase the deficit at the same time.

The minimum wage would not cost the American people anything. Taxpayers do not pay a penny in terms of minimum wage increases. It means that we pay a decent wage to people in corporations and private businesses. The government sector also would have to pay additional money, although there are almost no government jobs still that are paying minimum wage. They are already above the minimum wage.

Mr. Speaker, the minimum wage is low, \$4.25 an hour. The President and the Democrats in Congress have proposed to increase this \$4.25 an hour by 90 cents over a 2-year period; 45 cents 1 year and 45 cents another year. That is the least we can do to deal with a situation which has steadily grown worse.

As the minimum wage has stagnated and stood still, the earning power of these families has gone down. So, we have a situation now where what workers make at the minimum wage pays for far less than it used to.

The minimum wage as a percent of the average nonsupervisory wage has dropped from 52 percent in 1960, to a current low of 37.7 percent. In other words, people in supervisory positions, executive positions, as a percent of wages, minimum wage earners are making 37.7 percent where they used to make about half as much as what the bosses made. The gap in the income is great and it must be attended to.

This is the 57th anniversary for the minimum wage. It was started October 24, 1938. American workers were guaranteed 25 cents an hour wage to protect them from exploitation and to be sure that their work was fairly compensated. We need to increase the minimum wage. Nobody wants to deal with the truth of the income gap and increase minimum wage.

Mr. Speaker, nobody wants to deal with the truth or the fact that as they move all of these programs, like Aid to Families with Dependent Children, like the school lunch program, like portions of Medicare, programs are being pushed down, education programs, to the State and local level. They are saying that the State and local level can handle them better and they are saying that Washington is wasteful. But in America, many States would not have these programs at all if they had to pay for them alone.

Franklin Roosevelt knew what he was doing. He was not naive. Lyndon Johnson knew what he was doing. He

was not naive. They understood when they created the New Deal programs that we had a situation where the wealth of the East and Northeast would be translated and go to the poorer States.

Mr. Speaker, let me wind up by saying my message is that Americans are on track. Their common sense, the way they read the situation in Washington, is the one that is correct.

Mr. Speaker, I say to Americans, "Do not allow anybody to confuse you. Maintain your common sense. America needs your common sense in order to get through this budget crisis."

THREE MAJOR GOALS OF THE REPUBLICAN MAJORITY

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

Mr. SHAYS. Mr. Speaker, thank you for taking the time to allow me to address the House. I would like to say that I will basically be making some comments and then yielding to my good friend, the gentleman from Kansas [Mr. TIAHRT], who will demonstrate some of what I am saying and amplify and also go on into other areas.

Mr. Speaker, really what I wanted to address the House about was why we are doing what we are doing and what are we doing.

Mr. Speaker, we have three basic goals as this Republican majority. Our first goal is to get our financial house in order and balance our Federal budget. We would like to do that no later than 7 years. We would like to do it sooner, but 7 is the outer limit to balancing that Federal budget.

Our second task is to save our trust funds, particularly Medicare, which starts to go insolvent next year and becomes bankrupt in 7 years.

Our third effort is to transform our social and corporate welfare state into an opportunity society.

Mr. Speaker, the bottom line to this effort is: Get our financial House in Order; balance our budget; save our trust funds, particularly Medicare, which is going bankrupt; and transform our social and corporate welfare state into an opportunity society.

Mr. Speaker, we have heard a lot of dialog in the last few months about whether we are cutting or increasing. The gentleman from Kansas is going to be able to demonstrate what truly is a cut and what is not, but I would like to begin to start that dialog by dealing with five issues that our colleagues on the other side of the aisle refer to as cuts.

One is the earned income tax credit; another is the School Lunch Program; another is the Student Loan Program; a fourth is the Medicaid Program; and a fifth is the Medicare Program.