

Care Financing Administration, which has strangled health care with regulatory burdens, does indeed die on the vine.

Let me also point out that in 1965 when Medicare was passed, nearly half of the Republicans then in this House voted in favor of it. That should be pointed out again. Nearly half of the Republicans supported it. Over half support it now. Nearly all of us want to fix it, preserve it, protect it. But allowing erroneous statements to be made simply is not helping the process.

HCFA, the Health Care Financing Administration, should wither on the vine. Medicare will be better for it.

Mr. Speaker, the text of the speech by Speaker GINGRICH follows:

[From the Washington Times, Oct. 27, 1995]

GINGRICH SAYS HALT MONOPOLY

Text of House Speaker Newt Gingrich's remarks before a conference of Blue Cross and Blue Shield on Tuesday.

Now let me talk a little bit about Medicare. Let me start at the vision level so you understand how radically different we are and why it's so hard for the press corps to cover us. Medicare is the 1964 Blue Cross plan codified into law by Lyndon B. Johnson, and it is about what you'd—I mean, if you all went out in the marketplace tomorrow morning and said, "Hi, I've got a 1964 Blue Cross plan," I'll let you decide how competitive you'd be. But I don't think very.

So what we're trying to do, first of all, is say, OK, here is a government monopoly plan. We're designing a free-market plan. Now, they're very different models. You know, we tell Boris Yeltsin, "Get rid of centralized command bureaucracies. Go to the marketplace." OK, what do you think the Health Care Financing Administration is? It's a centralized command bureaucracy. It's everything we're telling Boris Yeltsin to get rid of. Now we don't get rid of it in Round 1 because we don't think that that's politically smart and we don't think that's the right way to go through a transition. But we believe it's going to wither on the vine because we think people are voluntarily going to leave it—voluntarily. Notice the difference, again, from the Clinton plan. No one under our plan is coerced into doing anything.

□ 1845

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. AL-LARD). 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.

HEARING "PROP" INCIDENT DOES NOT MERIT ETHICS INVESTIGATION

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

Mr. CLINGER. Mr. Speaker, Halloween is over and it is time to take off the masks and reveal to the American public the truth about the so-called ethics matter regarding a prop used at a recent subcommittee hearing in the Government Reform and Oversight

Committee. The truth is that this issue is really about partisan politics. I shouldn't have to be here tonight, or for that matter none of us should be. I find it truly discouraging when Congress has so many urgent matters at hand, balancing the budget, health care, and education, just to name a few, we find ourselves having to spend time and money addressing a matter that deserves nothing more than a brief explanation and an apology. Both of which have already been done.

I hope tonight that once and for all we can put an end to discussing this issue—we are beating a dead horse. Many of us, like myself, are sick and tired of discussing this nonissue. Clearly, this whole incident has been exaggerated and blown way out of proportion.

Let me clarify exactly what happened. On September 28 as part of a hearing conducted by the National Economic Growth, Natural Resources, and Regulatory Affairs Subcommittee a prop was prepared to show that certain organizations received Federal grants. The prop, a large chart prepared by HIS, was a reproduction of the organization's letterhead and showed in red ink the amount of Federal funds received by several members of the organization. The exhibit was xeroxed on letter size paper so that those that might not otherwise be able to see the easel could review it, including members of the press, and was released before the prop itself. The prop did not include any identifying information on it as to who prepared it as many hearing props do not; it was to be used for questioning a witness as to whether the information on the chart was accurate. No one who saw the prop or document would believe that it was put out by the organization itself.

Was there a crime committed? Was there a conscious attempt to deceive? Was this a forgery? The answer to each of these questions is a resounding no. This whole incident is being blown out of proportion. What did occur is that a new staffer on the Hill simply made an error. A human error. Nothing more, nothing less. Our Democrat colleagues want to spend more taxpayer money on trying to pursue an ethics violation. However, if one looks at the history of the types of ethics investigations brought before the House in the past they are far more serious charges, such as bribery or sexual harassment. There is no basis for comparison. The one incident referenced last week regarding a staffer who in 1983 intentionally and maliciously altered transcripts, which are official records of the House was a concern because of the legal nature of the document as legislative history. There is a big distinction between a prop used at a hearing to question a witness and altering the official records of the House. There is absolutely no precedent in the history of the House for bringing up an ethics charge based upon the unintentional actions of a staffer creating a prop for

purposes of questioning a witness at a hearing.

In fact, we all make errors. I would like to expose some of the inaccuracies expressed last week in speeches given by my Democrat colleagues with regards to this incident. I will give them the benefit of the doubt, and assume that they too were errors. First, it was stated that Subcommittee Chairman MCINTOSH did not issue a letter of apology for some time, but in fact, a written letter of apology was issued that very same day. Second, it was stated the motion to table Mrs. SLAUGHTER's resolution was voted down twice—when in fact it was only voted down once by the House. Third, this incident is being mischaracterized as a criminal forgery. This is erroneous. For the record, according to the Perkins' casebook defining criminal law the term "forgery" means the fraudulent making of a false writing having apparent legal significance. This prop had no such legal significance; it was not done intentionally, and it was not done to deceive. It was intended to be used for the purposes of questioning a witness during a hearing.

Mr. Speaker, there was no forgery and there was no crime committed. What I find most embarrassing and upsetting about this entire incident is the amount of time and money spent by Members discussing it on the House floor. There is nothing more to discuss—so let's be done with it and get on with the business that the taxpayers sent us here to do.

HOLDING DEBT CEILING HOSTAGE WILL HURT WORKING AMERICANS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. BONIOR] is recognized for 5 minutes.

Mr. BONIOR. Mr. Speaker, in the past 220 years, America has been through 10 wars, the westward expansion, a Civil War, the Industrial Revolution, the Great Depression, Naziism, and Communism. This Capitol that we reside in right now was even burned in 1812, I believe.

Mr. Speaker, through it all, through all of that, for 220 years, the government has paid its bills. It has always paid its bills. But now Speaker GINGRICH is threatening to put it all at risk.

The Washington Times pointed out last Thursday, in order to force through the extreme Republican budget, they pointed out by the way which would cut Medicare to pay for tax breaks for the wealthy, they pointed out that the Speaker is threatening to throw the U.S. Government into default for the first time in our history.

In order to ram through their Medicare cuts, Speaker GINGRICH is willing to use the debt limit to blackmail the President, to hold America's working families hostage, and put us in league with some of the Third World nations who have not met their obligations over the years and who do not honor their promises.

Mr. Speaker, this just will not be an international embarrassment or an embarrassment that breaks records of historical precedence. It is going to have a devastating impact on the men and women, the working men and women in this country. It is going to affect them directly.

The debt ceiling affects interest rates. If we do not pay our bills, interest rates are going to go up. Some people say they are going to shoot through the roof. The Gingrich interest rate increase will mean that Americans will pay more for car loans; they will pay more for school loans; they will pay more for credit cards.

Worst of all, every family that has an adjustable mortgage rate, they have an ARM, and there are literally millions of Americans who have these financial instruments to pay for their mortgage, they will see their payments go up right around Christmas time.

New home buyers could easily see a \$600 mortgage increase. That is what is at stake when we talk about the debt limit, and when we talk about holding it hostage, and when we talk about for the first time in 220 years not paying our bills.

Mr. Speaker, this will have an effect on the pension funds of senior citizens and the savings plans of many people who have payroll deduction plans.

One Republican Member on this side of the aisle even suggested that they should use all the tricks up their sleeve. He suggested that Republicans let the Government go bankrupt, even if it means delaying tax refunds next year. He even suggested that we not put payroll tax receipts into the Social Security trust fund.

Keep in mind, this comes from the same party which had a Congressman define the middle-class last week as those people who earn between \$300,000 and \$750,000 a year, and he defined the lower middle-class as those making between \$100,000 and \$200,000 a year. I would sure like to live in his neighborhood.

Mr. Speaker, the Gingrich budget passed last week slashes Medicare and slashes Medicaid; it cuts student loans; it repeals nursing home standards, all to pay for tax breaks for the wealthiest individuals and the wealthiest corporations in America.

Speaker GINGRICH says we have to default on our debt in order to get the budget passed. Mr. Speaker, I say they have to drop these irresponsible tax breaks for the wealthy. We stand with the President and we stand solid and we say to the President, "Hold firm, Mr. President. You are doing the right thing."

REPUBLICAN ATTEMPTS TO
BLACKMAIL PRESIDENT WILL
REQUIRE AMERICANS TO PAY
RANSOM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut [Ms. DELAURO] is recognized for 5 minutes.

Ms. DELAURO. Mr. Speaker, this afternoon the Republican leaders in the House and Senate went to the White House in an attempt to blackmail the President into signing their extreme budget.

Democrats and the President are opposed to the Republican budget because it includes deep cuts in Medicare and Medicaid and because it increases taxes on working families, while cutting taxes for the wealthy.

The President has promised to veto the budget unless changes are made to protect seniors, children and working families from bearing the brunt of GOP cuts.

But now, Speaker GINGRICH and the leader of the other body are attempting to blackmail the President by threatening to throw the government into default if the President doesn't sign their extreme budget. It's a very dangerous game. Playing politics with our economy is bad news for both Wall Street and Main Street. The Speaker's irresponsible threats sent shock waves up and down Wall Street. But, the real impact of the Speaker's ill-considered political gambit will be felt on Main Street. Once again, working families will be hurt the most.

In fact, the Speaker's threat to throw government into default will amount to a Christmas tax on working families. You see if the government goes belly up, interest rates will go up and up. What does that mean? Well, for starters, it would mean higher mortgage, car loan and credit card payments.

For millions of working families with adjustable rate mortgages, increased interest rates will mean their monthly payments will mean their monthly payments will increase, just in time for Christmas.

If the Speaker forces the Government into default, Americans can expect to ring in the New Year with higher car loans and credit card payments.

In fact, a Tuesday Washington Times story explained that Republicans are so committed to their blackmail strategy that they would be willing to allow the Government to default, even if it means they will have to delay income tax refunds next year.

Mr. Speaker, this is the quote from the Washington Times, Tuesday, October 31:

Representative Nick Smith, the Michigan Republican who heads a 130 member House coalition that wants to use the debt limit as leverage to force Mr. Clinton to sign the Republican budget, said he believes the Treasury could go through January without a debt increase, and if it delayed income tax refunds next year, it might last through spring.

So, in fact, the gentleman does not really care if people do not get their income tax refund, if the interest rates go up, and people have to pay a higher mortgage payment, car loan payment, or credit card payment.

Mr. Speaker, raising mortgage rates for homeowners and denying tax refunds to hard-working Americans is wrong. But, that's what this GOP gam-

bit will mean to working families in this country.

It's hard to believe that Republicans are willing to bankrupt the country. What's worse is that this is all being done to force the President to sign a budget that will further devastate working families.

It's a budget that would repeal Federal nursing home standards. That's right. The House budget would end minimum protections for senior citizens in nursing homes, opening the door for a return to the health care dark ages of bed restraints and mind-altering drugs.

It's a budget that would increase taxes on working families, while decreasing taxes on millionaires. By changing the earned income tax credit, the Republican budget means that working families will pay higher taxes last year. In my district, this budget will raise taxes on 14,309 working families.

It's a budget that would allow big corporations to raid the pension funds of their workers. This budget repeals current penalties for pension raids and allows companies to dip into their employees' retirement money for any reason whatever. In my State, it will mean that \$6.5 billion in retirement funds will be at risk.

Eliminating nursing standards, raising taxes on working families and allowing giant corporations to squander their workers retirement benefits have nothing to do with balancing the budget. They have everything to do with the upside down priorities of the GOP majority.

Let's not play politics with working families' monthly mortgage payments. Let's not play politics with working people's tax refunds. Let's not play politics with the financial markets.

Republicans are attempting to blackmail President Clinton into signing their extreme budget bill, but it is working Americans who are being asked to pay the ransom.

□ 1900

SEQUENCE OF SPECIAL ORDER

Mr. SMITH of Michigan. Mr. Speaker, since my name was invoked by the previous speaker, I would ask unanimous consent that I be allowed to go out of order with my 5 minutes and speak at this time.

The SPEAKER pro tempore (Mr. AL-LARD). Is there objection to the request of the gentleman from Michigan?

There was no objection.

THE DEBT CEILING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. SMITH] is recognized for 5 minutes.

Mr. SMITH of Michigan. Mr. Speaker, first I would like to ask the previous speaker if I could have that