

the financial hardship created by USDA.

It is my hope, Mr. Speaker, that through this legislation and other efforts we will continue with steady movement toward an emancipation proclamation for socially disadvantaged farmers and minority farmers.

REVISED 602 ALLOCATIONS AND REVISED ALLOCATIONS IN NEW BUDGET AUTHORITY FOR THE HOUSE COMMITTEE ON APPROPRIATIONS

The SPEAKER pro tempore. Under a previous order of the House, the gen-

tleman from Ohio [Mr. KASICH] is recognized for 5 minutes.

Mr. KASICH. Mr. Speaker, pursuant to the Personal Responsibility and Work Opportunities Reconciliation Act of 1996, Public Law 104-193, I hereby submit revised 602 allocations and other appropriate budgetary levels. Subsection 211(d)(5) of Public Law 104-193 amends section 103(b) of the Contract with America Advancement Act of 1996, Public Law 104-121, which provided for an adjustment in the various budgetary levels established by budget resolutions to accommodate additional appropriations for conducting continuing disability reviews [CDR's] under the supplemental security income program.

Public Law 104-121 directed the chairman of the Committee on the Budget to revise the

discretionary spending limits, 602(a) allocations, and the appropriate budgetary aggregates when the Appropriations Committee reports an appropriations measure that provides additional new budget authority and additional outlays to pay for the costs of continuing disability reviews.

The Committee on Appropriations has reported H.R. 105-2264, a bill making appropriations for the Departments of Health & Human Services, Labor, and Education, and related agencies for fiscal year 1998. This legislation provides \$245,000,000 in budget authority for continuing disability reviews. The resulting outlays are \$232,000,000.

The revised allocations and other budgetary levels are as follows:

COMMITTEE ON APPROPRIATIONS

[In millions of dollars]

Discretionary	Current allocation		Change		Revised allocation	
	BA	O	BA	O	BA	O
General Purpose	520,657	549,376	+245	+232	520,902	549,608
Violent Crime Reduction Trust Fund	5,500	3,592			5,500	3,592
Total	526,157	552,968	+245	+232	526,402	553,200

The aggregate levels for budget authority and outlays for fiscal year 1998 are increased as follows:

[In millions of dollars]

Current aggregates		Change		Revised aggregates	
BA	O	BA	O	BA	O
1,386,700	1,372,000	+245	+232	1,386,945	1,372,232

Pursuant to House Concurrent Resolution 84, The concurrent resolution on the budget for fiscal year 1998, I hereby submit for printing in the CONGRESSIONAL RECORD a revised allocation for the House Committee on Appropriations to reflect \$100,000,000 in additional new budget authority and \$98,000,000 in additional outlays for payment of international arrearages.

Section 206 of House Concurrent Resolution 84 states that:

* * * after the reporting of an appropriation measure * * * that includes an appropriation for arrearages for international organizations * * * the Chairman of the Committee on the Budget shall increase the appropriation allocations, * * * by an amount provided for that purpose in that appropriation measure.

The House Committee on Appropriations has reported H.R. 105-2267, a bill making appropriations for the Departments of Commerce Justice, and State, the Judiciary, and related agencies for fiscal year 1998 which includes \$100,000,000 in budget authority and \$98,000,000 in outlays for international arrearages.

The adjustments are as follows:

COMMITTEE ON APPROPRIATIONS

[In millions of dollars]

Discretionary	Current allocation		Change		Revised allocation	
	BA	O	BA	O	BA	O
General Purpose	520,902	549,608	+100	+98	521,002	549,706
Violent Crime Reduction Trust Fund	5,500	3,592			5,500	3,592
Total	526,402	553,200	+100	+98	526,502	553,298

The aggregate levels for budget authority and outlays for fiscal year 1998 are increased as follows:

[In millions of dollars]

Current aggregates		Change		Revised aggregates	
BA	O	BA	O	BA	O
1,386,945	1,372,232	+100	+98	1,387,045	1,372,330

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Ms. JACKSON-LEE] is recognized for 5 minutes.

[Ms. JACKSON-LEE of Texas addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

THE BALANCED BUDGET AGREEMENT

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from New Jersey [Mr. PALLONE] is recognized for

60 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, I rise tonight, and we are in really the final hours of the budget negotiations with the balanced budget and tax cut plan close at hand, and as the final details are worked out concerning a number of issues, I want to, on the one hand, talk about some of the major achievements that I believe Democrats have succeeded in accomplishing if this budget agreement is finally concluded also talk about some of the things that I think that Democrats and the President need to continue to stand firm on to make sure that this balanced budget

agreement, when it is concluded, is something that helps the average American, the average working American family.

One of the things that I am most proud about is the fact that the President indicated very strongly today that the final agreement will contain \$24 billion to expand health insurance for kids. Those of us who have been involved with this issue for a number of months, actually more than a year now, know that a few months ago when the initial budget agreement was

struck, the proposal was for a \$16 billion plan that would guarantee coverage for about half or 5 million of the 10 million uninsured children that we have in this country. Because of the addition of the tobacco tax, which appears to be included in the final budget agreement, and the additional 8 cents that would be devoted to kids' health care in that, we now have a larger part of money, \$24 billion, and this could actually accomplish, if it is used properly, providing insurance for even more than the 5 million kids that were initially promised.

But I have to say that in order to make sure that that money goes to pay for kids' health care we have to make sure that the money is used by the States for insurance, that there is a good benefit package and that there are not ways for States to basically take the money and use it for other purposes.

□ 2115

In that regard, as the final details are worked out concerning children's health care, I just wanted to urge my colleagues to stand behind the stronger Senate proposal that covers more children, not only because it has the extra money available, but because it offers a real benefits package and insures that all the money set aside for children's health will in fact be used to provide children with health care coverage.

Unlike the House Republican plan, which falls short on kids, the Senate plan uses the additional monies from the tobacco tax increase to cover probably twice as many kids. While Democrats see this legislation only as a first step in covering the 10 million uninsured children, a majority of the House Democrats joined me in signing a letter to the conferees and to the President outlining the same principles that the Senate language embodies.

Republicans often cite the need to balance the budget for our children, and I urge them not to turn their backs on the Nation's uninsured kids. Let us support the Senate language. Let us make sure we have a good benefits package. Let us make sure we do not have a direct service option or a high direct service option that lets the money be used for purposes other than kids. Let us make sure that the States have to provide insurance for the kids and have to spend at least as much money as they have in the past, if not more, to make sure that there is adequate coverage for kids.

The other thing on the tax side that I would like to talk about before I yield to one of my colleagues who has been here, the gentlewoman from Texas [Ms. SHEILA JACKSON-LEE], who has been here almost every night with me and on other occasions, talking about this balanced budget to make sure it includes the Democratic provisions, and to make sure it covers and provides tax cuts and benefits for the average working family.

As I think many Members have heard, as my colleagues have heard, one of the Democrats' main concerns on the tax side of this balanced budget bill is that families that have children who are working but at the lower end, if you will, of the economic spectrum, but still paying taxes, still paying income taxes, still paying payroll taxes, that they get the advantage of the \$500 per child tax credit.

Again, it appears that the negotiators, in coming to a final agreement, are about to make sure that there is a guarantee that those middle-income families, those working families that pay income taxes or pay payroll taxes, that they will still get the child tax credit, even though they are also getting the earned income tax credit.

This has really been one of the more divisive issues in the budget negotiations, and I just want to urge the White House once again to stand firm in defense of the Democrats' position on this. It really goes right to the core of what each party believes is the right thing to do.

Just very briefly, Democrats believe that the right thing to do is to provide tax breaks to those who need them. With respect to the earned income tax credit, that means extending the proposed \$500 per child tax credit to the 24 million working families that the Republican bill excluded. Under the tax plan that was pushed by the GOP, families with children that make less than \$30,000 a year would not qualify for a \$500 per child tax credit. The Republicans fashioned this tax plan so that would exclude these families from eligibility for such a tax credit because they do not make enough money. It is like a reverse Robin Hood doctrine. They would penalize the poor to benefit the rich.

On the other hand, in the Republican plan we had major reductions in capital gains taxes, in indexing. We had major efforts to cut estate taxes for wealthy Americans. We also had the corporate alternative minimum tax that basically allows corporations to avoid tax liability.

I think what is happening now is that the Democratic proposal that says that those families making less than \$30,000 a year should be able to get the child tax credit, it looks like we are finally convincing our Republican colleagues, and the President is standing firm on that, but we have to keep repeating the point as we go down to the final days and hours of these negotiations.

I yield to the gentlewoman from Texas [Ms. JACKSON-LEE], who has been here, as I said, almost every night talking about why it is important to make sure that this budget deal is good for the average working family.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the gentleman from New Jersey [Mr. PALLONE] for his leadership. This has been a team effort in being persistent and consistent dealing with some very crucial issues that deal with Democratic constituency all over

this Nation. In fact, I would like to say that this deals with what America stands for.

The gentleman's commitment has been much appreciated. I have been delighted to join the gentleman on this, as well as to join the gentleman, along with my Democratic colleagues, on the letter written to the President to ask him to stand firm.

As we speak, rumors are abounding that a deal has been cut. Many people ask why we are engaging in this discussion. It is this kind of discussion night after night and time after time that I believe brought this deal to where it is tonight. Whoever may think that closure is here, let me remind everyone that a vote has to be taken. We will continue to fight until we find out in final form that these issues are in these documents, concise and safe on behalf of all people in need in all of America.

Let me also acknowledge ranking members, the gentleman from South Carolina [Mr. SPRATT] and the gentleman from New York [Mr. RANGEL], who worked with the President and the administration, because the gentleman is right, the gentleman from New Jersey. As we reminded the conferees and reminded the Republicans, we are not going to stand by and see kids' health care cut. We are not going to stand by and watch 10 million children who are uninsured continue to be unempowered and in jeopardy because they have no health care, and continue to jeopardize young families who had no other resource to provide for their children.

How many times did we hear the stories of young families saying, I could not have my children play in sports, or, I was afraid for them to play on the playground or do the normal things children do, because I simply did not have any child health insurance?

I am very proud that we can emphasize as our victory the difference between 5.5 million children and 13 million children. It was the Democratic effort, the Democratic fight, the Democratic plan, that pushed the Republicans for a more expanded child tax credit, moving them from a mere 3.9 million families benefiting who made under \$30,000, resulting only in 5.5 million children being impacted by the \$500 per child tax credit, to a whopping 8.78 million families, but a whopping 13 million children that now would benefit by getting this tax credit. I think that is something that is directly attributable to the Democratic efforts.

There is something very important to my community. I want to emphasize or at least raise this point because I am still going to be looking for the refinement of this issue. One is that we certainly had talked about capital gains, and there are some benefits here in bringing down the percentages from 28 to 20 percent. But there was a lot of discussion, particularly with the Black Caucus, about taking some of these funds and reinvesting in inner cities and rural communities. I hope we will

still have an opportunity to talk about reinvestment, for we are better when the infrastructure is as good as one's neighbor. I think we should not leave that point.

Another point that I think is key is this whole question of welfare to work. We are very, very gratified that \$3 billion has been set aside but, more importantly, that it will be controlled by the Department of Labor. People need to understand the distinction. That means we will not have any dipping in the pot.

We voted on welfare to work, we voted on having Americans move from welfare to work, but we had our hands thrown up in the air because, of course, in the Republican plan there was not a sufficient amount of protection and cover and help for those who needed to move from welfare to work, some sort of support system.

This system, I believe we can make it work. The Department of Labor, which is a job-generating department, with its commitment to moving women from welfare to work, and other recipients, and now that particular pot of money, controlled by cities where the welfare impact is most felt, that means that through the formula, the 75 percent formula process and 25 percent competitive, we can actually see on the ground efforts moving and helping these young mothers and other welfare recipients become independent, but through a dignified process, and not a process where their whole self-esteem is undermined.

I have some concerns. I would like to raise these, too. I hope we can continue this discussion.

As I said, for those who do not hear any joy in my voice, I have joy, but I recognize there is a vote coming up. We cannot advocate and abandon these issues before we get the final vote. I am gratified on the kids' health, gratified on the \$30,000 a year families who will benefit from this tax credit who would not have benefited if we had not held to the line and fought the fight.

But I am concerned that Texas is going to be unevenly impacted. My colleague, the gentleman from Texas, Mr. GENE GREEN, has worked very hard. I have joined him on this issue. That deals with privatization of welfare by giving it to large corporations, a very sensitive process with trained professionals.

The law even states that this decision-making on who receives welfare or who does not is a governmental process, not a corporate process. Through the badgering of leadership in Texas, we now have been unfortunately driven in this legislation, the budget reconciliation and tax plan, to accept privatization in Texas.

I am not willing to capitulate at this point. I am willing to continue to fight. We need to look at this language. We need to make sure that the large cities that are going to be so severely impacted by decisionmaking outside of the Government arena, in the hands of

private entities, are not going to impact poor children and elderly citizens, the disabled, unfairly. I want the word to go out that we will continue to fight and ask the White House for language so we can look and see how we can solve this problem.

Then finally, let me say that something the gentleman from New Jersey [Mr. PALLONE] and I worked on together, that is the disproportionate share that not only Texas but many other States, and New Jersey as well, a lot of folk do not understand DSH as having any great impact on them, but it really does. It means that the fastest-growing States sometimes are penalized for their share of Medicaid dollars in terms of the structuring that has gone on.

We have tried to work with both the administration and the conferees. I think we have moved in the direction where we are seeing sort of a 3.5 percent response to this. Of course, everyone may not be made happy, but I think it is important that we do not unfairly burden those States that are growing and trying to receive their share of Medicaid dollars to help their public hospital systems.

I have in my district a large share of the public hospital system in Houston. I know the service it renders. I know the budget constraints it is under. I realize that this process is extremely important. That is why I say this is an issue that we must keep under advisement and study over the next 48 hours, that we can ensure that we have a fairness in the DSH, or the disproportionate share of Medicaid distribution.

All in all, as I see my colleague, the gentleman from Michigan [Mr. BART STUPAK,] as well has joined us, and I know how hard he has worked, but I think that clearly sometimes these voices of ours may sound as if they are ringing in a hollow tunnel. I am glad we kept ringing, and the reason is because there is no doubt that this legislation that is now at the precipice of a deal would not have been where it is today if we had not continued to pound and pound and emphasize that we were not going to sell out to special interests, but we were going to get those folk who could not be inside the circle, could not get a bus ticket or an airplane ticket to get up here to Washington and talk about hard working citizens, teachers, and police officers who make \$30,000 a year or less, I am glad we stood on their side, along with those families trying to get their young people to college, with the HOPE scholarship.

It is a better deal because of the Democratic alternative. I want it to be the best deal, and I think we need to keep working and fighting the fight until this gets final closure on the floor of the U.S. House of Representatives.

Mr. Speaker, I thank the gentleman for the fight we have waged together, along with our Democratic colleagues, on this very important piece of legislation.

Mr. PALLONE. Mr. Speaker, I just wanted to thank the gentlewoman.

I was just looking at some of the worst features of the House and Senate Republican bills that we have been fighting against for the last 2 or 3 months. Based on the reports that we have heard today about what the agreement finally will be, we do not know for sure, but we really have, as the gentlewoman said, made some major achievements in fighting against some of these worst provisions.

Just briefly to give an example, the \$500 per child tax credit, which we mentioned, really was not going to go to most families below \$30,000 in income. Now it will go to them. If they are paying income taxes or they are paying payroll taxes, they will still be able to take advantage of that \$500 per child tax credit.

Capital gains and indexing, if the gentlewoman will remember all the discussions we had about how the indexing provision caused the revenue loss to explode, and all this money going to wealthy corporations and families that would really explode the deficit, the indexing has been dropped.

Education tax assistance, the GOP plans were far short of the \$35 billion in tax assistance that the President and Democrats had talked about now. They have agreed to that.

Another example is with regard to the minimum wage. I think the gentlewoman mentioned that with the independent contractors, where people would be taken off their pensions and their benefits and not be eligible for minimum wage anymore because they were classified as independent contractors.

□ 2130

That is gone. Really important, with regard to Medicare, we had the Senate provisions that raised the age eligibility to 67, that had the means testing in part B, that had the home health copayment, these things are all gone. Most important, what we already mentioned with the kids health care, that we shall now have a program that has a real possibility of insuring the majority of those 10 million uninsured kids.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I think something very important that we do not tend to be associated with as Democrats, I hope all the small business owners and family farmers really pay attention to this legislation, because there is no doubt that on the budget and on the tax plan, the tax bill, that the Democrats came out on the side of small family farms and small businesses.

I had my small business owners speak to me in the district and say, would we be willing to stand with them. We did, because the relief that we are getting for them comes much earlier than the relief proposed initially for them out of the Republican plan. I believe we have got it moved up to 1.1 million.

I think that was something that the Democrats worked on, and I think it is

important to note that we are standing up for those who really make this country run. They are the engine of this country, small businesses, family farms. That is an important aspect of what we have worked on and what we can certainly take credit for, for helping those who did not have a real voice.

Mr. PALLONE. Mr. Speaker, I thank the gentlewoman.

I yield to the gentleman from Michigan [Mr. STUPAK]. He has been here most nights arguing in favor of the average working family, both on the tax cuts as well as the entitlement provisions.

Mr. STUPAK. Mr. Speaker, I thank the gentleman for yielding to me.

It is great to join the gentlewoman from Texas [Ms. JACKSON-LEE] tonight as we talk, hopefully within the few nights we have left we can move on to another subject, not that the subject is not important, but I think we are putting together a package, we are finally putting together a package, and I think probably within the next 24 or 48 hours we will have some agreement.

I could not help but notice as I walked over the storm clouds are brewing over there over the Washington Monument. It is starting to rain a little bit. I hope, and I truly hope, that as we move forward with this spending bill and also a tax cut bill, we are not going to let the rain come falling down in the next 5 years, we have a 5-year plan and the outyears, it is a 10-year plan, where we have huge deficits like we have seen.

This has to be a fiscally responsible and a disciplined budget, or we are going to be back to where we were when I came here in 1993. We had a caucus tonight. We had a little bit of an outline of the tax cuts and also some of the spending reductions. Our friend from Texas is very correct on the DSH payments, disproportionate share, those are hospitals who serve people who do not have insurance or the elderly who are on Medicaid or Medicare.

So we, the Federal Government, give them extra money to pay for the cost that is not captured by Medicare and Medicaid or the no insurance. And States like Texas which have a high DSH payment structure, really get hurt hard, at least in the first spending bill we have seen. So I am glad you are watching that closely. You are correct, Mr. Green has been working with us in the Committee on Commerce to make sure that happens.

As we look at this in the next 48 hours or 24-48 hours, I really hope we will not rush through this legislation. I really do not want us to go back to the days of spending money we do not have, giving tax breaks to corporations and other people that we really cannot afford.

I just cannot say enough, that if we could get it structured, targeted so we do have children's health credit and it is children's health coverage, there are 10 million children in this country that do not have health care. And the origi-

nal proposal was to make sure at least we got half of them covered with this proposal.

The bill that went through the House only did 500,000, the Republican bill, 1/20 of what we were trying to do or 5 percent. And with the agreement or the discussions about maybe putting the tobacco tax back on, which would capture some more money so we can pay for the practice program, that is the way we have to do it. We have to pay for programs. We have to do it with new sources of revenue and not tap old sources so we do not start running a deficit.

On education, you have the HOPE scholarships, the President has stood firm with the Democrats. We are going to try to put some money in there. But the \$500 per child tax credit is really going to be sort of the hallmark.

We have been here for a number of nights trying to argue that the people on the earned income tax credit deserve that tax credit. The Republican Party has said that those people who are on the earned income tax credit should not get a \$500 per child, because all they are looking for is another welfare payment.

Let me tell you, I have a person in my district who called me the other night. She has two children under the age of 18. Unfortunately, she is divorced. Her ex-husband is not real prompt on his child support payments. But she is a very hard working woman, works a full-time job. When she first got divorced, the best she could do was a \$4.95 an hour job, 40 hours a week. That is not even \$200 gross per week. Then she got a better job where she made \$7 an hour. Even at \$7 an hour, that is only \$14,560 per year. Every time, whether it was the \$4.95 job or the \$7 job, every time she got a paycheck, what did we take from that paycheck?

We took State taxes. We took Federal taxes. We took Social Security out, FICA to pay for the Medicare. So she was taxed as she went along. At the end of the year, if she was fortunate enough when she filed her income tax, she got the earned income tax credit which basically says, if you are below a certain level, we will give you back some money. It is usually about a \$1,000 to \$1,500, depends on where you fall on your wages.

What did it do? She said, I resent the Republican Party saying I am looking for a welfare handout. I was never on public assistance, even though I had two children. I was supporting them. My ex-husband was not real prompt on his child support payments, but I never went on public assistance. I worked. And I got a little helping hand from the Government. Not a handout, but a helping hand. And what it allowed me to do, she said, I remember 1 year very distinctly. She now has a good job and does not qualify for the earned income tax credit. She said, I remember 1 year, I usually used that EITC to catch up on my bills, but 1 year I used it, caught up

on a couple bills, but I bought four tires for my car so I could travel back and forth to work so I could continue working so I could stay off public assistance.

So I advised this young lady that we, the Democrats, would stand with her. And night after night we are going to be down here advocating that everybody who has a child should be entitled to that \$500 per child tax credit, if you are making less than \$75,000. That is the Democratic plan. We hope we will stand with her.

But as I came over, I mentioned the storm clouds on the horizon. That is the way I see this budget. If you go back, I know the gentlewoman from Texas [Ms. JACKSON-LEE] came after me and the gentleman from New Jersey [Mr. PALLONE] was here before me, I came in in 1992. That was the year, if you remember 1992, the first year President Bill Clinton was elected. What happened in 1992. Remember that?

In 1992, we inherited an economy that had barely grown. There were very few jobs being created. The deficit had hit a record level. Mr. Boskin, who was Mr. Bush's economic advisor, I still have the report, the week before President Clinton took office Mr. Boskin predicted the deficit would be \$322 billion.

Real business investment in equipment and everything else was way down. It was growing at only about 2 percent a year. Savings and investment was down. Consumer confidence in the economy was down. Interest rates were rising. A 30-year Treasury note was over 7.5, almost 8 percent in 1992. Unemployment was higher than it had been in the 1990-1991 recession. Incomes were stagnant. Real average hourly earnings fell about 7 percent in this country. Remember, it is the economy, stupid, that is what they told us in 1992.

So what did we do? We got Mr. Boskin's report. Those of us who came in in 1993 with the new President, January of 1993, when President Bill Clinton took office, the deficit was \$322 billion. We said, we have got to get at this. We would like to give the middle class a tax break, but right now we have to get our fiscal house in order. In 1993, he worked with Congress to enact an economic program which would lower our deficits and put more investment in hard-working Americans in this country. The plan was passed in Congress with only Democratic support.

Ms. JACKSON-LEE of Texas. Mr. Speaker, if the gentleman will continue to yield, that is an excellent point. That was a very hard time. There had to be believers in order to come to grips with a very difficult decision. That is, a tax increase.

We can now look back and say the words "tax increase," nobody wants to say that, and not a tax cut. Now some 4 years later, we are standing on, you made a very valid point, we have to be very cautious, we cannot throw caution to the wind, but we are standing

on an economy smart. We said the economy stupid, but we are standing on an economy smart. I think that is an important point, one that is growing and that we have to watch.

Mr. STUPAK. In the 1993 budget vote, probably those of us who lived through it probably know it better than any of them, there were 60 some Democrats who came in with me, and after that vote my class now has maybe 40 Democrats left. We lost about half our Democrats. It was a tough vote. We did raise taxes on those whose gross income was more than \$180,000. I can tell my colleagues, in my district in northern Michigan, that is 1,170 families, with the money we taxed, those we asked to pay more, the higher income folks. Over 32,000 families in my district got the earned income tax credit that I spoke of a little earlier. So we taxed those, we asked those who could give us a little more to give it. We helped invest in our people.

Since then the deficit has fallen dramatically. In fact, at the start of this year it was about \$70 billion. When we close our books here on September 30, 1997, it will be approximately, some people predict, as low as \$35 billion, basically no deficit whatsoever. So we have cut the deficit with the help of the President and just Democratic votes by over 90 percent in less than 5 years.

We have the smallest deficits since 1980. And as a percentage of our gross domestic product, it is the smallest it has been since 1974. In fact, the deficit is less than 1 percent of our gross domestic product here in 1997.

So if you take a look at it, this deficit reduction was based on the Democratic plan. Now the GOP gets up, the Republican party gets up and says, we passed these budgets and that is what got everything down. Since they have taken over majority party, they have not passed one budget yet. We have been living on continuing budget resolutions, continuing on the same budget, the same plan that the Democrats passed in 1993.

They have not passed a budget yet. I predict this year, even with this budget agreement, we probably still will not pass a budget because we will get hung up on some things. As you take a look at it, what has really happened? Not only did we raise some revenues and invest in people here in this country, but we also, the public sector is much smaller.

We moved forward to cut over 350,000 Federal employees with early retirements. We have the smallest Government since the days of John F. Kennedy in 1960. Since 1960, our people in this country, 130 million people, we are now over 260 million people so we doubled the number of people in this country who rely on services from the Federal Government, but we have the smallest Federal work force serving twice as many people since the days of John Kennedy. So we really did a yeoman job in doing this.

But I am concerned that having done 90 percent of the work, we need to finish the job. And I do not want to rush into this agreement that is being put together, because we have to take the opportunity now to finally eliminate not just the deficit but the structural deficit so that we will be able to run surpluses in good economic times instead of deficits like we still are today and stay at least in a balanced budget during times of recessions.

If you look at it, we have got to make sure any agreement makes very important investments in policy choices for our Nation's economic future. We need the savings and reforms that are in the spending bills, whether it is DSH payments or whatever it might be, to address the Nation's long-term budgetary challenge, past the 1998 election, past the election of 2000. If it is going to be a 10-year plan, let us look at it for a full 10 years and make sure we address our Nation's long-term budgetary challenges and needs.

We are within striking distance of a zero deficit, a balanced budget the first time since 1969. It is not time now to abandon the responsible, effective strategy we put together in 1993. It cost us. It cost us Members and a lot of people questioned what we were doing. But it has worked, and it has worked well.

So as we go here in the next 24, 48 hours and reach this agreement, let us reflect on where we have been for the last 4 or 5 years. Let us reflect on those days of the high deficits of, again, when President Bush left office, 322 billion, and how did we get it down here and make sure that the fiscal responsibility that was put in place in 1993 continues not just for today but for tomorrow and for our future.

I am very pleased to join my colleagues here tonight and hope those folks who are Members in their offices and around this country listening to us tonight, ask that question, where is this agreement going to be in 4 or 5 years? Let us make sure it does not explode out.

□ 2145

As I walked over, I could see those storm clouds. And I could also see those storm clouds in this budget. And we have to be cautious in how we do it.

We have a line item veto. The first time ever the President has had a line item veto. That has been challenged in the courts. We have a number of issues that could turn this economic plan on its ear, and it is our responsibility, those of us who have the vote, to make sure it does the right thing.

So I am very pleased the President is standing tough, that we are going to provide some health care for children in this country, education, and give them some hope to get a college education, and a \$500-per-child tax credit, including those people who earn the earned income tax credit.

I am proud to stand with the gentleman. And those are our parameters on the budget cuts, and let us make

sure the future is just as bright as tomorrow is with this budget agreement.

I thank the gentleman once again for his leadership on this issue.

Mr. PALLONE. Well, I thank the gentleman, and I wanted to follow up on some of the points that the gentleman from Michigan made, and that is with regard to the President.

If my colleague would remember, I think it was a week or two ago when the Treasury Secretary, Robert Rubin, who appeared before our caucus, also sent a letter to those who were negotiating the budget in the final weeks, and he outlined four key tasks for any tax bill.

Just to go over those briefly, one was no exploding deficits. Of course, the indexing for capital gains is a big factor, and that is now gone from what we hear. Then he talked about a fair balance of benefits for working Americans. And, again, we have been pushing for the child tax credit to be available to the majority of those people who are working, who are under \$30,000 but they are working and paying taxes.

And the third one, and I wanted to just mention this because I know the gentleman from Michigan and the gentlewoman from Texas have talked in the past quite a bit about the education tax aspect of this, he said in the letter that the tax cuts have to encourage economic growth. He stressed that the most important point in that regard was to make sure that our children are well educated in an ever-increasing global economy as we approach the 21st century, and that that was a Democratic priority, and that the Republican proposal neglects the commitment to education and instead offers broad-based tax breaks to wealthy buddies who want to make a killing in the stock and bond market.

Well, one of the things the President insisted on and the Democrats insisted on was that this \$35 billion be available as part of the tax package for education tax credits. And that, from what I understand in terms of what the negotiators have agreed to, is part of the final agreement.

It was interesting, because today in my local newspaper, this is a syndicated column that I am sure appears in various papers around the country. Actually, it is not, it is written by Robert Reich and John Donahue. Robert Reich, of course, was the Secretary of Labor, and John Donahue was counsel to Reich in the first Clinton administration.

It says, "What should be first in line for tax breaks: education, capital gains or estates?" And it says "the Clinton administration is sticking to the late-spring deal it struck with Congress: \$35 billion earmarked for incentives linked to education."

And why? I just thought it was very interesting, just briefly here, because it says that "While there's no consensus on the effects of preferential tax rates for capital gains, the best prediction is little, maybe no, net increase

in savings and investment, a lot of maneuvering by accountants and lawyers to relabel income as capital gains and a sharp rise in the after-tax income of a tiny, wealthy slice of the population." But the benefits of education tax incentives are focused on working families.

And basically what we are choosing between is middle class tax relief that rewards and encourages investments in America's earning power, as opposed to these sterile tax breaks that will deepen the divide between the very wealthy and the rest of us.

I think it was very important throughout these negotiations that the President and the Democrats insisted on these education tax breaks because of the investment aspect, because of what it means to the future of the country, and I know both my colleagues have talked about this in the past.

Mr. STUPAK. If the gentleman would yield on that point, even if we put it in everyday terms, we have to remember the HOPE Scholarship is not just going to 4 year colleges but 2-year colleges or to go in some worker training program. An individual can get up to \$1,500 underneath the President's HOPE Scholarship plan.

I have two sons, my oldest son, Ken, will be graduating here in 1999, and he is a smart young man and he is going to do quite well in college and forward. But if we take a look at it, when he starts working in his adult life, it is estimated that he will have to change jobs at least eight times in his working career. Eight times.

He is a very smart young man. Nothing wrong with his ability to learn. But the technology is moving so fast that those who begin employment in the year 2000, their jobs will become outdated. Outmoded. Technology is moving so fast, the job that people have today will be outdated and gone tomorrow. So they will need the education skills along with the social skills to adapt in an ever-changing society.

So education is an investment. It is an investment in our future. And our children will need those educational skills, whether they are going to 2-year colleges or some other training programs or worker incentive program or worker enhancement programs so they can stay ahead of the curve. So as their job is outdated because of technology, they can adapt to tomorrow's world and continue to be a breadwinner and help out their family and pay their taxes and everything else.

I say that half jokingly, but why has this economy done so well? Because people pay their taxes and we have revenues coming in, and, again, going back to that budget plan. So investing in the future is really a current investment in today's education, and will prepare us for tomorrow in that ever-changing world and the technology that will outdate our jobs, because the jobs that we have today will be outdated tomorrow.

So it is a good point the gentleman makes, and I wanted to bring it more into the workplace setting, that education that we will need. Anything we can do at the Federal level, we should and we must.

Mr. PALLONE. I am glad the gentleman brings that up, and if I can quickly just mention that job training is just as important an aspect of that. What it points out in this article, again, this is in my home paper, the Asbury Park Press, is that most students still are paying a majority of their tuition bills with their own money. So when we talk about these tax incentives or tax credits, they really make a difference.

My understanding is, based on what we are hearing, and again we do not have a final document, but what I understand is that of this \$35 billion which is now agreed to, that the President insisted on we have a credit of 100 percent of the first \$1,000 tuition and fees, and that is in the first 2 years, and then 50 percent of the next \$1,000 in 1998 through 2002.

And if a student is not eligible for the HOPE Scholarship but is pursuing a postsecondary degree or a certificate or enrolled in a job skills program, a 20 percent credit for tuition and fees up to \$5,000 through the year 2000 and \$10,000 thereafter is granted.

I think the agreement also adopts the student loan interest deduction. So there are a lot of incentives in there for people paying for tuition out of their own pocket, which most people still do.

Mr. STUPAK. On the tuition part, is the gentleman saying there is going to be a look-back provision for those who already have a guaranteed student loan or who are paying off their college loans? Even if they are not in college now, let us say they graduated last year, are they going to be allowed to look back and at least take off that interest?

Mr. PALLONE. No, I cannot say that, but I think what the gentleman is seeing here is not only the HOPE Scholarship but also this 20 percent credit for tuition and fees, and then they will be able to deduct the interest on a student loan.

Mr. STUPAK. Interest on the future loans?

Mr. PALLONE. I think so.

Mr. STUPAK. I know that is a part that is not clear in the budget agreement. Hopefully, it is something we can look at. I am sure when the gentleman gets back in his district, as in my district, a working class district, many people ask me, "My son just graduated or my daughter just graduated from college, and, geez, I have all these loans and paying interest on it, can I at least get that deduction?"

So far I have not seen it, and I just thought maybe I missed something at the caucus today and thought maybe the gentleman picked up on that.

Mr. PALLONE. Again, as the gentleman knows, we do not know what is

in the final agreement, but my understanding is the President insisted on those provisions and that they are in there.

Ms. JACKSON-LEE of Texas. If the gentleman would yield, I would like to challenge sometimes the interpretation made globally about the Democrats and their fight for those who make less than \$50,000 a year.

I am proud of that fight, but I think it is important when we discuss the issue of capital gains and who gets capital gains to sort of put this whole issue in perspective, particularly around this very explosive and booming economy, because that is what it is.

Just a couple of weeks ago the headlines read that the Dow had reached 8,000 points. So I do not think that we should in any way feel intimidated about allegations that the Democrats are not respecting those who have invested in this country and helped by their wealth to make this country great. The atmosphere and the economic climate has helped to make those who are in business strive and thrive and be prosperous.

It is important, then, that we emphasize the importance of the great equalizer, and that is an education. The distinction between how we started out with the HOPE Scholarship versus the Republican plan, which was to say to those who were already wealthy, "It is all right, you can do an IRA, a savings account, and you can then take a tax deduction when your children are ready to go to college."

That does not fare well for the average teacher, the working bus driver, police officer, who, by the best of what they can do, they have to spend as they go. So there is a time when their youngsters come up to the time for college and they are looking for monies. They do not have savings.

This HOPE Scholarship, what we fought so hard for, says to them that they get that right then and there. They do not have to save the \$1,000, they do not have to have put away that money in an IRA. It simply says that they will get a HOPE Scholarship. And in particular, having given the graduation speech to our Houston community college system, where almost a thousand graduates graduated in 1997, this \$1,000 dollars for the first year and \$500 for the next year or \$1,500 is a real boost for working class families.

I think that when we debate the bill as it ultimately may come to the floor, I think it is key that we understand the principles by which the Democrats have been guided, and that is kids' health, not \$16 billion but \$24 billion for those 10 million uninsured children who are in every one of our districts all over this Nation; and then to recognize something very important, that this welfare plan that came unsupported with compensation to make it work, now we have a real commitment to expend \$3 billion in and around our communities.

I hope our churches, and I see that there are members here from the National Church Usher Convention from Houston, TX, and I know how hard our churches have worked with me, and they have worked in order to help their members who are falling on hard times move from dependence to independence. We now have \$3 billion that makes the welfare-to-work program actually work. It actually gives training a leg up. I hope that our communities will be taking advantage of this money that will come down to help train individuals to let them work.

One thing that was really, I think, a tragic reflection on our respect for working people was this whole concept of independent contractors that took away from individuals the benefits of the various coverage that one gets when they are working in their job. If they were an independent contractor, they had no health benefits, they had no vacation time, they had no overtime.

We were able to get that out. I think that is extremely positive for working Americans. They did not realize what was getting ready to hit them. They might move in jobs eight to ten times, but I can tell my colleagues that if we were an independent contractor and did not really have a job that was secure, we would not feel very good about being able to protect our families.

So I think that we can take great comfort in things that working Americans can be gratified for, and that is, of course, the health care, the welfare-to-work and certainly the HOPE Scholarship.

And in taking up my colleague's admonition that we must be cautious, I do believe that we should watch the storm clouds that are off to the side, and that is why I said that we have 48 hours to ensure that when we ultimately cast a vote, these items that we have mentioned here this evening, DSH, and I will mention it again, protecting our county hospital systems and the individuals who go to these systems, who are unable to pay the extra cushion that is needed in order to provide the money so that they can have coverage by Medicare and Medicaid, if they do not have health insurance, and that is still a lot of people.

And then just for Texas, this whole question of privatizing health care and not allowing those sensitive social workers and government employees who have been working on this to be able to make the determination of our citizens, whether they are deserving of welfare in times when they have fallen on hard times, and putting it into computerization, that will be a fight that I will continue because I do not see any sunshine at the end of the tunnel.

□ 2200

But I do think that this fight has been one that we can claim at the juncture a quiet victory until we get the last and final word. We have been able to stand up for those working families.

I feel proud that families who have made a commitment to stay off welfare may be making \$30,000 collectively, two wage earners, that we have taken the terminology, the accusations that they are on welfare and do not deserve these tax cuts, we have taken that out of the mouths of Republicans. We have removed that sort of cancer that was really impacting this debate, and acknowledge that these citizens making \$30,000 or under \$50,000 deserve our respect and appreciation because they help to build this country and they deserve a \$500 a year tax credit for their children. And I am very proud to stand up and say it was because of our fight that they got that tonight.

So I want to thank the gentleman from New Jersey [Mr. PALLONE] again for his leadership on this issue and, likewise, will join him tomorrow in debate and over the next 48 hours to ensure that the clock does not turn back on the fights that we have made over these last couple of months. There has been some hard fights, but I think we ought to applaud the conferees, the gentleman from South Carolina [Mr. SPRATT], the ranking member, and the gentleman from New York [Mr. RANGEL], members of the Committee on Commerce, and all others who have continued in this fight to ensure that we never slip for a moment.

So I thank the gentleman from New Jersey [Mr. PALLONE] clearly for his efforts, and I look forward to working with him as we watch these next 4 hours.

Mr. PALLONE. Mr. Speaker, reclaiming my time, I want to thank the gentlewoman from Texas [Ms. JACKSON-LEE], and I know that both she and the gentleman from Michigan [Mr. STUPAK] stress the fact that we do have to watch what is going on here in the next 48 hours.

One of the things that we both talked about tonight and we are very happy about is the kids' health care initiative, because now it is up to \$24 billion because of the addition of the tobacco tax. But I have to say that in discussions, in debate over the last several months on the kids' health care issue, one of the major concerns of House Democrats, including myself, and we have a health care task force amongst our Democratic Caucus that has articulated this, one of the major concerns is that this money not be drained away and used for purposes unrelated to insuring kids.

In one of the aspects of this that we will be discussing and we will be insisting on, and I believe that the White House has been insisting on, is to make sure that built into this program to insure these children at the cost of \$24 billion that there are safeguards so that in fact the money is used to insure kids.

The Senate version of this bill was a lot better than the House version, and particularly the House version that the Republicans reported out of the committee, the Committee on Commerce,

and many Commerce Democrats were very critical of the lack of safeguards for how this pot of money would be used for kids' health care.

Just to give some examples, there was in the House version what we call a direct services option that would have allowed the pot of money available for kids' health care when it went to the States to be used not to actually insure kids but to be used for certain services that they may or may not use.

For example, money could have gone to children's hospitals but there may have been a lot of the uninsured kids that never went to the hospital or never were able to take advantage of the services of that particular hospital, and they would not be insured pursuant to this direct services provision but just get services for certain purposes of the hospital.

Well, that was not acceptable to many of us, and we kept insisting on the Democratic side that the direct services option be eliminated or certainly curtailed. My understanding is that it has been curtailed. I do not know exactly if there is talk that it may be as low as 10 percent at this point. I still think that is too much. But nonetheless, by eliminating or cutting back on the direct services option, we are at least moving in the direction of what the Democrats have said needs to be done.

The Senate language actually says that States have to provide insurance either through the traditional Medicaid program or through an alternative State insurance program and that they have to do what we call maintenance of effort, meaning that States have to at least provide as much money to pay for kids' health care as they have in the past.

Well, if those provisions are in the final bill that we vote on here in the next few nights, and we are told that the Democrats and the White House have been pushing for that and that is likely to be the case, then we will at least know there are safeguards built in that most of this money will go towards actually insuring children.

Another major issue was the benefits package. We can say we are going to have \$24 billion available to insure children, and we can say that they have to be insured in some way; but if we do not have an adequate benefits package, then a lot of them may not get certain services. Our understanding is that the White House has insisted on the benefits package similar to what was in the Senate version, which is similar essentially to what Federal employees get.

So a lot of the devil, so to speak, is in the details. We do have to make sure over the next 48 hours or so that these safeguards are built into the kids' health care program so that this money is actually spent to insure kids. These are the types of things that we have been talking about all along on a number of the tax cut provisions, as well as the spending provisions, the balanced budget agreement.

I just must say that, although we are still weary about what finally results, Democrats can take a great deal of pride in the provisions with regard to kids' health care with the coverage now for the child tax credit, with the education tax credits, and with so many of the other things that we have been talking about all along that should be included in this tax cut package and in this spending bill to make sure that the benefits go to the average working American.

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

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2266, DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 1998

Mr. DIAZ-BALART, from the Committee on Rules, submitted a privileged report (Rept. No. 105-213) on the resolution (H.Res. 198) providing for consideration of the bill (H.R. 2266) making appropriations for the Department of Defense for the fiscal year ending September 30, 1998, and for other purposes, which was referred to the House Calendar and ordered printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2264, DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION APPROPRIATIONS ACT, 1998

Mr. DIAZ-BALART, from the Committee on Rules, submitted a report (Rept. No. 105-214) on the resolution (H. Res. 199) providing for consideration of the bill (H.R. 2264) making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies, for the fiscal year ending September 30, 1998, and for other purposes, which was referred to the House Calendar and ordered printed.

HUMAN RIGHTS VIOLATIONS IN CUBA

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from Florida [Mr. DIAZ-BALART] is recognized for 60 minutes as the designee of the majority leader.

DOW JONES AVERAGE UP SINCE REPUBLICANS TOOK CONTROL OF CONGRESS

Mr. DIAZ-BALART. Mr. Speaker, I wish, before I begin speaking about the subject that brings me to the well this evening, to insert into the RECORD a note made available to us here in Congress today by our dear colleague, the gentleman from Tennessee [Mr. DUNCAN].

Mr. Duncan points out, among other things, that the Dow Jones Industrial Average, on Election Day 1994, when the Republicans took the majority in this House and in Congress, both

Houses, for the first time in 40 years, was 3,830 points. And since Republicans took control of Congress, the Dow Jones Average has gone up by more than 4,000 points, breaking all records. And that that was due, to a great degree, because of the fact that the majority here, the Republicans, brought the leadership to the Congress to bring Federal spending under control and stop the growth of taxes and regulations and that, finally, the belief took hold in the economy and in the world in this international economy of today that the United States of America would finally balance its budget.

And, so, I think that that is something that was important to bring out. And I thank the gentleman from Tennessee [Mr. DUNCAN] for having done so. So I would like to insert the following into the RECORD, if I could, Mr. Speaker:

The Dow Jones Industrial Average closed at 3830.74 on election day, 1994.

Since Republicans took control of Congress, the Dow Jones average has gone up by more than 4,000 points—mainly thanks to Republican success in bringing Federal spending under control and stopping the growth of taxes and regulations.

Mr. Speaker, I come this evening to the floor, to the well, to discuss a matter that for the last 4 months has worried me on a daily basis in increased fashion. It has been typical of the tyrant in Cuba, who has ruled for 38 long and destructive and painful and extraordinarily gruesome years, it has been typical for him to engage in Stalinist crackdowns. But for the last 4 months, he has been clearly engaged in another such Stalinist crackdown the effects of which have come to my attention on a daily basis.

And, so, I have been thinking it appropriate for some time now to come to the well to give an update to my colleagues and to the American people through C-SPAN, the millions of citizens who watch through television, by way of television, an update on the dreadful human rights situation and the details, as I know them, of that Stalinist crackdown engaged in by the tyrant of Havana, only 90 miles away from the United States.

And, so, I would like to read a list, and I acknowledge from the beginning that it is a partial list, of human rights violations in Cuba for the last 4 months. And with that acknowledgment, I would like to begin to get into it and then discuss some other aspects of the reality of Cuba today.

March 29, a Danish tourist, there have been a number of incidents recently with tourists in Cuba where the government has shown, the regime has shown its paranoia and its apprehension about its security situation as it has related to tourists, a Danish tourist, Joachim Loevschall, somehow mistakenly wandered into a restricted military zone and he was shot to death. That was March 29.

Then began the month of April. And Ramon Rodriguez, father of a well-

known activist, Nestor Rodriguez, president of Young People for Democracy, was arrested.

Also, on April 1, Rafael Ibarra Rogue, president of the Democratic Party 30 November, Frank Pais, who is currently serving a sentence of 20 years in the infamous prison known as Kilo 8, according to relatives, was told that he would be denied from having any contact with his family or any religious visits. That was April 1.

April 8, Nestor Rodriguez Lobaina, president of Youth for Democracy, a group that has become more well-known recently and has developed already a number of very impressive young leaders, Youth for Democracy, president Nestor Rodriguez Lobaina was arrested and charged with "crimes against the state." He had previously been arrested in June 1996 and sentenced to 12 months in prison and an additional 6 months of internal exile for the crimes of resistance to authorities and disrespect of the revolution. He was sentenced to 18 months in April and is currently being held in the Guantanamo Prison.

Today, July 28, Nestor Rodriguez Lobaina has begun a hunger strike that he has announced will last during the days that something called the 14th World Festival of Youth and Students lasts. That festival has begun also today in Havana. It is a splurge that Castro gives to Communists who come from throughout the world to party in Cuba, young Communists, while the Cuban people are subjected to the apartheid system and the rationing cards that have been imposed upon the people since 1962.

So Nestor Rodriguez Lobaina says that during the duration of this party, called the 14th World Festival of Youth and Students, he, as a youth leader, is going to fast in protest.

Of course, he and Cuban students who want to speak out in favor of democracy are not allowed to participate in that youth movement festival in that party that Castro organizes with funds that the Cuban people are denied for international young Communists and revelers and partiers.

□ 2215

April 11. Miguel Angel Aldana, member of the Executive Committee of the Concilio Cubano and president of the Martian Civic League, arrived in the United States after being forcefully expelled from Cuba. He was initially handcuffed, dragged out, and arrested while attending a mass in memory of the Brothers to the Rescue pilots who were shot down by the Cuban Air Force on February 24, 1996.

April 22. Israel Feliciano Garcia, representative of the Democratic Solidarity Party in the Province of Villa Clara was arrested in his home. His wife Arelis Reyes Garcia was also detained for pointing out to the police that they did not have a warrant.

April 30. Radames Garcia de la Vega, vice president of Youth for Democracy,