

us. He was not only a representative who knew how to get the job done, but someone who knew how to keep things in perspective.

As one editorial noted of Ed:

You didn't have to know him well to know that at the top of his list was family. He loved to talk politics but he could also spend considerably time talking about how his wife, Evelyn, gave him the support that was really important.

The writer goes on to observe that after his election to the House, in the face of overwhelming new responsibilities and challenges, Ed's principal concern was how his family would adjust to life in Washington.

Mr. Speaker, in his all too short life, Ed Madigan contributed great intelligence and insight to the public policy debates in this country, and we will long cherish his memory. He showed us all what distinguished public service really means and we will miss him more than words can say.

I join my colleagues in expressing our deepest condolences to Ed's wife, Evelyn, and to his entire family. All Americans share in your great loss, and our thoughts and prayers are with you.

Mrs. MORELLA. Mr. Speaker, I rise today to pay tribute to the late Ed Madigan, a thoughtful, consensus-seeking public servant who carved out a great career in Washington, first as a 10-term Member of this body and later as Secretary of Agriculture under President Bush.

In the House, Ed's leadership skills were demonstrated by his rise to the fifth-ranking position in the Republican hierarchy: Chairman of the party's Research and Planning Committee. He was also appointed twice as chief deputy whip.

Later, the Illinois Representative gave up his leadership post to assume the ranking Republican position on the Agriculture Committee, playing a key role for 8 years on farm legislation. He was especially instrumental in shaping the 1985 farm bill.

In addition to serving as Secretary of Agriculture at a time when the Department had a high profile, Ed was named by President Bush to serve as lead negotiator on the agriculture section of the trade negotiations under GATT.

Since leaving Government service, and until his untimely death last month, Ed had been associated with a major Illinois-based insurance company and had served on the board of a number of corporations.

Ed was a soft-spoken, generous individual who let his achievements speak for themselves. He leaves a great legacy in this body, where so many of us counted him as a good friend.

Mr. CRANE. Mr. Speaker, Ed Madigan's unexpected passing away came as a shock to all of us who regarded him as our friend. Had he lived, he would have celebrated his 59th birthday the day after tomorrow.

Ed Madigan served the citizens of his district in north-central Illinois for almost two decades. And he served them well.

His legislative career began in 1967 in Springfield where he served in the Illinois State House of Representatives.

He brought his many talents to Congress in 1973 after 6 years in the Illinois General Assembly. Ed's many Springfield honors included being named Outstanding State Legislator.

His legislative abilities became apparent to those of us in this Chamber shortly after his arrival in Washington. He was a master of

working out compromises where others failed to make progress.

Ed was ranking Republican on the House Committee on Agriculture at the time of his resignation. He was also serving at that time as Chief Deputy Minority Whip. Ed Madigan willingly sacrificed the position he loved so much in this House of Representatives to heed the call of President George Bush to become a member of the President's Cabinet. He was the Nation's 24th Secretary of Agriculture.

Ed Madigan was a fine son of the State of Illinois. He was our colleague, and most important, he was our friend. Ed Madigan will be missed.

In closing, I would like to extend our sympathies to his wife, Evelyn.

#### GENERAL LEAVE

Mr. EWING. Mr. Speaker, I ask unanimous consent that the Members may have 5 legislative days in which to revise and extend their remarks on the subject of this special order.

The SPEAKER pro tempore (Mr. BLILEY). Is there objection to the request of the gentleman from Illinois?

There was no objection.

#### LEGISLATIVE ISSUES UNDER DEBATE ON CAPITOL HILL

The SPEAKER pro tempore. Under the Speaker's announced policy of January 4, 1995, the gentleman from Illinois [Mr. DURBIN] is recognized for 60 minutes as the designee of the minority leader.

Mr. DURBIN. Mr. Speaker, I will be joined by several of my colleagues to discuss some of the legislative issues that are being debated on Capitol Hill at this time.

I would like to start off by noting this Los Angeles Times story this morning, the devastation that is shown here from the flooding in California. I can certainly identify with this. Mine was one of the districts in the Midwest which was flooded in 1993. I worked the sandbag lines, and did my best as a Congressman to try to help many of the families, farmers, and businesses get back on their feet.

It was a devastating loss. I can certainly understand what many families and people in California are facing today.

Let me say that it has been my honor to serve in this Chamber for 12 years. I have at various times been asked by people from across the country to come to their assistance in the midst of a disaster. I have tried to do that. In fact, I have done that every time, whether it was the Loma Prieta earthquake near San Francisco or the Northridge earthquake near Los Angeles, or these floods.

I am sure they will all result in requests for assistance by the Federal Government. I will be there, because I think that is one of my responsibilities, not just to represent the 20th District of Illinois, but to serve our Nation. When some people in our Nation

are in need, it is important that this Federal Government, this National Government, rally to their assistance.

Having said that, though, I would like to put into context some of the debate which is going on today on Capitol Hill as part of the Contract with America, and to give the perspective of the Contract with America on which it means to the flood victims of California and victims of future disasters.

First, if you search the Constitution of the United States, you will find no reference to a Federal obligation to pay for natural disaster assistance. It is an obligation assumed by the Federal Government, and an expensive one. In the 1950's, the Federal Government paid about 5 percent of the cost of natural disaster problems and damages across America. Today the Federal Government pays over 95 percent of the cost. We are on the hook.

In the Northridge earthquake near Los Angeles we have already spent more than \$5 billion. The Federal Government came to the assistance of the State of California, a deficit-ridden Federal Government rallied to the assistance of the State of California, because the people needed help. More money will be needed because of that earthquake. More money will be needed because of these floods.

Let us talk about two issues we are debating in Congress right now. One is unfunded mandates. Let me give you an example of an unfunded mandate from the Federal Government. The Federal Energy Management Agency [FEMA] which has the responsibility to come in and pay for disasters, establishes guidelines for communities that they should follow to try to reduce flood damage.

For example, they suggest that people should not build in a flood plain if they want to qualify for Federal flood insurance. Is that a Federal mandate? Yes. Does the Federal Government pay for it? No. If the communities follow the mandate, what happens? It lessens the damage that might occur because of flooding or other natural disasters.

□ 1310

Why is that Federal mandate important? Because ultimately Federal taxpayers will be left holding the bag when the flood hits the community. And if the community has not lived up to the Federal-mandated guidelines, that cost to Federal taxpayers is higher.

Many people will get up and condemn Federal mandates but they do not look at this perspective, that many of these mandates are necessary to make sure that we lessen the ultimate liability of Federal taxpayers.

The Governor of the State of California, Mr. Wilson, as I understand it, gave his State of the State message yesterday and in the course of that State of the State message, he said, and I quote, that he as the Governor of

the State was proceeding with his lawsuit to sue the Federal Government because we were not paying for things that we were mandating. In the words of the Governor, he said, "We are going to sue their butts off." In a day or two we will be hearing from this same Governor who is going to "sue our butts off" because all the things the Federal Government is not paying for that he is going to need Federal disaster assistance because of his flood in California.

I would suggest that Governor Wilson should pause and reflect that the same Federal Government which he is complaining about, he is now going to turn to, despite our deficit, for assistance badly needed by the people of California. Does the word "ingrate" come to mind?

I would submit that the Governor should reflect as every Governor should on the fact that the Federal Government comes to their assistance time and time again in disasters and tries to make up for the losses which States and local governments could never absorb.

We may have debated a few days on next week on eliminating Federal mandates. Will we eliminate the requirement that States like California and my home State of Illinois in the future do things to mitigate disaster damage so that Federal taxpayers will not be holding a bag that is much larger?

Then the next week we will debate the balanced budget amendment. The balanced budget amendment says ultimately we are going to reduce the amount of money available for the Federal Government to come to the assistance of any State that suffers a disaster.

One of the things we as Democrats are insisting on is if the Republicans under their contract want to move a balanced budget amendment, they should in fact tell us where these cuts are going to take place to balance the budget. I do not think that is unreasonable.

Former President Ronald Reagan in dealing with the Soviet Union in terms of disarmament said "trust but verify." I think the same thing is true when the American people look at the Federal Government.

If the Republican leadership in the House can be trusted to bring us a balanced budget amendment, we should ask them to verify the actual cuts that will be necessary to reach that balance.

The new majority leader of the House, the gentleman from Texas [Mr. ARMEY], said on a television show over the weekend that he did not want to do that because he was afraid that the knees of Congressmen would buckle when they saw the kind of cuts necessary to reach a balanced budget. I would suggest to my friend from Texas that if our knees would buckle, so would the knees of our constituents. They need to be told what is involved in this decision, that it is going to be tough, that it may mean for Governor Wilson after he has "sued our butts

off" that when he comes to the Federal Government with his hand out for billions of dollars for disaster aid, we are going to say, "Unfortunately, Mr. Governor, we don't have that money anymore. We now have a balanced budget amendment which lessens discretionary funds available to come to your assistance."

This is part of the real debate that has to take place. We have got to move beyond the bumper strip slogans of "End Federal Mandates, Give Us a Balanced Budget Amendment," and talk about the real world that will result. What cuts will there be in disaster assistance, money for education, Social Security, Medicare, things which families hold near and dear in this country?

I concede we have to move toward a balanced budget amendment. From my personal point of view, it is not our highest priority. The highest priority in this Nation is sound economic growth. Moving toward a balanced budget amendment is part of it, but only part of it. Equally if not more important is economic growth and economic development, creating more jobs, more opportunities and more capital formation. Insidiously a balanced budget amendment could work against that.

In times of recession when Federal revenues are down and people need help with unemployment insurance, for example, and things to get by that their families can live on, we may not have the money to pay for it, and that I think would frankly deepen the recession, would not bring us out, would not get families back on their feet.

What we are talking about in a balanced budget amendment debate is more veracity, more truth, more frankness. If our knees are going to buckle here on the floor, I say to the majority leader the gentleman from Texas [Mr. ARMEY] and others, "So be it. That's the job we accepted. We're supposed to face the tough decisions."

I think it is critically important that the Republicans in their rush to move these things through in the next 80 or 90 days take the time to do it right. Use common sense. The American people demand that of us. Be honest with the American people. "Don't be afraid that their knees are going to buckle," I say to the Republican party. Tell them honestly what it means to California and Illinois and all across the country.

Mr. MILLER of California. Mr. Speaker, will the gentlemen yield?

Mr. DURBIN. I yield to the gentleman from California.

Mr. MILLER of California. I thank the gentleman for his comments.

I want to say that over the last couple of years, time and again we heard Members of the other party, the Republican Party, take the well and talk about the arrogant Congress.

I find it rather interesting now that as the Republicans get ready to present to the Congress a balanced budget amendment, a constitutional amend-

ment to balance the budget, that they seek to deny our constituents the kind of information so they can make an informed decision about whether or not they want us to vote for or against the balanced budget amendment.

I find it rather interesting as you quoted the majority leader, the gentleman from Texas [Mr. ARMEY] saying that if the public knew the cuts that would be necessary, that their knees would buckle, or our knees would buckle.

I really find it interesting when it comes from individuals that profess a great belief in democracy, that herald governments that turn toward democracy, we have spent billions of dollars to spread democracy throughout the world at a time when the Speaker of the House, the gentleman from Georgia [Mr. GINGRICH] says that he is going to put every bill on the Internet so that the American people will have greater access, be able to make decisions, but what he is not going to put on the Internet are the ramifications of the bill.

He is going to tell people that we are going to balance the budget by the year 2002 but, like President Nixon who had a secret plan to end the war, only after people vote or after that becomes a law, he will then display what is necessary to meet the balanced budget. That is arrogance. That is the height of arrogance. Because the balanced budget amendment, unlike a lot of other legislation that we deal with on the floor of the Congress that the various sessions does not affect one particular part of American society or some narrow special interest group, it affects every citizen in this country, because of the ramifications.

We have seen proposals where different people from the right or from the left have suggested what would or would not take place under a balanced budget. Every segment of our society is impacted, from our national security to the security of our retirement systems, to the education of our children, to our ability to meet the natural disasters that beset my State at this very moment. Everybody has a stake in this debate. But it is the intention of the leadership of this House to preclude everybody from participating in this debate.

What should be done is they should spread upon the ledger those cuts that are necessary to meet the target of a balanced budget in the year 2002, and they should be required to do that now so that there is truth-in-budgeting, so there is full disclosure, so that the public interest is protected, and the people who live in the greatest democracy on the face of the Earth will have an opportunity to exercise those rights under that democracy, and that is to pick up the phone, or the pen or pencil, and call their Member of Congress and say, "I like this, I don't like this, change this, change that." That is about the empowerment of people.

That is supposedly what putting the legislation on the Internet is about.

If you put nothing more on the Internet than a piece of legislation that says the budget shall be balanced by the year 2002, you have told the people nothing. You have told them nothing. You have not told them whether or not you are going to gradually make those exchanges over that 7-year period of time or whether you are going to run to the political necessity of doing it in the last 2 of 3 years, where the impact is much greater and people are not able to prepare for it.

If we give this country notice and if we give them a plan, clearly a balanced budget is within our grasp.

□ 1320

But if we do not do that, then in fact we cannot expect to reach that star target. So what we are talking about here is very fundamental notions, fundamental notions about the arrogance of the leadership of this Congress as to whether or not they will fully inform people about the hypocrisy of the leadership of this Congress that says whether or not they want to, they want to truly let people know what is going on inside the halls of Congress or whether they want to hide it from them, and right now what they are engaged in is one of the great coverups.

They will not tell us what they are going to do because apparently they do not have the courage of their convictions. They have the courage of their bumper stickers, they have the courage of their campaign slogans. They simply do not have the courage of their convictions to look the American people in the eye and say these are the ramifications, this is what is required to engage in a balanced budget by this time.

I also think that they give the American people far too little credit for their willingness to participate, because we know there is an overwhelming desire among the American people to see us get our financial house in order. But we ought to invite them in as partners, we ought to recognize their dignity and intelligence and make them, if you will, partners in this process.

For the Republicans to suggest that we are going to take it on a whim and a promise is the height of arrogance, and I want to thank the gentleman for raising this point at this time. I hope that they will yield to the will of the American people and not to the politics of the majority in this Congress.

Ms. DELAURO. Mr. Speaker, Will the gentleman yield?

Mr. DURBIN. I yield to the gentleman from Connecticut.

Ms. DELAURO. I am delighted to join my colleagues here this afternoon. This I think is one of the most important debates that we are going to have in the next several days and in the next several weeks.

I would like to add to what my colleagues have said in this respect, that we all do want to have a balanced

budget. Members of Congress want to do that, the public wants to do that, we want to erase the debt that threatens our children's future. That is what we are about.

To add to what the majority leader said over the weekend on the television shows, Mr. ARMEY said not only would Congress' knees buckle, but that he feared that if you spelled it out for the American public they could not deal with the pain.

Now is that not a terrible indictment of the American public? As far as I know we are still a representative democracy. We did not come back here to impose a secret exclusive policy on the public and the people that we represent but, in fact, rather to open up an exclusive debate on where this Nation should go. That is what this is about. Quite frankly, that is what Republicans campaigned on with the bumper stickers you were talking about. In fact, we need to have open government.

But I tell you, we do have some general idea of the Republican plan and what it would require. According to the Congressional Budget Office it would require \$1.2 trillion in deficit reduction, revenue increases, or spending cuts, or a combination of the two to balance the budget by the year 2002.

Since Republicans have indicated that the revenue increases will not be used to balance the budget, a constitutional amendment would then require \$1.2 trillion in spending cuts alone to balance the budget. This estimate does not even take into account the \$193 billion in tax cuts over the next 5 years that are contained in the Republican contract, nor does it talk about what the increase in defense spending on star wars would mean in terms of the cuts.

Let me just give a couple of examples which I think are very critical, and this not by Democratic standards but by a Republican Senate and Republican House staff which says that this would require a 24-percent increase across the board. That is what their notions are in terms of a cut.

If you talk about Medicare, let us take a look at that. In the last week the Speaker of the House, Mr. GINGRICH, suggested transforming the Medicare system into another system. Is this in the balanced budget, which is the truth that we need to know and that the public needs to know. Is that in there? What does it mean to seniors in this Nation if we are going to talk about a 24-percent increase in their premiums for Medicare beneficiaries? What services are no longer going to be covered by Medicare? Could it be worse?

Also, according to a Republican Senate Budget Committee staff analysis, you would have to cut almost \$1 trillion over the next 7 years to pay for the Republican contract.

Further examples of what this 24-percent across-the-board cut means is that one out of every four college students now receiving Pell grants would be

forced out of school. These young people and their families have a right to know what is in that balanced budget amendment.

Twenty-four percent across the board would mean one of every four high school graduates currently in apprenticeship programs would be denied the job training that would allow them to get ahead and to earn a living. They have a right to know what is in this balanced budget amendment.

Would 24 percent across the board mean that one of every four children enrolled in the Head Start Program would lose also the help that they need to start each day and enter school ready to learn?

Essentially what we are saying, the long and the short of it is you cannot talk about and run for office on open government and then decide to shut it down when you are in charge. We are just asking the Republicans to come clean. We all know that balancing the budget is going to require sacrifice. The public knows that, Members of this body know that, and if they do not they should know that because it is going to be difficult. We have to make the tough choices. That is all we are asking here.

I joined my colleagues last year in supporting the Democratic balanced budget amendment that sought to achieve a balanced budget while trying to keep Social Security intact. Does the Republicans' balanced budget put Social Security on that chopping block? In fact it does.

Today in the Judiciary Committee, Republican members of the committee voted not to exclude and exempt Social Security from the balanced budget cuts. What does that mean? Seniors in this Nation have a right to know what this is about.

The fact is that the Republicans fear opening the debate on their ideas to the American public. They are afraid of letting people participate in this decisionmaking process that is critical to our Nation's future.

I am delighted to join my colleagues this afternoon in this discussion because as I said at the outset, nothing can be more important than this debate. Members of Congress have to know what is in that balanced budget amendment, the American public has got to know what is in that balanced budget amendment.

Mr. MILLER of California. If the gentleman will yield, I want to thank the gentlewoman for her remarks and point out she makes a very important point. There is more than one way to a balanced budget, and there are those who believe that the way to a balanced budget is simply to cut until you have arrived at that point by doing away with many, many programs of the Federal Government. There are others who believe you should tax and you should cut. Others believe, as the Chairman of the Federal Reserve Board told the Senate yesterday, that if you simply adjust the inflation factor by a point or

a point and a quarter, you could arrive and would not have to make those cuts.

There are all of these options available, but I think the gentlewoman makes an interesting point. Some of the options have different ramifications for different people. If, as the Republican plan anticipates there is a tax cut, both capital gains and some kind of middle-income tax cut, it may very well be that when middle-income Americans look at that option they may say forget the tax cut, make the down payment on the deficit. Keep the interest rate on my adjustable home loan down, keep the interest rate on my child's student loan down, and make sure that I can pay off my credit card debt, because if you are going to give me back a \$1.25 a day, then why not just make sure that the interest rates are lower because I will lose more than that in 1 month if the Federal Reserve raises the interest rates and my home mortgage goes up.

We ought to let the American people decide which course they want to take. A lot of people have come up to me, as hungry as they are for tax relief, and say geez, if you could really make an additional dent in the deficit beyond what you did over the \$500 billion or \$600 billion that have already been made, I am for that, and I will forgo the tax cut because I want to make sure that the interest rates are low, that we can continue to create jobs, that my business can continue to thrive. That is what we are asking for.

We are saying to the Republicans, let the American public participate and choose how they would like to meet this obligation to get rid of this horrendous deficit.

□ 1330

But that is unfortunately what they are not going to allow, and I think the gentlewoman makes incredibly important points that every segment of our society has got to be able to examine this and say, "How does this affect me?"

What we know is when we play fair with the American people and you give them the knowledge, these are people who are willing to sacrifice as long as they know that everyone else is. As we have seen in the natural disasters that are besetting my State, neighbors are helping neighbors, communities. We saw it all up and down the Mississippi River 2 years ago.

This is a great country. Why do we not treat them like great people and invite them into the debate and have the Speaker of the House put the options on Internet and let the people choose and inform themselves? And then we will have to make the tough decisions that will flow from that kind of participation in this democratic system.

Mr. DURBIN. I yield to the gentlewoman from North Carolina [Mrs. CLAYTON].

Mrs. CLAYTON. I am also delighted to enter into this debate.

It is said the measure of good government is not where we stand and what it does when times are good, the true measure of good government is where we stand and what it does when times are tough. That was the philosophy of Dr. Martin Luther King. I think it is appropriate at this time in history that we recall his wisdom, appropriate this weekend.

Soon Congress will consider a proposed amendment to the Constitution that would mandate a balanced budget. This is not a minor matter. This is a very populist concept and really needs to be debated by those of us in Congress and also by those in America. The vote we take on this proposal will echo in our lives for years and years to come. That is especially true if the provision requiring a three-fifths vote to raise revenue remains on final passage.

I support the goals of a balanced budget. As a local government official, chair of the board of commissioners of my county in the State of North Carolina, I had to live under a balanced-budget amendment, not only amendment, but a mandate. We did that, and I felt that is, indeed, the way government should function. That is, indeed, the way this body should function.

I also realize that we must accept the reality that in the near term we face and must accept to make some sacrifice. That sacrifice must be borne by all Americans. Our senior citizens, veterans, States, local communities, and our children will be required to, indeed, receive less from their Government. However, the people really need to know what, indeed, the sacrifices are they will be called to make. There will be cuts in the budget, less spending, and continued emphasis on reducing the deficit.

The issue is not will we cut. The issue is what will we cut. The issue is not should there be cuts. The issue is where will those cuts be. The issue is where will the cuts be the fiscal responsibility will compel us to cut. The question is not will we not cut. The question is where and how much and what will be the pain and how we will inform the American people.

The American people have a right to know, and I concur with my colleague who said the American people, if they are properly informed, usually are prepared to make that sacrifice.

A balanced-budget mandate will mean painful cuts in programs that many of our citizens and our communities have come to expect and have come to rely upon. It is because of a resounding impact of this proposal that we must demand, and the American people have a right to know, which programs the majority intends to keep and which programs they intend to eliminate or to reduce.

At the end of each day, those of us in government must be honest and answer the question by our policy who have we helped and who have we hurt.

The budget of the United States makes a statement about who we are and where we stand. It signals to our citizens and to the world the priorities that we are governing our lives by. We must be a nation determined to promote peace. Or will we be a nation designed to encourage war? Will we spend our money urging our young people to stretch for the stars, or will we spend our money on dubious weaponry? What will we say to our veterans who at great sacrifice have defended this country war after war, in fact they have risked their lives, will we say to them our balanced budget requires us to eliminate their pension and health care which we promised?

These demand answers now, not after April, not after all our citizens have paid their taxes. We need those answers now.

Who will be helped by this balanced-budget amendment, and who will be hurt?

If the majority has their way, we will have a flat tax, we are told. Under the proposal, every citizen will be taxed at the same rate, 17 percent. If the truth is known, the majority is not allowing you to understand at all the average American now pays less than that. They pay around 15 percent. So they are not telling the whole. Actually they are not telling you that the unearned-income money from dividends, interest, will not be taxed under that proposal. Those with stock and money in the bank will not have to pay that tax at all and, in fact, the rich will be excused from that.

But those who have families and students in college and student loans and medical bills and debts to pay on their house, they, indeed, will have to pay those taxes.

Will we breach our contract and our covenant with the elderly and say to our senior citizens at the sunset of their lives that, "We will not provide that which we promised; we will be cutting Social Security and Medicare"? It may be we will have to reduce these resources, but we need to be honest with our senior citizens.

Will we say to the small farmers who literally work their fingers to the bone for feeding this country and all the world, that we are no longer going to support you at any risk?

Will we say to rural areas, "There is no longer rural credit or rural housing"? None of this will be available if we say to our young that the balanced budget requires us to cut indiscriminately.

Will we say to our children, "We are no longer able to immunize you from disease or feed the hungry or shelter you from the cold because we are giving money to those who are more wealthy"?

The American people have a right to know the implication of this budget. Times were tough in our country in the 1930's. Our economy had virtually collapsed under the weight of a Great Depression.

How we responded then, and how we will respond now tells us something about our country. Then under the careful and compassionate hand of President Roosevelt, we did not eliminate programs. We refocused. We reenergized government to respond to that crisis. We did not just cut programs. We found ways to respond to the appropriate need then.

That appropriate use of government eventually ushered in an unprecedented growth in our country. The economy was booming, and little did we know that we were moving toward his goal that we would have a car in every garage and families, indeed, would have homes and that they would provide for the children. Good times resulted from that in America.

Today we are facing a staggering balance-of-trade deficit with many of our foreign trading partners. Very often the car Americans can afford in their garage is from Japan, and that is not as it should be. The jobs that followed in 1950 have taken flight to cheaper labor markets. Indeed, crime is on the rise.

There are problems we have now. Teenage pregnancy is at an unacceptable level.

I say these are tough times. What will we do? How will we respond to this?

The question is how will we respond to these tough issues as we balance the budget? That is the issue the American people should know. Where will they fall in our response to them as a governing official?

We do not need a government for the sake of government. Certainly we need to reduce government where it needs to be reduced. But we do need a government that is appropriate, careful in its spending, fair in its revenue raising, and should dictate how we govern in a fair manner.

We must not waste. Our citizens need not want. But we must be truthful with our citizens and tell them what sacrifices they are going to bear.

We did not get elected to come here to create a robot-like system where entitlements are slashed indiscriminately. Some may need to be reduced. Why not tell the American people what we are about as we are to make these hard decisions?

In fact, the balanced-budget amendment may be the easy vote, because we do not have to stand up to people and to tell them this, indeed, is how I will propose to reduce this budget.

The majority proposed an answer to these difficult things by saying the balanced-budget amendment, with a two-thirds vote requirement, is the only way. I submit to you, Mr. Speaker, the American people have a right to know the sacrifices we are asking them to make and we are called to make.

I think the more responsible position is letting the people know.

□ 1340

Mr. DURBIN. I thank the gentlewoman from North Carolina, particularly for her reference to a man who might have been our greatest Democratic President, Franklin Delano Roosevelt. It brings to mind one of his most memorable phrases, which was when he spoke to the American people in the depths of the Depression and said, "We have nothing to fear but fear itself." I think the Republicans' slogan today is, "We have nothing to fear but the facts."

They are afraid to share the facts with the American people. As the gentleman from Texas [Mr. ARMEY] said last Sunday, they are afraid their knees would buckle when they faced the facts.

President Roosevelt had confidence in the American people. I think the Republican leadership of the House should have confidence in the American people too. Let them know what is in store, let them know the truth of what is involved in a balanced budget amendment. If it means 5 or 10 years from now the Social Security system or the Medicare system will be changed, should not families be alerted to that fact now so that they could make some sort of plans now for their future? To spring this on the family 5 or 10 years down the line when they are in retirement is beyond the time when they can do something about it. But to talk about it today is the honest way to approach it. I hope that the Republican leadership, Mr. ARMEY, Mr. GINGRICH, and others will have the same kind of faith in the American people that President Roosevelt did. Let them face the crisis together, let us come together and resolve this.

What is at issue here with these various items in the Republican contract is something as basic as the economic relationship between the 50 States and the Federal Government. When it comes to the question of unfunded mandates, what we hear from Mr. GINGRICH and the Republican side is that the Federal Government should stop telling the States what to do unless you are going to pay for it. Let the States decide is the call coming from the Republican side of the aisle. But I wonder, if you apply that to real-life situations, whether most Americans would agree.

I have a district that is on the Mississippi River. The quality of the water in that river is very important to the people who live along that river. But we cannot control the quality of that water in the State of Illinois. Now, we have to have a standard, a national standard that we can trust, starting from the headwaters of the Mississippi in Minnesota, working its way down. We need a Federal standard, if you will, a Federal mandate, to suggest that the water quality is something that we as Americans can trust.

Let me give you another example: A few years ago the State of Wisconsin has a drinking age of 18, and the State

of Illinois had a drinking age of 21. So on the northern Illinois border, teenagers would get in their cars on Saturday night, drive over to Wisconsin, get drunk, and drive back, drive home, wrecking their cars, killing themselves and a lot of innocent people. It got so bad that they called the stretch of highway "Blood Alley" because of all the lives that had been lost due to the teenagers drinking in Wisconsin and coming back to Illinois.

Do you know what happened? The Federal Government, the committee I serve on, passed a Federal mandate and said we are going to have a uniform drinking age of 21 in the United States or, "Your State is going to lose Federal highway funds." Was it a mandate? Yes. Did it cost the State of Wisconsin? Yes, it did cost them to enforce it.

What was the result? Kids lives were saved, lives of innocent were saved. Blood Alley is just a bitter memory now, it is gone.

Time and again we find these Federal standards lead to a higher quality of life.

I yield to the gentlewoman from Connecticut.

Ms. DELAURO. I would like to make a comment about an article today that has to do with the balanced budget amendment, from the Wall Street Journal, by their economist Robert Eisner. He points out, with regard to a balanced budget amendment, households could not begin to balance their budgets the way the Government would be required to under the Republican plan. The point being, I guess, that if we are to look at investments either by the Federal Government or by families, families borrow to buy a car, to buy a home, get their kids to school; businesses borrow. If you had to take all of that, if you had to pay for everything out of current income, you would find yourselves unable to do the things that families normally do every day.

Now, just to go back to what my colleague from California was talking about, there are a variety of ways to deal with this issue. You can, as was suggested in this article, and as some of our colleagues suggested, that you separate out a capital budget from an operating budget, which is the way, in fact, most States today balance their budgets. They do that because they have a capital expenditure, it is paid for over the life of the asset, and you deal with your current expenditures out of current cash. Families do that every single day. By narrowing the playing field, if you will, what the Republicans are doing is not allowing for various ideas and various opportunities to come up so that we can debate each of these and figure out the best way in which you can balance that budget, thereby allowing both the Federal Government and families and businesses to continue to invest in their future, and not cut them off or shut them down in their ability to move forward.

So that we are in this most important debate, finding ourselves in a position where the public has called out and cried out—and I believe this is true in this election—for open government, participatory government, for not allowing for gridlock, for moving forward. And we see that all of that is being throttled by the Republican leadership, and all in the name of saying that the public is afraid and would be fearful of the pain that is involved if we have to balance the budget. It does not make any sense.

Mr. DURBIN. Reclaiming my time, I think what the gentlewoman said so forcefully and eloquently is that basically we need to trust the American people, give them the information.

The Republican leadership appears to be very reluctant to do that. You know, we have been through this, some of us in this Chamber, back in the Reagan and Bush era, when we were told to just have confidence and faith in the so-called Laffer curve. That was appropriately named, the Laffer curve, and some of the different approaches, that it was all going to work out, we could increase spending, cut taxes, and when it was all over the economy was going to blossom and flourish. It didn't happen. What did flourish was our national debt during the Reagan-Bush era because we were buying into the economic theories of extreme thinkers. The Republicans have a tendency to gravitate toward extreme thinkers. I think we are hearing from those folks again.

I think most of us would agree we should reduce Federal mandates where they just involve bureaucracy and paperwork and do not serve a national purpose. But do not go too far. If the Republicans want to go so far as to jeopardize environmental quality, jeopardize health standards, they have gone too far. They should stay away from that extreme thinking.

We should move toward a balanced budget amendment, but from my point of view, more important than that is economic growth in this country. I would like to make sure we are creating new good-paying jobs. That should be our highest priority, not some book-keeping standards that really do not pay any attention to the real world. That is the kind of extreme thinking Americans are not going to buy into. They want this Government, this Congress, to be sensitive to the real problems, to the real families, to the need for jobs, to the need for business to the need to expand.

Merely paying homage to some bumper sticker with some extreme viewpoint is not serving the national purpose.

I yield to the gentleman from California.

Mr. MILLER of California. I thank the gentleman. I think that is an important point. The point is now the Republican Members of this Congress are forewarned. We took that route once, we took an economic plan on the back

of a cocktail napkin, called the Laffer curve, and reduced those cuts in taxes to the wealthiest people in this country, and dramatically slashed some of the spending on the domestic side but not on the military side. Once again, that is an echo we are hearing in this Congress. And the result was a trillion dollars' worth of debt. The result was interest payments of \$300 billion, \$400 billion a year, that will be paid for by every American family, paid for by all of our children.

Many of us voted against that plan. But the way it was presented to this Congress was that you had to vote that day, there could not be any hearings, you had to vote for the substitute, take it or leave it. There was no time to tell the American people what was done. There was no time to debate it on this floor. The Congress took it, unfortunately, and a trillion dollars later in red ink, hundreds of billions of dollars in interest payments that could have gone covering back to the people or could have been used for productivity in this country or for social progress was denied because of that kind of snap decision, the same kind of snap decisions we have seen around here that have been recanted within 1 hour, 2 hours, 12 hours, on the theory that everything has to be done immediately.

Now they are saying that they have got to rush this, they cannot let the people take a look at it because it will break their political momentum. What is more important: the economic momentum of this Nation, or the political momentum of the Speaker of the House? I think it is the economic momentum of this Nation.

We see time and again economists, chairmen of the Federal Reserve, saying, "Be careful what you do here because if you do it wrong and don't think it through, interest rates are going to go up." Everybody believes if interest rates continue to go up one more time or two more times, that the economic recovery is then choked off.

□ 1350

And then we can look forward to the auto worker being laid off, the aircraft manufacturer being laid off, the rail people being laid off, and once again there goes the Federal deficit, but that is not what these people are saying. They do not want to listen to this. They do not want to have these points of view aired in public.

This is supposed to be the most open time, the most open Congress. But yet we find out there is no time for debate, there is no time for the public's view. I say, you can't have it both ways. You cannot be the most open Congress. You cannot pass sunshine laws and then tell the American people to keep out.

Mr. Speaker, we owe them more. We owe them more dignity and more respect for their intelligence.

Ms. DELAURO. Mr. Speaker, would my colleague yield for just one second?

Mr. DURBIN. Yes, I would be happy to yield.

Ms. DELAURO. I just want to say I mean through all the discourse and commentary on this issue quite frankly, as a woman in West Haven, CT, said to me at office hours one morning, one Saturday morning, she said, "I wish for one minute that the people in Washington would put their feet in our shoes and understand what our lives are all about," and that is what this is about. It is what people want to know, is their standard of living going to be raised? Are they going to be able to get their kids to school? Are they going to be able to live in some kind of sense of security? Are they going to be able to pass on that American dream to their kids the way my colleagues' fathers, and my mother and father, did for me?

The whole point of this and part of that is that we do get our fiscal house in order. There is no question about that. But let us come clean with the American public and in fact tell them whether this balanced budget amendment is going to deny their kid, one out of four, a Pell grant to get them to school. Is it going to put their mother or elderly mother and father in jeopardy with regard to Social Security and with Medicare? Is it going to jeopardize their ability to get education and training so that they can get that first job? That second job? That fifth job? And earn a living wage? And is it going to do something to allow them to work and go to work in this country? Is it going to raise that standard of living?

Let us have that open debate in this body. The American people deserve no less around this issue of the balanced budget.

Mr. DURBIN. Mr. Speaker, I thank the gentlewoman from Connecticut [Ms. DELAURO].

As my colleagues know, one of the interesting things over the last 12 or 13 years is how popular this balanced budget amendment has become and how necessary in many respects, and yet each of us who serves in this Chamber knows that we have it within our own power to deal with this budget on a regular basis and try to reduce spending.

Last year I came to the floor with a reduction in an appropriation bill of 10 percent from the previous year, \$1.3 billion in cuts, and I am sorry to report to my colleagues that many of the people who have this extreme passion for a balanced budget amendment were nowhere to be found when I needed their votes to pass my appropriation. They call for major surgery on the deficit, and they faint at the sight of blood when they see appropriation cuts, and that happened time and time again.

So I think now what we are saying now to the people who are proposing this bumper sticker balanced budget amendment is, "Get real. Tell us what we can live with, what you're prepared to live with. Put it on paper. Tell us what you are prepared to vote for."

Take it home and explain to your voters, as all of us are required to." And I do not think that is unreasonable.

As my colleagues know, ultimately the fate of this balanced budget amendment is not in this Chamber. We will pass it, I suppose, and the Senate might. Then it goes off to the State legislatures, and it takes 38 of them to approve it for it to become the law. Some 7,424 State legislators will actually decide whether or not there will be a balanced budget amendment in the Constitution.

Recently a Wall Street Journal article went around and asked some of those State legislators, some of whom had supported this in the past, what they thought of it now that it was on the horizon. A gentleman from Delaware, State Senator Robert Connor, a Republican, said, "For us it could be devastating. In the end we could be left with severe budget cuts and an increase in taxes in Delaware."

In Alabama a Democratic representative, Michael Bach, said it was a farce. The way the amendment looks now it simply shifts the burden to us. That is not what the people of Alabama need.

So, finally some folks are starting to realize what it is all about.

Going back to my earlier point, I hope the Governor of California will at least pause and think when he calls up his congressional delegation here in Washington and says, "We need help in California," that he is the same Governor who just at Tuesday's press conference in Sacramento said of the Federal Government, quote, we are going to sue their butts off, close quote, because they are imposing burdens on us that we should not have to pay for. Well, honestly I think we should come to the help of the people of California, but it would be helpful also if the Governor of California would sit down and at least take a look at his own request, that we, a deficit-ridden Federal Government, are coming to the rescue again, as we should, of residents of his State. And all of the people who are telling us, "Pass the balanced budget amendment; reduce the amount of money you have," should stop and think in Sacramento, CA, in Springfield, IL, in State capitals all across the country, that they will have new obligations and new responsibilities.

Let us get real. Let us get responsible. Let us be honest with the people of this country and let them know what is in store with the balanced budget amendment.

The gentleman from Connecticut.

Ms. DELAURO. I would just like to say to my colleagues, that's absolutely correct, and that is all we are asking for, is to have that opportunity for the discussion and for the debate.

And I join my colleagues today and others, and I think what I am prepared to do is to have this discussion and debate on a daily basis, if that is what is required in order to try to get the information out to the American people as to what, in fact, we are deliberating

here and how it is being deliberated. We have to call on people who are in positions as Governors and elected officials to be responsible. It is not just a bumper sticker. It is not just a slogan.

If that is what we were doing in the past, and that is what we have decried and said we are not going to do in the future, then let us not go back to business as usual. Let us not do that. The American people, as I said earlier, deserve better than that, and we have an opportunity here. That is what we were sent here to do; that is what Governors were elected to do as well.

Mr. DURBIN. Mr. Speaker, I thank my colleague from Connecticut.

In the past special orders have been political monologs from one side or the other, and I would hope in the future that could change, and in the spirit of trying to bring that change my colleague from Indiana, my Republican colleague, asked for an opportunity to speak earlier, and, realizing we only have maybe 8 or 9 minutes left, if we could enter into a dialog, I would be happy to at the moment.

Mr. BURTON of Indiana. Mr. Speaker, I thank the gentleman from Illinois [Mr. DURBIN] for yielding, and I do not want to prolong the discussion, but what I think would be helpful for the American people is if maybe we could have some debates, not the English style debates we were talking about, where we could get two people on the gentleman's side and two on our side to come down and to debate at length the subject of the economy and how we are going to deal with it.

One of the things that I was going to take issue with and will be when I have my special order here in a few short minutes was the issue of interest rates that the gentleman from California talked about.

When Jimmy Carter was President, interests rates went to 21.5 percent—

Mr. DURBIN. They were horrible.

Mr. BURTON of Indiana. Because the inflation rate got out of control, and Mr. Volcker thought he had to do that to choke off inflation, and, when President Reagan came in and cut the top tax rate, which is not talked about very much, we ended up with seeing interest rates going down dramatically along with inflation.

So, when we start talking about, and the Democrat minority starts talking about, interest rates being out of control because of our policies, which we are talking about right now, I think we need to look at history and see that the real problem that was created as far as interest rates and inflation last time occurred primarily under Democrat administrations.

Mr. DURBIN. I think my colleague from Maryland would like to respond.

Mr. HOYER. Mr. Speaker, I thank my friend, the gentleman from Illinois [Mr. DURBIN] for yielding, and I want to respond to my friend from Indiana.

Interest rates, of course, and inflation rose very rapidly in the 1970's. as the gentleman well knows, for reasons

unrelated to domestic policy, but very much related to the oil cartel that was created in the Middle East.

Mr. BURTON of Indiana. That was a fact.

Mr. HOYER. And energy costs skyrocketed. We had long lines, shortages, and energy prices skyrocketed.

But the gentleman also correctly observed that interest rates followed the inflation rate up, and the reason they do that obviously is because money, like any other commodity, is affected by inflation, and the payback, the amortization, the payback of the price of the money, is keyed to the differential between what our inflation rate is and what our cost of money is, and that is the real cost of money, the real.

And, as the gentleman knows, notwithstanding the fact that the interest rates were nominally high in the late 1970's, in point of fact as the gentleman—

Mr. BURTON of Indiana. Nominally? Twenty-one and a half percent?

Mr. HOYER. Nominally in terms of the difference between inflation, which was 17 or 18 percent, and interest rates which were 21 percent, a 3.5-point discrepancy. In point of fact, in the 1980's real interest rates, which is really what the gentleman is worried about because it is the difference between what our money depreciates at and what we have to pay it back at, were higher in the 1980's than they were in the 1970's.

Mr. BURTON of Indiana. Oh my. I will get into that more at length later, and I thank the gentleman.

Mr. HOYER. I will be glad to discuss that with the gentleman, and most every economist will say that is the fact, but of course the gentleman is correct. Most people did not think that because the numbers were not as large. But, in borrowing money, we really are very interested in what the real—

Mr. BURTON of Indiana. Let me just say to my colleague and the gentleman from Illinois, what I'd like to do, if we could, is maybe we could sit down at some point and decide on the two or three topics, and come down with two Members on each side, and have some real, in-depth debates that the American people, who may be tuning in, can watch and get both perspectives.

Mr. DURBIN. The gentleman from Indiana [Mr. BURTON] I think has made an excellent suggestion, and I also hope we can kind of create a different kind of environment for debate on the floor where we try to have more exchange of ideas. Certainly we want to express our viewpoint, and the gentleman does, too, but we should try to maintain dialog. I think it is more interesting for those who are observing the debate, and perhaps we can generate some new knowledge for both of us.

□ 1400

I only have a few minutes remaining. The gentleman from California [Mr. BECERRA] has asked me to yield to him,



and I am happy to yield to him at this point.

Mr. BECERRA. Mr. Speaker, I want to thank the gentleman for allowing me to have these few minutes.

I was watching some of the discussion over the television as I was in the Judiciary Committee, and I thought it was important enough to come down here, because at this very moment our committee is debating the balanced budget amendment and I just wanted to add a few points.

It seems to me that for the last month and a half we have been talking about how open this new Congress will be and how important it is to give the people of America a chance to really understand the workings of the House of Representatives and of the Senate. Yet it seems to me the first thing we are doing with this balanced budget amendment is closing doors to openness to the American public. We are not giving them any idea about how we are going to pay for anything in the balanced budget amendment.

As the gentlewoman from Connecticut pointed out, we are talking about cutting \$1,200,000,000,000 over the next 5 to 7 years, and the American people should know what that means. It is to me somewhat disconcerting to find that in the Judiciary Committee today the only way we could try to extract anything from the Republican majority on how they intend to pay for this is to propose amendments to find out if they would include those amendments to protect certain programs, for example, Social Security. We had an amendment that would say that in the process of trying to balance the budget we would not go after the moneys that hard-working Americans have put into the Social Security fund. That amendment failed. The Republicans said we could not do that.

Now, their reasons are similar to that analogy that I recall from that zealous military man who said that in order to save the village he had to burn it. In essence, that is what we were told today in the Judiciary Committee. We cannot put an amendment in that would protect Social Security from the massive cuts, because if we do so, we will ruin Social Security. The logic evades me.

Just minutes ago—in fact, I missed the vote because I was trying to get here—we had a vote to try to exclude some major cuts like veterans' benefits for those who have served in the wars of this country, defending this country, and who have now come back injured. We could not get the Republicans to agree to that amendment.

So it is disconcerting to see that the only way to try to find out what they are not willing to protect is by proposing amendments which they are now rejecting.

The gentleman from California [Mr. MILLER] pointed out that right now in California, as they are suffering through some major devastation from the floods and rains, it seems almost

incredulous to believe that we are now talking about a balanced budget amendment which would cut away the money for some programs like the Federal Emergency Management Agency which would provide those emergency dollars to California right now. We do not know whether that will happen or not because we cannot get anyone in the majority to tell us, and that is a true shame. It seems that what we should be talking about right now is openness. It reminds me of those games that the kids play. Right now we are playing hide and seek with the American people. Rather than playing hide and seek, I think it is about time, since we are playing with Americans' hard-earned dollars, that we play show and tell. And at this stage we have not seen any show and tell.

Mr. DURBIN. Mr. Speaker, I thank my colleague, the gentleman from California.

Mr. Speaker, I yield back the balance of my time.

#### THE ECONOMICS OF SPENDING CUTS—AND WHITEWATER

The SPEAKER pro tempore (Mr. SAM JOHNSON of Texas). Under the Speaker's announced policy of January 4, 1995, the Chair recognizes the gentleman from Indiana [Mr. BURTON] for 60 minutes.

Mr. BURTON of Indiana. Mr. Speaker, I came down here tonight to talk about the Whitewater-Vince Foster-Arkansas Development Financial Authority debacle and how it pertains to the Clinton administration and in particular, to Bill and Hillary Clinton, the President and the First Lady. But before I do that, I feel compelled to respond a little bit to my Democratic colleagues who have been down here maligning the new Republican leadership about our economic policies and how we are going to deal with the financial problems of this country over the next 5 to 10 years.

First of all, let me say that we have been in power about a week to 10 days. You cannot expect everything to be accomplished in the first 10 days. After all, the Contract With America which we promised the American people before the election we will deal with is going to take a hundred days, and for us to do everything the Democrats are talking about today on the floor is virtually impossible. It is going to take a little bit of time to illuminate the American people as to where the cuts are going to take place and how extensive they will be.

Now, it is true that we are going to have to reduce over the next 5 to 6 to 7 years the cost of Government by about \$1 trillion to \$1½ trillion. That is doable, although my Democratic colleagues would lead us to believe it cannot be done without a lot of wailing and gnashing of teeth. We have a lot of Government agencies that can be done away with. We have a lot of Government agencies that can be reduced. The

bureaucracy in this country can be cut dramatically.

On the first day of this session we reduced the congressional committee staff and the congressional budget by a third. That was just on the first day. So it can be done, but it is going to take time to go through each one of those agencies, each area of government, and cut the largesse that has been put on those budgets over the last 40 years. They have had control since 1954. They have had one House continuously since 1954 and both Houses for most of that time. So for us to turn around the runaway government that has caused these huge deficits and the problems facing this country is going to take more than 4 or 5 days.

Make no mistake about this, I say to my colleagues and to anyone else who may be paying attention across this great land of ours, we are going to reduce the size of Government. We are going to reduce taxes. We are going to pass a constitutional amendment that is going to say that if we raise taxes again, we are going to have to have a 60-percent vote, not 51 percent but 60 percent, because we do not want every Congress coming in here and saying on a whim that they want to raise taxes again, which has been the case for a long, long time. We are committed to streamlining Government and getting Government off the American people's backs as much as possible, and that includes the private sector, the entrepreneur, the businessman who creates these jobs in this country, as well as the cities and States that have been crying for years, "The Government in Washington tells us to do something and then doesn't give us the money to do it, so what we have to do is raise taxes at the local level, property taxes and sales taxes and State income taxes, to pay for it." So we have been putting undue burdens on local and State governments without giving them the wherewithal to deal with it.

What we want to do is reduce these Federal mandates and allow States and local governments to deal with their problems themselves, closer to the people, where they can do it better and more efficiently. And all these things we are going to be talking about in the weeks and months to come.

Chairman KASICH of the Budget Committee has said time and time again on national television that we are going to create a bank account, if you will, where we make the cuts in Government spending first and put it in the bank, and then we use that to spend in other areas where it is absolutely necessary, where we can make cuts, like cutting taxes. We are not going to do the spending first; we are going to do the cutting first. That is something that is new and revolutionary in this body because every time in the last 40 years, when we wanted to do something, we just raised taxes; we did not try to cut Government, we did not try to cut the bureaucracy, and we did not try to cut