

Before Mr. Clinton marches into Bosnia for the United Nations, he should remember what Secretary of State John Quincy Adams said:

We are the friends of liberty everywhere, the guardians only of our own.

Mr. Speaker, I hope they read those words down at the White House before they tell another American family that its husband, father, son, or brother died in the service of the United Nations.

#### COMMUNICATION FROM THE CLERK OF THE HOUSE OF REPRESENTATIVES

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

OFFICE OF THE CLERK,  
HOUSE OF REPRESENTATIVES,  
Washington, DC, June 5, 1995.

Hon. NEWT GINGRICH,  
*The Speaker, U.S. House of Representatives,*  
Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5 of Rule III of the Rules of the U.S. House of Representatives, the Clerk received the following message from the Secretary of the Senate on Wednesday, May 31, 1995 at 3:30 p.m.: that the Senate agreed to the conference report on H.R. 1158.

With warm regards,  
ROBIN H. CARLE,  
*Clerk, U.S. House of Representatives.*

#### COMMUNICATION FROM THE CHIEF ADMINISTRATIVE OFFICER OF THE HOUSE OF REPRESENTATIVES

The SPEAKER pro tempore laid before the House the following communication from the Chief Administrative Officer of the House of Representatives:

OFFICE OF THE CHIEF ADMINISTRATIVE OFFICER, HOUSE OF REPRESENTATIVES,  
Washington, DC, May 25, 1995.

Hon. NEWT GINGRICH,  
*The Capitol,*  
Washington, DC.

DEAR MR. SPEAKER: This is to formally notify you pursuant to Rule L (50) of the Rules of the House that my office has been served with two subpoenas issued by the Superior Court of the District of Columbia.

After consultation with the General Counsel, I have determined that compliance with the subpoenas is consistent with the privileges and precedents of the House.

Sincerely,  
SCOTT M. FAULKNER,  
*Chief Administrative Officer.*

#### APPOINTMENT OF MEMBERS TO BOARD OF VISITORS TO THE U.S. COAST GUARD ACADEMY

The SPEAKER pro tempore. Without objection, the Chair announces the Speaker's appointment as members of the Board of Visitors to the U.S. Coast Guard Academy the following Members of the House:

Mrs. JOHNSON of Connecticut and Mr. GEJDENSON of Connecticut.

There was no objection.

#### SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the gentlewoman from Ohio [Ms. KAPTUR] is recognized for 5 minutes.

[Ms. KAPTUR addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

#### JUST THE BEGINNING OF THE BUDGET PROCESS

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

Mr. OWENS. Mr. Speaker, we have just returned from recess, but prior to that we completed a part of a very long process. Most people do not realize it was merely the beginning. The budget and the appropriations process begins with the passage of the budget. The House of Representatives and the Senate have passed the budget, and they will soon reach agreement on that budget.

Most people do not realize the President has no veto power over the budget. That budget does forward without the President having a chance to veto it. He must react to the individual appropriations bills now that will be generated under the guidance of that budget.

In other words, the budget sets the overall ceiling for each one of the areas, and the Committee on Appropriations now can go forward to make expenditures, increasing some programs, decreasing some, eliminating some, putting in new programs. That is all up to the Committee on Appropriations.

However, Mr. Speaker, I think it is safe to say that we can expect, with this well-coordinated majority in power presently, that most of the recommendations made by the Committee on the Budget will probably be included in the appropriations process. The Committee on Appropriations will follow through on most of the recommendations. Therefore, we have a good idea of what the pattern is going to be in terms of the kind of expenditures that are going to be made by this Congress, or the kind of appropriations that are going to be proposed by this Congress.

Each one of the appropriations bills, however, can be vetoed by the President. The public should realize that, that the appropriations bills have to go to the President. Once the Senate and the House have acted and both have agreed in a conference on a bill, it goes to the President, and the President can

veto it. The public should understand that, that the budget process has just begun.

The Committee on the Budget sets the ceiling. The Committee on Appropriations follows through. The President can veto what each Committee on Appropriations sends to him. If the President vetoes an appropriations bill, it will then come back to the House and Senate, and the possibility of an override, Mr. Speaker, I would say is very slim.

I think there are enough people in the House to support the President, to prevent the overriding of a veto of the President. At this moment I am pretty sure there are. Of course, we lose some every day, but even with a few more casualties and a few more Benedict Arnolds deserting the Democratic Party and going over to the Republican Party, we still will have enough to prevent the override of a veto of an outrageous appropriations bill.

Most of these appropriation bills will be outrageous, because we know they will follow the pattern of the budget. We will have outrageous bills which propose to eliminate the Department of Education. No other industrialized nation in the civilized world thinks it can function without a department of education. At a time like this, when we are at a great disadvantage competitively if we do not have the most skilled population, the best educated population we can get, we are proposing to eliminate the Department of Education.

There are numerous other outrageous items in the budget proposals that will be followed through in the appropriations bills, and the President will have to veto them.

Once the House and Senate fail to override a veto, then what happens? I think we are on a course where, by the time we reach September 30, end of this budget year—September 30 ends this budget year—it becomes necessary to have continuing resolutions. If the Government is to continue functioning, we have to have passed continuing resolutions in order to keep the Government going forward at the same rate of expenditure that it had before. That is the critical point.

If there is deadlock or gridlock, deadlock, however we want to put it, between the President and the Republican-controlled Congress, then where do we go from there? Will the Government have to shut down, as it did for a couple of days under President Bush, because the Republican-controlled House refuses to pass a continuing resolution, or the Republican-controlled House and Senate together refuse to pass a continuing resolution? We will have a gridlock. We will have a set of negotiations which will go forward between the President and the Republican-controlled Congress.

I say all this because I think it is very important for the American people to understand that the budget process has just begun. It has begun, and

prospects for a gridlock, prospects for a long-term set of negotiations, are obviously there.

I think as we go forward in this process, I would urge that everybody not just read the mainstream papers, not just depend on the network televisions. The usual means of communications have chosen to ignore some of the alternatives and options and possibilities that there are in terms of this budget and appropriations process.

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We are into a budget and appropriations process which is driven by the Republican-controlled House. They have dictated that no budget could be brought to this floor and considered unless it showed a balanced budget by the year 2002. In other words, any group or any Congressperson who wanted to at least have the opportunity to bring his idea, his proposal to the floor, had to come within the constraints that were set by the ruling Republicans here on the House floor.

You had to show a balanced budget by the year 2002, which meant that an artificial crisis was created. You have an artificial situation where you must make drastic cuts in order to be able to present a balanced budget by the year 2002.

I am happy to say that the Congressional Black Caucus accepted that challenge, and you would not know it by reading the regular papers or checking network news or even CNN. Nobody bothered to pick up on the fact that there was a Congressional Black Caucus budget on the floor of the House of Representatives and it was balanced. It was balanced by the year 2002, and it had some money left over in the year 2002.

What were the basic principles of this balanced budget? We balanced the budget and we did not cut Medicare by one cent; not one cent was cut from Medicare. We balanced the budget and we did not cut Medicaid by one cent; not one cent was cut from Medicaid.

We balanced the budget and we increased the education budget by 25 percent. Not only did we not engage in any foolhardy, stupid, and ridiculous proposals that the Department of Education should be totally eliminated, we proposed to increase the Department of Education budget by 25 percent. Specific programs under the Department of Education are vital to the health and welfare of America. The Department of Education, we feel, should be given priority in this budget.

We have given priority to the Department of Defense and the defense function for the last 30 years. It has always been defense, defense and to some degree we will have to admit that we did that successfully so.

We outspent the Soviet Union. Probably we spent more money for defense, in fact I would wager we spent far more than we needed to. We enriched a lot of people with products, by paying for products that we did not really need.

We paid much too much for a lot of products, defense weapon systems, et cetera.

Nevertheless, it succeeded. We outspent the Soviet Union. They had their military-industrial complex spending money on weapons, ignoring the needs of the people. We had our military-industrial complex. Since we happened to be the richest Nation in the world, we could outspend them and they caved in first, so we won that cold war.

Nevertheless, we continued to spend money on defense. So in the Congressional Black Caucus budget, there are two basic principles.

One is to cut the expenditures for defense, and if you do it over a 10-year period instead of a 7-year period, you can certainly do it and satisfy every hawkish person in the country, because over a 10-year period you can make cuts that definitely no one could argue threaten the security of the Nation. You can make those cuts. We make the cuts over a 7-year period, and that helps to balance the budget.

We do one other thing that also is a basic principle of the budget that should not be ignored. We invite everybody to take a look at the other principle that the Congressional Black Caucus pursued. That principle was to close the corporate loopholes and get rid of corporate welfare.

See, we operate primarily in this country on two sets of taxes. Revenue to run the Government, taxes that you pay, comes from two basic sources.

One is from family income taxes, income taxes levied on families and individuals. That is one source of revenue that keeps our Government going. The other source of revenue that keeps our Government going are the taxes we levy on corporations, corporations or businesses.

In the history of our country, the pattern has been at the beginning that the burden of taxes was equally divided between the taxes that were levied on individuals and the taxes that were levied on corporations. Something went radically wrong in 1943, and in 1943 the corporations began to pay less of the tax burden than families.

Since 1943, there has been a drastic drop in the amount of money paid by corporations, a drastic drop from 39.8 percent in 1943 to as low as 8 percent in 1982; as low as 8 percent, from 39.8 percent to 8 percent. Now the corporations are paying only 11.2 percent of the total tax burden.

Understand what I am saying. We have drastically reduced the corporation taxes, the income taxes paid by corporations. You might well understand that if you reduce the taxes paid by corporations, somebody has to take up the slack, so what has happened? The taxes on individuals and families have dramatically gone up.

From 1943, when individuals and families paid only 27 percent of the total tax burden—understand individuals and families were paying 27 percent, corporations were paying 39.8 percent,

almost 40 percent—individuals and families not are paying, in 1995, 43.7 percent of the tax burden. We went from 27.1 percent to 43.7 percent. Almost 44 percent of the tax burden is now being paid by individuals and families.

If you raise the corporate taxes by closing the corporate loopholes, take away the corporate welfare, we are subsidizing corporations by letting them enjoy the benefits of our great Nation without them paying their fair share. We are taking more money from families and less money from businesses.

There are some who say, well, businesses create jobs and we need to let them pay less taxes so they can create more jobs. That might have been true 50 years ago when you had businesses that created jobs. But you will find that the same businesses that are making the greatest amount of money now, the most prosperous businesses, are creating the least amount of jobs.

We have a boom going now on Wall Street. There is a boom going. People are getting rich faster than ever before. Those who have money are making more than ever before, yet they are cutting the amount of jobs that their industries utilize. You have downsizing, streamlining, all kinds of terms being applied to it, but in the end it means cutting jobs of workers.

You also have tremendous investments. These groups make a lot of money and they can go anywhere in the world and make tremendous investments overseas in search of the cheapest labor markets possible.

Jobs are being taken away from workers here at home because they have automation. These same corporations can make money when they invest, they automate, computerize. They do not need as many people as before, so an investment in a business, investment in an industry does not automatically yield a certain number of jobs. The job economy is over here, and the economy that is making money, the profit economy, the Wall Street economy, is in another place.

The correlation, the relationship between booming industries in America and increases in employment, increases in wages, there is no correlation anymore. There is no relationship anymore. It is a matter of the sector which has the capital gets more, the sector which is dependent upon wages gets less, and the taxes being paid by these two are totally out of sync with their prosperity.

Individuals are making less money, families are making less money, and yet families and individuals are paying more taxes than they were 50 years ago. The burden of the taxes, the tax burden, is greater now on individuals and families, and the burden on corporations is lower than it has ever been. It is lower now than ever before, but they are the ones making the greatest amounts of money.

Here is the basic situation we are confronted with. As we go forward in

this appropriations and budget-making process, are we going to look at the obvious?

I am reading from a chart that was taken from a document, the President's budget has it, I think, the Congressional Budget Office has it. Everybody in Washington knows what these figures show. Nobody disputes the accuracy of this chart, which shows the dramatic rise of family income taxes while corporation income taxes were rapidly dropping. Nobody disputes the accuracy of this.

Everybody in Washington talks about corporate welfare and corporate loopholes, corporate tax loopholes. This is on everybody's mouth, but when it comes time on the floor to take action, nobody wants to talk about it.

Certainly the Committee on Ways and Means does not want to talk about it. The Committee on Ways and Means has been under the domination of corporations for the last 50 years at least. Certainly in 1943 when you saw a dramatic change, when you saw corporations move from paying almost 40 percent of the tax burden to 1982 when they paid 8 percent, then you know something dramatic happened.

The Committee on Ways and Means was taken over by the corporations, and they have been greedier and greedier as time has gone on. They were so greedy until they went down to just paying 8 percent of the total burden in 1982.

This is what we are up against as we go into a budget gridlock, a budget deadlock. The President is our only hope against these draconian cuts. If you want to save Medicare, then it is the President who will have to stand fast against the Republican-controlled Congress, House and Senate. They are going to cut Medicare. They have made it quite clear. They are going to cut Medicare.

Whatever language you may hear to the contrary, it is a cut. Medicare is going to be cut. They say they are going to save it from bankruptcy. We can unite together and find a way to save Medicare and any other institution of government from bankruptcy without making draconian cuts.

There was a plan that was put forward last year by the President that was ridiculed. The President had a health care plan, and there were many other plans. I was a part of the single-payer coalition, caucus, here. We put forth a plan.

There were many plans to make health care more efficient, spend less money on health care in the context of a plan which guaranteed that there would be better health care for all Americans, and at the same time bring down the cost. We could have brought down the cost of health care over a period of time, utilizing reforms that did not cause a great deal of suffering.

People will suffer greatly. There is no way you can cut Medicare drastically and expect people not to suffer. Some-

thing has to give. The doctors may not give on their salaries, their fees, the hospitals may not give on theirs, so the patients will suffer. In some way or another the squeeze will come on the patients. The patients will suffer.

They are going to cut Medicaid, also. Medicaid will be subjected to even greater cuts than Medicare. Medicare is supposed to have the middle-class, elderly constituency. Everybody is rallying to the defense of Medicare. Nobody wants to talk about Medicaid because that is for poor people. They really do not have much political clout, so very few people want to defend them.

In truth, however, Medicaid and Medicare are very much inextricably interwoven. You cannot cut Medicaid without hurting the middle class. You cannot cut Medicaid without hurting the elderly.

Most people who are elderly, who get sick for long periods of time and have to go to nursing homes, end up spending all of their available income and having to move from Medicare to Medicaid. Large amounts of people who are in the middle class when they get ill, after a long-term illness they end up being eligible for Medicaid. As a matter of fact, at least 40 percent of the funds spent for Medicaid are not spent on poor children or poor women or poor people in big cities. They are spent on nursing home recipients, many of whom were not poor before they went into the nursing home.

Medicaid cuts will greatly hurt everybody, not just the poor. I am interested in maintaining Medicaid at the present level, because I do not think the poor should be hurt. Unfortunately, most people do not want to go to bat for and defend the poor. The poor are Americans. They contribute to the greatness of this country as well as everybody else. We should not engage in the kind of elite selection that the majority party in the House is engaging in. I call them the oppressive elite minority.

You have the oppressive elite minority wanting to create a government, wanting to create public policies which only serve a small group of people. They want to make the budget and the appropriations process safe for a handful of people who do not want the nuisance of paying a few more taxes, or do not want the nuisance of paying the taxes they pay now. They want a tax cut.

Here is the way the battle shapes up. I do not want to confuse anybody. What I am saying, to recapitulate and sum up, the basic principles of the Congressional Black Caucus budget, which have been ignored by the media, ignored by the Members of Congress, ignored by the leadership, should be examined by the American people. The public should take a look at these basic principles.

Principle No. 1 is we can cut defense over a 10-year period. Principle No. 2 is we can close the corporate loopholes, end corporate welfare, and you will

thus generate revenue which will help to balance the budget. In the Congressional Black Caucus budget, we raise the revenue from its present level of 11.2 percent to about 16 percent. The percentage of the overall tax burden is raised from 11.2 percent to about 16 percent, a little less than 16 percent. The percentage of the overall tax burden being paid by families and individuals is presently 43 percent.

If the corporations are raised from 11 percent of the total tax burden to about 16 percent of the total tax burden, they are still far below the tax burden percentage that is being paid by families and individuals.

Let us balance the budget, ladies and gentlemen. As I said before, you can do it in 7 years, you can do it in 10 years. It will be easier for everybody if we do it in 10 years, but let us balance the budget by raising the percentage paid by the corporations, raise their percentage of the tax burden.

Some people are talking about a flat tax. Some people are now talking in the high places in the House of Representatives about a consumption tax, similar I guess to the European value-added tax. In the Congressional Black Caucus budget, we make a recommendation that I think should be followed and I hope the President will listen. Let us create a tax commission. We have a base closings commission that was necessary in order to take base closings out of politics and put them into a process whereby experts would look at them more objectively and come back with decisions, make recommendations to the Congress and the Congress would act. The Congress will have the last word either way. But I think the American people deserve to have an objective analysis and examination and review of the tax situation in America.

The revenue-generating situation, what is it? Why do corporations pay so much less now than they did in 1943? Why did we drop from 39.8 percent for corporations in 1943 to 11.2 percent now? Why?

And if we want to balance the budget, how do we raise it back up? If we are going to have a flat tax, are you talking about a flat tax just for families and individuals, or are you talking about a flat tax which also includes corporations? That may not be a bad idea. A flat tax, everybody pays the same percentage, including the corporation. But already those who are talking about a flat tax are beginning to find some tricks which will let corporations off the hook. If you have a flat tax that is unconditional, a flat tax with no exemptions, a flat tax that is going to go forward and not to corporations the same that they do to individuals, then you have a fair flat tax. But in no way do the proponents of a flat tax intend to have a flat tax across the board. They have no intention of taxing corporations at the same level that they tax families. Here is the issue.

Every American has got to ask the question, how do we end the long monstrous swindle of the American taxpayers. We have a monstrous swindle that has gone on and on and on. If people are angry, they have a good reason to be angry. Taxpayers should be angry about bearing a grater portion of the burden year after year while the corporations in America have borne less and less of a burden year after year.

It is time to get angry. Those who are angry, it is time to find out why you are angry. It is time to find out how to be angry in a more intelligent way. We are angry at the Government generally. We are angry at the parties, both parties, we are angry generally. Let us be more specific in our anger. Be angry at the people who reduced the corporation portion of the tax burden from 39.8 percent to 8 percent, and now to 11 percent. Be angry and ask the question, how are you going to rectify this?

As we go toward a balanced budget, what are we going to do to close the corporate tax loopholes and to end the corporate welfare here in Washington?

Let us start a movement to balance the tax burden. Let us balance the tax burden and then we can balance the budget. Balance the tax burden, balance the budget at the same time.

The way you balance a budget in America is balance the tax burden, have corporations pay a higher percentage of the tax burden. At the same time, you can afford to drop the percentage of taxes paid by families and individuals.

We can have a tax cut. I am in favor of a tax cut. In the Congressional Black Caucus Budget, there was a tax cut. But the tax cut begins with individuals who are making the least amount of money. It is a tax cut for everybody, but it benefits the people who are making the least amount of money, the wage earners, as well as the rich. We should have a tax cut.

American taxpayers have borne an enormous tax burden in order to fight the cold war. It is time for them to have some relief. It is time for the American taxpayers to have a real peace dividend. A real peace dividend would give back some of the money and reduce the percentage that families and individuals are paying in order to win the cold war. We have to do it, we say, to win the cold war. It is won. It is over. Let us now reduce the tax burden on individuals. At the same time, if you raise the taxes on corporations, you can balance the budget. You do not have to create any more of a deficit.

Over a 10-year period, with a minimum of pain and suffering and dislocation, we can balance the budget. We can cut the waste in defense, and we can close the corporate tax loopholes and end corporate welfare. It is a simple formula.

If you are confused by the complications of arguing and debating the budget, reduce it to three simple principles: Let us balance the budget by balancing

the tax burden. In order to balance the tax burden, you have to close the corporate loopholes, raise the amount of taxes paid by corporations, then you can lower the taxes paid by families and individuals, and at the same time there will be no deficit. Do it in a 10-year span of time. If you do it in a 10-year span of time, instead of 7 years, you will not create so much pain and suffering. You will create very little dislocation in our economy.

Why have the Republicans who control the House of Representatives insisted that there must be a 7-year balancing of the budget? We have gone for many, many years without balancing the budget, but now in 7 years, by the year 2002, they insist we must balance the budget. Why? Because they want to create an atmosphere of desperation. They want to create a crisis atmosphere. It is an artificially created crisis. It does not exist. America is not in some desperate situation. We are not at war. Our economy is not collapsing. There is no reason to take desperate measures in a situation that is not desperate. But by creating an artificial crisis, creating a desperate situation, a situation that seems to be desperate, they want to maximize power. It is a grab for power. The problem is power.

Most Americans would like to see a situation where we have a government which has two parties, three parties, whatever number of parties, and each party is engaged in a contest, in a contest to determine who can create the best government for the American people, how can we have the best functioning society.

We would like to see that kind of spirit motivating both parties. Most Americans would like to see that. They are not interested in who has the power, or who has the casualties. They are not interested in making war. But that is the situation we find ourselves in.

I hope that every American will understand, every citizen, every voter will understand that you have been plunged into a war whether you like it or not.

Last week the Speaker of the House, Speaker GINGRICH in a forum at the Library of Congress made the statement that we all knew was a motivating factor in what has been happening here on the floor of the House and in Washington in general. He came right out and said, politics is war without blood. Politics is war without blood.

Speaker GINGRICH said that at a forum and I do not want to misquote the Speaker, he is a very powerful person, he is the second most powerful person probably in the country, third in line for succession to the Presidency. I would not want to misquote Speaker GINGRICH.

I am going to read from Roll Call, I got the information from Roll Call, which says that Speaker GINGRICH even quoted a political leader not previously known to be one of his influences.

"War is politics with blood. Politics is war without blood," said the Speaker.

He cited the late Chinese Communist leader Mao Tse-tung. Mao Tse-tung operated out of a totally different environment. He was in a desperate environment where people were starving, all kinds of dislocations in the economy. There was no economy in China. Chaos reigned. So Mao Tse-tung could say that politics is war without blood.

I think it is most unfortunate that the Speaker of this House, in America, would say that politics is war without blood. It sets a whole different tone. We would like to believe that we have a more civil environment to conduct our politics in. I would like to think that politics is not war without blood. Politics is a contest, a noble contest among contending parties to see who can reach the goal best, who can contribute most to the cause, and the cause in this case is the cause of an America that is here for everybody.

We want to promote the general welfare. Politics is to promote the general welfare. Politics is to secure the Nation. Politics is to do it all by spending the least amount of money and having the most efficient and most effective government. We want to engage in a contest among the parties. We want to engage in a contest between individuals, between caucuses, a contest, a serious contest. But to say that politics is war without blood is to set a whole different tone and to lay out an agenda which every American has to respond to. If politics is war without blood, then there have to be casualties. There is more concern about destroying people and destroying ideas and destroying than there is about serving the cause. The cause of America is probably the most noble and majestic cause of any governmental undertaking anywhere in the world ever. That cause can be best served by having everybody assume that they are in a contest that is a contest with no real losers.

When we have a better government, we are all winners, Republicans and Democrats. When we have a more efficient government, we are all winners, Republicans and Democrats. But if you are preoccupied with power, power is the major preoccupation, than politics becomes war without blood.

What is war all about? The way it has been defined by those we cannot ignore, we cannot ignore the fact that the Speaker has declared war. If the Speaker has declared war, the American people cannot sit still and ignore it. We did not want this to happen, we did not will it, we are not interested in it, but we are now engaged in situation where war has been declared. Politics is war without blood. Every American voter has to consider themselves a soldier. Every American voter can no longer be a spectator, a citizen spectator. You cannot sit by and watch when people are running the Government who consider politics to be war without blood.

A lot of extreme things have been proposed. We have said extremism is the problem here in this Congress. It is extreme to say that you are going to save money by taking away lunches from poor children. At the same time you say you are going to increase the defense budget for star wars, to build glowing pebbles in the sky, you are going to increase the budget for that and take away lunches from poor children. That is extreme. That is barbaric. That kind of extreme action, extreme behavior can exist of course in a context of war. If you are really at war, then you are doing those things for reasons that have nothing to do with improving the Government, the efficiency and effectiveness of Government. There is another objective. War is about destruction, war is about gaining power. War is about wiping out your opposition. War has to have enemies. War cannot look forward to a victory that everybody can be proud of.

The elite oppressive minority. There is an elite oppressive minority, and I have said this before, there is an elite oppressive minority in charge here in Congress now, and they want an America which serves only a small group of Americans. They are at war with a caring majority. The majority of Americans are people who care about other Americans. First of all, they are people who care about themselves and they need the benefits of our great democracy, they need the benefits of our great economy. The majority of Americans know that we are the richest Nation that ever existed on the face of the Earth, and that this was not created by a handful of people. All the scientist that have ever lived made a contribution to the kind of high-technology society that we know enjoy. The fact that Wall Street firms are making billions of dollars and they are doing it with a minimum amount of workers means that computerization, miniaturization, a whole lot of electronic devices that were developed during World War II have been put to use in the civilian sector, in the business sector.

It was the U.S. Government, the taxpayers, who developed radar, who developed computers, who developed many of the kinds of advances that now are driving the industries that are making the greatest amount of money. They are the ones that we should give credit to. Our American taxpayers should have a percentage of the profits. It is science and technology that is driving our economy now. Science and technology are driving the profits of our corporations. Everybody participated in that process of creating a technologically strong America.

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Everybody participated in the war effort, which made America safe from tyranny, Nazi tyranny in World War II. All of the soldiers who went and died on D-day, on Iwo Jima, all of those who participated in the effort in the defense industries, everybody who made Amer-

ica safe, created an atmosphere of order and law which would enable our businesses to benefit from science and technology without the interference of disruption and chaos. So everybody has a part, everybody has a role in the building of America, everybody should share in America. That is the caring majority, and the elite minority have said we do not want to share with the caring majority.

I yield to the gentleman for a comment.

Mr. FILNER. I thank the gentleman. I really appreciate the statements that the gentleman has been making this afternoon and his insistence absolutely that we have a balanced budget that puts people first, and his absolute focus in his earlier remarks that corporate welfare is something that we have to look at far more in a disciplined way if we are going to balance the budget. We as Democrats agree that the budget can be balanced, but we want to focus in on the corporate welfare and the revenue that is really not realized in this.

I would like to give if I may a specific example of this to try to bring really home what this corporate welfare means to this budget and what we could be doing as a Congress. Did you know that the 10 largest mutual insurance companies in this Nation pay virtually zero taxes on a large segment of their income because they have found a loophole in the tax laws that drives their taxes to zero? About 10 years ago the Congress of the United States passed a law or passed a provision of the Tax Code that was to provide fair taxation of our giant insurance industry.

Mr. OWENS. Would the gentleman please repeat that? Who is not paying any taxes? Who is paying zero taxes?

Mr. FILNER. The 10 largest mutual insurance companies in this Nation pay virtually zero taxes under a certain provision of the Tax Code, section 809. They do not pay zero taxes, but they pay zero on this provision, which was set up to realize, and let me tell you this number, it was set up to realize \$2 billion of revenue per year, per year, \$2 billion. That is virtually zero out of this provision of the Tax Code because after it was written their accountants went to work and figured out if they changed their accounting system on paper, they could drive their tax obligation down to zero.

I have a bill in to remedy that situation that should be part of any balanced-budget effort. It happens to be H.R. 1497, introduced with my colleague, the gentlewoman from Idaho [Mrs. CHENOWETH], and others who have helped me on this. It is called the Insurance Tax Fairness and Small Insurance Company Economic Growth Act of 1995. But what it does is exactly what you were talking about so eloquently earlier. It says let us not focus in on the children, let us not focus in on the older people that give them some dignity and some ability to par-

ticipate in this society. Let us go after those who can afford it who have been leaving out their contribution, their fair contribution to the American society, and let us go after them. That will get the budget balanced and that is where our efforts should be focused.

I say to my colleague, the gentleman from New York [Mr. OWENS], his insistence on this and his absolute dedication on this is something that we all admire. We are going to work with him to make that happen, and let us keep the focus on yes, a balanced budget, but let us make it fair, let us close the corporate tax loopholes, and let us see that those people, make sure that those people who should pay, pay fairly.

Mr. OWENS. I thank the gentleman. I think that his bill along with a number of other items that have been introduced by the progressive caucus begin to deal in detail with the steps that have to be taken to reverse this imbalance, this gigantic imbalance where corporations are paying only 11 percent of the tax burden while individuals are paying almost 44 percent of the tax burden. We are proceeding to deal with that in legislation. What I am trying to do is awaken the American people out there to the fact that nothing is going to happen of great significance on this matter unless the President hears from them, unless the leaders of Congress hear from them, because we are going to have a deadlock, we are going to have a situation where we trust the President was going to veto these draconian budget cuts that will be played out in the appropriations bill process. We are going to have a gridlock come September 30 and the Government will be brought to a standstill, and the only way to get out of it is negotiations between the White House and the Republican-controlled Congress.

When that happens, the President needs to hear from the American people, hear from them now about the unfairness, the fact that the tax burden is unbalanced, is leading to a situation where, if you attempt to balance the budget without balancing the tax burden, you make for a great deal of suffering by the great majority of the American people, and the President has to be our protector in this respect.

Mr. FILNER. The gentleman's constituents are from New York, my constituents from San Diego, have got to get that message again and again. They have the power to help change the equation on this political battle that is looming. The people must be heard from.

Let me also say to my colleague, we in San Diego have been prospering certainly during the eighties, had been prospering on the defense budget. You pointed out that the working people who were involved in that effort are the ones that are now getting hurt first, getting hurt first as we downsize the defense industry to some degree.

What has occurred in San Diego, for example, is consolidations have occurred, jobs have been lost, jobs have been moved out of San Diego.

Mr. OWENS. And the industries are making the same amount of money or more than they did before.

Mr. FILNER. Then those defense firms bill the Pentagon for savings that have come out and they get big grants for the savings that occurred in that consolidation, their corporate executives get major bonuses, and the people in San Diego or other communities have lost their jobs and no job training funds and no impact on community funds have come back to our community. So again, you have been emphasizing that. We as a Congress have got not only to plug those corporate welfare loopholes but to make sure that the people, the working people who fought that cold war, who fought and in a sense won it, are now losing their jobs as this consolidation occurs, and our own Defense Department is rewarding those firms for laying off those workers. That is what we have to change too.

So again I appreciate your efforts and we are going to keep working with you on that.

Mr. OWENS. I thank the gentleman. I would like to say, it cannot be emphasized too much, that the gigantic Department of Defense budget can certainly be cut in ways that do not immediately hurt workers. If you want to pursue a public policy designed to minimize hurting workers, it is possible to do that. Our overseas bases that are not employing American workers, are costing tremendous amounts of money, a little less than \$100 billion, money being spent on overseas bases in NATO, et cetera, we could certainly begin to even downsize drastically there and not hurt jobs and bases in local communities where the economy is affected by the bases.

There are ways to do that over a 10-year period which would minimize the pain and suffering. If you accept as policy that defense conversion should create jobs, you can certainly cut defense in a way which creates jobs at the same time, have a conversion where you use the money in ways that create jobs, and this has been all explained and was presented in the Congressional Black Caucus budgets by the gentleman from California [Mr. DELLUMS] who is a former chairman of the House Committee on Armed Services.

To conclude, what I am saying is that we are in the beginning of a budget and appropriations process, the most important activity that takes place in Washington, the most important activity that takes place in our Government anywhere in the United States. This budget process will determine what our priorities are, how we are going to spend the money of the American taxpayers over the next year or so. It will probably set up a pattern which will continue over the next 5 to 7 years. So it is very important.

Everybody should understand the process is just beginning. Understand that the President cannot veto the budget when the Senate and House agree on the budget; the President does not have the power to veto that budget. The President will have the power to veto the appropriations bills that come out of the budget. We hope the President is going to veto most of those appropriations bills. Those that have the draconian tax cuts, those that have the ridiculous measures like the elimination of the Department of Education, we expect the President to hasten to veto. We do not expect either the House or Senate to have the power to override the veto. Therefore, we are going to have gridlock and the President is going to have to negotiate, our Democratic President will have to negotiate with a Republican-controlled Senate and House.

You should know this and understand that as a citizen you cannot sit and be a spectator. Get ready to be a soldier. There is a war underway. The budget and appropriations process is a major battle of the war that has been declared by Speaker GINGRICH. Speaker GINGRICH said politics is war without blood. Anybody who does not hear that statement and react is doomed to failure. If we do not gear up for a war, in order to defend Medicare you have to wage a war, in order to defend Medicaid you have to wage a war, in order to defend school lunches we have to wage a war. In order to keep housing for homeless you have to wage a war. Every citizen has to be a soldier in this war. It is a war against the majority; the majority of our people will be hurt by these cuts. The majority of our people will be hurt by this crisis that has been artificially created.

Can the elite minority win a war against the caring majority? That is the basic question. In America we are a democracy; we cannot accuse anybody of having subverted our democracy. The people in our House of Representatives got there through a democratic process, the people elected them. Yes, it is true only 38 percent of the people came out to vote for Members of the House of Representatives, and the Republicans got a little more than half of that 38 percent. Therefore we did not have an overwhelming mandate. But it does not matter in our democracy; whoever gets the most votes wins. They are in power.

How far will this go? Now that they have revealed that they are going to make war on the majority, the elite minority in order to preserve their privilege, in order to have a situation where the rich can get rich faster, the elite minority in order to have the rich not have to put up with the nuisance of a few more taxes, the elite minority in order to have the power to go into the courts and limit any suit to \$250,000 no matter how serious your injury and situation might be, protecting against the elite minority and protecting the corporations, are we going to continue

with a situation where the elite minority protects corporations from bearing their fair share of the tax burden? Are corporations going to get away with paying 11 percent of the tax burden while individuals pay 44 percent? Are we as a majority going to allow the elite minority to do that to us?

How long are we going to suffer that? How long are we going to let it go on? That is the question. Can the elite minority win a war against the caring majority? Can the elite minority prevail in a democracy? Can the majority be stamped into voting against their own interests? In a democracy can the majority be stamped into voting against their own interests?

In November 1996, and in 6 months before that, are we going to be discussing the budget? Are we going to discuss the tax burden and the fact that corporations are paying so much less of the tax burden than they should be paying while individuals and families are paying so much more of the tax burden than they should be paying? Will that be on the agenda? No; we will probably be discussing diversionary issues. The elite minority will use their power to control the media, and they have launched billions of dollars for this process. They will use their power to control the media to divert the eyes of the minority in discussions of affirmative action, into discussions of abortion, into discussions of prayer in the school, into discussions of a number of items that are important, but they are not at the center of what is going to happen in this society or determine what is going to happen in this society in the next 10 years. They are diversionary, gut, emotional issues that are going to be used to stampede the majority into voting for a prospect with respect to the finances and the budget and the appropriations that favors the elite minority. I hope that every citizen will understand the Speaker has made it quite clear that we are in a war. Politics is not what it should be. I think politics, as I said before, should be a noble contest between parties that want to reach the same goal, parties that are interested in promoting the same causes. Politics should be a situation where all America wins. There are no losers in a political process which is conceived of as a noble contest to improve America, as a noble contest to have everybody come out better than they were before. Every citizen should understand that we are in a war that you did not declare. It is not a contest anymore because the Speaker has said so. It is war without blood.

We are in a war without blood. War means that casualties have to be taken. War means destruction, war means inevitable enemies. We are not going to be able to deal with each other much longer except as enemies.

Every American understands this and understands we are still a free people and still a democracy. You can use

your Bill of Rights, you can demonstrate, you can sign petitions, you can get in touch with your congressman, you can do a whole lot of things and not sit still and watch the war make you a victim. Do not be a victim; be a soldier.

I am happy to point out in closing in New York City we have several different regions, battlefields. We have a battlefield that is being commanded by General Pataki in the State government; we have a battlefield that is being commanded by General Giuliani in the city government. The people of New York City are under attack by generals in this war who all share the same philosophy as the Speaker. The elite minority is in charge of the city hall in New York City. The elite minority is in charge of the Governor's Mansion in Albany, the capital of New York. So we are under attack from three different battle scenes, three different generals are pressing a campaign down upon the people. The majority are under attack.

I am pleased to announce that I attended a press conference yesterday by a group called the Same Boat Coalition, little groups that have gotten together more than 100 strong who want to fight back, and I give you this example because it has to happen all over America. Unless you understand what is going on, unless you say I am going to fight for myself, unless you understand I want to be a citizen soldier, there is a war, and I am going to either be the victim or I am going to be a soldier, and we must get up and become soldiers, then you will not be able to overcome what is about to happen.

So I congratulate the Same Boat Coalition and I close with a statement from their mission statement. The Same Boat Coalition is primarily designed to fight the cuts at the New York City and New York State level. But the New York City and New York State cuts are being driven by the cuts in Washington. Medicaid is a major problem, and the cuts in Medicaid are being invited by the mayor of New York City. He said make more cuts because when the Federal Government cuts the city has to spend less. The Governor said make more cuts in Medicaid; we will be happy to spend less; make more cuts in Medicare. Our hospitals are in danger. There is talk of selling the hospitals in order to make ends meet. All kinds of draconian measures are under way and it started here in Washington, the tone was set here. This is a war declared here and they have generals who are waging the battle against the people at every level. So the Same Boat Coalition, this group of more than 100 organizations have issued the following mission statement, and I will read partially from it.

#### THE SAME BOAT COALITION MISSION STATEMENT

The United States is at a crossroads. This generation must choose the future course of our society—whether toward greater social

justice, enfranchisement and well-being for all, or toward a more oppressive and distressed society with material, cultural and spiritual impoverishment for all but a wealthy few—and escalating pandemic of illness and violence. At all three levels of government, the quality of life is under assault.

Confronted by this challenge, we have come together on the following principles:

Everyone has a right to an adequate standard of living, including a decent job and income security, sufficient food, safe and affordable housing, access to quality education and health care, and a sound environment. Our tax dollars, collected equitably and distributed fairly, would enable these rights to be realized. In our society, so rich in natural, human and capital resources, we reject as baseless the logic of scarcity.

Our society cannot flourish while many among us lack the basic necessities. All but the wealthiest of us are vulnerable to loss of employment and to costly illness or injury. Entitlements to food, shelter, health care and other basic necessities are essential protections that must remain public priorities, never to be stripped away.

Ours is an interdependent, democratic society, where each of us is secure only so long as the liberty and well-being of all of us are protected. In innumerable ways, we are all in the same boat. We oppose restrictions of our most basic freedoms, the destruction of hard-won safeguards to ensure equal access, and the exclusion of immigrants from our national vision. Governments must be held responsible for protecting and promoting the fundamental human rights, dignity, personal security and welfare of all.

We are a diverse coalition of individuals and organizations, including students, trade unionists and other working people, unemployed, social workers, religious groups, health workers, teachers and professors, community developers, environmentalists, legal services workers, small business people, advocates, people of all ages, races, ethnicities and religions, lesbian, gay and straight, people with disabilities, mothers, fathers and children. In the face of wide-ranging attacks on these principles, we are united in a struggle to take back our city, our state and our country.

In closing, Mr. Speaker, I want to go back to my beginning. We are at the beginning of a process, of a budget and appropriations process, which is the most important process undertaken in our Government each year. The Speaker of the House of Representatives has stated that politics is war without blood. It is important that every American understand that, and come out to participate in the war that is going to decide your fate. You must know what is in the budget, you must insist that the budget can be balanced. The budget can be balanced in 10 years without hardships, without suffering if you balance the tax burden. If you balance the tax burden and have corporations pay as much as families pay, balance the tax burden and you can balance the budget.

#### 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 Member (at the request of Mr. OWENS) to revise and ex-

tend her remarks and include extraneous material:)

Ms. KAPTUR, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. GOSS, for 5 minutes, on June 7 and 8.

#### EXTENSION OF REMARKS

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

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

Mrs. KELLY in two instances.

Mr. GALLEGLY in two instances.

Mr. BEREUTER.

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

Mr. PICKETT in two instances.

Mr. SCHUMER in two instances.

Mr. WARD.

Mr. HAMILTON.

Mr. TUCKER.

Mr. BONIOR.

Mr. PALLONE.

Mr. KILDEE.

Mr. COYNE.

Mrs. MALONEY.

Mrs. MEEK of Florida.

Mr. WYDEN.

Mr. COSTELLO.

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

Mr. DAVIS.

Mr. MORAN.

Mrs. MEEK of Florida.

Mr. STARK.

Mr. THOMAS.

Mr. HOUGHTON.

Mr. JOHNSON of South Dakota.

Mr. CLAY.

#### ENROLLED BILL SIGNED

Mr. THOMAS, from the Committee on House Oversight, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 1158. An act making emergency supplemental appropriations for additional disaster assistance, for anti-terrorism initiatives, for assistance in the recovery from the tragedy that occurred at Oklahoma City, and making rescissions for the fiscal year ending September 30, 1995, and for other purposes.

#### ADJOURNMENT

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

The motion was agreed to; accordingly (at 1 o'clock and 22 minutes p.m.), under its previous order, the House adjourned until tomorrow, Wednesday, June 7, 1995, at 12 noon.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from