

entitled to, I have to look at the boss and say, OK, can you afford two more pennies or 91 cents? When that boss says no, I am going to pay that, then what we have to do is reduce the number of employees, which then cuts down on the service. It either cuts down on the service or makes it more difficult for the other employees who are having to work without adequate coworkers.

So the effect is that it pushes at the seams of those people who are in the penny business, like we are in the restaurant business. There are 16.7 percent of our employees in Arkansas who are on the minimum wage right now. Those are people who are getting their first-time jobs. Any employer will tell you that the first-time employees are good in one respect in that they have not been taught the wrong thing. The other respect is that they have to be taught.

So there is a learning period that goes and we pay the minimum wage. During some period of time, depending on how alert the employees are or how determined they are, they really are not worth the \$4.25 because you have to put so much into them. Then you get the \$4.25 employee if they think that that is the ceiling, that is all they are going to get, the employer finds that as he, the employer, sends the employees out to greet the customers and care for them. If an employee stays on minimum wage too long, there is a staleness that occurs.

I do not believe an employee should manage to stay more than 2 years on average on minimum wage. We hope that they will either grow through achievement and improvement in our own operation or they will go get another job and take a good recommendation with them. So the minimum wage is a limiting factor in some sense.

If you go into a business or restaurant where their minimum wage employees have been there for 4 or 5 or 6 or 7, 10 years, you are going to find a place where the service is not as good as it should be. So there is a misconception that we employers want to pay the minimum wage and get a profit from it. That is not the case. We want people to be worth more and we want to gauge that by productivity, not by the decision of liberal politicians who come in and for their own benefits give a minimum wage which in effect is an unfunded mandate.

Mr. Speaker, I want to mention one other thing, and that is that the people who are hurt the most by this inflationary push of expenses and cost were the people who are on minimum wage. For example, if my tacos have to go from 89 cents to 91 cents, those two extra pennies are going to have an inflationary effect. Those pennies will affect the minimum wage people to a greater extent. It is regressive to a greater extent than they would be for somebody else who is not on minimum wage. So the inflationary effect, not only will they lose some jobs because we will have to reduce the work force

in order to meet the minimum wages, but there is also this factor that they are going to have to meet inflation at the most serious level.

So what I have said I am going to do is file an amendment to say let the States decide. Eleven States now pay more than minimum wage, and I am going to prepare and file an amendment to ask that the States be allowed to decide what minimum wage they want.

REPORT FROM INDIANA

The SPEAKER pro tempore (Mr. DICKEY). Under a previous order of the House, the gentleman from Indiana [Mr. MCINTOSH] is recognized for 5 minutes.

Mr. MCINTOSH. Mr. Speaker, I rise today to give my weekly report from Indiana. Every weekend, Ruthy and I travel around the Second District from Richmond to Muncie, to Anderson, to Greenfield, and Greensburg. So often people share with me amazing stories about their friends and neighbors and the things that they are doing in their communities. These individuals are good people who make our communities a better place to live. They give us hope for the future and our best days are yet to come.

In my book, these individuals are Hoosier heroes, Hoosier heroes because they set examples for all of us to live by. But more importantly, they make us proud.

Today I would like to share a special story about a 10-year-old boy name Dustin Sagester. Now, Dustin comes from Greensburg, IN. Our parents' generation probably would think that Dustin's story is, well, frankly, a little bit normal. But today, in today's world, it is far from normal. Dustin Sagester found a wallet down on North St. in Greensburg. Inside that wallet was \$500 cash.

Mr. Speaker, the owner of the wallet, who lives in a neighboring town of Columbus had lost his wallet 4 days earlier. The owner had given up on the wallet. He had given up on all hope of ever collecting that \$500. The owner was Jason Humphress. He frankly said that he had written it off. But you know what? Little Dustin Sagester never looked inside that wallet.

He walked right into a local store, billing store, and he turned it in. He turned it in so that the rightful owner could have his wallet back. His parents, Don and Tressy, taught him that when you find something that does not belong to you, you do not keep it and say, hey, it is my lucky day. You recognize that it belongs to someone else. Your new-found luck is somebody else's misfortune.

They taught Dustin that you do your best to find the rightful owner, and that is exactly what Dustin did. He did not know that there was so much money inside. He just knew that the wallet and whatever was inside was not his.

Mr. Speaker, I share this special report from Indiana because the people of Greensburg have recognized Dustin as one of their heroes, and I want my colleagues and all of the American people to know that Dustin is a Hoosier hero. I share this story because I think it is time that we all learn that we have to follow those basic moral values that our parents taught us so long ago, and that Dustin sets an example for the young people of this country.

□ 1745

That is my report from Indiana for this week, Mr. Speaker.

The SPEAKER pro tempore (Mr. DICKEY). Under a previous order of the House, the gentleman from Pennsylvania [Mr. GOODLING] is recognized for 5 minutes.

[Mr. GOODLING addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

PROGRAMS THAT HELP PEOPLE MOST GET BIGGEST BUDGET CUTS

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

Mr. OWENS. Mr. Speaker, we have just completed phase I of the most important process that takes place here in the Congress, and that is the budget of the United States of America for a 1-year period that deals with the fiscal 1997 budget, which will run from October 1, 1996 to September 30, 1997.

It is important that the public understand that the budget that we have discussed today in the budget process is only the beginning. It sets the upper limits in terms of expenditures in broad categories, that the real spending process which gets into great detail is the appropriations process.

Now, the Committee on Appropriations oversees the appropriation process, and the way the budget appropriations process was handled in the first half of the 104th Congress, it may be that the Committee on Appropriations could just send the rest of us home and take over and run the rest of the session because the other committees have very little power in the decision making, and this particular Congress, controlled by the Republican majority, we have less power than ever.

You know, if Congress really were to be truthful about the way it is organized, about who has real power, then it is the Committee on Appropriations, it is the Committee on Ways and Means, the two or three committees that the way they have stacked the deck and the way they guarantee control from the top have all the power. The Committee on Appropriations has far too much power.

You could organize Congress another way. Each one of the committees that

has jurisdiction and authorization could also have the power to appropriate because they have the knowledge, they deal with the particular functions in an ongoing fashion, they have the oversight responsibility. They know more about each one of the functions than the Committee on Appropriations knows.

For example, in education you have a Committee on Economic and Educational Opportunity, which has existed for years under another name called Education and Labor Committee, and members of that committee know a great deal about education legislation, they know a lot about how the schools operate, they know a great deal about policies and experiments and research and the knowledge that has accumulated on that committee. But when it comes to making the vital decisions about how money is going to be appropriated, it is the Committee on Appropriations which will make the decisions about how money is appropriated for education.

Now, most corporations would go out of business if they were organized that way, where the greatest amount of knowledge and know-how is concentrated in one place and the decision making, which is vital, is concentrated another place. But that is the way it operates.

So the budget starts the process, education is function 500, and this budget sets the parameters in terms of we cannot go over the figures that are set in the budget process for education. Of course, the figures are set not just by this House of Representatives, but the Senate also will have to deliberate and pass their own budget bill. There will be a reconciliation, and then the Senate and the House together will have the final say on this particular budget process because it does not go to the President.

The President started the budget process when he sent a budget to us, and these are reactions and responses to his budget. So when the budget process is finished, he does not get it back; he will not have a chance to veto the budget. Each one of the appropriation bills that then comes out of the budget process will go to the President in each one of these functions: Labor, education, health care, et cetera.

I think it is important to take note of this at this critical point. We are often to the process which matters most to the American people. How will the Federal dollars be allocated? How will the dollars that flow into the Federal Government from all over America—they are not Federal dollars; that is the wrong term—all dollars come from neighborhoods, they come from families, they come in individuals. The dollars that make up the Federal Budget are our dollars, and how will they be allocated to meet our needs, to meet the needs of the majority of the people? That is a critical question.

There has been a lot of talk about States rights and States rights to do

various things, and in many cases States are assuming rights to spend money that comes back to them from the Federal Government, great amounts of money that did not flow out of their particular State. There are a large number of States that get far more money from the Federal Government than they pay into the Federal Government from their population.

That is the way the American system is structured. We are one Nation, and the money does not flow to the States on the basis of their contribution, it flows based on many different factors. Some States are more fortunate than others at landing defense contracts. Some States are more fortunate than others in having big power projects. The TVA is not located in New York because we did not have the kind of situation where the water and the necessary conditions to create a Tennessee Valley Authority was there. So Tennessee Valley Authority was a Federal project that poured large amounts of Federal money into Tennessee. For various reasons, NASA is located in Florida, and part of it is located in Texas, and on and on it goes.

The Speaker's district has the largest contract to manufacture fighter planes. F-22 fighter planes are manufactured in Marietta, GA, which is part of the Speaker's district.

So you have large amounts of money flowing to the States from the Federal Government, and the States now said they want the right to do everything themselves. I would be willing to listen to that argument and say that in this budget-making process let us give States the right to spend money that they generate; the amount that they receive from the Federal Government, which is above the amount that came out of the State in terms of taxpayers, let us cut that off and give it back to the States which are generating the money.

I have made this argument many times because I really am very concerned about the fact that traditionally New York State has always been on the giving side and the giving has been very great, you know. It rose as high as \$23 billion in 1993, and in 1994 it is \$18 billion. We are sending to the Federal Government more than \$18 billion more than we are getting back from the Federal Government. Before that, in 1993, we were sending \$23 billion, and I am very concerned about this, and I keep speaking about it and bringing it up as often as I can because I think that New Yorkers ought to know this, people in New York ought to know this, and I think the people in the other States on the other end who are receiving the money ought to know this, that if we have States' rights, the people in New York would be far better off if they kept their \$18 billion at home, and the States that are receiving the extra money, let them fend for themselves.

You know, that is an argument in States' rights that nobody has offered,

but we ought to take a close look at that.

So as we go into the budget-making process, the appropriations process will follow that. It is important to understand some of these basic contradictions and facts. But understand also that for the 104th Congress under the leadership of the Republican majority, this is now phase II, phase II of the drive to remake America.

You know, Speaker GINGRICH always says that politics is war without blood and that we are in a war to remake America. Those analogies and the comparisons with war are the Speaker's comparisons, and we have to live with them, I guess, and certainly they have prosecuted the effort so far as it was war. We have had a situation where the Republican majority has moved in a way that you move in war, you know, with a rapid movement. You know, it is revolution, it is extremism, it is not letting up, pushing to try to accomplish a great deal over a short period of time. There is a sense of desperation introduced into legislative process. They want to remake America, and they see themselves as having 2 years to remake America.

Automatically you have a process by which mistakes are bound to be made, dislocations in great amounts are going to take place. Maybe a great amount of people are going to suffer. The Speaker says that it is war without blood, but maybe some people are going to bleed as a result of the rapid movement of our Government to remake itself.

So far in phase I, I would say that the Republican majority has been very successful. I apologize to my Democratic colleagues who like to say that we have succeeded, but if you look at the situation in terms of the budget process, the Republican majority, the juggernaut, the great Wehrmacht of the Republican's war machine that has moved forward and established beachheads and gone for the jugular in so many cases laid out a plan where they were going to cut the budget by huge amounts of money and moved in very radical ways, very extreme ways, to accomplish that. As we all know, at one point they even shut down the Government, we shut down the Government more than once, as a result of the extremist agenda that they were trying to accomplish.

Well, it was all over, and we finally got all of the appropriations bills passed. Too many Democrats have said that we won a major victory. We did not win a major victory. The Republicans achieved \$23 billion in cuts. There were \$23 billion in cuts, and you might say, well, we wanted to downsize and streamline the Government, so why not call it a victory for everybody? Problem is that all the cuts are concentrated in nondefense areas. It is the programs that help people most that receive the biggest cuts.

Yes, we won some victories in terms of phase I in this war to remake America, we made them back away from \$5

billion in education cuts. Thanks to the common sense of the American people and their understanding of what was going on in education, they rallied, they let their Representatives know that they understood the nature of the education cuts, and they put enough people on the spot to make the majority retreat on \$5 billion worth of education cuts.

But there were \$23 billion in other cuts that were made. Some of them might have been legitimate. There is always waste in a government as big as ours, and nobody is going to argue that you cannot cut a lot of waste out. But we wonder if they really zeroed into places where the waste is. Pentagon is not downsizing. The Pentagon military establishment, as we know it, is not streamlining. In fact, in this budget, phase II of the new budget that was passed today, there is \$13 billion in increases for military expenditures. So they are not downsized.

In this budget there is no mention made of the CIA bringing it under control and guaranteeing that you never have a situation again where the CIA will accumulate \$2 billion in a petty cash fund. I talked about that before. Our auditors discovered that \$2 billion was accumulated in the CIA petty cash fund.

What steps are we taking to see that does not happen again? We have the Federal Reserve, that had \$3.7 billion accumulated in what they call the rainy day slush fund, the rainy day fund for the Federal Reserve Bank, and in 79 years they never had a rainy day. The General Accounting Office said they never had losses in 79 years. So that is a place where waste is taking place on a large scale; \$3.7 billion in the Federal Reserve.

There is nothing in this budget that talks about efforts to collect money that is lying around in various agencies like that.

So we have phase II now beginning, and the budget that has been introduced by the Republican majority for phase II in their war to remake America, this budget is as extreme as the first one was. There are a few trimmings here and there, but basically there is no change in direction. So anybody that thinks that we have stopped the juggernaut, that we have contained the war to remake America, the extreme war to remake America, you are dreaming. It is not happening. In this cut there are extreme—in this budget there are extreme cuts.

I am glad to see that again we made a breakthrough on education. There are no proposals to totally eliminate the Department of Education anymore, so that is a plus because we were in a situation where we were about to eliminate the Department of Education and become the only industrialized nation in the world not to have a central department of education.

□ 1800

Our public education is very weak as it is, and we do not necessarily want

the kind of bureaucracy that some of the other nations have, and we do not want to give the kind of power to our Department of Education that they may have in Germany or in Japan, but we definitely need to keep the Department of Education.

Mr. Speaker, I applaud the Republican majority for backing away from the threat to eradicate the Department of Education. But it still has many education cuts. The budget eliminates many education programs.

What is particularly troublesome is the deep cuts in training programs; for instance, the funding for programs in the careers bill. The careers bill is where they lumped all the training programs together in one bill, and they have cut that by 42 percent, 42 percent. That is going toward one-half. These are job training programs.

Mr. Speaker, how do we expect to go forward into the 21st century and to re-adjust our economy to meet all the challenges of a high-technology economy if we are not going to give people training? How do we expect to have a work force that is being dislocated, downsized, and shuffled around? The legitimate term for it is "churning"; there is churning going on in the work place, there is churning going on in the big corporations, and the workers in the process are being churned around, spewed out, and they can always find a job somewhere else, although they have lost their regular job that they might have been on 10 or 15 years.

So the churning process, if it is going to be humane and going to help people pick up and go on, it needs to have training programs, but the training programs have been cut by 42 percent in this Republican phase II budget.

As I said before, the phase II budget is really a continuation of what we had before. It is not very different in every respect. It is still extreme. The retreat on education is only there because of the fact that we have gotten the American people alerted. They are watching to see what happens with education. They are on the job, they are letting their Representatives know, Republicans and Democrats, and they will not tolerate any drastic cuts in Head Start programs, they will not tolerate drastic cuts in title I programs. So we have that much accomplished, but everything else is still moving forward.

The contract to remake America and the budget, the budget-balancing effort, is really an assault on the New Deal programs that were developed by Franklin Roosevelt. It is an assault on the programs that were developed in the Great Society, programs by Lyndon Johnson. It is a frontal assault of trying to wipe those programs out.

Saving money is only secondary, if it is important at all, because they are proposing to put large amounts of money into star wars, which, of course, has accomplished very little. Billions have been spent there already and it has accomplished very little.

There is no great hurry to invest large amounts of money in building a

star wars system or a system to intercept missiles, when the technology probably will be far better if we wait a little later to do the building. So the President's proposal that we do research and we prepare is more than adequate. But they are going to waste money in that area, so money is really not the problem. Money is not the greatest concern.

Destruction of the New Deal programs, destruction of the Great Society programs: They want to destroy Medicaid, they want to destroy Medicare, they want to wipe out programs that have benefited people for years, and they want to do this in the interest of a small, elite group that will make a great deal of money off the destruction of these programs and the replacement of these programs with other programs.

So it is important to see the new budget as phase 2 of the war. The new budget is a blueprint for invasion, for destruction. The new budget is more of the scorched earth policy that started with the majority takeover in 1994. It is extreme, it is revolutionary, it is harmful. People will literally die as a result of what is being done in this area.

In education and training, for example, the details can become important, depending on where you sit. Goals 2000, which they proposed to eliminate last time, is again eliminated in this budget. Innovative education programs, strategies, grants, eliminated. Bilingual and immigrant education programs are eliminated. New funding for Perkins loans, student-centered grants are eliminated. Howard University funding is eliminated.

Libraries are cut 20 percent; libraries, which have a tiny amount of money, I think \$110 million, a very tiny amount of money when you consider all the libraries across the country that exist and that need help as we go toward meeting the educational needs of the 21st century, they are cut 30 percent.

Twenty-four other education programs are eliminated. Aid to education, institutional development, is cut \$46 million. National and community service programs again are eliminated, AmeriCorps.

That is a bargaining chip. They eliminate a program that they know has a high priority at the White House, and they are going to bargain later on to get the White House to accept some of these other cuts as a result of restoring that.

The Davis-Bacon Act and the Service Contract Act are eliminated. The Davis-Bacon and Service Contract Act require prevailing wages to be paid on Federal construction jobs and in Federal facilities across the Nation, and that is eliminated; although what has happened is that the prevailing wages are very close, in most cases, to minimum wages in many parts of the country at this point.

The Corporation for Public Broadcasting will be eliminated, privatized

by the year 2002. The National Endowment for the Arts and Humanities, eliminated.

So what is new? The battle plan remains the same, the invasion plan remains the same. The scorched earth policy remains the same. There is not very much that is new here.

In energy, in a time of skyrocketing increases in energy prices, this budget proposes real cuts in energy funding by 47.05 percent. It wipes out all funding for research on fossil fuels, solar, and renewable energy and energy conservation, at a time when we are recognizing more and more that our environment and the dangers that the environment faces from pollution are not fantasies of environmentalists, they are very real.

People have died of certain diseases. Asthma is increasing in our big cities in large amounts. The percentage increases are quite large of people suffering from asthma and other respiratory diseases. The handwriting is on the wall that the environment is not something to be left to a handful of people who have a vision, but the environment ought to concern everybody. Then we are going to wipe out all funding for research in the areas that will deal with the pollution factors that related to that increase.

Transportation. It phases out funding that supports mass transit operations. Again, pollution will be increased, because in big cities people will drive cars more and more and use other vehicles above the surface because they cannot get money to keep supporting our subway systems. Even our bus systems above ground that do cause a problem with pollution, it is better to have more buses carrying more people than to have more cars carrying more people, because you get less of a pollution factor when you have buses instead of cars. But we are cutting the capital assistance to mass transit. We are eliminating any new starts, support for any new starts in the mass transit system.

At a time when we are trying to get people off of welfare and get them to work, we are going to make it more difficult for them to get to work, because it is going to cost more to get to work. We also at the same time are going to continue polluting the air.

In the area of crime and law enforcement, this budget defunds, wipes out the COPS Program, and abandons efforts to put 100,000 new police officers on the street by the year 2000. We thought we had settled that one, it is such a popular program across the country. We thought that the extremists would certainly yield to common sense and yield to the fact that the American people had made it clear that they want the COPS Program, they want the cops on the streets. But in this budget, no, we continue the same practice that was started in the first budget of this session. The extremist blueprint calls for an elimination totally of the COPS Program.

The earned income tax credit, which is a way to give tax relief for low-income working people, we got a \$20 billion cut in this budget for the earned income tax credit, which really provides great relief to people at the lowest levels. They say they want a tax cut, but the one tax cut that is already in effect, they take it away, in effect, for people at the lowest levels, they take it away.

They still want a tax cut, however. It is being proposed for the rich in large amounts. Twenty billion dollars has been taken away from the earned income tax credit. This cut reduces the after-tax increase of almost 8 million households in America; 6.8 million children will be hurt by this cut. This change is particularly offensive in light of the Republican rhetoric about moving people from welfare to work. We ought to make work pay. We ought to reward people when they go to work, but the earned income tax credit, which was doing that, is being drastically cut.

There is nothing in this budget about minimum wage. Minimum wage is not a function of government. The taxpayers do not have to pay for minimum wage, so it is not in the budget. It will not be in the appropriations bill. A minimum wage increase is a situation where employees pay additional wages.

The proposal that was put forth by the gentleman from Missouri [Mr. GEPHARDT], the Democratic minority leader, and the proposal that was endorsed, sanctioned by President Clinton, is a proposal for a 45 cent increase over the present minimum wage; 45 cents one year and 45 in another year, 90 cents that will not be in the budget, 90 cents that the taxpayers do not have to shell out. So the minimum wage increase is not going to cost us anything. Seventy-four percent of the people in America say that a minimum wage increase is a fair approach to guaranteeing that people have the opportunity to earn a decent living.

Nevertheless, the extremist blueprint, the invasion plan, refuses to entertain any increase in the minimum wage. I said before that this is about more than saving money, and the fact that the Republican majority has dug in and is adamantly opposed to a minimum wage increase is just one more indication that saving money and balancing the budget are not the only agenda.

The agenda is designed to wipe out the New Deal programs, to wipe out the Great Society programs, and the agenda is designed secretly to wipe out the gains made by working people, to destroy the effectiveness of unions. A tax on working people, a tax on unions, are not part of the Contract With America. You will not find anything in there that says they want to destroy Davis-Bacon, that they want to change the Fair Labor Standards Act so that people cannot get their overtime.

Nowhere in the Contract With America does the Republican majority say

we want your overtime. But they do want your overtime. Not only are they moving in ways which deny a minimum wage increase to all workers, but the workers who have been working for years, the workers who have enjoyed overtime when they had the necessity to be employed overtime, they would get overtime pay, we are not being told that they should not get overtime pay, that they should get comp time.

So the blueprint for the second half of the Republican war to remake America, it wants your overtime. One of the targets, one of the objectives is to take your overtime; nor to give you a minimum wage increase, but also to take your overtime. It is not in the budget. I am digressing from discussion of the budget, but it is part of the design to remake America.

It is part of a situation where, to please contributors, to please certain elite groups, the workers must be sacrificed, the workers must be given the status of serfs, peons, or sharecroppers. The workers must be put in a position where they have to beg. They must be put in a position where they have no power.

There are other moves to change labor law which we will discuss next week, but certainly the minimum wage, denial of the minimum wage increase, it should be noted, is not a budgetary item. It does not cost the taxpayers anything, but that is part of this great blueprint.

First I want to comment for the tax package. The EITC is one place where taxes are being added, and a tax increase is being forced on the low-income people by removing \$20 billion in funding for the EITC. The tax package in this budget, on the other hand, does still provide for people who are rich to have a decrease in their taxes, and part of the drive to cut Medicare and to cut Medicaid and many other worthwhile programs is to generate still the funds to fund the tax increase.

Probably the most devastating part of this effort to remake America is the part that focuses its guns on Medicare and Medicaid. That is a life and death matter. You are dealing with people's health and you are dealing with lives. We have large expenditures for Medicare, we have large expenditures for Medicaid, yes.

□ 1815

I can think of no more noble expenditure of public funds than to expend those funds to promote the health of people or to save lives. In New York State, we have large expenditures of funds for Medicare and Medicaid. In fact, our State has been criticized for spending more on Medicaid than any other State in the Union.

Yes, we do have those large expenditures. It costs the people of the State a great deal because they are matching, New York State matches the funds 50 percent, unlike other States that have a better match where the Federal Government pays a larger percentage than

the State. The percentage paid for Medicaid in New York State is 50 percent. So we are spending large amounts of money like anywhere else in the country.

We probably could trim the budget by eliminating waste, we could probably trim the budget by eliminating some corruption. Waste and corruption always exist in any program where human beings are involved. The minute you invent the program, the hustlers and the swindlers will move in and find a way to unjustly squeeze large amounts of money out of the program.

Therefore, you have to have inspectors general and you have to have strict law enforcement, you have to have accountability. We just always assume that any program, and it does not matter whether it is health care or housing, in the private sector they have devices going all the time to protect the interests of the employers and the owners from their own employees. Stealing is one of the ongoing universal traits through the world of human beings.

So Medicaid can be cut for corruption and for waste. Nobody wants Medicaid to operate more effectively and more efficiently than the constituents in my district. Since the beginning of Medicare and Medicaid, we have watched abuses and complained about abuses and sought to have the money directed as much as possible in providing health care and less in making doctors rich or in making health care facilities rich. It has been an ongoing struggle.

There was a time when people worked strictly on charitable contributions. That was a painful situation where most people who needed health care had to go to an emergency room. Then we did move into a period where Medicaid was in operation and poor people who qualified through the means test for Medicaid could for the first time have the luxury of preventive health care. They could have a doctor, they could have a situation where they did not have to wait until they were half dead to go to the emergency room.

But we saw the Medicaid mills develop. Medicaid mills were obvious facilities that were taking large amounts of money and giving poor service, and we complained about those for years, and we saw the waste and wondered if the system was not designed to guarantee that certain people would get rich. So there have been improvements in that. There are still further improvements that can be made.

Now we have the HMO's, the health maintenance organizations. In many ways health maintenance organizations are a big improvement over Medicaid mills. Health maintenance organizations when they are operating properly and when they respect the patients and the community that they operate in are a great improvement over Medicaid mills, but if health maintenance organizations are to move in ways which try to give less service

and make more money, then they become worse than the Medicaid mills and must be stopped.

So we have a situation here where there is still a drive on to remake Medicare and to remake Medicaid. This second phase of the Republican majority's war to remake America does let up a little on Medicare, but it becomes worse for Medicaid than it was before. The Republican proposal for Medicare cuts funding \$168 billion over the next 6 years. It continues to rely on the untested and potentially dangerous medical savings account, known as MSA. Medical savings accounts are the centerpiece of the Republican proposals for Medicare.

The proposal would set up a system whereby the healthiest and the wealthiest seniors would leave the Medicare system and many of the doctors who treat them would refuse to continue treating other seniors who depend on Medicare. The proposal could truly end universal health care coverage for the elderly.

In other words, Medicare is only about 30 years old and Medicare could be brought to its knees if you introduce medical savings accounts, because medical savings accounts would cover from 85 to 90 percent of the people who are healthy and who need very little health care. The insurance companies would move in and pick off those people, and the number of people in the Medicare system would drop so drastically and to such a low point until the funding of the Medicare system would fall apart.

So the MSA is a direct threat, it is a gun aimed at the heart of the Medicare system. But that is being proposed again with great gusto. As you know, it is already in legislation that is moving through the House. The Senate and House have agreed and will soon send a bill to the President which might contain the MSA proposal. The MSA proposal has received few public hearings, very few people know about it. I am taking the time to talk about it here now because most people just know it as a set of initials. The MSA, as one respected columnist Robert J. Samuelson recently said in the Washington Post, quote, "we should not unleash a health care upheaval simply as an afterthought. Clearly this proposal would cause serious harm to America's senior citizen population and it goes far beyond any change that the electorate wants."

The people, the voters, the patients do not want MSA's. It will be a radical change in their health care and wipe out a system that they have come to depend on.

Of course, finally, the Republican plan for Medicaid is even more extreme and it has a potential to cause as much or more harm than the Medicare package. Medicare is a basic program whereby the Federal Government helps States provide health care for the poorest and most vulnerable people in our Nation. This budget proposes to cut

Federal Medicaid funding by \$72 billion.

To make matters worse, the Republican proposal allows the States to drain large amounts of money out of the system by significantly reducing the requirement that the States have a maintenance of effort. At the same time it allows a return to the State financing gimmicks of the past that were banned in 1992 at the urging of the Bush administration.

The majority's plan will send a loosely defined block grant back to the States without the current guarantees of care for low-income children, pregnant women, disabled people or senior citizens. By relying heavily on the Republican Governors for the design of their new Medicaid package, the Republican Congress has proposed a program that allows States to reduce their financial commitment to the program without any guarantee that poor people and seniors will have the necessary care.

The Republican plan abolishes the current entitlement for individuals. Entitlement. Remember the word "entitlement." There is probably no more noble concept in government than entitlement. Sometimes it is abused but when you have entitlements for means-tested cases, means-tested entitlements, means-tested entitlements, it means that you have to prove and show that you are poor, that you are in need in order to be able to qualify for the entitlement.

We have some entitlements that are not means-tested. The agricultural entitlements are not means-tested. You can be a millionaire and still get agricultural subsidies. The biggest socialist program in America, the most socialist program that continues to exist and over the next 7 years will still be with us, is the agricultural subsidy program.

It has many different facets. Agricultural subsidies for various reasons, there are Farmers Home Loan Mortgages, there are many, many different ways in which socialism and agriculture takes care of people who have a great deal of money.

In fact, in Montana I point out, in Montana, the Freeman out there, the siege that is going on now, those people are people who receive large amounts of money. They are led by a person who received up to \$800,000 in Federal loans and subsidies, and he does not want to pay it back. They reached the point where they felt they had the right to keep it and the right to not be held accountable for paying it back. Their property was taken, so they are in a revolutionary mode now. They have guns and are ready to fight because the subsidy, the socialism in agriculture has thoroughly corrupted them to the point where they have lost their perspective completely.

So the loss of the entitlement, benefits defined by the State, when you lose the entitlement, the Federal Government no longer stands behind the guarantee of health care to everybody who

needs it and if you meet the means test, you lose the entitlement, the block grant goes to the State, the State has a finite, set amount of money in their budget, when they spend that amount of money, then the people who are in need after that will not get any help.

The States will also define the benefits that continue to go to some groups that are covered by Medicaid. States will not have to provide health care to certain people that are covered right now. Children in poverty will not be fully covered because the Republican proposal, the scorched earth proposal goes after the health care of children between the ages of 13 and 18.

Children ages 13 to 18 living in poverty would lose their Medicaid coverage because they are not on the list of people that the Federal legislation would require the States to serve. So a State could cut that out if it wants to. Disabled persons, people with disabilities. The States would be in a position to define who has a disability and who does not have a disability. It is unlikely they would cover all of the 6 million disabled persons who now are receiving Medicaid. Six million disabled people in this country, people with disabilities, are receiving Medicaid now. The likelihood is that if the States are able to define who has a disability and who does not have a disability, most of these people would lose their coverage. Again there is the low-income Medicare beneficiary, people who do not qualify for welfare who are covered in some States, and they will lose their coverage also if you give the Medicaid total over to the States.

That is the worst feature, the Medicaid assault. The assault on Medicaid is probably the single worst feature of the Republican majority budget. The assault on Medicaid is a life and death issue. The assault on Medicaid is worthy of a long discussion. The assault on Medicaid is worthy of a mobilization of people all across the Nation.

We have a great deal to lose. Medicaid is as close as we have gotten to universal health care. Medicaid, which provides health care to everybody who needs it, who is poor and can pass the means test, Medicaid is as close to universal health care as we have gotten in this country. We are the only industrialized country other than South Africa that does not have universal health care in one form or another.

So we are about to lose that. I am particularly concerned about it because in New York City, it seems that the extremist forces are out ahead of the Republican majority here in Congress. The Republican majority here in Congress have been thwarted in their efforts to end the Medicaid entitlement. They have been thwarted in their efforts to take steps that would reverse the quality of care in nursing homes. But we have a Republican Governor who has moved on nursing homes and tried to suspend the regulations, a Republican Governor who is threaten-

ing to change the way hospitals are funded for indigent persons, to take away that funding altogether if they do not agree to some new proposals that he had made. We have a Republican Governor who has proposed to close down one of the hospitals in my district, Kings Borough Psychiatric Center. Kings Borough Psychiatric Center is the only psychiatric center in Brooklyn. Brooklyn is a borough which has 2.5 million people; 2.5 million people is enough to need a psychiatric center with 500 beds. It has been there for 100 years. But now they are proposing to close down Kings Borough Center.

The juggernaut in New York, the Wehrmacht in New York, the scorched earth policy in New York is moving faster than the policies here at the Federal level. The mayor is proposing to sell certain hospitals. The mayor is proposing to lease certain hospitals. A notice was just issued day before yesterday that 1,600 hospital workers will be laid off immediately between now and the middle of June and between now and January 1, 8,000 hospital workers will be laid off in New York City.

This is radical, this is extreme, this is a life and death matter. Not only will patients die as a result of the extreme changes within the hospitals, but there some people employed in these hospitals who are earning basic pay as janitors, as cleaners, as maids, some people who are technicians. There are large numbers of people who will be out of work as a result of this reduction in the service for health care. Health care is a service, first of all, and that is its most important function. But health care is also an industry. It is one of the most noble industries mankind has ever created, and it does provide jobs.

So we have a situation where we are moving in an extreme manner and in a year's period 8,000 people will be thrown out of work and the work that they do in the hospitals will be dislocated and confused, and people will literally die as a result.

□ 1830

War has been declared on the health care system of the people of New York city. War has been declared by the Governor. War has been declared by the mayor. The war in New York State and the war in New York City is very much interrelated with the war that has been declared here in Washington.

In fact, the war began here. The move is here, once the proposals by the Clinton administration in the 103d Congress went down the drain. Those proposals were good proposals, idealistic proposals, and proposals which were complicated because of the fact that they reached out toward the goal of universal health care.

We can come with legislation that is much simpler as we can, in incremental steps, probably improve the health care system. But if we want to reach the goal of universal care, universal health care for everybody, it requires a

complicated system. It requires something which is very unusual and calls on our present system to be restructured.

That is what the Clinton administration program required. It was the proper approach in terms of setting the goal and seeking the goal of universal health care. The fact that the complications led to a political problem does not diminish the validity of the Clinton health care proposals.

Now we are without that national goal and without that national guidance, and we are in a situation now where we have a stampede on to restructure and to reengineer the health care system. In a place like New York, we are talking about nearly 8 million people, health care for nearly 8 million people, so it is a very tempting target.

The stampede on now is a stampede toward privatization. It is a stampede that begins with the ideas that there is a lot of money to be made if they create a health care-industrial complex. A government health care-industrial complex means that the private sector will own it, the private sector will run it, but the funding for it will still come out of the taxpayers' pockets.

Just as the funding for the military-industrial complex comes out of the taxpayers' pockets but is run by private enterprise, and great amounts of money are made out of it, now we have a foolproof system that will go on forever. The health care-industrial complex is not like the military-industrial complex. It will be here forever, and we then do not have to worry about never having a justification for it.

The military-industrial complex has done well long after it is needed at the level it is needed. It is still here. We needed a military-industrial complex to win World War II, and we needed a military-industrial complex at a certain level to fight the cold war and to maintain the security of the free world. All that was necessary, but we have not needed the extremes in spending that we have, and we certainly do not need to justify adding \$13 billion more to the existing defense budget.

That is a victory of the military-industrial complex. Its power exceeds its usefulness, but that is one of those complexes and we are governed by many different complexes in this country. Complexes have a great impact on our policies.

We have a banking-industrial complex that really is the biggest swindle of all. The banking-industrial complex pulled off the savings and loan swindle and that may cost the American people, before it is over, about a half trillion dollars to bail out the savings and loans and the other banks. There were other banks also, not savings and loans, but banks that went bankrupt. We are going to be out a half a trillion dollars by the time the Resolution Trust Corporation and all the mechanisms that were set up and designed to do this are finished.

So we have a health care complex now, health care-industrial complex.

Large insurance companies, large pharmaceutical companies buy HMO's. HMO's are health maintenance organizations. They are not evil automatically. They are not inherently evil. In fact, the Health Insurance Program of New York, called HIP, has been in existence for half a century. It was a great step forward in health care.

HIP still exists, but HIP was a non-profit-making enterprise. It is not designed to make a profit. Although they make surpluses and they have probably been taken care of very well, it was not designed to make profits, and it has worked very well.

We can have profitmaking HMO's also, and that has been proven in some places. They make profits and they also give good service. There are communities which insist that they are going to get good service or else they are going to get rid of the HMO's, so they have good service.

But in big cities and communities like the majority of the communities that my district covers, there is an attempt being made to come in and stamper the situation and restructure, re-engineer the health care system for the benefit of the big HMO's, and the insurance companies and pharmaceutical companies are going to stand behind them.

They are not listening to doctors. They are not listening to hospital administrations. They are definitely not listening to community leaders. They are very seldom listening to elected officials. We need to reestablish the dialog, and the only way we can get that dialog is by confronting them with a situation which brings to a halt the grand design to redesign our health care system.

So we have the mayor proposing to sell one of the hospitals in my district; the Governor proposing to close down another one; the layoffs of thousands of people taking place; and all this is happening very rapidly, and in the meantime the shadow of the Medicaid entitlement being taken away looms over our head.

The Medicaid entitlement will be converted to a block grant automatically. Right away there is a reduction in the amount of funds available for Medicaid because the proposal is not just to give the State what it now gets but to cut the amount of money. The State will have the power then to cut the benefits. So we will have several rapid shocks to the health care system all at once.

For this reason, this Sunday, we are mobilizing all over the city. Not just in my district but all over the city there are demonstrations at hospitals called Hospital Support Sunday. Churches are leading their congregations to hospitals that are threatened and they are having rallies to send a message to the mayor and to the Governor that we are the people, the health care system is for us, those of us who are patients and those of us who are alive and will someday probably become patients. We

want a voice in the restructuring. We do not want the insurance companies and the pharmaceutical companies and the HMO's to restructure our health care for their benefit. We could like to have a voice in the restructuring of the system for the benefit of all the people.

We have three demands. One is that they freeze the situation as it is now. Do not have any more sales of hospitals. Do not try to lease hospitals. Stop downsizing and streamlining, cutting the budget so that the hospitals are not able to function properly. If they cannot function properly, people stop coming, and then they use the fact that their number of patients is declining as a justification for cutting the staff.

It is a vicious game that is being played with our health care system and we want it to come to an end. We want the assault on our health care system as part of the war we make in America to come to a halt.

Maybe we can make a deal. In every war, no matter how vicious the war may be or how ambitious the maniacs are who drive the war, they do make some arrangements. As bad as the Third Reich was under Hitler, they did not attack Switzerland. For various reasons they never attacked Switzerland. As bad as they were, they did not go on to attack Sweden. They did grab little Norway because it was in the way in terms of their own strategies. They did terrible things but there were some places where even the vicious Nazis did not cross the line.

Maybe we can have a deal with the people who are trying to remake America and a Speaker who declares that politics is war without blood. Perhaps we can have a safe haven out there in health care, put it off the invasion map, take it away as a target and let us not do terrible things that our grandchildren might spit on our graves as a result of hearing about.

Let us not destroy the health care system for the elderly, which may throw people out on the streets. Because in Medicaid two-thirds of the money from Medicaid goes to nursing homes. One-third goes to poor families, and they are important, too, but two-thirds goes to nursing homes.

Many people in those nursing homes are people who were middle-class people, who had some means before they got ill and lost their jobs and lost their faculties and for various reasons became impoverished. Once they become impoverished then Medicaid is all there is left to take care of them. Take away Medicaid and they are literally in the streets.

So we do not want to hastily, in the process of remaking America, do things that would end up being counted as atrocities sometime in the future as people look back. We do not want to do thing that in the process of trying to justify them we would take ourselves into some kind of immoral era similar to the Nazi era.

People with disabilities in Nazi Germany became people who ought to be

destroyed, and it is to the credit of the German people that they would not consent to euthanasia as long as they knew about it. But when they singled out a particular ethnic group, they did go on and try to destroy a whole ethnic group. The seeds were sewn.

Human beings or nations should never begin to think in certain directions. Human beings and nations ought to automatically want to structure systems that provide for the preservation of life. To be pro-life in the most profound sense is to try to preserve the health care system; to try to see to it that at least every person has an opportunity to maintain good health and to benefit from the modern life-saving devices, and to in some way know that we care about them that far.

We cannot guarantee them an income, we cannot guarantee them a lot of things, but let us put the health care system into a safe haven status and say we are going to try to guarantee that decent health care is provided for everybody. We are going to try to guarantee that systems are maintained. We want to streamline them, make them more efficient, eliminate the waste and corruption, but we are going to maintain systems that are adequate.

We cannot maintain adequate systems if overnight we are going to make a decision to close hospitals in a big city like New York. The closing of the hospitals has not been discussed by the doctors and the administrators, it has only been discussed behind closed doors by politicians who want to make a score and save money over a short period of time. So that kind of restructuring is going to be a scorched earth kind of restructuring where people's lives will not matter.

We will not stand by idly and watch this kind of restructuring of our health care system in New York City. I hope that the rest of Americans understand that we are at a critical point and they too must get out take a look at what is happening, who is making what plans about their health care system, who is making what plans about how many hospitals we are going to have in a given area, and about the nature of those hospitals.

A burn unit cannot be maintained by an HMO. A burn unit needs a large population to support. A burn unit needs to exist within the structure of a hospital. MRI's are very expensive and cannot be maintained in some doctor's office or some clinic cannot maintain an MRI. If the hospital goes, then we have a situation where the justification and the rationale for a number of other services that are based on a density of population will no longer be there.

So we must fight to keep hospitals, or at least to have people sit down at the table and give us the blueprint; show us how they will maintain the quality of services, if they are going to restructure and eliminate certain hospitals or certain aspects of the current health care.

Now, we have the analogy of politics as war without blood. In every war monumental mistakes are made. The nature of war is such that it is going to grind down and eat up, chew up, and abuse large numbers of people because it is an emergency and we cannot set our own scenarios. We have to react to the enemy. There are a number of things in the nature of war. That is why the analogy that politics is war without blood is a bad analogy.

We should not have to move in an atmosphere of war. We should not have to rally to meet a crisis that does not need to be created. Health care could be kept at some kind of rationale level. Health care should be kept off the table.

Yes, eventually, HMO's, profit making HMO's, may make money in health care. Eventually Wall Street may have stocks in the health care industry do very well. But let us try to do that and make capitalism and the profit motive work for the benefit of the people. Let us not allow the situation to get totally out of hand and a scorched earth policy to leave us with ruins in our health care system.

Once we close a hospital, reopening it is almost impossible. Once we close down certain kinds of facilities, we cannot bring them back. And we must force those who are in place of decision-making and power to stop, listen, and negotiate.

Our demands in New York City are three basic demands. Freeze the situation. Do not go any further. Disclose your plans. Let us see what is happening. And they negotiate. And this is a pattern that I offer to the rest of the country.

□ 1845

It is your health care. This invasion plan will roll right over you unless you rally and guarantee that you are respecting and that your health care does not become cannon fodder in this so-called war to remake America.

TRIBUTE TO ADMIRAL BULKELEY AND ADMIRAL BOORDA

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

Mr. DORNAN. Mr. Speaker, those that were watching the proceedings in this Chamber earlier saw some brief 5-minute or shorter tributes to the Chief of Naval Operations, the highest ranking naval officer in the world up until a few hours ago this afternoon when the early reports are telling us he took his own life in the Chief of Naval Operations traditional officer's home, just a few blocks from here in the Navy Yard on the Anacostia River.

Mr. Speaker, I had been intending to come to the floor tonight to finish a tribute to Admiral John Duncan Bulkeley, who had served 55 years on

active duty, retired just a few years ago in 1988, and was the squadron commander of the PT boats that took General MacArthur off Corregidor. I pointed out that in an otherwise beautiful funeral ceremony on Patriots' Day, April 19, the only sad note was that there were no Cabinet officers, no Vice President. Bill Clinton had held the wreath with Admiral Bulkeley at the 50th anniversary of D-day, the Normandy invasions to begin the day at dawn.

Together they held a wreath honoring all those who died at sea, the Coast Guardsmen driving the landing craft up to the beach, the few naval craft as they secured the waters of the English Channel for the Allied forces that died, those that died leading up to it, those that died in secret operations in the months leading up to it where we lost hundreds of sailors and soldiers, and it was kept secret for 25 years.

That wreath was to commemorate all who were lost at sea, including those landing barges that were blown up by shore artillery and mortar fire sent out by the Germans. At the funeral, which I talked about here 6 days ago, I said that the first eulogy for Admiral Bulkeley, this Medal of Honor winner, holder of two Distinguished Service Crosses, Navy Cross, two Purple Hearts, two Silver Stars, French Croix de Guerre. The first speaker was the CNO, the Chief of Naval Operations, Jeremy Michael Boorda, Mike to his friends.

Mr. Speaker, I have in front of me the CONGRESSIONAL RECORD. How could I or anyone have known that, while praising Admiral Boorda here at this very lectern on the leadership desk, that 6 days later he would be joining Admiral Bulkeley in heaven? This is phenomenal that our country is getting hit with so many hammer blows of people dying. It must be tied into something to do with what the Holy Father in Rome calls the culture of death.

I got through most of Admiral Boorda's eulogy for Vice Admiral Bulkeley, and I had the son of the actual PT boat, signal boat commander, PT 41, George Cox Jr., a late-in-life child is, I guess, the way they say it, not the grandson but the direct of son of George Cox, Ensign George Cox, who was actually at the helm of the PT boat when Admiral Bulkeley with the last of his two boats out of only six to begin with, when Manila, the Pearl Harbor of Manila was December 8, across the date line, when George Cox was watching Junior, he is an LA of CLAY SHAW of Florida, legislative assistant.

I opened with words of Ronald Reagan that I used the next day when I was the graduation speaker at a beautiful traditional Catholic Christian college in Front Royal out in the beautiful Shenandoah Valley of Virginia. I talked about what Ronald Reagan had told us all to do in his goodbye words on January 11, 1989, 9 days before com-

bat Navy hero, 58-mission George Bush was sworn in. And that is what I titled this piece, or our wonderful recorders that took the title from my words. It says President Reagan commands us, remember our heroes, remember our past.

Mr. Speaker, I read beautiful moving passages of President Reagan's words, then told some history about Admiral Bulkeley that was my tribute to him and to George Cox, Sr. with George, Jr. watching. Then I got into Admiral Boorda's remarks. And then I read the stunningly beautiful tribute to Admiral Bulkeley from his second son, an active duty Navy captain, Peter Bulkeley, and my time ran out. So I was going to come back at some point this week and finish reading, because I promised Admiral Bulkeley's son and his three daughters, beautiful daughter-in-law, that I would read it word for word, it was that good.

That is what I thought Ronald Reagan wanted us to do, as RON KLINK on the other side performed a moving historical tribute to the people of Crete and how it might have been the key battle that, although lost, delayed Hitler's invasion of Russia and thereby turned the course of history in World War II.

So I was going to come back tonight and finish Peter Bulkeley, Captain Peter Bulkeley's tribute to his dad. And now I have to do that and a tribute to Mike Boorda. I have Mike's biography in front of me. What a life. Just on two pages. Bulkeley served 55 years. Boorda served 40. Fibbed about his age. The one time you can talk about fibbing, downgrade the word from lie. When you are trying to wear the uniform of your country and say you are older than you are, God must smile. That is certainly not a venial sin. That is a fib to serve your fellow man. He fibbed on his age in November 1938. He is my brother's age, 2 years older, younger brother, and he joined in November 1938. Was an enlisted man for 8 years, excuse me, 6 years, and was a Navy petty officer first class. Attack squadron 144, carrier airborne early warning squadron 11.

My older brother's son, a Navy lieutenant commander who has served in the gulf 30 or some combat missions in one of these squadrons, he had all this enlisted experience and was selected for commissioning under the integration program in 1962, 34 years ago. I will get to Mike Boorda's tribute in a minute, but let me tell you again what Mike Boorda said about Admiral Bulkeley. Quoting myself, I finished talking about SONNY MONTGOMERY, SAM GIBBONS, World War II veterans in this House that had the only tribute to World War II other than about 10 or 15 that I did, was a month after the war had passed its 50th anniversary.

I finished talking about them and I said: Mr. Speaker, I just do not understand why people are not listening to what Ronald Reagan said about talking about history. So Admiral Boorda begins his remarks. Mr. Speaker, this is