

and United Technologies have all respected their workers and treated them like assets. For, instance, United Technologies reeducates its workers and gives stock incentives to employees who go back to school, no matter if the studies are related to United Technologies or not. This is the kind of social contract that is needed in America between corporations and its workers. Even financial forecasters have foreseen that companies which invest in their employees are better investments in the long term than companies that recklessly fire workers for the benefit of the quick buck.

But currently, Wall Street is not reacting well to the news of employment gains. When on March 8, the Labor Department announced that 705,000 workers had been added to payrolls, the Dow Jones industrial average fell 171 points. The next day's headline in the Washington Post screamed, "Job Gains Send Markets Plunging." There is no doubt that the short sighted interests of Wall Street investors conflict with the long-term interests of working Americans. Less jobs, more profits, that is what Wall Street wants. As White House Press Secretary Mike McCurry said about the markets' response to job gains, "Sometimes there's a disconnect between Wall Street and Main Street." No, Mr. McCurry, not sometimes. It happens more often than we care to admit.

Sure, change and some turnover was inevitable as the American economy evolved past the industrial age. Technological innovations now allow a corporation to do more work with less manpower. But as of late, the economy has been driven by a policy that transformed labor markets. Incentives increased on Wall Street to break the social contracts between corporations and workers. Capitalism and greed ran rampant without regulations, injuring the working man and woman and losing sight of a vision for America's economic future. Yes, I do believe in capitalism, but I hold democracy and the welfare of the working men and women of this country in higher regard. While I respect the right of the individual, this society cannot be one that lives by the rule of survival of the fittest.

There are solutions to the plight of the American worker. We must change trade policies, modify corporate behavior, strengthen workers' rights, and provide for a more effective social safety net for the unemployed.

I also believe in free trade, because America has the most productive work force and best minds in the world. But most often, the countries that we trade with, do not have open markets and are not playing by the same rules that we hold to ourselves. They do not believe in free trade and therefore take advantage of America's willingness to play at a disadvantage. The time has come for a comprehensive U.S. trade policy that emphasizes reciprocity and stems America's hemorrhage of jobs and incomes. Future trade deals should not

be made with foreign countries until they open their closed markets. Current trade agreements, such as NAFTA, should be amended or repealed unless certain conditions are met.

To this end, I am a member of a bipartisan coalition of Members in the House and Senate that have introduced the NAFTA Accountability Act. This act would incorporate a comprehensive set of benchmarks against which to measure NAFTA's promises in regard to trade balances, net job growth, democracy, reduction of illicit drug activity, crime, and increased public health standards. If any of the benchmarks of a prudent trade policy are not met, Congress would instruct the President to withdraw from NAFTA. The American people themselves are clamoring for legislation of this kind, as recent polls indicate that 52 percent of the public in March 1994 believed that NAFTA would help the job situation here. By November 1995, only 36 percent of the public still held that belief, while 55 percent of the people believed that NAFTA is causing jobs to go to foreign countries.

Changing bad trade deals goes hand in hand with changing corporate behavior, since these corporations are taking advantage of agreements by using cheap foreign labor while CEOs reap the profits. Moreover, multinational corporations often escape from paying U.S. income taxes while retaining the rights of citizenship. These tax loopholes must be closed, and corporations that receive tax breaks only to subsequently downsize should have their tax breaks eliminated.

But eliminating corporate tax loopholes will not solve the whole problem. I propose going one step further and creating tax rates that reward those corporations which create higher quality and better paying jobs in America. A new social contract should be adopted between the Government, the business community, and the working people of America. Tax rates would be reduced for corporations if they pay living wages for their workers, maintain or add jobs, give good benefits, and train or upgrade skills.

Corporate America is constantly clamoring for tax breaks, as the Republican Contract With America proposed to do. But tax breaks have been given in the past to these corporations only to see jobs go to foreign nations, the American work force downsized, CEO's reap huge profits, and the budget deficit balloon out of control. So let's give corporate America what they want: A tax break. But let's hold them accountable for the welfare of the American worker.

Corporate America is not the only entity that can help the middle class. Unions, as the vanguard of the workers, also have a role to play. They ensure a stable economy. To quote from Ray Abernathy of the AFL-CIO, "When organized labor and minimum wage laws were passed during the Depres-

sion, it wasn't only to prevent the exploitation of workers, it was also because big business understood the need to ensure the buying power of its customers."

That statement makes sense, because in modern economies, wealth is created when labor, capital, skills, and natural resources are continuously recycled as profits, wages, operating costs, taxes, or social welfare payments within the society that produced them. Unions, in effect, promote a healthy society by making sure that a fair percentage of the wealth is recycled in the form of wages. But distributing too much wealth as welfare undermines the work ethic, and distributing too much as profits to a relatively few top executives, as has been happening in America in the last two decades, concentrates wealth in the hands of a few.

Therefore, this has undermined support for the community and has led to a weakened public school system, unsafe streets, a declining morale, and an anxiety about the future across America.

At the very least, Government can ease the pain of down sized workers by passing health insurance reforms currently before Congress that allows those who lose their jobs to keep their health insurance. It is not fair, nor is it right, to have health and other social benefits for the very poor while Americans who have worked all their lives and contributed to the U.S. economy cannot have the same peace of mind. Mechanisms such as health insurance portability need to be instituted so that working Americans will not have to spend all of their savings on health care bills and subsequently fall to a level of poverty where the only means of living is provided for by the Government. But this is just a minimal step. Much more can and should be done to ease the real anxiety and worries that Americans are now feeling.

We must all work together to not only reinforce America's place in the global economy, but to return the American worker and the American family to a prosperous place in society. Then we can progress on our course at the greatest industrial democracy in the world.

Mr. Speaker, tonight I have presented the problem and a few potential solutions to the economic quandary America faces. But I would like everyone within the sound of my voice to send me their solutions. And in a few weeks I will present those solutions and give a vision of what America can be.

□ 2030

A VICTORY FOR THE AMERICAN PEOPLE

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

Mr. KASICH. Mr. Speaker, I wanted to come to the floor tonight to essentially say that in my judgment, the American people have won a victory in the negotiations between the Republican House and Senate and the President of the United States. In fact, I want to just take a moment to congratulate the Republican Members of this Congress who decided early on that we wanted to have a comprehensive program to balance the budget and give Americans some of their hard-earned money back, reversing the tax increase that the President imposed in 1993.

As you know, Mr. Speaker, there have been intense negotiations going on in the area of discretionary spending. Discretionary spending is the kind of spending we must approve on a year-to-year basis, the only spending that the Congress actually must vote on.

As we are all aware in this body, there has been a debate going on in terms of the level of discretionary spending, or the spending we approve each and every year. That is separate from the spending known as entitlements, where if Congress did not even show up, spending would go up automatically.

When the President vetoed our balanced budget bill, he killed all efforts to reform and return the entitlement programs back to the communities and towns all across this country, where Americans could begin to design local solutions to local problems and save money, so that we can save the next generation and end the problem of stagnant wages and begin to solve the problems of job insecurity.

The entitlement side of this is something that we have not yet been able to lasso in, because the President is opposed to returning these entitlement programs to the American people, so that we can design them using local solutions to local problems at lesser costs.

But the one area where the President was forced to sit down and negotiate with us in order to keep the Government of the United States on its day-to-day efforts at being run, was the appropriations process, that spending we must approve each and every year.

In the announcement that is currently being made, it is very, very clear that the Republicans had won a tremendous victory from the standpoint that we will have the most dramatic change in that discretionary or year-to-year spending that we must approve since World War II. The people of this country should know that the Republican budget set spending limits, and we said that we wanted to reduce Washington spending.

As everybody knows, this has been an ongoing debate between us and the administration, and I am here tonight to make the case, the clear case, that saving \$23 billion in spending in the fiscal year 1996 appropriation bill is historic; that in fact our children will look back upon the passage of this bill as a significant

step forward towards balancing the Federal budget and bringing real change to this city. In a nutshell, Mr. Speaker, the \$23 billion is, frankly, again, the most significant change that we have seen in this city since World War II.

In fact, many people said, "What have the Republicans gotten from their revolution? Have the Republicans really been able to achieve anything?"

I would argue that after only 17 months of holding office, we have been able to deliver and will deliver here tomorrow, a bill that will allow us to go forward, save \$23 billion, and make that giant first payment, that giant first down payment on guaranteeing that we will get to a balanced budget, that we will empower Americans, that we will give them some of their own tax dollars back so they can spend money on their children.

Now, we went through a whole variety of programs that are actually eliminated. Mr. Speaker, tonight I can show you at least four pages of programs that have been excised, eliminated, cut, and we hope ultimately to take some of the dollars we saved in these programs and give these dollars back to the American people in some tax relief, after all, it is their money, and/or apply some of this money to saving the next generation or some of this money to balancing the budget so we can bring about lower interest rates.

Now, could we have done better? We sure could have. There are a number of programs here that the Congress of the United States will continue to fund, and programs that the Congress of the United States does not want to fund. Let me talk about one of them, the Goals 2000 program. That is a program that is being run in this city to try to tell our mothers and fathers across this country how our children are doing at learning.

Frankly, I do not think that the mothers and fathers that I know who have children in school across this country need to call the Department of Education to ask a bureaucrat, who does not even know what time zone they live in, whether their children are learning or not. But yet the Goals 2000 program that keeps power in this city, in the hands of bureaucrats, and denies the full determination of whether children are learning, denies mothers and fathers the opportunity to solely decide whether their children are learning, has been denied to them.

I will tell you that the chairman of the Committee on Appropriations, whenever he has somebody that wants to be part of this revolution to downsize government, will put mothers and fathers back in charge of evaluating how their children are doing in school. But we have a President, an administration, that has fought day after day after day for higher Washington spending and more control by Federal bureaucrats.

But we do not just want to focus on what we did not accomplish, because,

frankly, what we have accomplished will be that one underlying sentence in modern history that will say that the Republican Congress was able to stand tall and was able to put the children of this country and the mothers and fathers who are worried about their economic future today first.

This bill that we will bring up tomorrow will represent the most significant change in the day-to-day spending habits of the Government of the United States since World War II.

I now would like to yield to the chairman of the Committee on Appropriations, the gentleman from Louisiana [Mr. LIVINGSTON], who has done an outstanding job on this bill. It has been a pleasure for me to be able to work with him as the chairman of the Committee on the Budget. We have had a great and growing friendship and great and growing respect for the job each of us is trying to do. I would like him to talk about how proud he is of the kind of change that this Republican Congress in just a short 17 months has been able to deliver. I will suggest that you ain't seen nothing yet.

Mr. LIVINGSTON. I thank my friend, the distinguished chairman of the Committee on the Budget, for yielding to me. I want to compliment him on articulating the agenda of this Republican Congress, the 104th Congress, which in fact is keeping its promise that it made to the American people when we ran.

□ 2045

We told them, Mr. Speaker, we wanted to reduce the cost of Government. We wanted to get our hands out of the pockets of the taxpayers so that the American family would have more money to spend on the welfare of their own children, on the education of their children, and that we would reduce the role of Government in the way of cutting back on the numbers of programs, on agencies and on departments. And we have done just that.

The distinguished chairman of the Committee on the Budget has provided a road map for all of Congress to follow, along with the chairman of the Senate Committee on the Budget, Senator DOMENICI. The two of them have worked hand in glove together to put this country on a firm and financially sound footing.

And from our standpoint in the Committee on Appropriations, we have tried to accept their guidelines gladly and comply with their guidelines so that we have, indeed, been able to reap great savings to the American taxpayer.

Frankly, that is where we are, Mr. Speaker. Through this great effort, we can now say with great pride that 6 months ago the political and economic gurus were predicting that in fiscal year 1996 we would be faced with a \$200 billion deficit for this year. And what do we hear now? It is now \$144 billion for fiscal year 1996, the same fiscal year. In other words, we are coming in

at \$54 billion lower than we were expected to come in only 6 months ago.

I think that is largely due to the great work of the Committee on the Budget, working in tandem with all of the other committees in Congress to comply with their guidelines, as well as our own accomplishments.

On the Committee on Appropriations, we only have jurisdiction over one-third of the Federal spending in a single year, but in fiscal year 1995, since we took office, we were able to reap \$20 billion of savings under what would have been otherwise spent; and this year, with the completed package that is now being finalized back in the back rooms of Congress and will be voted on tomorrow by, hopefully, a majority of the Members of the House and a majority of the Members of the Senate, so we can hopefully send the bill over to the President for his signature, we find that we are going to reap another "another" \$23 billion in savings over and above the \$20 billion in savings that we got in fiscal year 1995, for a net total of savings in the discretionary budget of some \$43 billion under what would have been spent had the Republicans not taken control of Congress on January 1, 1995.

So I think when the dust is settled, and as the gentleman has pointed out, this is the greatest amount of savings since World War II, and when the dust is settled, when our children and our grandchildren sit there and thumb through the history books and say what was accomplished in that 104th Congress, they will totally disregard or totally not understand that some people had quarrels with the spending on one program, other people had quarrels with spending on another program, but what they will see are those bottom line figures.

For the first time in modern contemporary history, instead of spending more on discretionary spending, instead of finding new programs, instead of finding new agencies, instead of finding new departments and spending what we spent last year plus an inflation kicker on all of them, for the first time we have cut the number of programs, well over 200 programs in fiscal year 1996. We have eliminated agencies, we have cut down on the duplication and waste, and since January 1, 1995, we have saved the American taxpayer \$43 billion.

That is not chicken feed. That is real savings to the taxpayer, and it shows the conclusion that the average vote had come to over the last 10 years, that there was no hope for turning back the ever-increasing cost and growth of Government, is false. It is simply not true. We are scaling back the cost of Government.

And if the President would start complying with his promises to reform welfare as we know it, to fix the Medicare system, as his own commissioners say must be done, to acknowledge the fact that many of our States today are in trouble on Medicaid, as we speak,

and to know that with respect to Social Security, if you ask a large group of people under the age of 35, a majority of them think they are more likely to see a UFO, an unidentified flying object, than they are to collect on Social Security program, and you add that together, if we get the President to face up to those very real problems, we can do exactly what the chairman of the Committee on the Budget has accomplished in pushing through the House of Representatives along with his counterpart in the Senate, we can balance this budget by the year 2002.

We can do it. We all know that we can do it because we have got a floor plan that has been promoted and proposed and drawn up by the distinguished chairman and it can be done. All we need is the political will in the White House to do it.

Mr. KASICH. Let me just ask the chairman, if he would, let us just put this in terms that Americans can understand, so when they are going to work tomorrow they can turn to the person next to them and say, you know, we thought the Republicans were not getting anywhere, but did you hear that they were able to cut the Washington spending and the waste and the abuse, and they were actually able to save us \$23 billion this year.

Is that right, I ask the chairman of the committee? Is there anything more complicated than that?

Mr. LIVINGSTON. No more complicated, and just a little bit better when one considers that 200 programs, each with its own good intent, but each with its overlapping and duplicative bureaucracy, ceases to exist with the signature of the President on this bill.

So 200 programs are no longer in existence, \$23 billion is saved for the American taxpayer, and the cost of Government is no longer rising, it is falling.

Mr. KASICH. And what was the greatest obstacle, Mr. Chairman, that you faced in being able to accomplish this job of saving us this money?

Mr. LIVINGSTON. Well, quite frankly, the obstacles did not arise in the House or in the Senate, the obstacles arose and emanated there from 1600 Pennsylvania Avenue. Because if we had had the cooperation of those good folks, it would not have taken us a year and a quarter to complete this process.

Mr. KASICH. So, in other words, even though the President talks about his wanting to, well, he declares the era of big Government being over, he fought for virtually every dime of Washington spending that ends up in the hands of the Federal bureaucrats. He fought for this, and you fought against him, and this House and Senate stood tall and we actually were able to save the most significant amount of money for our children that we have since World War II; is that correct?

Mr. LIVINGSTON. That is correct. And in fairness to the negotiators who participated on behalf of the White

House, the fact is that they did negotiate, we have a package, and I do hope that the President will sign that package. I have every reason to believe that he will. Had they been more obstinate, I suppose it might have been impossible to reach an agreement. But I am delighted an agreement has been reached.

And one thing I will say, from the very beginning, we never deviated from the ground rules. The Committee on the Budget gave us our instructions: Stay within your budget allocations, make sure that you save the American people that \$23 billion. If you have to raise money for the President on some programs, take it out of that discretionary pot and make sure that you cut other programs. And that is what we did. We took the chairman's admonition to stay within our budget caps. We stayed within them, and the American people are \$23 billion richer in that they have not spent another \$23 billion that they would have spent had we not done what we set out to do.

Mr. KASICH. Of course, again, what the people need to understand is this is really the only spending that the Congress of the United States was forced to approve in cooperation with the President. Is that correct? This is the only spending where, if we didn't come to work, Government would shut down; is that correct?

Mr. LIVINGSTON. That is correct. And as we all remember, when this House passed an Interior bill, a Commerce, State, Justice bill, and one other appropriations bill before Christmas, the President vetoed all three of those bills and, in fact, the government did shut down.

Likewise, when the Senate did not pass the Labor, Health and Human Services bill, frankly, that was in jeopardy of closing the government.

But we tried that. That was done on all sides, and, frankly, nobody felt they came out the better for it. We had to go back to the table. But we couldn't override the President's vetoes and we were left with no choice. So the idea was to negotiate with the President and still reach those budget caps. We did that and we have those savings.

Mr. KASICH. But we had to drag them kicking and screaming all the way to the water bucket and force them to drink, did we not?

Mr. LIVINGSTON. The President wanted much more spending.

Mr. KASICH. Let me just say, though, and I do not want to give just a civic lesson this morning, but for our colleagues who are watching this special order, our own colleagues, the discretionary spending, this year-to-year spending that we must approve in order to keep government working, is only one-third of the budget. The other two-thirds of the budget is interest on the national debt and the entitlement programs.

Now, if BOB LIVINGSTON and JOHN KASICH and CHRISTOPHER SHAYS and PETER TORKILDSEN would not even

come to Washington, along with the rest of the Congress, that spending goes up automatically; is that correct?

Mr. LIVINGSTON. Automatically.

Mr. KASICH. Two-thirds of the budget is on automatic pilot going through the roof, threatening the future of our children, threatening economic security for every American today, and denying the American people a right to run their own programs with their own money, using their own judgments in their own communities.

We cannot force the President to sign a bill to give us those reforms, can we?

Mr. LIVINGSTON. Absolutely not. And I would point out to the gentleman, as he well knows, that the formula around here in Congress in the old days was very simple: We spent that much on that many programs. We need more programs, we will create several new programs, and we will throw in an inflation kicker, and for good will we will throw in a few more dollars on top of that.

So we were always spending more and more and more and more money. And then, all of a sudden, something funny happened on the way to the polls, Republicans took control of the House and the Senate and we have reversed that trend. We are now spending less and less. \$20 billion of savings in fiscal year 1995 and \$23 billion in 1996.

Mr. KASICH. It is just a shame that we cannot get or enter into with him the process that forces us to reform those entitlements, is it not?

Mr. LIVINGSTON. Well, if the President had signed the bill that you, Mr. Chairman, pushed through this Congress, frankly, we would be well on our way to a balanced budget by the year 2002. The fact he vetoes it makes me very, very frightened when I look at that chart that I have been showing around recently that shows that big red portion representing interest on the debt, which is so large that within a year or so it is going to exceed what we spend on the defense of this Nation.

We will spend more money just paying off the interest on our borrowings of past years than we will spend on the defense of this Nation. That is a frightening thought. And if that trend continues, our children will either have to pay extraordinary taxes to have the benefits at all and still will probably have to pay high taxes.

Mr. KASICH. But I would say to the gentleman, that staying within the blueprint that the Republicans laid out, you have achieved a major piece of that. If we were to achieve the other pieces of that blueprint, we would not only be able to balance the budget in the conventional terms in which we define it, we would also return an awful lot of power and money and influence to the American people and all the cities and towns across this country. We would guarantee a bright light at the end of this tunnel for our children so that they will have a beautiful American legacy, we would be able to give tax relief.

And, you know, in 1993 we raised taxes. The President says he raised them too much. What we are trying to do is cancel out those tax increases, frankly. And if we could just get the rest of this job done the right way, we would make for a better America, wouldn't we?

Mr. LIVINGSTON. So much so that we would also get the government out of competition for American dollars. We would cease to borrow money. And if we could cease to borrow money, that means interest rates would come down, and by Alan Greenspan's estimates, the chairman of the Federal Reserve, come down as much as two full percentage points, which means two points off the cost of your mortgage on your house; two points off the loan you use to send your kids to college; and two points off the loan you used to buy your car.

□ 2100

Significant savings to the American people, if only the Government would stop borrowing in order to conduct its business year after year.

Mr. KASICH. Mr. Speaker, I would ask the gentleman if he would stay for just a few more minutes. I would like to yield to the gentleman from Connecticut [Mr. SHAYS], a member of the Committee on the Budget who has felt passionately about the need to attack these problems.

Mr. SHAYS. Mr. Speaker, as I was hearing both of the gentlemen, both chairmen of this new Republican majority, I just kind of stood in awe thinking of the fact that the gentleman from Louisiana [Mr. LIVINGSTON] was the fifth ranking Member of the Committee on Appropriations. This new Republican majority said that we wanted the best and the brightest to take these positions. They were given that assignment. I was thinking what a thankless task it has been for them.

There is not a Member that has not been disappointed with certain parts of the hard decisions that they have had to make. I just wanted to come personally and thank my colleague for the extraordinary job he has done as the chairman of the Committee on Appropriations, the chairman who has actually had to make cuts in budgets.

We slowed the growth of Medicare and Medicaid but we still allow them to grow significantly. But you actually said, we are going to spend less dollars next year than the year we are in. And you are doing exactly what we intended to do. We wanted to get our financial house in order and balance our Federal budget. We want to save our trust funds for future generations. And most importantly, we want to transform this social and corporate welfare state, this caretaking society into a caring opportunity society. And I just wanted to thank you for the work you are doing and to celebrate the fact that it has been a long and arduous journey, but you have done it.

Mr. LIVINGSTON. Mr. Speaker, I thank the gentleman for his comments.

I just know that he is one of the foremost among us in this House and empathizes with the hardship that the American family faces every day. Whether it is a two-parent family or a one-parent family who is struggling to raise his or her or their children, in this environment they have got to work maybe more than one job a day and they are struggling.

When the Government takes, continues to take that bite out of their pocketbooks and send the money to Washington because they say that Washington can spend their money better, those folks intuitively know that that is not true. They know that they have to balance their books, and they know that, if their expenses exceed their income, that they are going to run into financial trouble and possibly even legal trouble. Those people that run small businesses and large businesses as well know that at the end of the year they have got to balance their books or at the end of the month they have got to balance their books. Their income has to match their outflow.

Mr. Speaker, they just cannot understand that since World War II, the American people, the U.S. Congress has only balanced its books, I think, three times, three times. Otherwise we have been spending more than we receive, and we borrow the difference and just say, well, let our children pay the bill.

Mr. KASICH. Mr. Speaker, let me just say that it is in my judgment even more than about just adding up this column with this column. Frankly, Americans for a significant period of time now believe that their hard-earned tax dollars are going to programs that do not make sense, programs in this city, run by people addicted to Washington spending, who do not do it with a sign above their desk that says, this is not your money.

In other words, the American people believe the people in this city are not good stewards of their hard-earned pay. They are sick and tired of sending money, power and influence to this city, a city that has been proceeding on a course that is bankrupting this country and at the same time not solving the problems that we have.

Do my colleagues know what I think Americans are saying? Let me do it. Let me keep my money in my community. Let me have my influence back. Let me have control of my neighborhood.

Mr. Bureaucrat in Washington, I do not really need you in my neighborhood. Frankly, I wish you would just stay in Washington and let me run my own neighborhood.

What you have delivered to us, Mr. Chairman, is a new process. You have given us a new paradigm. That new paradigm is that this city counts less and people out across this countryside count more. This is a response to what the American people have wanted in this country.

Mr. Speaker, I will suggest that, if we had not stood on principle, if we had

not made the fight that we have made, we would have lost this. It would have been business as usual. Did we get everything we wanted? Of course not, because we have a crowd downtown that does not want to put people back in charge of their neighborhoods. But we are going to fight for it. We are going to fight for it on welfare. We are going to fight for it to give our senior citizens choice on Medicare. We are going to give people their tax dollars back. And we are going to save not only the future for our children, but we are going to guarantee economic security today for the American family. You cannot have it with runaway Washington spending and debt and bureaucracy and standing in line.

This does not get it all done, but that sure delivers a very strong message and accomplishes a great deal. And you, sir, should be very proud of what you and your committee were able to achieve.

Mr. LIVINGSTON. Mr. Speaker, we could not have done it without the cooperation of both the gentlemen who have addressed me.

I just want to say that the appropriations process for the 104th Congress is a three-act play. Fiscal year 1995 was act one. We saved \$20 billion. Fiscal year 1996 is, and we are drawing to a closure, is almost to an end, and we are saving \$23 billion. And we go next week to fiscal year 1997. With the help of the chairman of the Committee on the Budget and the gentleman from Connecticut and all of our other colleagues, I think we are going to have as much to crow about at the end of fiscal year 1997 or more than we do today.

ON THE BUDGET

The SPEAKER pro tempore (Mr. LUCAS of Oklahoma). 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, I am sorry that the gentlemen of the Budget and the Appropriations Committees ended so abruptly. I was about to ask a few questions and have them address those questions. They are still in the Chamber so I will go ahead and ask the questions. Maybe they will give me the answers later.

In the process of revamping the budget, do they realize that—they realize above all that money comes into Washington and then flows out. Why does Louisiana, why does Louisiana get so much more money from the Federal Government than it pays into the Federal Government? The gentleman who heads the Committee on Appropriations is from the State of Louisiana, and Louisiana gets \$6.4 billion more from the Federal Government than it pays into the Federal Government.

You can downgrade Washington and talk about Washington spending money, but Washington does not spend

money in Washington. The Federal Government is merely a transit, an exchange. They pull in the money and they appropriate it out as it is needed for various functions, and it flows into the States across the union. There have been studies done that I have quoted here on this floor on several occasions about how much each State pays into the Federal Government and how much each State gets back.

Among the high roller States, the States that get more back from the Federal Government than they pay into the Federal Government, is Louisiana. Louisiana gets \$6.4 billion more from the Federal Government. These are the 1994 figures, the only year the complete figures are available for. And these figures come from a study done by the Kennedy School of Government, a very thorough study which looks at all of the Federal expenditures for military installations, the salaries of servicemen, the various military related functions that are carried out by the States, as well as programs like food stamps and Medicaid. It is all totaled up.

Louisiana is a big gainer. After this great revamping of the budget and revamping of the appropriations process, where they have saved so much money, will Louisiana be paying more of its fair share. Will Louisiana shoulder its own burden? New York, on the other hand, my State, pays \$18.9 billion more into the Federal Government than it gets back from the Government. New York, New York.

I heard Mr. KASICH, the head of the Committee on the Budget, say that we do not need Government telling us what to do. Our neighborhoods should decide; our neighborhoods should be left alone. The neighborhoods of New York would like to have that \$18.9 billion back and we could divide it up and take care of our own problems, but we are paying it into the Federal Government and not getting back an equal value.

In fact, we are the State of the Union at the very top of the list of the States that pay more than they get back. California is the largest State in the union. But whereas New York, in 1994, paid \$18.9 billion into the Federal Government more than it got back, California only paid \$2 billion more to the Federal Government than it got back.

California has had earthquakes and mud slides and large amounts of Federal money have gone to California in order to relieve those problems, but over the past 4 or 5 years, California has steadily paid less into the Federal Government than New York, although California is the largest State.

Mr. KASICH comes from Ohio, and Mr. SHAYS, who joined them at the last minute, he is from Connecticut. Ohio and Connecticut, like New York, are donor States. We pay more into the Federal Government than we get back from the Federal Government.

My great question is, after all of these changes are made, after they

have cut the school lunch programs, after they have downsized and cut the housing programs, after they have gone after the Medicaid program, the Aid to Families with Dependent Children program, after food stamps have been cut, after they have made all these cuts of relatively small programs, they have not cut defense very much. In fact, these same gentlemen who stood here before us and talked about a revolution in the budget and appropriations making process did not cut defense. They increased defense by \$6 billion. At a time when the Soviet Union no longer exists and the threat to America is less than ever before, we have an increase of \$6 billion.

The President did not want 46 billion more for defense. The President did not want a B-2 bomber. The President did not want extra money for certain kinds of programs that were beneficial to members of the Committee on Appropriations and members of the Committee on the Budget for their States.

We have a lot of waste in the defense budget, and these gentleman did not attack that at all. So I think it is very important to what I have to say today to recognize the fact that there is an America, this is a particular era in America where we have 2 basic approaches being taken, maybe 2 mentalities being shown. One is a big shot mentality which says that the rich and powerful can do no wrong, the rich and powerful should be allowed to waste money on a wholesale basis, because when you increase the defense budget by \$6 billion, it is already above \$200 billion, what are you doing? You are increasing the amount of money available to go into the payment for manufactured weapons and for supplies and for various items that are bought from huge corporations. And the corporations are owned by people who have stock on Wall Street. So you are feeding the richest people in America. They have their hooks into the defense, the military industrial complex.

So every dollar that goes for defense is a dollar you know is going to help rich people get richer, to help powerful people get more powerful, because there is a relationship between dollars and power. Those programs are not being cut, only the cuts for the people at the very bottom.

There was a hearing today in the Committee on Economic and Educational Opportunities, a markup at the subcommittee level dealing with a program for people with disabilities, the IDEA, Individuals with Disabilities Education Act. This is providing education for children in America who have probably the greatest needs. Extra money has to be spent to educate these children because of the fact that they have great needs. They have problems, learning disabilities, physical disabilities. And the amount of money that the Federal Government contributes to this program is very small. It is 7 percent of the total. States and local governments contribute more, most of the money.