

"Thanks to the final series which has just been carried out, France will have at its disposal a viable and modern defense," Mr. Chirac said. "The security of our country and our children is assured."

The Defense Ministry said the final test, conducted Saturday beneath Fangataufa Atoll, about 750 miles southeast of Tahiti, had a force of 120 kilotons—the equivalent of 120,000 tons of TNT, six times more powerful than the first blast in the series.

Greenpeace and other environmental groups called the tests needless and dangerous to a region known for its crystal seas and rich marine life. Some reports have said the continued nuclear pounding cracked the atolls and could eventually release radioactivity, a contention the government vehemently denies.

Mr. Chirac announced last June that France would conduct up to eight such underground tests, then stop for good and sign the Comprehensive Test Ban Treaty. Late last year, he said the tests would end by March and would number six or seven.

President Charles de Gaulle brought France into the atomic age in 1960. It stopped atmospheric testing in 1974 and bored the test tunnels beneath Mururoa and Fangataufa, where it has detonated 144 underground blasts.

[From the New York Times, Jan. 30, 1996]

FRANCE ENDING NUCLEAR TESTS THAT CAUSED BROAD PROTESTS

(By Craig R. Whitney)

PARIS, January 29.—The French Government said today that it had ended its nuclear weapons test program for good after conducting an underground blast in the South Pacific on Saturday, the last in a series of six such tests that were deplored by most of France's European allies and scores of other countries.

President Jacques Chirac announced the decision on national television this evening, calling the halt "the definitive end of French nuclear testing."

Mr. Chirac lifted a three-year moratorium on testing last year to try out a new warhead for French nuclear submarines and to gather data for computer simulations that will make future French nuclear weapons tests unnecessary.

French officials said today that the six tests carried out since last fall, which include the last and most powerful one under Fangataufa Atoll in the South Pacific on Saturday, had yielded enough data to make an additional test unnecessary.

They said that Mr. Chirac also wanted to put his best foot forward during a state visit to the United States this week and that he would use an address to Congress on Thursday to reaffirm France's intention to join the United States and other nuclear powers in signing a comprehensive test ban treaty this year to stop all further test explosions, no matter how small.

[In Washington, the Associated Press quoted the White House Press Secretary, Michael D. McCurry, as saying that that the French decision would "provide new momentum" to efforts to reach an international test ban treaty. The United States had pressed France to abide by the global moratorium.]

Mr. Chirac had said last June that the tests would end this spring but cut the number planned from eight to six after objections to the resumption of testing came from 10 of his 15 European Union allies, expressions of concern from the United States and vehement protests from Australia, New Zealand, Japan, and other Pacific countries.

"The possibility of rebuilding relationships with this part of the world, let alone New

Zealand, is going to be very, very difficult," New Zealand's Foreign Minister, Donald McKinnon, said today.

In an interview late last year, Mr. Chirac defended his decision to announce the resumption last June, not long before the 50th anniversary of the United States atom bomb attack on Hiroshima at the end of World War II.

"I didn't have any choice," he said. "To get the tests done in time to sign a comprehensive test ban treaty, preparations had to begin in the summer, and if we hadn't announced them, people would have discovered the work going on and accused us of being duplicitous."

French military experts told Mr. Chirac, a Gaullist conservative, that suspension of testing by his Socialist predecessor, François Mitterrand, had left a question mark over the reliability of the new TN-75 submarine-launched warhead and had also left France without sufficient data to future nuclear weapons testing to computer simulations.

Without assurance of reliability, the French independent nuclear deterrent would lack the credibility needed to scare off potential aggressors, the military said. Mr. Chirac was as determined as the late President Charles de Gaulle to enable France to take care of itself militarily, if necessary, without help from hands across the sea that could be withdrawn at any moment.

So he clenched his jaw while protesters poured Beaujolais down the drain and hanged him in effigy as "Hirochirac."

"I shared their concern," he said tonight, speaking from his office in Elysée Palace. "I know that nuclear tests can inspire fear." But, he continued, nuclear weapons served peace by deterring aggression.

It was to gather data necessary for simulation, authoritative French officials said, that the last explosion, equivalent to up to 120,000 tons of TNT and more than six times the size of the Hiroshima blast, was set off under Fangataufa Atoll on Saturday. Five other blasts were set off there and at nearby Mururoa Atoll, both in French Polynesia, between Sept. 5 and Dec. 27.

This brought to 198 the total number of French tests since the first one, which occurred in 1960 in the Sahara, in what was then French Algeria.

The end of French testing means that only China, among the admitted nuclear powers, is still carrying out underground explosions on its territory, though China's tests have not elicited nearly as much vehement protest as those of France. Tahitian protesters burned down the airport terminal at Papeete and caused \$40 million in damage in a riot after the first test in September, and the Greenpeace environmental pressure group sent protest ships into the test atoll.

France seized the Greenpeace ships and has refused to give them back, but Mr. Chirac was more irritated over the conduct of some of his European allies, including Italy, Sweden, Austria, and Finland, who voted at the United Nations in November to condemn French testing instead of abstaining as Germany, the United States, and many other countries did.

French officials, who had not consulted with their European allies about resuming the tests, canceled diplomatic meetings in anger. "It proves that there's a long way to go before Europe is built," Mr. Chirac said, but he thanked Britain, the only other European nuclear power, for never uttering a word of criticism about the French tests.

The French Defense Ministry has always insisted that the South Pacific tests caused no environmental damage, though it has conceded that trace amounts of radioactive iodine and other elements had been found in the waters around Mururoa after previous tests.

In a gesture to its European and NATO allies, France has offered recently to discuss ways of making its nuclear deterrent part of a stronger European defense pillar within the alliance, but concrete proposals are likely to be a long time coming, diplomats believe.●

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to section 301 of Public Law 104-99, which provided for the final disposition of Senate amendment number 115 to H.R. 1868 in both Houses, as if enacted into law, the Chair lays before the House the following enrolled bill:

H.R. 1868, an act making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1996, and for other purposes.

REMAKING AMERICA THE RIGHT WAY

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the Chair recognizes the gentleman from New York [Mr. OWENS] for 60 minutes.

Mr. OWENS. Mr. Speaker, the front-page article of the New York Times today, which talks about the CIA, has implications for the war to remake America that is going on in this Capitol now. Speaker GINGRICH has declared that politics is war without blood, and they have waged a relentless war.

My colleagues who spoke before about the threat of a default have indicated how serious this war is. The threat of a default is very serious. A default itself, of course, would be a disaster, but even a threat shakes the confidence of the world economies in this country and shakes the confidence of Americans.

Already the confidence of Americans has been shaken in their Government by two shutdowns of the Government. So I think it is very serious.

The following article that appears on the front page of the New York Times certainly has implications for what is going on with respect to streamlining and downsizing the expenditure side of the battle to remake America. It also has very serious implications with respect to the revenue side of the battle to remake America.

The New York Times article of today, January 30, says that a secret agency's secret budgets yield lost billions, officials say. Let me repeat that. A secret agency's secret budgets yield lost billions, officials say. Budgets, not just one budget. This secret agency has several budgets, and it has lost billions. The lost billions have been discovered, fortunately, at least as far as we know nothing has been stolen and whisked away from the American taxpayers, but it is there.

This \$2 billion slush fund, you know, with the Super Bowl for football over,

but this \$2 billion slush fund at the CIA is the super blunder, the symbolic super monster of this year's policy struggles. It is a symbol that we ought to take a close look at.

Mr. Speaker, how can an agency of the U.S. Government have \$2 billion lost in secret funds? How can an agency that has several different budgets, and the head of the agency, not know that those budgets exist?

It is worth reading some sections of this article. I will not read all of it, but Mr. Speaker, I ask unanimous consent to enter the article in the RECORD.

The article starts by saying that the National Reconnaissance Office, the secret agency that builds satellites, lost track of more than \$2 billion in classified money last year, largely because of its own internal secrets, the intelligence officials say. That they lost \$2 billion, it means obviously that that is \$2 billion that they did not need, \$2 billion that they did not spend.

This threat of default looms because we have a group in control of the Congress, the Republican majority in control of the Congress, that is threatening to push the American Government into default because they want their version of the remaking of America to prevail. That version of the remaking of America is, they say, concerned with cutting the cost of Government, cutting the cost of Government, streamlining Government, downsizing Government.

□ 1800

The President says the era of big government is over and we all agree that the era of big government should be over. But when you examine today's article on the front page of the New York Times where an agency of the Federal Government has a \$2 billion slush fund, then you wonder where is this streamlining taking place.

The implications of a blunder here are very important. We must stop and take a close look.

It says to us that if you have an agency of the government that has a \$2 billion slush fund that has just been discovered, obviously \$2 billion that they did not need, then the streamlining process is not really taking place across the board. In fact, the places that have the most money obviously are not being streamlined. The downsizing is not taking place. There is some kind of hypocrisy going on here. It says to us that the era of big government is not over.

The continuing resolution that was passed last Thursday did not touch the CIA budget at all. Last Thursday we passed a continuing resolution that keeps the Government in business, I think for about 45 more days, and that continuing resolution in my opinion sets the pace, sets the tone for what is probably going to prevail for the rest of this year. We are not going to move far from those figures, those numbers that are passed in that budget.

I am very dismayed, very disappointed, very angry because that

continuing resolution cut the budget for education by \$3.1 billion. The education budget has been cut. The people who want to remake America, the Republicans in the majority, have won. They have cut education.

They said they wanted to cut the Department of Education. They went after education with a vengeance, despite previously we have had bipartisan support for education. President Reagan initiated the Nation at Risk study. President Bush can out with America 2000 and held a big conference and set goals. We have always had bipartisan cooperation.

Suddenly this year the Republican majority came to power and education was the enemy, education was under attack. Abolish the whole department, they said. When they could not do that via authorizing legislation, they went after education in the appropriations process.

So we have not only the administration of the Education Department being cut drastically but you have programs that are proven, the Title I program that provides funding mainly to disadvantaged communities across the country, but really 90 percent of the school districts in America get some part of the Title I funding. So Title I is cut by \$1.1 billion over an annualized figure. That cut stands. It stands as it is. Head Start is cut. The Head Start cut stands in the continuing resolution.

What was won in the continuing resolution—and I guess in the present atmosphere, with the revolution to remake America going forward, we have to be satisfied with any gains—we did get back Goals 2000, which had been reduced to zero in the appropriations bill by the Republicans in the House of Representatives here. We did get back some semblance of some other programs that were there. I think we got the funding for the summer youth employment program back. I am not sure.

The continuing resolution says that any program that is not zeroed out or not specifically mentioned as a program to be defunded will get 75 percent of the funds it got last year, so I hope the summer youth employment program is included. But the language bothers me because the summer youth employment program is not specifically mentioned and some other programs are mentioned. AmeriCorps is specifically mentioned as being one of those programs that will get 75 percent funding. There is a fuzziness here about the summer youth employment program which troubles me.

It not only troubles me, it makes me very angry when I look at the headlines, the front page article of the New York Times. In the CIA slush funds, in the slush fund you have \$2 billion that could have been applied to education and job training programs; \$2 billion are there that could be applied to education and job training programs.

In the continuing resolution, the CIA budget is not touched. The CIA budget

has certainly been discussed on the floor of this House, because I have joined with some colleagues of mine to bring a resolution to cut the CIA budget by just 10 percent per year over a 5-year period, so that that \$28 billion which is the figure that is acknowledged to be the minimum that is going to the CIA, the intelligence budget, that \$28 billion would be cut by \$2.8 billion per year over a 5-year period and the agency would be cut to half its size within 5 years.

We have had that resolution on the floor twice and it has been soundly defeated. We have never gotten more than 60 votes. I think 57 is the highest number of votes we got for this agency that now has a \$2 billion slush fund that is discovered. So that \$2 billion is very important.

What does it say about the sincerity of the people who are staging, waging this revolution to remake America? What does it say if they have not even bothered to cut any portion of a CIA budget, which is a budget obviously which ought to be looked at closely, since it was fashioned during the cold war and the cold war was primarily a war with the Soviet Union. Half of all of our military and intelligence resources were directed at the Soviet Union. Why is it that after the Soviet Union has fallen, the CIA budget cannot be cut?

Well, the Soviet Union's intelligence agency at least is no longer a secret agency totally. People say, "Well, they're only revealing certain things to us." At least they reveal a few things to us.

I do not want the CIA of the United States, the intelligence agency of the United States, to reveal all of its secrets to us. I would just like to know the budget. I think the American people deserve to see the budget. We do not want the safe houses revealed, we do not want the agents provocateurs named, the femme fatales, we do not want the information sources, we do not want any of that revealed. We would just like to see the budget.

The budget is a secret. Because it is a secret, nobody can really deal with cutting the budget. It turns out that not only is the overall intelligence budget a secret but within the CIA, there are secrets within the agency that even the CIA Director does not know about.

Listen to this article.

"Critics of the National Reconnaissance Office, the secret agency that builds spy satellites, lost track of more than \$2 billion in classified money last year largely because of its own internal secrecy, intelligence officials say."

The National Reconnaissance Office is a secret agency within the whole intelligence operation. It is under the supervision and oversight of the CIA Director, but it has so much secrecy, even within its own confines, the reconnaissance agency, that it lost track of \$2 billion last year.

We have heard this story before when it was just germinating, and they

leaked out it was at least \$1 billion and then some sources said \$1.5 billion. Now it is up to \$2 billion.

"Critics of the reconnaissance office said today that the money had been hidden in several rainy day accounts that secretly solidified into a slush fund." Listen to the language. This is not some Monty Python novel. This is a description of what the statements were of the U.S. Government Intelligence Agency.

"Critics of the reconnaissance office said today that the money had been hidden in several rainy day accounts that secretly solidified into a slush fund."

How does a slush fund secretly solidify? How do rainy day accounts become a secretly solidified slush fund? Let us look at this from every angle. What is a rainy day for the CIA? What does that mean? Can the education agency have a rainy day fund? Can we have a rainy day fund for the School Lunch Program? What does a rainy day fund for the CIA mean?

To read on from the article itself, "The NRO," the National Reconnaissance Office—this is the National Reconnaissance Office which is a major part of the whole intelligence operation—"NRO's top managers themselves had no idea"—no idea—"how much money lay unspent in their classified coffers, Senator ARLEN SPECTER, the Pennsylvania Republican who heads the Senate Intelligence Committee, and Senator BOB KERREY, the Nebraska Democrat who is the panel's vice chairman, said in a prepared statement."

These two Senators have the oversight for the Agency, and they are telling us that not only did they not know but the top managers of the National Reconnaissance Office themselves said they had no idea. What kind of administrators are these?

I once was the commissioner for the Community Development Agency of New York City. The Community Development Agency had responsibility for the antipoverty program which was so unpopular with the establishment, and we had audiences every day. You had one set of reports required from one set of agencies, another set required from another set. At one time it was pointed out that for the Community Action program nationwide there were 100 major auditors, while at that time the Pentagon had three auditors. This was pointed out by an article in the New York Times at one point.

So I cannot see how a small community action program—I think at the height of the program we had \$70 million in New York City. At the height of the program it might have been \$1 billion in funding for the whole country. That program was constantly under scrutiny.

How do you have a multibillion-dollar agency where the top managers themselves can have no idea how much money is unspent in their coffers? And how do you accept that calmly? How

many people are being fired today? They used to close down agencies, and they used to bring in the FBI and investigate small agencies who had a few thousand dollars that they could not account for, and people sometimes went to jail for a few thousand dollars that they could not account for.

How does it happen that the National Reconnaissance Office can have a solidifying slush fund where the top managers cannot account for it and we are not in motion all over this Capitol to deal with it? How many hearings are being called to look into this National Reconnaissance Office's top managers' failure to keep account of billions of dollars?

Whitewater, we are spending millions of dollars to conduct a hearing on Whitewater. I am told that \$60 million was lost by the taxpayers when they went in to bail out Whitewater. \$60 million is a lot of money, I have heard that said over and over again in the Whitewater hearings. Yes; it is.

I wonder why they did not have hearings about Silverado. Silverado was a savings and loan in Colorado that failed and they lost \$2 billion. The taxpayers lost \$2 billion. We have not had any hearings on Silverado.

Neil Bush, the son of former President George Bush, was involved. He was on the board of the bank of Silverado. I think he was later fined a few dollars for some conduct of that board with respect to the failure of that savings and loan association. But we never had hearings here in Washington to go on and on about Silverado. Whitewater is suddenly important.

I mention this only because it is important for the American people to get into perspective what is going on. If a \$2 billion failure of a savings and loan bank called Silverado did not elicit any hearings at all, then why do you think we are having hearing after hearing about Whitewater when \$60 million is involved? There must be something else they are looking for. They are not concerned really about the integrity of the Federal Deposit Insurance Corporation. They are not concerned about the vast sums of money that Americans have had to spend to bail out savings and loan associations.

The sum that we spent to bail out savings and loan associations is probably totaling something now close to \$300 billion. Has any hearing been held to take a look at all of the Resolution Trust Corporation's operations? Where are we? Is there a progress report that is comprehensive about the billions of dollars we lost in the savings and loan associations?

I know I am diverting from the subject, but the savings and loans is the biggest scandal in the history of mankind. Civilization has never had a swindle near that proportion.

□ 1815

Even this National Reconnaissance Office scandal pales beside the savings and loan scandal, but maybe we can

comprehend the hypocrisy of what is going on if you come back to the National Reconnaissance Office.

What I am saying is that while we are cutting Head Start by \$300 million, while we are cutting title I by \$1.1 billion, which is one-seventh of the total, while we cannot clarify the funding of a summer youth employment program that provides jobs for the poorest young people in the country, while we have difficulty doing all that, while this revolutionary majority in the House is threatening to push the country into default in order to get their way in cutting Government expenditures. While all this is going on, \$2 billion cannot be accounted for, and there seems to be no excitement about it. I have not heard of a press conference being called by the leadership in the Senate or the House to deal with the implications of this super-blunder under the present situation.

Let me just continue to quote from the article that appeared in the New York Times today, January 30:

The amount of money was larger than anyone had known, well over \$2 billion, or more than the annual operating budget of the State Department, several military and intelligence officials said.

Just the language, just absorb the description of what is going on, the amount of money is larger than anyone had known, well over \$2 billion, or more than the annual operating budget of the State Department.

It is hard for people to conceive. What is \$2 billion? What is \$2 billion? How many welfare families can live for a year on \$2 billion? How many school lunches will \$2 billion buy? How many persons on Medicaid can receive medical attention for \$2 billion?

Let me just continue with the article:

One Senate Intelligence Committee aide described the misplaced money as a severe accounting problem.

I should say so, a severe accounting problem, "that had grown because of a lack of accountability." Listen to the language, you have a severe accounting problem that has grown because of a lack of accountability, in turn created by the extraordinary secrecy under which the Reconnaissance Office works. A team of auditors was dispatched by the Director of Central Intelligence, John Deutsch, and found the money in a series of investigations nearing completion. Great, Mr. Deutsch, I hope we can recover some of that money. Maybe you can give \$300 million to Head Start, maybe give a billion to title I. More than \$1 billion was tracked down and identified last year, in 1995, you know, less than 30 days ago.

Now that the money has been found, it will be used to help pay for Pentagon programs, we are told. I do not know how those decisions are made. Does the Congress have to get involved in making, after you discover that you have squirreled away \$2 billion? You know, in an atmosphere when we are trying to streamline and downsize Government, in an atmosphere where we want to show the American people that the era of big government is over, why do we let an agency that has squirreled

away a slush fund of \$2 billion decide how they are going to spend it? When do we come in? Can we use this money to guarantee that there will be a summer youth employment program in the big cities of America where the poorest children are where they need those jobs? Can we use the money to guarantee we will not cut the Head Start Program?

I am concerned, because the education deal that was made last Thursday was a shocking one. The protestations that came out of the White House, the leadership, everything indicated that education was a high priority and would be protected in negotiations, and then, you know, there was a rapid deterioration of the situation, and before we knew it, we were on the Floor voting for a continuing resolution which drastically cut education. It just so happened a few days before the continuing resolution was brought to the Floor there was a poll which was dramatized and publicized highly on the front pages of USA Today. A USA-CNN poll showed that the American people had rated education as the No. 1 priority concern. The No. 1 concern of the American people was education. I think that education had 68 percent over 67 percent of crime. Crime is still a great concern. Large numbers of people, 67 percent said that was No. 1, but a slightly higher number said that education was a primary concern.

People have great anxiety about their own education in order to keep up with the changing job environment, the downsizing, the layoffs. People have greater concern about the education of their children, whether or not their children are going to receive an education that is adequate to keep pace with this increasingly complex society. So when you consider that the polls that all politicians are supposed to look closely at, the polls show education is a No. 1 concern, it was just incomprehensible to me how we could come to the Floor and vote for a continuing resolution which cut education by \$3.1 billion, there is something wrong in this democracy.

On the other hand, we get news that the National Reconnaissance Office has squirreled away \$2 billion.

Let me just continue for a moment with the article:

This same National Reconnaissance Office is the agency that secretly spent more than \$300 million on its new headquarters outside Washington, a sum that the Senate Intelligence Committee said in 1994 was a shock to discover.

The Central Intelligence Agency, which has oversight responsibility for the National Reconnaissance Office which is part of the Central Intelligence Agency's responsibility, said it was shocked. The National Reconnaissance Office spent \$300 million on a building. You know, this is a physical structure. They were actually building a building outside this city of Washington. I think it is near Dulles Airport. They were spending \$300 million to build a building. That was a secret. How can you have a secret building? You must bow to the skills of an agency which can produce a secret building for \$300 million, and the people in Washington who are supposed to oversee it not know anything about it." The reconnaissance office still operates

in the deepest secrecy of any Government agency financed by the \$28 billion a year black budget, or classified above top secret, or military intelligence programs. It spends an estimated \$5 billion to \$6 billion annually, outside analysts say. This sum varies from year to year depending on how many satellites the agency is funding or building.

I am just going to conclude now the reading of the article by going to the last two paragraphs. "Mr. Deutsch, who is now the head of CIA who has responsibility for oversight of the National Reconnaissance Office, states when Mr. Deutsch took over as director of Central Intelligence last May, he vowed to control these classified accounts. On paper he is the chairman of all intelligence agencies as well as the CIA. In reality, the Reconnaissance Office has been its own fief for more than three decades, the critics like Mr. Pike say. Mr. Deutsch has sought and may receive." He may receive, "Mr. Deutsch," who is in charge of the intelligence operations of the United States, "has sought," and the article says he may receive real power over the budgets he now controls in name only. Presidential and congressional panels studying the intelligence community are likely to recommend that.

Just listen to the language in this great democracy of ours, with very responsible people making decisions. How do you get language like that, that the head of an agency may receive, even now with the scandal obvious and public is not certain that he will receive power over these secret budgets, and yet we go on with the blitzkrieg against programs for low-income people. The blitzkrieg rolls on.

Welfare as we know it, aid to families with dependent children will fall in the next 10 years. Certainly when this continuing revolution is over, I do not expect to see aid to families with dependent children still standing as an entitlement. I am sorry to be pessimistic. All the protestations that are being made lead in that direction, in my opinion. I think that will fall.

I hope we can protect Medicaid as an entitlement. It is very important to at least hold onto Medicaid as an entitlement, because it Medicaid is not an entitlement for poor people, then there is no hope ever of having universal health care.

Education, I hope, can be renegotiated back to a level that is acceptable in terms of the continuation of Head Start and title I and some other very important programs in the labor budget, especially the Summer Youth Employment Program.

I hope all of those things can go forward, but when you look at this phenomenon of the super blunder of the CIA which has received so little attention here, none of the members of the Republican majority leadership have made any statements about this, and yet they vehemently insist that school

lunches must be cut, aid to families with dependent children must be cut, meaning the poorest children in America have to pass a means test, you have to prove you are poor before you can get the aid to families with dependent children, you know, all of these things are indications that this struggle, this war to remake America is about more than money. If they are really concerned about money, they would be very concerned about the CIA's \$2 billion.

The concern is not about money. The concern is about the destruction of a certain class of people. There is not a class war in America. There is a class massacre going on. A war means you have two contending parties.

The poorest people in this country cannot defend themselves and they are being massacred by this new majority in the Congress. The massacre goes on. If we were concerned about streamlining government, we would be talking downsizing the Pentagon. We would have some rooms in the Pentagon available for the homeless soon.

We would be talking certainly about the National Reconnaissance agency changing drastically. The last thing we would be talking about is cutting education if we were concerned about really an American that is going to go forward and be able to carry its own weight.

Education is the primary tool by which that is accomplished. People help themselves when they get an education. In New York City, they have always understood that. Even during the Depression we had a city university which was totally free. During the Depression, where did the revenue come from to keep it a totally free university even during the Depression? Now, of course, there are tremendous cutbacks new tuition increases, et cetera.

I want to spend the rest of my time, the second half of my 60 minutes, discussion the implications of the CIA super blunder on the revenue side. You know, we have a discussion that ought to be always conducted with two major components.

Where liberals or progressives have lost out in the past is that they have left the revenue discussion, the tax discussion, to the conservatives. Somehow that has been dirty business for us, and we have not spent enough time discussing revenue.

The flat tax is a major issue within the Republican primary. Tax proposals were first initiated by Republicans. The dominant discussion is about ways in which really you can fashion the taxes, the revenue gathering process, to benefit the richest people in America. Where is the revenue counterproposal from the other side? Where are the proposals for revenue to be

gathered and how it should be gathered and how we can maintain a revenue stream that finances all programs that are important to the American people? And what does that CIA problem have to do with that?

Well, the National Reconnaissance Office is an example of a tremendous investment made by the American people in new technology, new technology. Billions of dollars have already been poured into the National Reconnaissance Office. They use new technology. They got it to maximize the use of satellites and other electronic devices in the spying operations across the globe.

□ 1830

They perfect computers, they perfect radar. Everything that is happening in the state-of-the-art technology you will find in the National Reconnaissance Agency or the taxpayer-financed space program. As you have found it in years past in all sectors of the military, the Air Force, the Navy, the Army, they have perfected new technology with the dollars that Americans have generated through their taxes.

So what does this have to do with revenue? A major problem we have in terms of the quest for new revenue or the quest for a revenue stream is that we are always talking in terms that are obsolete. The only place that new revenue can come from we believe is from the pockets of the American people. The workers must pay income tax, and income tax is the primary way we finance the Government.

Should the income tax continue to be the primary way to finance the Government? I do not think so. Even if you have tax justice and corporations begin to pay more taxes, a greater share of corporations are now not paying their fair share of the income taxes. As I have said many times on this floor, individuals and families are paying about 44 percent of the income taxes. Corporations are now paying 11.4 percent. Corporations at one time under Ronald Reagan in 1983 were paying as little as 6.4 percent of the total tax burden. That year, the tax burden for individuals and families went up to 48 percent.

There are figures that need to be repeated over and over again. So we need to have corporations pay a greater share of the taxes, because an undue burden has been placed on families and individuals. A tax cut for families and individuals is long overdue. We need a tax cut for families and individuals.

But can we get revenue which can pay for Medicare? Can we get revenue you need to pay for Medicaid? Can we get the revenue we need to pay for education? Can we get the revenue we need to pay for the system that President Clinton mentioned in his State of the Union Address? I think we heard him say in California they had a pilot project going where 20 percent of the State schools would be wired up so they could participate on the information superhighway. They would be able to join the Internet and do other things

because they have computers, proper wiring for those schools. The President also said by the year 2000, he expected all of the schools of America to be able to participate in this program. We are going to have all the schools wired up with computers, and they will be able to join the information superhighway by the year 2000.

That is a great program. I heartily endorse it. I do not think we should reduce it in the meantime or Head Start, but we need to go forward with a program to lead our schools into the 21st century and have them become a part of the information superhighway.

That is going to cost money. Any investment in education will cost money. No matter how much you downsize, as you should be doing in the Pentagon or should be downsizing in the CIA, the downsizing and the streamlining of our expenditures so that we get rid of the real waste in places like the CIA, we get rid of a \$2 billion slush fund, that kind of downsizing will not end the necessity for more revenue.

So we need a program. Progressives, liberals, and Democrats, and I am a liberal, proud to be a liberal, we need to tackle the revenue problem head on. I proposed in a bill that I introduced on October 24 of last year to create a Revenues Commission, a Creative Revenues Commission. The Creative Revenues Commission would facilitate the reform of the Federal tax system. The Creative Revenues Commission would go beyond a flat tax on the incomes of corporations or individuals and look at the whole situation.

We are now in 1996. We are just 4 years away from the beginning of the 21st century. Let us look at the whole tax situation, look at the whole revenue producing situation. Let us determine whether or not we need to continue to throw overboard large segments of the population. Do we have to, in America, throw overboard young people that need an education and help from the Federal Government in order for their schools to function properly? Do we have to continue to throw overboard young people who do not have the proper wherewithal, for various reasons, and they need aid to dependent children? Do we need to continue to throw overboard elderly people who will have Medicare, but in the States Medicare is already being reduced? New Jersey just took away prescription allowances. New York took away certain benefits several years ago, eyeglasses, prescriptions, a number of things. More cuts like that are going to take place. Do we need to keep trimming the health care in order to have a viable economy in order to balance the budget?

Balancing the budget is not my favorite remedy, but balancing the budget seems to have caught hold. Let us have a balanced budget. If we are going to have a balanced budget, then let us look at the revenue side and be more creative about the revenue we produce.

So I introduced a bill, H.R. 2526, to create a Creative Revenues Commis-

sion. This commission will deal with the whole spectrum of possible revenue sources. In the findings we state that many proposals have been offered to reform the Federal tax system, including a national sales tax, a flat tax, a value-added tax, and a tax system exempting savings from taxation.

These proposals have merit and they deserve to be examined. Nonetheless, none of these proposals address the fact that the Nation's tax burden has shifted dramatically over the past five decades from the shoulders of corporate America to the backs of American workers.

Ways to correct this imbalance must be developed and implemented. For the first time in American history, median wages of full-time male workers have fallen for more than two decades, therefore making it necessary to reduce taxes on wages. For the first time in American history a majority of workers have suffered real wage reductions, while the per capital domestic product has advanced.

Then I state, what is new. Technology advances have created important potential new revenue sources. Important potential new revenue sources have been created by technology. We can now derive revenue from the selling or leasing of the radio frequency spectrum.

When I first proposed that on the floor of the House, a member of the majority later that day called it a joke. He said "Here is a Democrat who proposes taxing the air above us." There is a spectrum up there. There are frequencies up there. There are valuable things up there in the air above us. The air above us is owned by all of the American people. I see no reason why we cannot derive revenue from the people who are going to use that for various profitmaking endeavors. Why should not the Government and all the people benefit from what happens to the air above us?

These must be thoroughly explored. It was a joke, but I noticed that when the President came in with his balanced budget proposal, he had added quite a bit of money to the possible revenues to be derived from the selling or the leasing of the spectrum. So it is a joke that already has become a serious matter.

I want it go further than just to look at the environment, the air above us. By the way, for the American people to derive an income from the air above us is nothing new. The land that was here when we got here, the Government still owns part of that land, and we are deriving some revenue from grazing lands, we are deriving tiny amounts of revenue from mining. All of those kinds of possible revenue sources have to be reexamined. A great debate has been waged here. The interior appropriations bill has been held up here because we are tired of having mining lands given away. Mines which bear millions of dollars of ore gold and various other substances, those mines

have been almost given away in the past 20 or 30 years because of deals that have been cut with often foreign mining companies. So we should realize revenue from those mines and from any other lands still owned by the Federal Government.

The Government once regulated the way land was given out, the great land rush and stakes for land a number of processes were used to parcel out land in early America. I might note, however, that even after the slaves were freed by the Civil War and the 13th, 14th, and 15th amendments were passed, blacks were not allowed to lay claim to such lands. Nevertheless, the land was there and the Government regulated how the land was given out.

So why cannot the Government regulate what happens to the air above us? Why can we not have as much income for all the people derived from what happens to the resources the Government still controls as we can? It belongs to all of us.

What I am proposing in connection with the technology is a bit more complicated. I am saying that one of the things that the Creative Revenues Commission ought to look at is the establishment of a system of royalties. Royalties ought to be paid by companies that are benefiting from publicly financed research and development. The technology that is being used to make billions of dollars, and Wall Street is booming, technology stocks are way up, various other profits are being maximized by automation, by computerization, by miniaturization, all of these things were developed by the U.S. citizens through the financing of research and development in the military.

We would not have radio as we know it today if the Navy had not taken a great interest in the new inventions related to radio. The U.S. Navy played a major role in the development of radio, and all the things that came from radio could not have happened without that.

Radar was a military concern, and whatever happens with radar is a military product. All of these ventures were financed by the American people, by the taxpayers. We should be able to derive some continuing amount of money from the investment that the taxpayers made. There ought to be royalties on products that clearly come from a stream of research and development activities run by the Government.

The National Reconnaissance Agency, which has all this money squirreled away, the National Reconnaissance Agency, which is wasting money, is also producing some very useful technological products. The satellites that they generated and developed and pioneered, satellites are now used in civilian purposes more than for military purposes. Satellites made it possible for 750 million people to watch the Super Bowl all over the globe. Satellites make it possible for us to communicate in a matter of minutes to all parts of the globe.

Those satellites, privately owned up there, were made possible by the research and development costs financed by the American taxpayers. Every satellite ought to have some sort of surcharge on it. The profits made from the satellites ought to have an a surcharge, a royalty. Something should be done to derive some income from the investment made by the American people.

In private life, in business, nobody makes investments and suddenly allows the abrogation of their investment, the returns on their investment. You make an investment and you do not expect anybody to tamper with your right to receive the return on that investment to the degree you have invested. The American people have invested in technologies that are making tremendous amounts of profits, and there ought to be a royalty considered, some kind of way to tap into the products, the sales of each product, or to tap into the profits made on these products that are financed by the American people.

There ought to be some laws related also to companies that have grown very big and as a result of technology have begun to absorb their competitors and establish monopolies. We have laws against monopolies. Why not take a look at monopolies and certain companies as they grow big, and if they have monopolies in certain areas and there are no competitors on the products they are selling, to the degree they lose the competition, perhaps they should have a surcharge, a surcharge on monopolies.

□ 1845

Mr. Speaker, maybe beginning at 25 percent when a company gets 25 percent of the market, maybe we can begin a surcharge. Certainly if it has a 100-percent monopoly, it ought to be paying some kind of surcharge, which relates to the fact that its expenses are less. It has access to a market, total access to a market.

All of these may seem like far-out ideas, but I wish to put them forward in order to have a creative revenues commission examine them. We do not need to continue to listen to the cries that the Medicare fund will be insolvent by the year 2002. The Medicare fund can be partially financed by other revenues if that is necessary. We do not need to listen to the cries that the American people cannot afford to invest in education.

Sure, education is not one of the items mentioned as a function of the Federal Government in the Constitution. Education is not mentioned at all, but the promotion of the general welfare means that we have to do whatever is necessary to promote the general welfare.

The national security is a major concern of the Constitution, and all avenues of the Federal Government, all of the agencies of the Federal Government are concerned with national security. Education becomes one of those

ways in which the general welfare is promoted and the national security is maintained. We cannot survive, and I think it has been said over and over again that, probably education has become more important in our national security than the military might of America. The threat to America and its institutions, the threat to America and its economy, is no longer a military threat. Unless we are predicting that there is some superior intelligence in outer space that might come in, there is no threat on the Earth that makes it necessary for us to maintain the kind of military power that we have now, or to be fearful of ever being overwhelmed by any other military power.

I know that all of us have read recently where certain planets have been discovered that we did not know about before. Obviously there are certain solar systems that are there that we did not know about before. The universe is larger and more mysterious than we thought it was. It is possible that out there in outer space there are some creatures who might be able to come in and attack the United States. That is a possibility. Maybe we ought to take a closer look at that.

In the real world of the solar system that we inhabit right now and on the planet Earth, there is no force that can overwhelm America militarily, but there are forces at work all the time undermining our economy. Therefore, we should deal with the period between now and the year 2000 as a transitional period, a period where you can have maximum profits being made on Wall Street. Corporations are booming, going forward because technology is feeding the profits.

We can have that at the same time we have maximum dislocations beginning in the workforce, at the same time that we have large amounts of workers that are being laid off. Those who are working find that their wages are stagnating. Those who are at the bottom of the level in terms of wages find that there is no way to get an increase in even the minimum wage.

So, the creative revenues commission appointed by the President or appointed by the Secretary of Treasury, or some method by which we get some of the most experienced people in the country—experts in taxation, the economy, whatever—we need a cross-section of very brilliant minds. That commission would be allowed to come back with recommendations, given a finite period of time. It should be a short period of time.

Instead of Steve Forbes being the expert on the flat tax, and the only people who can challenge him are candidates who are running against him with their own point of view and their own vested interest in wanting to knock down his version of the flat tax, let us have some kind of commission that every American voter and taxpayer can look at and make a determination as to what is reality, and

what is credible and what is useful. Let us have a commission that says, we have a National Reconnaissance Agency that can afford to hide \$2 billion and nobody discovers it.

If we have a National Reconnaissance Agency that is going forward creating satellites and new technology, spending billions of dollars per year, then not only do we need to look at downsizing that National Reconnaissance Agency and bringing it under control as we do every other aspect of Government, if we are going to have the end of the era of big Government with respect to expenditures, then certainly the CIA and the National Reconnaissance Agency ought to be part of the downsizing, part of ending the era of big Government.

In addition to looking at the National Reconnaissance Agency and the superblunder and what the implications are, look also at the revenue implications, all of that investment by the American people in the National Reconnaissance Agency and how many ways can the American taxpayers realize a profit from their investment, a dividend from their investment? How can that investment pay off for us? How can we make the previous investments in technology through the space agency pay off in terms of revenues for the American people?

How can we make the investment by the military in radar, in radio, in television, in computers? How can we make all of those investments pay off for the average American instead of just feeding billions of dollars into the coffers of the richest Americans who happen to be in a position to make use of the technology?

Those are relevant points as we go forward contemplating, fearing a shutdown of the Government. There is going to be a default. The worst kind of shutdown would be a default. If the issue of that default is the determination of the majority party to get their agenda across, they want to downsize the Government, they want to streamline the Government, if this is the issue, then let the majority in this House address itself to the superblunder of the day, the CIA's discovery of \$2 billion in a slush fund.

If we are serious about addressing the era of big Government, let the President come forward with a special commission to investigate what is going on in the National Reconnaissance Agency.

Let us take a look at where our great investment is being made. If we are not investing in education, if the American people have indicated in a poll that they want a greater investment in education, they want education to be a priority for the Government, then we are ignoring the priorities set by the American people.

We are going forward not only in the Federal Government, but at the State level. In New York, Governor Pataki has a series of cuts in education, not only cuts in the elementary and sec-

ondary schools but also big cuts in the university system. In New York City, we have the mayor projecting another round of cuts for the city's schools, many of which are literally falling apart physically. Overcrowding is the dominant factor in many of the schools.

Mr. Speaker, all this is going forward in an era when we are able to have Government agencies squirrel away \$2 billion and nobody asking any questions about how it happened and why it happened and why we cannot recapture that \$2 billion for worthwhile programs like education.

The superblunder of the year is the blunder of the CIA. The superaction of the year would be to take some real steps to correct that kind of blunder, to seriously downsize our Government for the benefit of the American people, and to examine the activities of major Government agencies like the National Reconnaissance Agency, as they move technology forward, and create with American taxpayers' dollars new technological advantages for companies that make tremendous profits and give nothing back to the American people.

Everybody deserves to benefit from both the downsizing of wasteful agencies like the National Reconnaissance Agency and the CIA. Everybody deserves the benefit from the good work that these agencies do in terms of new technology that we all have a stake in and we should all be able to receive some benefits from.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. OXLEY) to revise and extend their remarks and include extraneous material:)

Ms. ROS-LEHTINEN, for 5 minutes, January 31.

Mr. BRYANT of Tennessee, for 5 minutes, today.

Mr. DIAZ-BALART, for 5 minutes, January 31.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mrs. LINCOLN) and to include extraneous matter:)

Mr. HAMILTON.

Ms. PELOSI in two instances.

(The following Members (at the request of Mr. OXLEY) and to include extraneous matter:)

Mr. SMITH of New Jersey.

Mr. HORN.

Mr. QUINN.

(The following Members (at the request of Mr. OWENS) and to include extraneous matter:)

Mr. MFUME.

Ms. EDDIE BERNICE JOHNSON of Texas.

Ms. JACKSON-LEE of Texas.
Mrs. JOHNSON of Connecticut.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1543. An act to clarify the treatment of Nebraska impact aid payments; to the Committee on Education and Economic Opportunity.

S. 1544. An act to authorize the conveyance of the William Langer Jewel Bearing Plant to the Job Development Authority of the City of Rolla, North Dakota; to the Committee on National Security.

ENROLLED BILLS SIGNED

Mr. THOMAS, from the Committee on House Oversight, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1868. An act making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1996, and for other purposes;

H.R. 2029. An act to amend the Farm Credit Act of 1971 to provide regulatory relief, and for other purposes;

H.R. 2111. An act to designate the Federal building located at 1221 Nevin Avenue in Richmond, California, as the "Frank Hagel Federal Building"; and

H.R. 2726. An act to make certain technical corrections in laws relating to Native Americans, and for other purposes.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1124. An act to authorize appropriations for fiscal year 1996 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, to reform acquisition laws and information technology management of the Federal Government, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. THOMAS, from the Committee on House Oversight, reported that that committee did on the following day present to the President, for his approval, a bill of the House of the following title:

On January 26:

H.R. 2880. Making appropriations for fiscal year 1996 to make a downpayment toward a balanced budget, and for other purposes.

ADJOURNMENT

Mr. OWENS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 55 minutes p.m.), the House adjourned until tomorrow, Wednesday, January 31, 1996, at 11 a.m.