

That is almost 50 percent per capita more than either Germany or Canada spent, and the health statistics of those countries are better than ours.

In case you share my difficulty in truly comprehending the purchasing capacity of such huge numbers, consider this: In 1994, the Congressional Budget Office estimated that, with a single-payor system in place by 1997, it would be possible to offer a very generous benefit package, including prescription medications, nursing home care, and home health care, and still be able to apply \$100 billion to deficit reduction within 5 years.

But these are estimates of the costs involved in running a single-payor system in this country.

How shall we get the revenue to finance the system?

Right now, employers pay all or part of their employees' health care premiums, and employees pay some part of the premium, plus a Medicare tax to provide health care to senior citizens, plus general taxes to finance Medicaid for disabled persons and poor women and children.

Employers also pay taxes to cover injured workers' medical expenses, and all citizens contribute general tax moneys to finance medical care for veterans and for members of the military and their families. In addition, we all pay indirectly for medical coverage related to auto accidents.

Health care finance has become a specialty unto itself, and it is no wonder that people struggling to understand this mess are hopelessly confused.

Let me offer a simple, straightforward alternative: The ideal funding mechanism for the new Unicare plan would be a single, dedicated source of revenue that is stable and predictable. So I propose an employer payroll tax of 8.4 percent and an individual payroll deduction of 2.1 percent.

At these rates, about three-fourths of those Americans whose health coverage is connected to their employment actually would spend less on medical care than they do today, parceling out money to pay for all the different programs I mentioned a moment ago.

And, as most businesses presently spend more than 10 percent of payroll to meet their health care costs, they, too, would enjoy an actual reduction in spending.

Now, assuming that the Congressional Budget Office's estimates are correct—they usually are—you very reasonably might ask, "Why has the single-payor idea not been adopted?"

How could the Congress reject a proposal that provides an affordable, generous health care benefit package and reserves control of health care treatment decisions to health care providers and their patients?

The apparent answer lies in the economic power of the medical-industrial complex to resist proposals that threaten to encroach on the \$950 billion pie.

But, to be honest, the real obstacle to universal health care financed by a governmental mechanism is the American public's deep distrust of its Government's ability to operate a large—nondefense—program successfully.

This simmering sense of doubt and suspicion has been fanned to an explosive level by a decade-and-a-half of Presidential proclamations that "Government is the problem," and that all challenges within our society can be overcome by "getting the Government off the backs of American citizens."

Only in such a climate could the insurance industry's \$100 million advertising campaign so completely undermine President Clinton's valiant attempt to reform health care financing.

So—the options before you and the American people basically are two.

First, either invite the health insurance industry to maintain its control of healthcare finance at the expense of quality in care. Allow the industry to continue to ignore the valid criticisms leveled by providers and their patients at a system designed to benefit insurers and their stockholders.

Second, or change the system to one in which doctors accept some financial risk but regain significant satisfaction in the practice of medicine because they reclaim responsibility to make the treatment decisions they believe to be best for their patients.

Ewe Reinhardt, the James Madison professor of political economy at Princeton University, recently observed that "The way things are going, all doctors may become serfs of insurance companies by the year 2000."

That is a bleak prospect and one with which I do not disagree. But I also remain optimistic. Why?

Because I concur with the sentiments of Winston Churchill, who, when asked what to expect from the Americans, replied, "You can always count on the Americans to do the right thing—but only after they have tried everything else."

It is time to do the right thing. We have tried everything else, and we are in far worse condition today than we were when President Clinton began his historic reform effort just a few years ago.

Health care is a societal necessity that does not conform to free market pressures.

It is foolish and useless to expect our economic system to mirror the fundamental social precepts of the country.

Our present shambles of a health care system is intrinsically unfair. It is cruel, it is discriminatory, and it is appallingly wasteful.

These qualities have no place in a democracy. We simply must restructure our health care system to the single-payor framework. And we cannot wait any longer.

We already know that market reforms will not work in the health care financing arena.

They do not work because they can not. Market reforms are not driven by

the considerations of fairness, compassion, and adequacy that must define our health care system if we wish to declare ourselves a decent and sensible society.

□ 1930

Mr. Speaker, I call upon you to bring the Kennedy-Kassebaum bill to the floor, so that we can at least start this debate. We can no longer wait and let this issue go on. It is one of the fundamental reasons why people are concerned about their economic security.

All across this country, we have people who are losing their health care coverage. One million people working a year lose their health care coverage, and that is simply not acceptable in a democracy with the wealth and the creativity we have. We must begin on this problem today.

#### SHORTCOMINGS OF CONVENTIONAL WASHINGTON WISDOM

The SPEAKER pro tempore (Mr. TAYLOR of North Carolina). 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, we are returning to session after several weeks of being able to remain in our districts and intermingle with the people who voted to put us here, and that is a very good phenomenon. It is one that I am certain that every Member has benefited from greatly. I have certainly benefited from it.

I think it is very important to have the opportunity to allow the common sense of our constituents to irrigate the deliberative legislative process that takes place back here in Washington. Common sense is a shorthand expression for, I guess, wisdom of the people. It is the wisdom of the people that we absorb when we go back home, and the wisdom of the people is very much needed to counteract the Washington conventional wisdom, which is very much stuck in a rut.

The Washington conventional wisdom, and I speak of a bipartisan wisdom, there is a lot of agreement here on some things that represent conventional wisdom that certainly needs to be challenged by ordinary common sense. I think that we recently have experienced a phenomenon with respect to the Republican primaries that has certainly placed common sense on the radar screen. The rise of media star Pat Buchanan, a candidate for the Presidency, has certainly lifted certain basic issues into an area of high visibility.

On the radar screen you have a discussion of certain issues that Washington conventional wisdom has refused to recognize. Problems that just were not accepted as being problems are now being discussed. So the conventional wisdom has been shaken up, and that is good.

God and American politics work in very mysterious ways. If some issues which deserve to be projected on to the center of the stage are projected by a conservative, rightwing Republican candidate running for President, then so be it; some good can come out of any set of circumstances.

□ 1945

The leadership here in Washington is stuck in a rut and that is very dangerous because when leaders, in their conventional wisdom, refuse to move off dead center because of the fact they are leaders and have great power, it is very dangerous. It is all right if my grandmother gets an ornery notion and refuses to budge, or my neighbor down the street who has certain odd ways wants to go off on his tangent, you know. That is an individual kind of thing that really won't hurt anybody. But when we get stuck in a rut and refuse to recognize certain problems here in Washington, it can do great harm, it can cause great suffering.

The same is true, of course, across the world. When you have leadership in command of nations, leadership in command of armed forces, leadership in command of MiG fighter planes, you can have a great deal of harm done when that leadership is stuck in a rut in terms of their own thinking.

Fidel Castro represents that kind of leadership, stuck in a rut and very dangerous. You had a situation that occurred which is something out of a bygone era. You do not expect MiG planes to be sent out to shoot down unarmed planes that are part of a peaceful protest. Yes, it was a protest. Yes, it was civil disobedience. Because they were probably violating the airspace of Cuba, the planes were shot down by Castro's MiGs. Yes, they knew what they were doing.

It was a civil disobedience act in the air. Any civil rights veteran, any person who has gone through the 1960's, as I have, knows that you take a chance. You take a risk when you set out on a civil disobedience venture, but you do not assume that the very worst is going to happen. Yes, Bull Connor ordered the civil rights marchers in Birmingham to get off the streets, and maybe he was the law and the order there. He was a commissioner and they were disobeying him. So they were disobeying the law and he set dogs upon them and he set fire hoses upon them. But Bull Connor had machine guns, and Bull Connor had rifles, and he could have shot them down. He did not go that far.

Yes, Gandhi against the British in India certainly angered a large number of military-minded British commanders and commissioners and so forth. They did put him in jail and they did all kinds of things to his followers, but they did not bring in the machine guns and shoot them in cold blood.

Civil disobedience is a risk. You take a gamble, but you assume that in a civilized society, you will be punished but

the punishment will not be death. What Castro and his MiGs have done is committed cold-blooded murder against people who were engaging in civil disobedience. You do not have to agree with the civil disobedience or not. It is not for us to pass judgment in order—on the action and the politics of it. It was murder no matter how you put it, unnecessary cold-blooded murder that belongs to another era.

You talk about a new world order, you hope that we really have a new world order. The new world order involves some new kind of thinking where nobody would murder in cold blood a group of people who were conducting a civil disobedience action and that has happened.

So Castro and his leaders in Cuba, Castro and the pilots of the MiGs are stuck in a time bind. They are very dangerous. They are in another era. That is the storm trooper mentality. Very dangerous. There is no way you can justify. Yes, you commit civil disobedience, some punishment is going to happen. But here it was murder.

So my point is that it may not be that the stakes are as high, and the immediate murder is not the problem when we commit errors here in Washington, but we are causing a great deal of harm and a great deal of suffering because we just refuse to accept certain obvious premises. We refuse to accept the fact that there is a tremendous income gap in America and it is getting wider and wider. We refuse to accept the fact that wages are stagnated even among those lucky enough to have jobs. Even among middle class people with college degrees, wages are stagnating. We refuse to accept the fact that there is a great deal of anxiety among people who have college degrees and are in middle-management jobs, technical jobs, because they are finding that the layoffs and the streamlining and the downsizing affects them, too.

It is a time of great anxiety for good reason. At the same time, we see the anxiety being created by the insecurity. We see the stagnation at the other end of the pole, at the Wall Street level. We see the executives making salaries that are larger and larger, you know, now 200 times the average worker's salary is what the CEO's are making. We see tremendous profits being made overnight by new information industries that are capitalizing on technology that has been created by the entire society, the technology that is used by Netscape and a few of these other information giants who overnight went public on Wall Street and they become billionaires just because it is known among the people who know about information technology and technological communication, telecommunications, they know that these efforts are going to pay off in the near future. They are going to pay off and they are going to pay off big. Tremendous amounts of money being made at the same time

others are suffering and this insecurity is being increased. We refuse to recognize that as a fact here, we refuse to address that. We have gone out and negotiated agreements on the world trade stage. GATT was negotiated. Then closer to home, we had NAFTA negotiated. Yes, it may be true, I voted against NAFTA, I voted against GATT. If I had to make the vote again, I would do the same thing again, but it was not because I am against free world trade. It is not because I do not recognize that we have a global economy taking place and that we cannot afford to build walls around ourselves and expect to survive or to be leaders in that global economy. I recognize all that. You cannot stand in the road and stop progress. I recognize that we had to move. But the problem is when we tried to get some kind of reasonable attachments, some reasonable built-in processes that would take care of the fact that there was going to be a great dislocation in the work force, there is continuing, continuing problems that must be addressed in terms of loss of jobs, retraining, loss of security, all kinds of things which could have been addressed in the preparation of the NAFTA and the GATT agreements. We could have had side legislation which dealt with problems that we knew were going to result. We were asking for some kind of humane approach to the debris that would be created by this great revolution. It is a revolution that is underway now, a revolution which is an economic revolution. And in revolutions, somebody is going to suffer.

I was at a conference, a seminar in Canada last summer, and there were large numbers, a significant number of people there who were there to discuss trade, world trade, the impact upon the United States' economy and workers, and some of them were from the current administration, some of them had participated in the negotiation of the GATT and NAFTA agreements. And repeatedly you kept hearing the phrase there are going to be some losers. You cannot avoid having losers. And I recognize that. It is a fact of life.

You are going to have some losers in a great upheaval, an economic revolution. But they would say there are going to be some losers, and they would shrug their shoulders as if so, you have to have some losers. There was no sympathy for the losers. There was no understanding that government has a duty to try to minimize the losses.

Government has a duty to care enough about people to want to take a program which provides the necessary resources to get people through this transition with a minimum amount of dislocation and a minimum amount of suffering. We have that conventional wisdom which locks into yes, there are going to be losers and, you know, we can not do much about it. Yes, we have to move forward and there is going to be some suffering, some people have to be thrown overboard, and our answer is

no. You can have GATT, you can have NAFTA and you can make it a humane step forward instead of a step backwards where the winners take everything and there are so many losers.

I will return to that in a minute, but I think I would like to cite another example of being—of where the leadership in Washington is stuck in a rut. There is a general acceptance here that the era of big government is over, that government automatically is a monster and, therefore, if you downsize government, you have created some kind of new public good. I do not accept that premise. The era of big bureaucracy ought to be over. The era of bureaucracies fumbling and stumbling, and bureaucracies that have lost their purpose, their sense of purpose, should be over, but we should not back away from the era of governmental commitment.

A government must be a guardian of the people who are in harm's way. The people who need government should have government there, the workers who are caught in the middle of the road as the steamroller of technological change comes down. As the steamroller of the global economy comes down, those workers desire to have government as a guardian.

Government, the era of big government ought to be certainly treated across the board in some kind of uniform way. If we really were serious about ending the era of big government and we really downsized on a sincere and reasonable level and a sincere and reasonable way, then you will be talking about downsizing the Pentagon and downsizing the CIA, and if you were downsizing all those humongous, monstrous agencies that have lost their reason for being, then you would generate funds in that process of downsizing those agencies which would be available. The funds would be available then for the job training, for the education, for the transition, the necessary transition items, necessary transition programs and projects that would allow people to adjust to the new age of information and the age of technology, age of telecommunications. But the wisdom here is that big government is over, the era of big government is over, but it is a phony statement.

The era of big government is not over. The Pentagon is as big as it ever was. The majority, Republican majority in the Congress, insisted on adding \$6 billion to the Pentagon budget. I understand they are building new buildings and new facilities. The CIA is as big as it ever was. Recently, the CIA discovered that it has a slush fund, a petty cash fund of \$2 billion that they did not know they had. So you know, big government is over in the area that helps people.

Big Government may be over in AFDC, Aid to Families with Dependent Children. They want to cut down on that. Big Government may be over, they would like to see it end in the

area of Medicaid and cut back on the health care that is available for poor people. But on the other hand, the Big Government goes on and on and on in areas that are considered highly profitable by the Members of the Republican majority. If they were just sincere, we could downsize across the board and accumulate funds that could deal with the real problems that Mr. Buchanan's campaign has inadvertently kicked to the top of the agenda.

There is another Washington, piece of Washington conventional wisdom that is ridiculous and needs to be challenged, and that is that States can do it better. Block grants and State control is suddenly some kind of virtue in league with the 10 Commandments. I never heard States praised so much as the fountains of good government. This runs contrary to all the history that we can dig up for practically every State. The history of State government is littered with scandals and inconsistencies and incompetence. State government gave us the problem of young men going to the draft in World War I and World War II who were physically not fit to fight, you know, because of the fact that they had not been given free lunches, those poor people who needed them, had been malnourished, maltreated, no health services.

State government gave us that. State government gives us waste year after year of monumental proportions. In New York State, for example, State government is at an all-time low. State government is being led by the administration, happens to be a Republican administration, a Republican administration that has tried to turn the State of New York into a giant clubhouse. The executive branch of government is acting as if it is running a giant clubhouse. They are going to move State facilities around and State functions around in ways which accommodate their loyal constituency. The way you hand out patronage to the clubhouse, they are going to seek to hand out State services and State agencies as if they were a giant clubhouse.

□ 2000

And they had the right to reward their workers by handing them that agency or handing them a hospital or handing them some set of functions in their particular area and taking it away from another area. The government of New York State has proposed to move certain facilities out of the State capital. Why do you have a State capital if it is not efficient and effective to have all of the pertinent services, administrative agencies grouped together. But he is going to take part of the State capital functions and move them to his home area of Poughkeepsie, NY and put them in facilities there because that is where his constituency is. Those are the people who voted for him and he wants to build up the economy of the area where he came from. And he is going to do this in a 4-year period, sort of throw the whole State

government out of kilter by seeking to reward his loyal supporters while he punishes the people in the Albany area, the area of the capital, because they did not vote for him in as large numbers as people in Poughkeepsie voted for him.

It is an obvious move. Everybody is talking about it. What baffles me most is how and why nobody has brought a court suit or threatened to arrest the Governor. I do not know how you can so blatantly and so openly misuse public resources and be allowed to remain in office or not be challenged. That is going on now at the level of New York State government.

This Governor has gotten ahead of the Contract With America in many ways. He is already trying to change the standards in nursing homes, and he has already proposed a giant cut in Aid to Families with Dependent Children. He is already going after the poor with a vengeance. So he is ahead of the Contract With America and proving just how horrible the fate of the people who need government most will be under State governments.

So block grants to the States and State control of certain programs will only mean horror stories and great suffering for large numbers of people. Yet, the wisdom here seems to be give it to the States, give it to the States. The Governors have spoken. The Governors are unified. The Democratic Governors are with the Republican Governors on Aid to Families with Dependent Children. The Democratic Governors are in agreement with the Republican Governors on Medicaid.

Well, this Nation was not constructed, the Government was not constructed the way it is for no good reason. If they wanted Governors to legislate nationally, it would have been simple to have the Governors of all the States compose the legislature of the United States, but that is not the case. The Governors are now very greedy. They do not want to wait until the power is handed down to them. They have taken the initiative, become very aggressive, and now they want to take over the function of Congress. So the Governor of Montana, the Governor of Maine, the Governor of Nevada, States with very little in terms of population, they have very few people, so they have very little representation in Congress. We have New York, Texas, Florida, California with large numbers of Representatives in Congress, according to population. That is the way the Constitution constructed it. The Constitution may need some correction and adjustment with respect to the Senate, because we do not have one man vote in the other body. It is every State has two votes regardless of its population. That itself is something that ought to be on the agenda for the next decade to deal with. But, certainly, there is a good sense, common sense counterbalance in terms that the House of Representatives is proportioned according to population.

So how can 50 States, one Governor from each State, usurp the Congress' right and begin to make legislation with each one of those Governors having an equal vote? They broadcast this all over. We agree, all of us agree, all of us agree. The Governor of Montana agrees with the Governor of Maine who agrees with the Governor of New York.

We are here, and we are here representing constituencies and congressional districts. And we reserve the right to make the decisions ourselves and not have the Governors usurp the powers of the Congress. Let them wait until this process runs its course. Let us see how much power we are going to hand down to the States. Let us see how the people respond. Let us not assume that the Governors are already in charge.

We have leadership stuck in a rut here in Washington. We have leadership stuck in a rut in Albany, in New York, and lots of other State capitals. We have leadership stuck in a rut in New York City. The mayor of New York City insists on continuing to cut education programs. Over and over again he goes after education, creating more and more problems in a city that cannot survive unless it has a more educated population. The city is losing jobs. The only hope is in the area of high, technology jobs, telecommunications. Only educated people are going to keep the city of New York alive. They mayor of New York City continues to make cuts. He is stuck in a rut in terms of how to approach a budget and how to set priorities.

The police, they will not be cut. The police represent a great deal of inefficiency because you have a lot of police who are doing the work that civilians should be doing. We were moving in the direction of civilianization of the police department, but because of political considerations, the mayor cuts education while he bloats the salaries of the police department who ought to be out fighting crime. And you could replace them with lower paid civilian workers. So we have this phenomenon of people in responsible positions, when they are stuck in a rut and their conventional wisdom is all that you have to work with. They cause great suffering and great destruction.

The Washington obsolete, out-of-step reasoning sets a pace for all the others. Washington is so off base in the last year, since this Congress began, until they knock everything else out of kilter. Other jurisdictions, States and municipalities pick up. Washington serves as a negative role model, and we have a great deal of incompetence, blundering, dishonesty, bullying oppression, waste, right down the line as a result of the example set here in Washington. We waste money on a monumental scale.

Whitewater hearings, for example. I understand there is an effort to keep the Whitewater hearings going on indefinitely. Whitewater is as great an example as you will want to find of a

complete turnover of an official government function to a partisan party consideration. If the Whitewater hearings are continued, they certainly should be paid for out of the Republican Party's campaign funds, because it is a political campaign that is being waged through an official congressional hearing. If Whitewater really was sincere, if Whitewater had any credibility and Whitewater meant anything other than a way to harass the President by the other party, if Whitewater was really focused on savings and loans scandals, then I would be the first to applaud Whitewater. Because if ever there was a piece of American history that has been smothered and kept out of the view of the public, it is the savings and loan scandal.

Whitewater is cited by the people who are conducting the Whitewater hearings as being very important because I think \$60,000, \$60 million, I have forgotten, 60 million, 60,000, in a minute you will understand why neither one impresses, 60 million is considerably more than 60,000. That is a lot of money. Whitewater lost that, the bank lost it. There is nothing that says the President or the First Lady had anything to do with those losses, but it is a good idea to have savings and loans, banks investigated and to have the spotlight thrown on the savings and loan scandal.

As I have said many times here on this floor, the savings and loan scandal was the biggest swindle in the history of civilization. In the history of mankind, never have so many gotten away with so much and walked off scot-free as in the savings and loan scandal.

If you were serious about investigating the savings and loan scandal, if you were serious about exposing to the American people the great cost of the savings and loan scandal, then you would have a hierarchy of hearings. You would start with hearings related to the banks that lost the most money. If you were serious, you would start with Mr. Keating's bank. Mr. Keating has so much exposure and he did so many rotten things beyond what other savings and loans crooks did. After he ran out of FDIC funds, funds that were guaranteed by the Federal Deposit Insurance Corporation, Mr. Keating had his people go out and swindle senior citizens of their money, and it had no FDIC backing. So the State of California went after him in such an obvious way that the U.S. Government had to fall in line and go after him. So Keating and his whole savings and loan empire, they got exposed; and Keating, for a liability of a minimum of \$2 billion—you will see why \$60 million was so-so, did not register well in my mind—when you start talking about \$2 billion, you can see why Whitewater's \$60 million pales in comparison.

Two billion dollars, what Keating's empire cost at a minimum. The FDIC had to cough up that much money in order to bail out the banking empire that Keating had thoroughly looted. So

Keating got 12 years in jail. With good behavior he will soon be out. But at least he got some jail time. At least it was exposed. So Keating's S&L scandal ought to be investigated a little bit more, and we ought to have hearings about that just to let the American people know what the dimensions of it were, that if you steal \$2 billion, you will get 12 years in jail. If you are the victim of a great deal of publicity, if six Senators are accused of helping you, then you can't, you will end up getting 12 years in jail.

At least the American people ought to clearly have the Whitewater hearings people throw Whitewater aside and focus on that, No 1. And then banks that lost a billion and a half would come next. Let us have hearings on all the savings and loans banks or all the other banks, because in the process of correcting the savings and loan scandal, there were many regular banks that were not savings and loans that also were involved in the same kind of chicanery, same kind of crooked deals, same kind of racketeering enterprises.

So take all the banks that cost the taxpayers a million and, a billion and a half and have hearings on them next, and then after that, all the banks that cost the American taxpayer a billion, and then after that go down to the \$900 million and then the \$900 million. I think if you did it that way and were sincerely interested in exposing to the American people exactly what we lost in these savings and loans swindles, exactly how it worked and how we should guard against it for the future, and how private enterprise is not the great, efficient, honest capable productive sector that we make it out to be, a whole lot of lessons could be learned if you took those kinds of hearings and substituted that for the focus on Whitewater. You would get to Whitewater eventually.

Probably in 10 years we will get down to the \$60 million level. After you go through all the ones that lost more than a billion and a half, those that lost a billion, those that lost \$900 million, then you come down systematically, maybe you will get to Whitewater in 10 years. Then we can say that we have an investigation and a set of hearings that are truly serving the public interest, and they are not partisan fishing expeditions designed to harass the President. Then we could say that, and it would be a great thing for America and a great thing for civilization, because the kind of swindle that was pulled with the savings and loans swindle is something that we should know as much as possible about in order to guarantee that never again will it happen.

It is estimated that no less than \$300 billion, \$300 billion, the American people have lost no less than \$300 billion. It may be as high as \$500 billion. They do not account for it. What we need hearings for on the savings and loans is to make them sit down and tell us at one hearing what the summary figures

are at this point in February 1996, how many banks have you sold off, how much money have you recovered, how much restitution has been given by individuals, what happened with Silverado bank in Denver, CO? Silverado bank comes second probably to Keating's bank. I think they lost close to \$2 billion.

The son of the President at that time, Neil Bush, sat on that board, and I read accounts of how he was indignant when they investigated and said to him, this board has been so irresponsible and maybe so crooked that you can't ever sit again on another banking board.

□ 2015

He got indignant. Then later I heard that he calmed down, and they fined him. What did they fine him? I think they fined him \$40,000. Silverado Bank had lost \$2 billion. I think one of the board members named Neil Bush was fined \$40,000.

That is the bank where there was an incident where a building was bought by a realtor for \$26 million, and the building was appraised for \$13 million. The bank told the purchaser we will loan you \$26 million, and you deposit half of it in the bank because the orders are coming soon and we need that money to show. So they loaned them \$26 million, \$13 million more than the building was worth, in order to have the books show that they had a little more money in the bank. If that is not racketeering, you know, I do not know what it is.

But we cannot just talk about this in a special order; we need hearings, we need ongoing hearings, and we need to start at the very top with the banks that have lost the most money, and maybe we will get to Whitewater in my lifetime if you use that hierarchy. I doubt it.

The Washington conventional wisdom says let us go after Whitewater, which is just a pebble in the stream, and that is what is happening. Washington wisdom says we should balance the budget on the backs of the powerless, and that is passed down to the States and down to the city. Great harassment is taking place in New York. Anyone who applies for welfare has to wait several weeks, has to fill out very complicated forms, has to go through all kinds of bureaucratic harassment. They are harassing the poorest people because they have the least amount of power. That starts here in Washington. We go after AFDC, we go after Medicaid, we go after the areas where the people are the poorest at the same time we increase the budget of the Defense Department by \$6 billion, \$6 billion. At the same time we refuse to deal with it, the fact that the agribusinesses are on welfare and the agribusinesses are spending billions of dollars, are receiving billions of dollars in cash payments for not growing grain, for not planting anything, for not doing any work, and they do not have to pass a means test

to prove that they are poor. We turn our backs on obvious waste while the conventional wisdom tells us to beat up on the poor, beat up on children who are receiving aid to families with dependent children.

Washington conventional wisdom promulgated by the majority, Republicans, say that the workers of America are a threat to the economy, that the workers of America are a drag on our forward progress, that not only do you have to keep the workers wages low, and they refuse to discuss an increase in the minimum wage, the majority, Republicans, would not even discuss it. I serve on the committee, the Committee on Education and labor, a name which I choose to continue to give to the committee, although the official name now under the Republican majority is Committee on Economic and Educational Opportunities. The word labor is such a horrendous word that they do not want it in there anywhere. The certainly do not want worker, term worker, around anywhere. For some reason, although I did not read it anywhere in the Contract With America, for some reason the majority of Republicans have chose to wage a relentless assault upon workers. Workers and their families are being attacked on every front. They refuse to raise the minimum wage, would not even discuss it. They go after the Fair Labor Standards Act, which deals with wages and overtime, et cetera. They want to radically change that. They go after OSHA, which provides for safety in the workplace. They are going after the Labor Relations Board. There is nothing, no component of American Government which is designed to help workers that has not been placed on the greater tack by the Republican majority. The assault on workers and their families as enemies of the American economy and the American people continues.

No wonder Pat Buchanan gets a response from workers out there when he dares to mention some of their problems. He only dares to mention some of them. Pat Buchanan talks about the fact that there is a gap, but he does not talk about how to close the gap. He would not support an increase in the minimum wage. When he is asked the question, he avoids the question. But he recognizes there is a gap, and every worker applauds. At least somebody would have visibility, somebody that the media covers recognizes that there is a great gap between most Americans, the great majority of Americans and the people at the very top; it ought to be closed. Somebody recognizes that this gap is caused partially by the global economy movement, which has been greatly enhanced by the passage of NAFTA and the passage of GATT. Somebody recognizes that when you have Mexican workers making a dollar an hour on a job where American workers may make \$10 to \$15 an hour, naturally the factory is going to move to Mexico. Any fool could tell you that, and you do not have to be an economist

from Harvard to know that when you pass NAFTA and create those conditions, you are going to make life difficult for American workers who had those jobs before. At least Pat Buchanan has raised it up on the radar screen, and the workers now have somebody who indicates that they exist.

There is a lesson in this for all the Democrats at every level to pay attention to the fact of the assault on the workers has created a siege mentality among workers and a siege mentality among the middle class who do not like to be called workers. But the technicians and the professionals and the middle management people, they too are caught up in the siege mentality because they have concrete anxieties, definite causes for concern.

Washington obsolete, out-of-step conventional wisdom says that education and job training programs should be cut. Nobody was more shocked than I was when I heard that an agreement had been made in the continuing resolution process. The White House had agreed that the continuing resolution should contain cuts for education that we had been fighting all along and the President had indicated he would never accept. You know the \$1.1 billion cut of title I is there, it is still there. The cut on Head Start is there, it is still there.

The agreement that every program should operate at 75 percent of its last year's budget means that there is a cut, at least \$1.1 billion for Title I. The cut is there. If you accept that 75 percent of last year's budget will determine the continuing budget level for title I education funds, title I is the only program that funnels money from the Federal Government to elementary and secondary education. It is very important. It is important because the mayor of New York City is cutting education drastically, it is important because the Governor of New York State is cutting education drastically, and even though education funds that come from the Federal level are only 7 percent of the total, if they are taking heavy cuts at the city level and the State level, then the Federal dollars assume a new importance, and the increase—there was a slight increase in title I funds for most of the school districts across the country. That increase plus what they had before was very important in helping to maintain some kind of stability, and now with the leadership of the Federal Government the cuts at the local level, the State level, are larger than they would have been otherwise.

Their philosophy comes from the Federal Government, the Congress of the United States. The majority, Republicans, in the Congress have indicated that education should not even be a Federal function, that we should get rid of the Department of Education. They have made a frontal assault on education, and it is one of the smallest agencies, smallest activities, in Government. Yes, they sometimes

have a large budget because they have student loans and student grants, but when you look at the agency as a whole, it has the least number of employees, and it is a smallest, one of the smallest, bureaucracies. So why have an assault on education in an era when job training and education are needed more than ever?

The assault on education following the assault on workers, it all leads to a situation where large numbers of people in our Nation, voters, think that they are under assault, they are under siege, and they are right. The commonsense observance is more on target than the Washington wisdom. The conventional wisdom here in Washington says it is not enough of a problem to discuss. But the commonsense reason of the people says we have got a real problem and we will even go with all the liabilities represented by a Pat Buchanan candidacy to get some attention.

Education and job training cuts are outrageous at a time like this. I understand that the continuing resolution with respect to education and labor cannot clarify really whether we are going to have a summer youth employment program this summer. Summer youth employment program has already been cut over the years down to a minimum program, whereas New York City used to receive money enough to give 90,000 jobs to young people during the summer. In the last few years it has been cut all the way down to about 30,000 jobs, and now we are in danger of losing the 30,000 jobs. And New York City has 8 million people, a lot of young people. Now we are about to lose the meager 30,000 jobs because it is not clear in the continuing resolution what the funding level is for the summer youth employment. There is some talk about being funded at 75 percent of last year's level, but the summer youth employment was singled out last year to be phased out, and I think that last year's level is defined as the amount of money that was appropriated for phasing it out.

So it is not the same amount as it was the last operational year. We are still trying to clarify that, but the fact that it is even in jeopardy and there is a question shows how far afield the Washington wisdom is. The fact that the White House has not rushed to clarify that or rushed to make clear that in its agreement of a continuing resolution, it certainly did not mean to jeopardize the Summer Youth Employment Program.

But I have a solution. We have these cuts in education and the cuts in job training, summer youth employment. The solution is at hand. It has been supplied by the CIA. We have said that these cuts are being made because we must downsize government, streamline government, we want to end the era of big government, and I say that that is an acceptable goal. But if you do not do it across the board, then you are going to generate dislocations and suf-

fering in the wrong places, and we have done that. By cutting education, by cutting job training, we are cutting in the wrong places, we are greatly crippling our efforts to move forward in the global economy and make America competitive. Education is key, job training is key.

So why do not we cut the CIA? I proposed this for 2 years in a row. I have had legislation on the floor saying we should cut the CIA by 10 percent per year over a 5-year period, and the legislation has gotten very few votes, 57 votes I think we got last time, which means that both parties, Democrats and Republicans, are stuck in a rut with their conventional wisdom. They will not vote to cut CIA. CIA existed primarily to spy on the Soviet Union. At least half of its resources were devoted to that enemy. The Soviet Union now; you know, we have them over here in our missile sites and the space program we are running jointly with them and all kinds of interactions taking place. Why do we need to have the same amount of money dedicated to the CIA as we had when the Soviet Union was the Evil Empire and we needed to keep tabs on them? You know, why do we need it?

So we have not been able to win the battle of cutting the CIA. The budget is not known, it is still a secret, and the Russian secret service, its equivalent of the CIA, they have exposed a lot of things, they have opened up a lot of their files, but we are strictly secret even to the point of not telling the American people what the budget is. A Member of Congress cannot get to know what the budget is unless he goes to a little room and looks at the budget and when he comes out he is sworn to secrecy and he cannot discuss it. So I refuse to go into the room.

□ 2030

I refuse to go into the room. I accept the estimates of the New York Times, the estimates that the conventional, across-the-board most reliable sources say the budget of the CIA and the intelligence agencies under the CIA all come out to about \$28 billion. So a \$28 billion cut, a 10-percent cut of a \$28 billion agency would be a \$2.8 billion cut over a 5-year period. You could have a sizeable amount to put back in.

What I am here to propose is that we lost the fight. The CIA is not being downsized, not being streamlined. The era of big government, as far as the CIA is concerned, still is intact, but the CIA recently found \$2 billion outside of the budget. They had \$2 billion that they had not used over several years that they lost track of. It was in a petty cash fund.

The American people, try to comprehend a petty cash fund of \$2 billion. Try to comprehend how an agency of the Government can lose \$2 billion; how the Director of the agency can have \$2 billion in his budget and not know about it. Try to comprehend that. I find it very difficult to com-

prehend, but let us not dwell on comprehending it. Listen to my proposal. My proposal is that you have \$2 billion that you did not know you had. You have \$2 billion outside of the attempt to balance the budget, outside of downsizing.

You have \$2 billion, and education needs about \$2 billion; \$1.1 billion can go to maintenance of the budget at the same level for the title I program, \$1.1 billion; \$300 million can be restored to Head Start. We still have not used the whole \$2 billion. The rest of it can go for the Summer Youth Employment Program, and we are even. No sweat, no pain. You do not have to hurt anybody. This is lost money that has been found, and now we can celebrate and take care of the young people of America in the school and in the Summer Youth Employment Program. That is a solution.

Let us throw aside the Washington conventional wisdom, because I heard that there are plans to let the CIA reprogram the money. They are going to be rewarded by being allowed to reprogram the lost petty cash. The slush fund will be given to the people who created the slush fund. There is an article in the New York Times which shows that maybe that will not happen. Maybe it will not happen. Suddenly, somebody has become indignant. Suddenly, there is talk about firing the people who lost \$2 billion in their petty cash fund.

Mr. Speaker, I will include in the RECORD an article from today's New York Times entitled "Spy Satellite Agency Heads Are Ousted for Lost Money."

The article referred to follows:

[From the New York Times, Feb. 27, 1996]

SPY SATELLITE AGENCY HEADS ARE OUSTED FOR LOST MONEY  
(By Tim Weiner)

WASHINGTON.—The top two managers of the National Reconnaissance Office, the secret agency that builds spy satellites, were dismissed today after losing track of more than \$2 billion in classified money.

The Director of Central Intelligence, John Deutch, and Defense Secretary William J. Perry announced that they had asked the director of the reconnaissance office, Jeffrey K. Harris, and the deputy director, Jimmie D. Hall, to step down.

"This action is dictated by our belief that N.R.O.'s management practices must be improved and the credibility of this excellent organization must be restored," Mr. Deutch and Mr. Perry wrote in a statement. A Government official close to Mr. Deutch said the intelligence chief had lost confidence in the officials' ability to manage the reconnaissance office's secret funds.

Keith Hall, a senior intelligence official who has managed satellite programs for the Pentagon, was named today as deputy director and acting director of the reconnaissance office.

The office is a secret Government contracting agency that spends \$5 billion to \$6 billion a year—the exact budget is a secret—running the nation's spy satellite program. The satellites take highly detailed pictures from deep space and eavesdrop on telecommunications; everything about them, including their cost, is classified. The secret

agency is hidden within the Air Force and is overseen jointly by Mr. Deutch and Mr. Perry.

But overseeing intelligence agencies, especially an agency as secretive as the reconnaissance office, whose very existence was an official secret until 1992, is no easy matter. Well-run intelligence services deceive outsiders; poorly run ones fool themselves. This apparently was the case with the reconnaissance office.

Its managers lost track of more than \$2 billion that had accrued in several separate classified accounts over the last few years, according to the Senate Select Committee on Intelligence. The committee had thought the sum was a mere \$1.2 billion until auditors called in by Mr. Deutch found at least \$800 million more in the reconnaissance office's secret books this winter.

The auditors told Mr. Deutch that the way the reconnaissance office handled its accounts was so arcane, so obscured by secrecy and complexity and so poorly managed that a \$2 billion surplus in its ledgers had gone unreported.

"Deutch did not know, Perry did not know and Congress did not know" about the surplus, an intelligence official said. "There was a lack of clarity as to how much money was there and how much was needed." The audit is continuing and is expected to be completed by April.

The reconnaissance office also spent more than \$300 million on a new headquarters outside Washington in the early 1990's. The Senate intelligence committee, which appropriates classified money for intelligence agencies, said it was unaware of the cost. In the only public hearing ever held on the subject of the National Reconnaissance Office, Mr. Hall testified in 1994 that the construction of the building was a covert operation and the money for it had been broken into separate classified accounts to conceal its existence.

The reconnaissance office is one of 13 intelligence agencies under Mr. Deutch. All will be covered in a report to be issued on Friday by a Presidential commission on the future of intelligence. The report will address the question of whether Government spending for intelligence—an estimated \$26 billion to \$28 billion a year—should continue to be officially secret.

Mr. OWENS. Mr. Speaker, let me just read a few items from this article. I will not read it all.

The top two managers of the National Reconnaissance Office, the secret agency that builds spy satellites, were dismissed today after losing track of more than \$2 billion in classified money.

The Director of Central Intelligence, John Deutch, and Defense Secretary William J. Perry announced that they had asked the director of the reconnaissance office, Jeffrey K. Harris, and the deputy director, Jimmie D. Hall, to step down.

This action is dictated by our belief that N.R.O.'s management practices must be improved and the credibility of this excellent organization must be restored.

I do not know how it can be an excellent organization; if they cannot keep track of their money any better than that, I do not have any faith in anything else they are doing. I doubt there is great competence anywhere else if you cannot keep track of your books. If you lose \$2 billion, then how many other blunders and errors have been made, is the question. Any American citizen can ask that question and be on sound ground. Common sense should

ask that question. But here we are praising these people. They run an excellent agency, except they lost \$2 billion in their petty cash fund.

A Government official close to Mr. Deutch, who is the head of the CIA, said "The intelligence chief had lost confidence in the officials' ability to manage the reconnaissance office's secret funds." That is the understatement of the year, that they lost confidence. The office is a secret Government contracting agency that spends \$5 billion to \$6 billion a year. It is a secret, so you do not know exactly how much. They run the Nation's spy satellite program. The auditors told Mr. Deutch that the way the reconnaissance office handled its accounts was so arcane, so obscured by secrecy and complexity, and so poorly managed that a \$2 billion surplus in its ledgers have gone unreported.

I will not read anymore. I commend you to the New York Times of February 27, 1996. This is happening in your Government. This is one of the pieces of Government that conventional Washington wisdom has said should not be downsized, should not be streamlined. The era of big Government lives on in the CIA.

I want the \$2 billion that has been discovered to go to education, to job training, to the summer youth employment program. Washington obsolete out-of-step reasoning says the income gap is not important. The minimum wage is not important. The minimum wage proposal is on the table. We have a piece of legislation which is sponsored by the minority leader, the gentleman from Missouri [Mr. GEPHARDT] and I am cosponsor, but at last count we did not have all of the Democrats on it, so I cannot really criticize the majority of Republicans for not supporting the minimum wage bill until we get all of the Democrats on it. A large number of Democrats are not supporting an increase in the minimum wage.

The bill says that we shall raise the minimum wage by 45 cents per hour over a 2-year period, twice; a total of 90 cents an hour over a 2-year period, so we will move from \$4.25 to 90 cents more. It is a minimum, a meager effort to move forward in an era when the income gap is growing. In an era when wages are stagnant, we cannot even agree to move the minimum wage.

NAFTA, GATT, all these things were quickly moved through the process, the legislative process. There was a minimum of public discussion of what it means to have Mexican workers making \$1 an hour in a job in which other people make \$10 an hour; what it means to have Mexican plants not have to comply with environmental standards, while American plants have to comply. All of that was rushed through.

Suddenly Pat Buchanan raises the question, and it is now on the radar screen, and common sense says we ought to discuss it. Regardless of how

you feel about Mr. Buchanan, you ought to discuss it. Pat Buchanan's bombshell has shattered the smugness and serenity of Washington conventional wisdom. There is an economic revolution, and it is fueled by rapidly escalating technology changes. A global economy is being created. The problem is that losers have not volunteered to be sacrificed.

Everybody says there must be some losers. Now we have a revolt of the losers. Losers want to vote for somebody else, somebody who is willing to talk about their dilemma, their problem. Why should losers accept their fate quietly? Why do losers have to be losers when we could have a transition process where we have education programs and job training programs which help people through the period where downsizing, streamlining, has taken place and all these technology changes are taking place?

The Buchanan media domination over the last few days has certainly captured attention of all sectors. People in my district who have no use for Mr. Buchanan and his racist, anti-Semitic opinions want to listen to him when he talks about the effects of NAFTA and the effects of GATT. The commonsense questions are being raised by the people in my district and many others. They wanted to say, "Why aren't you doing something about the fact that so many workers are losing their jobs, and there is no job training for them? Why aren't you doing something about providing some kind of help for these people?"

Those are the questions that are being asked, and I have answers. We are. We are attempting to. We do not have the high visibility of media star Pat Buchanan or Presidential candidate Pat Buchanan, but the Progressive Caucus, the Congressional Black Caucus, we have legislation there. The legislation is there to call for a stimulus program that would have job training and get us through this transition period.

Nobody is a genius, and nobody proposes to know all the answers as to where we are going to come out after this technology global economy revolution takes place. We cannot predict that. We can come up with programs that help human beings get through the process, and we have legislation that is proposed.

In the Congressional Black Caucus budget, the alternative budget that was put on the floor of this House, the two areas that were increased were education and job training. The proposals are there. They have been offered. They are still there, but no consideration by the leadership. The majority Republican Party controlling this House does not want to make these considerations.

Maybe the high visibility we have gained through Mr. Buchanan's candidacy, maybe that high visibility will at least stimulate some discussions of an increase in the minimum wage.



Maybe it will at least stimulate some discussion of a minimum job training program that might move us forward a little bit.

But we are grateful. God and the American political process work in mysterious ways. We are grateful for this high visibility that the problems have been given. Out of the mouths of racists and anti-Semites some common sense can be heard. This is a great secret that is not so secret among demagogues and demagoguery. Demagogues know that you have to make some sense to people. You have to show common sense. Mr. Buchanan shows common sense.

Demagogues know that you have to address some practical, real, concrete problem. You have to do that. Demagogues know that you have to pretend to care about people's suffering. You have to pretend, at least. Demagogues know this. So this demagogue is raising the high visibility, and for that reason we are grateful. We are not grateful enough to follow a person who has a whole history of anti-Semitic statements, a whole history of racist statements. We will not be carried away, but the issues have been raised. The Washington conventional wisdom has been shaken. We will go forward to try to be positive about filling the vacuum that we have refused to recognize up to date.

We should support workers. We should make certain that there are no losers that suffer unnecessarily. We should have a transition program that we solidly back in order to carry forward our economy and all the people in our economy.

#### CONDEMNATION OF THE COLD-BLOODED MURDER OF UNITED STATES CITIZENS BY THE CUBAN DICTATORSHIP

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. MENENDEZ] is recognized for 60 minutes.

Mr. MENENDEZ. Mr. Speaker, I come to the floor tonight to condemn a brutal, cold-blooded, premeditated murder of U.S. citizens by the Castro regime this past weekend. I would like to go through the facts, Mr. Speaker, of what happened.

Brothers to the Rescue is a Miami-based humanitarian organization engaged in search and rescue missions over the Florida Straits. It was on just such a mission this past weekend. The members of Brothers to the Rescue were flying unarmed, civilian, defenseless planes in a mission that is identical to hundreds of missions that they have flown since 1991. They posed no threat whatsoever to the Cuban Government, the Cuban military, or the Cuban people. And the Cuban dictatorship knows this. They know what they have done. They know of lives they have saved. They have saved nearly 6,000 lives, Mr. Speaker.

I know what their mission has always been, because approximately 1 year ago I flew with Brothers to the Rescue. I was in a plane like those that were gunned down, brutally, by the Castro regime. On that flight, what we did is transverse the Florida Straits in international air space in search of people whose only crime was to flee a totalitarian regime, fleeing from repression and seeking freedom.

□ 2045

And in that process, that day that we were flying over the Florida Straits and in international airspace, we in fact found 12 individuals who were on a small island who had been there for several days who had no food and no water. And it is because of that mission, Mr. Speaker, that they in fact were saved. We threw water to them. We threw food to them. We telegraphed their location to the Coast Guard, and the U.S. Coast Guard ended up rescuing them.

That is only one of the many, many flights that Brothers to the Rescue has had in saving thousands of lives.

When the Cuban Government makes statements to the contrary about what Brothers to the Rescue is all about, there is no basis in fact. Brothers to the Rescue's aircraft on this past Saturday notified Cuban air traffic controllers as to their flight plans, which would take them along the 24th parallel, close to the Cuban airspace but still in international airspace, and under international law. That law provides a nation with a 12-mile limit on airspace as extended from the coastline of the nation.

Now, the response of the Castro regime, which was ordered at the highest levels of the regime by Castro himself, because it is impossible, if you understand the command structure of the regime in Cuba, you understand that such an order to gun down civilian, innocent individuals would never be done but at the highest levels in their chain of command. And we know that partially to be true, Mr. Speaker, because just recently, recently some retired United States generals, retired Gen. Eugene Carroll, who was in Cuba a few weeks ago, was asked what the United States reaction to such an act would be. Now, why would you ask that question if you were not preparing for that possibility?

It is now interesting to note that yesterday the Cuban Government openly bragged about a pilot who they sent to infiltrate Brothers to the Rescue and returned to Cuba the day before the incident. It is now apparent that that individual, Juan Pablo Roque, transmitted information to the Castro regime about the Brothers to the Rescue's flight plans for Saturday, and so we have here the facts developing of why I say that this act was premeditated murder and it is in fact an act of state terrorism.

You have an infiltrator pilot who tells the regime, Brothers to the Res-

cue are flying, they are flying one of their search-and-rescue missions, they will be in international airspace but near Cuban airspace, and therefore sets them up as clay pigeons. And you have a situation in which Castro's regime itself was thinking about the possibility of shooting down innocent civilians, asking a former retired general who was in Cuba about the United States reaction to such an event. Hence, the premeditation.

Even if these civilian aircraft were not in international airspace, which they were, our own Government tells us that they were, under every sense of international law, which was recognized by the European Union in their condemnation of the Castro regime, where they say that they strongly condemn the shooting down of two civilian aircraft on Saturday by the Cuban Air Force and where they go on to say irrespective of the circumstances of the incident, there can be no excuse for not respecting international law and human rights norms, under any sense of international law, it would not be appropriate to gun down civilians who were simply flying search-and-rescue missions.

The response of Castro's regime to these flights was to scramble two fighter jets from a Havana airfield. At approximately 3:24 p.m., on Saturday, the pilot of one of the Cuban MIG's received permission, asked for permission specifically, and proceeded to shoot down the first Brothers to the Rescue airplane, and then 7 minutes later the pilot of the Cuban fighter jet received permission and proceeded to shoot down the second Brothers to the Rescue airplane.

Now, this is a barbaric act. It is an act of state terrorism sponsored by, in fact, a government, a regime, I cannot find myself to call it a government because it rules by brute force; this is the barbaric act that we face.

And who died here Mr. Speaker? People who died here were U.S. citizens. Two of them were born in the United States. One of them is a former Vietnam veteran. I do not know why the press continues to refer to them as exiles. I do not understand what that categorization is supposed to be. I am not quite sure that there are different standards of American citizenship. But certainly, certainly when someone is born in this country, when someone serves this country, is there any higher standard of being an American citizen?

Yet for Armando Alejandro, Jr. and Pablo Morales and Carlos Costa and Mario de la Pena, who left Miami's Opa-Locka Airport on Saturday, the 24th, on a routine humanitarian mission to search for rafters in the straits of Florida, and for their families, whom we grieve with today, I wonder when they are questioning about when they hear constantly the references simply to exiles and they are forgotten as U.S. citizens. One of them, in fact, was a former constituent of mine, Mario de la Pena, who was born in Weehawken, NJ.