

agree to its passage. Circumstances change and are different in various parts of the world. I think before we criticize others, we should look to ourselves and find out how we can better the life of the individual without major damage to the state.

We must consider majority rule otherwise there will be chaos and anarchy. However, we must also give priority to the rights of the minority and protection from oppression to the individual.

I appreciate all of the points that have been made here by you our colleagues. I do think it is strange that whether we are discussing the economy, the environment or whatever, we do come back to the basic area of political rights and as well human rights. But I do believe we must distinguish, we must define the difference, if any, between civil rights, political rights and human rights. Much confusion exists in the press which, in many cases, has misconstrued and intermingled the true meaning of what those rights mean, and how those rights carry with them responsibilities. Too often generalities misunderstood by journalists who are ill grounded in the circumstances, becloud the issue and are subject to the biased views of proponents of a cause that influences their reporting and undermines the professionalism of a journalist who then plead a cause rather than report the news as it happens.

We must open up our discussions as we have during this conference to fully understand each others problems and find solutions that are beneficial to all. Not just thru official channels which are limited and conditioned by protocol and diplomatic double talk but thru the informality of legislators that has permeated this meeting.

With the most gratitude I can muster that can express to you my true feelings I convey to you that thanks of the PCI for your participation.

Now coming to another . . . and that is the composition of this group . . . the lack of some numbers and some areas of the Pacific region being represented here. I do want you to know that the Speaker of the United States Congress encouraged members to participate. However, because of a legislative problem the House and Senate remained in session beyond the designated recess time [because of a Parliamentary problem of a filibuster in the US Senate.] and were unable to travel, in time to make this meeting. The Hon. Eni Faleomavenga, ranking member of the Asian and Pacific Affairs committee of the House of Representatives, was delegated by the Speaker as spokesman for the United States. He most adequately fulfilled his responsibilities and was assisted by former Representative, the Hon. Robert Leggett, and a former member of the National Security Council Staff, Donald MacDonald. I am sure you will agree we have profited nobly by their participation.

One aspect of these, our four sessions, I am happy to report has been the unanimous desire for a continuation of this type of meeting and the need to broaden the base, thru additional countries being represented. I concur. And, I do believe if we are to achieve the most productive results we must be inclusive rather than exclusionary.

That we have had opposition people represented here has greatly added to the dialogue and the overall information about which we have been availed. I recommend this as a pattern for us to follow in future meetings. We should invite parliamentary representation of all bodies that seek to join this effort.

However, we also have a situation, within the region, because of certain sensitivities, that has precluded the attendance of some of the major players of the region who have not been invited to participate. I refer to Taiwan

and Hong Kong. Some time ago, we had hawks, doves and ostriches, as well. Ostriches are those who would stick their heads in the sand and are impervious to the events taking place around them. Well, we have no flags here. That was done with a purpose. We are not ostriches. There is not a conscious attempt to plead any political cause.

It is regrettable that because of a snafu relating to communications problems and the visas not being available in time for the meeting that the Peoples Republic of China Delegation could not be present with us, (even though they had their tickets and approval of their government to travel to the conference. The Chinese Ambassador to Indonesia has graced us with his presence and participated in several of the events. I am assured it was their intent to fully join with us and give us the benefit of their comments, ideas and suggestions.

Informality has been the key underlying premise upon which we have conditioned our conference so that we could obtain the benefit of the fullest practical information and all views that could lead to better understanding and a channel of communication that could prevent tensions and misunderstandings.

Exclusion from future meetings would mean that we would miss important perspectives. Hong Kong is a major economic factor in the region. As is Taiwan. With the largest foreign reserves in the world, how can we truly understand the macroeconomic picture without their participation.

The nature and advantage of this meeting, as has been repeatedly emphasized, is its informality . . . where we can talk and discuss without the strictures imposed in diplomatic settings. It is through this informal type of exchange that progress can be made without formal compromise of position. That is another reason we have designated this conference as a Parliamentary and Development Conference. To preclude the formality of just parliamentary delegation attendance.

I would just like to say something about the Pacific Community Institute. I circulated a booklet about our Institute among you. I hope you have had a chance to go through it. If not . . .

The Pacific Community Institute was established in 1982 by Touro College, which looks to the understanding of American and Pan Asian culture in relation to the contributions of other civilizations and societies.

PCI is dedicated to: 1. the promotion of Asian and American bodies, elected officials and private sector leaders to enhance communication, strengthen democracy and improve cross-cultural understanding and trade relations.

2. Providing a forum for parliamentarians and others in transpacific issues in the fields of energy, trade, technological exchange, business effectiveness, social welfare and education.

3. Furthering the development of research and demonstration projects to implement forum recommendations on modes of international business development, cultural exchange and joint parliamentary action on geopolitical issues.

4. Recruiting students for attendance at Asian and American colleges with curricula combining education with internships and business, Pacific nation Parliaments and the U.S. Congress.

The PCI has had a leading role over the years in organizing conferences with other Pacific Rim Institutes. These have been held in the Republic of Korea, Republic of China, Thailand, Republic of the Philippines, Indonesia and Singapore, with the primary topics being joint security and trade. In 1984, PCI

began a student Exchange program of internships with the US Congress and the Korean National Assembly. This program, over the years has been extended to Thailand, Hong Kong and the Peoples' Republic of China. It has provided the leaders of tomorrow with vital insights into the governments and daily life of the countries participating.

We intend to expand these programs through which we hope to provide for closer relations among all nations of the Pacific Rim, which includes the United States which is a Pacific nation, as well as an Atlantic nation.

Thank you for your attention and participation.

#### EVERY SECTOR WILL PAY INCREASED TAXES

(Mr. BURTON of Indiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BURTON of Indiana. Mr. Speaker, I would just like to say to the gentleman from Oregon who just spoke that every family in America is going to be hit with these tax increases, not just millionaires, not \$100,000 income earners; every single person in America is going to get hit with the tax increase.

Let me just say to the gentleman, I want to say to the freshmen like him on the other side of the aisle, I wish you well because if you vote for all these tax increases and go home and tell your constituents that you voted for the largest tax increases in history, that you voted to support President Clinton's breaking promises to every single American he made those promises to, and he said he was not going to raise taxes for anybody under \$100,000, that you are going to vote for all these tax increases, you are going to vote to send all these people in this country back to the bank to borrow money to pay their taxes because you want to spend more, let me just say to you, I wish you well. I wish you well because you are going to be doing something new after the next election.

#### FBI DOES NOT SERVE AT THE BECK AND CALL OF THE PRESIDENT OF THE UNITED STATES

(Mr. MCINNIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MCINNIS. Mr. Speaker and Members, as a former police officer, I realize the importance of the Federal Bureau of Investigation being independent. It is an arm of the Department of Justice, and it is an independent investigative authority. What has happened in the last week by actions of the White House is a travesty to justice in this country. As you know, in the last few days, in an attempt to put a better light on the travel agency fiasco at the White House, the FBI was called over, ordered to the White House in the last couple of days in order that they be given some guidance to help with the press release.

Many of you saw this morning that the Attorney General, Janet Reno, has protested that type of action. That type of action is certainly out of the ordinary and should not be tolerated in this country.

The FBI does not serve at the beck and call of the President of the United States; the FBI must maintain its independence, and I would hope that in the future that this kind of activity and behavior is certainly brought to an immediate halt.

#### CALCULATING THE TAX INCREASES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California, (Mr. KIM), is recognized for 5 minutes.

Mr. KIM. Madam Speaker, my remarks tonight should be seriously considered by the Democratic Members of the freshman class in this body.

When these members ran for election last year, did they tell the voters that they were intending to vote for the largest tax increase in U.S. History? I don't think so.

Did they tell the voters—that they would cast their vote to raise taxes dramatically long before ever voting for any spending cuts?

I don't think so.

I don't think my colleagues ran as business as usual, tax and spend Democrats.

Well then, let me explain this budget bill, the Clinton administration is asking freshmen representatives to support.

It's called the Omnibus Budget Reconciliation Act.

The name is purposely confusing so that the American public is deceived into thinking its something harmless or even good.

Madam Speaker, I want the American public to know that this new budget bill, really is the largest tax increase in American history.

It will cost American taxpayers at least \$332 billion over the next 5 years.

As a freshman, I have a hard time committing American taxpayers to \$332 billion.

As an engineer, I always like to quantify figures.

Using basic math, let's see how much this tax hike will really mean to the American family.

My district is one of 435 districts. So, I took \$332 billion and divided it by 435. The result is \$760 million per district. That means my district in California alone would be obligated to pay \$760 million in new taxes over the next 5 years.

Then, I took this simple math a step further. There are about 570,000 people in my district. So, I divided \$760 million by 570,000 people.

I was shocked to see that every man, woman and child would have to come up with over \$1,300.

This means that the average family of 5 will be assessed nearly \$7,000 in

new tax increases. Let me repeat. \$7,000 in new tax increases. America has never had this huge a tax increase in its entire history! But, that's not all.

This tax bill also includes a new BTU tax. Again, let's be honest. This is a hidden gas tax.

This BTU tax means 8 cents a gallon. That might not sound like much, but it is.

We're told avg \$450/yr. of new BTU taxes per family is not that big a deal to the average American family.

I guess this is true, it's only the price of 2 haircuts! But, this is not all. This BTU tax is indexed annually for inflation.

The cost of this new tax will grow higher and higher each year. . . .

But, wait . . . there is more. The BTU tax isn't just a gas tax on automobiles, it also translates into more taxes on electricity, water, heating oil and almost every other product.

So, by the time all these new taxes are added together, I wouldn't be surprised if the total burden to the average family of 5 will exceed \$10,000 in new tax increases! That's outrageous. We must stop this madness.

The point I raise for my fellow Democratic freshmen . . . is that a "yes" vote on this tax bill will have grave consequences in 1994.

Good luck going home and telling people that we voted for the biggest tax increase in U.S. history.

Madam Speaker, I just wanted to quantify this bill using simple mathematics so that the American public will be told the truth.

Let me repeat, for the average family of five, we're looking at nearly \$10,000 new taxes.

I say don't raise taxes. No nation has ever taxed its way into prosperity. Cut these hundreds of wasteful government subsidies instead.

#### CLINTON DEFICIT DEDUCTION PLAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. PICKLE), is recognized for 5 minutes.

Mr. PICKLE. Madam Speaker, the only way we will ever get our deficit under control and get out of the economic mess we're in is through a combination of spending cuts and revenue increases—there is just no other way. All the nuances and natterings in the world cannot change this basic fact.

Let me emphasize one very important point: The pending tax-reconciliation bill is a balanced one. It contains roughly the same in tax increases as it does in program and spending reductions. Now, it is true that it doesn't cut as much in the first year, but over 5 years there is a good balance of cuts on spending and new revenues.

Madam Speaker, for the first time in more than 15 years, a Democratic President is proposing to bring down the deficit through a responsible approach including spending cuts and new revenues—the only real answer we've got if we want to do the right thing for the country.

This is a unique moment in history. We've got a unique window of opportunity that we have never before had. For the first time, we have a combination of a White House, a Congress, and most importantly, a public citizenry united in a desire to reduce this horrendous deficit. People clearly see that it threatens our future as a nation. Whether we like all aspects of this plan or not, if we don't pass it, we've lost our one real chance for a decade, maybe even a generation.

Now, we need to understand that there is a lot more to this bill than just revenue increases—contrary to what political opportunists and uniformed pundits might be saying. This bill actually cuts spending or saves spending by some \$240 billion dollars. This package includes some tax cuts designed to spur business and help us better compete in the global economy. Some of these measures include:

R&D tax credits will be reintroduced and made permanent.

The targeted jobs tax credit will be reintroduced and made permanent.

The low-income housing credit will be reintroduced and made permanent.

The small-issue tax exempt bond program will be reauthorized and made permanent.

The bill also cuts taxes to help small business, the most critical sector of our economy, by increasing expensing for new equipment from \$10,000 to \$25,000.

Small business is also helped by the extension of the self-employment health deduction up to 25%. It ought to be 100%, as given to others—by we just can't afford it now.

The bill reverses the harsh impact on our real estate industry of the 1986 passive loss provisions. This is something our real estate business sorely needs.

Let me also mention a couple of areas that this bill addresses as a result of our work in the Ways and Means Oversight Subcommittee.

Madam Speaker, during 1991 and 1992, the Subcommittee on Oversight conducted numerous hearings, investigations, and site visits as part of a major oversight initiative. In follow-up to these activities, the subcommittee forwarded to the committee its findings and recommendations to improve the administration of certain laws and programs. Several of those recommendations are contained in the reconciliation bill we will be voting on tomorrow. They include provisions to: (1) improve the administration of the Medicare Program in the areas of Medicare Secondary Payers (MSP) and Durable Medical Equipment (DME); (2) to reform Customs overtime pay practices; (3) to prevent the payment of Federal benefits to dead people; and, (4) to protect taxpayers from deceptive mailings.

This legislation affects the manner in which the Federal Government serves and protects the public, and manages its resources. In the end, I believe that enactment of these provisions will protect the integrity of many Federal programs. It will prevent wasteful and abusive practices which are currently costing taxpayers millions of dollars each month.

different Government benefit programs and identified about \$5 million in benefits being paid to dead people each month. After checking further GAO established that some of these people had been dead for over 6 years. Even worse, GAO found that some of these benefit checks and been regularly increased to provide cost-of-living-adjustments [COLAs] to these deceased beneficiaries. But, perhaps worst of all, these were beneficiaries that were known to be dead. The Social Security Administration had already received information indicating that they were dead. Unfortunately, this information was often not shared with other Federal agencies because a majority of the States have, by contract, prevented SSA from redisclosing death certificate information to other Federal agencies. This leaves the Federal Government in the absurd position of paying millions of dollars each month to people we know are dead.

Unfortunately, Madam Speaker, this is not a new issue. Last year the House passed H.R. 3837, legislation specifically intended to address these issues, but it was not acted on by the Senate. This legislation was also included in H.R. 11, last year's tax bill, which was vetoed by the President. This is the kind of bureaucratic and legislative gridlock that the public cannot understand. There is no justification for paying millions of dollars each month to people we know for a fact are dead. There is no excuse for wasting many millions more as the result of mismanagement in the area of Customs overtime pay, fraud and abuse in the Medicare program, and con artists bilking the public with deceptive mailings. But, if we do not pass this legislation that is exactly what will happen.

Now, the bill does spend some more on the vulnerable of America's citizens—our children. We do spend a little money on immunizations and on family preservation, but we pay for these programs as we go.

And, Madam Speaker, that is the crucial point: We've had a party over the last 10 or 15 years, and now it's time to clean up after ourselves and pay the bills.

That's what this plan does, and if we are serious, it's time to fish or cut bait. Support this plan for America's future.

#### WHERE IS THE RULE ON BUDGET RECONCILIATION?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California, Mr. DREIER, is recognized for 5 minutes.

Mr. DREIER. Madam Speaker, I took this time out this evening to ask a specific question: Where is the rule under which we are going to consider this reconciliation bill? I frankly did not know that I had requested the time, but I see several of my Rules Committee colleagues here in the House, the distinguished ranking Republican on

the Rules Committee, and it is now 11 minutes before midnight and we are anxious to have a rule reported to the floor so that we can proceed to do everything that we possibly can to defeat the largest tax increase that has ever been proposed on the American people.

Mr. WALKER. Madam Speaker, will the gentleman yield?

Mr. DREIER. I am happy to yield to the gentleman from Pennsylvania.

Mr. WALKER. Madam Speaker, has the gentleman, as a member of the Rules Committee, been given any word whatsoever as to when we may see this rule emerge onto the House floor?

Mr. DREIER. Madam Speaker, reclaiming my time, I am happy to yield to my very dear friend, the gentleman from South Carolina, Mr. DERRICK, the deputy majority whip.

Mr. DERRICK. Madam Speaker, we are hoping to get a rule out here within the next half an hour or so. We are waiting on some negotiations.

Mr. DREIER. Reclaiming my time—

Mr. DERRICK. So that we can take up the greatest budget cut in the history of this Nation.

□ 2350

We are waiting on some negotiations.

Mr. DREIER. So the next half-hour?

Mr. DERRICK. So we can take up the greatest budget cut in the history of this Nation.

Mr. DREIER. I would like to pose a question to my dear friend from South Carolina, if I might. I would like to ask that, if we are supposed to have this rule reported out within the next 30 minutes, at what time can we expect to have a meeting upstairs on the third floor to begin the markup of this rule? Because a number of us have a wide range of amendments we would like to propose. I would be happy to yield to my friend from South Carolina to respond.

Mr. DERRICK. Would you mind repeating that?

Mr. DREIER. I would be happy to repeat it if my friend did not hear it: I would like to know if we are going to be holding or when we are going to be holding our meeting upstairs so that we can begin marking up this rule that we hope to consider here. I am happy to yield to my friend from South Carolina to respond.

Mr. DERRICK. It is my understanding that the Committee on Rules will be meeting, oh, probably within the next 20 minutes and hopefully to get out a rule in time to take it up tomorrow and vote on the matters that are before us.

Mr. DREIER. Great. I thank my friend for his response.

I am happy to yield to my friend from East Petersburg.

Mr. WALKER. That timing sounds like it is going to take you to after midnight. Now, does that mean that the rule then would not be eligible to be brought to the floor tomorrow and

we are going to have to go over until Friday?

Mr. DREIER. I think we should pound that question to the chief deputy whip, my friend from South Carolina and colleague on the Committee on Rules.

If we go past midnight, will be able to file this rule and bring it up on the same day on the House floor?

Mr. DERRICK. As the gentleman well knows, being the great student of the rules of this body that he is, that it is the legislative day that determines it. As long as we are in this legislative day.

Mr. DREIER. I have heard that it is the legislative day, but we are now at 9 minutes to midnight, and it seems to me that we might recognize the clock in this matter.

I am happy to yield to my friend from East Petersburg.

Mr. WALKER. Those legislative days, we have found in the past, are kind of floating concepts that, you know, sometimes they stop in the middle of the day and create a new legislative day. I remember that happening at one time. So obviously it will not matter when you mark it up, we will have it on the floor tomorrow.

Let me ask the gentleman: Do we have any idea what might be contained in this rule?

Mr. DREIER. Reclaiming my time, that is a very interesting question.

I would say to my friend from East Petersburg that there is no indication whatsoever as to what shape this rule will take. We want to have a chance to vote on this package when it comes down here, but no one really knows.

I am happy to yield to my friend, the gentleman from Georgia.

Mr. KINGSTON. I say to the gentleman from California that I am new here. I am a little bit confused. It is 10 until 12, and we have been in session since 11 a.m. today. Am I understanding that 12 o'clock, when the day ends for the rest of the Eastern time zone, it does not end for the United States Congress? I am real confused about this, gentleman.

Mr. WALKER. They move to Pacific time at that point.

Mr. DREIER. I have to tell you that my watch right now is on Pacific time, and it is now 6 minutes to 9 o'clock, and according to my schedule, we have an additional 3 hours before the end of the legislative day. I try to stay on California time even when I am in Washington, DC. It helps me maintain a semblance of reality when the legislative day can in fact here move well beyond midnight.

Mr. KINGSTON. So we have got a time deficit along with our other deficit?

Mr. DREIER. Absolutely as well as tongue lock, which I know something my friend has referred to when he has referred to the closed rules that have come out of our committee onto the floor.

Mr. KINGSTON. Are we likely to have voice lock on this largest tax increase in the history of America?

Mr. DREIER. I would not be surprised if we were to get something other than an open rule allowing for the free flow of debate on the House floor as we consider this measure.

I would like to bring into this discussion my friend, the gentleman from New York, from Glens Falls, the distinguished ranking member of the Committee on Rules, to see if he has any thought he would like to pose to us.

The SPEAKER pro tempore (Ms. E.B. JOHNSON of Texas). The time of the gentleman from California has expired.

#### MANAGED CARE: THE DARK SIDE; A DOCTOR SPEAKS OUT

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

Mr. STARK. Madam Speaker, Dr. Robert L. Weinmann of San Jose, president of the Union of American Physicians and Dentists, recently wrote an excellent article about the 'dark side' of managed care operations.

The article, which appeared in the April 2, 1993 San Jose Mercury News, makes the excellent point that enrollees in these managed care plans need to know what kind of financial incentives and barriers exist to their being provided with care. While the fee-for-service system has too many incentives to overcharge and overbill, the movement toward managed care is also fraught with dangers—the danger of underservice and underutilization.

Dr. Weinmann's article follows:

#### MANAGED CARE: THE DARK SIDE

(By Robert L. Weinmann)

Is "managed competition" the promised land of health care reform? These plans promise complete health care for fixed premiums. "Managed" means that oversight is applied to the plan's doctors, who agree that the diagnostic tests and treatment plans they prescribe may be abbreviated or disallowed by the plan's cost controllers.

Subscribers do not know that their physicians have made such agreements with management because the contracts signed by the doctors are not made available to the plan's subscribers. Yet nobody has a greater need to know about the limitations a plan places on its doctors' ability to prescribe than the patient.

Prospective patients need to know about the "gatekeeper" concept by which patients may be diverted from obtaining care.

The gatekeeper is a patient's first point of contact with the health care plan. The gatekeeper may be a primary care physician, nurse, or other health counselor. The gatekeeper decides if referral to a specialist is needed or even if the patient should see a primary care physician.

An early flashpoint may develop in this encounter if it turns out that the gatekeeper may be penalized if he allows "too many" patients to see specialists. In some cases the penalty is that the specialty referral is disallowed and the cost thereof is charged back to the gatekeeper physician. Patients might be dismayed to learn that a specialty referral wasn't made because the gatekeeper was

afraid to make it. But this plank allows the plan to save money because it reduces the frequency and cost of specialty referral.

Speaking as a physician, I never wanted to be a gatekeeper. I only wanted to take care of sick people. Taking care of sick people when they need it and being a gatekeeper don't mesh together.

Why don't physicians speak out? Most plans contain an anti-whistle-blowing clause. One form this clause takes is a provision in the doctor's contract that allows the plan to fire the doctor without specific cause. This "termination-at-will" element serves its purpose. The doctor who wants to stay in his plan will not "cause trouble."

What about emergencies? While most plans promise emergency care, most subscribers do not learn that their plan may have its own definition for what will be accepted as an "emergency." Everything else is called "elective." This handy distinction allows elective care to be legally delayed or deferred. Deferred medical care is cost-effective on annual reports because expenditures are postponed. Is this version of cost containment what subscribers want?

Managed care plans generally employ well-paid administrators whose salaries come from the premiums paid into the plan by subscribers. The trick is to provide health care while minimizing expenses. Subscribers sign up for these plans because they believe they'll get better medical coverage at a fixed and affordable premium. Doctors sign up for these plans because that's where the patients are. Patients are then told that they may choose their doctors and hospitals only from the list approved by the plan. This skewed selection is then called "free choice" by the plan's sales force.

Subscribers to managed health care plans may have a greater need to know about the financial machinations of their plans than do the doctors. The message is to make sure that the health care plan to which you subscribe takes as good care of you as it does of itself.

#### THE QUESTION REMAINS: WHERE IS THE RULE ON BUDGET RECONCILIATION?

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

Mr. KINGSTON. Madam Speaker, I wanted to continue on the discussion of this rule, if I could engage the gentleman from California a little bit more.

Now, on February 18, when President Clinton stood right over there in the well of the House, I heard him say, along with the rest of America, that if we had specific ideas about the budget, to come up with them, and he was open to them, and he welcomed bipartisan support. And I do remember him saying, "But be specific."

Mr. DREIER. If the gentleman would yield, I think the terminology used following his address here was, "No more hot air, show me where," and that was, in fact, his challenge to us to be specific on the issue of spending cuts.

My friend is absolutely right.

Mr. KINGSTON. Well then, clearly, he meant by that to have an open rule so that if we have specific ideas to further cut the deficit, reduce the deficit, that he certainly would want to have

those debated on the floor of the House.

Mr. DREIER. I am not sure the President has been a proponent of open rules on these issues. I have not heard him voice an opinion on it. It would stand to reason, having made a statement like that, that the best way to approach it and allow us to have an opportunity to be specific would be open rules, but I am not sure that President Clinton would join us in our challenge against the Democrat leadership here on the open-rule issue.

Mr. KINGSTON. Well, the reason why I am real curious about that, again, being a newcomer, is because I understand that there were 35 separate amendments that were offered in the Committee on the Budget that would have further reduced the deficit, and surely, out of 35 separate amendments, that some of them were good and some of them would certainly merit bipartisan support. I would think that particularly freshman Democrats who were elected under this idea of change and let us kind of buck the system and stir things up a little bit for the better of America in Congress, then, I cannot understand why these amendments would not be offered. And I am very disappointed in that process as a newcomer.

I hope the freshman Democrats will join in a bipartisan manner to try to further reduce the deficit.

Mr. WALKER. If the gentleman will yield, my guess is that the freshman Democrats are more likely to be somewhere at the present time having their arms twisted so that the deal can be cut so these gentlemen can go back to the Committee on Rules, having had the deal cut without any input from them, so that, you know, we can actually write the rule based upon the deal that was cut.

You know, the only reason for hanging around here that I can imagine and waiting for another 20 or 30 minutes is because they still have not cut all the deals necessary in order to bring the rule out.

Mr. DREIER. If the gentleman will yield, if I could respond to my friend from East Petersburg, I would say that we are going to take votes on these amendments up in the Committee on Rules; the gentleman from New York [Mr. SOLOMON] and I and the gentleman from Florida [Mr. GOSS] and the gentleman from Tennessee [Mr. QUILLEN] plan to offer some of the very thoughtful amendments that were proposed during 10½ hours of hearings today, and we will have votes up there.

The fact of the matter is that the ratio is 2 to 1 plus 1 against us, 9 to 4, and so the outcome is really predetermined, I am afraid. We are going to make a valiant effort up there with our 4 votes to try and make some of those 35 amendments, to which my friend from Georgia referred, in order.

I thank my friend for yielding.

Mr. KINGSTON. I yield to the gentleman from New York.

Mr. SOLOMON. If the gentleman would yield, and I am just really concerned about what is happening in this body. I guess it can best be explained by these editorials that I have from around the country. They come from a wide spectrum of newspapers.

One is from the Wall Street Journal. Another is from Mary McGrory, who I do not always quote on this floor. But another is here, and here is one that says, "Ruling with rules in the House," and I think I will just take a moment and read this to the membership, because it really speaks to the point of what is happening here.

It says, "The Democrat leadership in the House of Representatives is used to getting its own way not in the least part because it has a stranglehold on the legislative process in the lower House." It goes on to say, "From even the most cursory glance at the rules of the House of Representatives, one would be impressed with the complexity of the procedural maneuvers open to Members. But those rules almost never come into play when a bill matters to the powers that be, the Democrat Party. The House Rules Committee, a wholly-owned subsidiary of the House Democrat Caucus, simply waives the rules to protect measures from opposition."

Madam Speaker, has the time of the gentleman from Georgia expired?

The SPEAKER pro tempore. Yes, the gentleman's time has expired.

#### RULING WITH RULES IN THE HOUSE

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

Mr. WALKER. Madam Speaker, I yield to the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. Madam Speaker, if I may continue with this editorial because I think more editorial writers around the country are beginning to pick up the problems that exist in this House today.

This editorial goes on to say that:

That is what Speaker of the House Tom Foley and Rules Committee chairman Joe Moakley have in mind for President Clinton's budget bill, which is scheduled to be taken up by the Rules Committee tomorrow. But the tactics that usually raise only the ire of Republicans (who suffer the most at the hands of the partisan Rules Committee) now have raised the dander of conservative Democrats who fear that Mr. Moakley and Co. will try to stifle their amendments to the tax-and-spend package. Having gotten too high-handed in trying to control the agenda, the House leadership and the president may now suffer a humiliating defeat if enough moderate and conservative Democrats join Republicans to defeat the rule under which the bill will be considered on the floor.

Mr. Foley may instruct Mr. Moakley to try to buy off enough Democrats to pass the rule by giving them a few amendments to offer. But it may be too late for that (aside from the fact that the leadership is not ready to

give the rebels serious amendments that would directly challenge the president's tax plans) and by tomorrow the House leadership may decide to hold off on the whole package until they can drill their troops.

And here is the interesting part, Madam Speaker and my colleagues. It goes on to say,

If a rule is brought forward, there will probably be some provision to allow the Republicans to offer an alternative package. But again, tricky games with the rules allow the Democrats to keep the Republicans from getting an honest vote on the alternative of their choice.

Keep that in mind, and I will talk about that in a minute.

The Rules Committee has told Republican leaders that any alternative will have to comply with the Budget Control and Impoundment Act of 1974. The act requires that to offset any tax increase, cuts must come only from entitlement spending. That prevents the GOP from trying to get rid of Mr. Clinton's tax increases by substituting cuts in discretionary spending. In other words, the Rules Committee has told Republicans that they can offer a plan different from the president's, but to do it they have to offer cuts in such politically volatile areas as Social Security and Medicare. Doing away with mohair subsidies and the like is out of bounds and out of order.

Democrats in the House regularly waive the institution's rules when it is in their best interest but become punctilious when it allows them to force Republicans into a no-win corner. Could Mr. Moakley explain, please, why it is that in 47 percent of other revenue bills to pass through his committee, the Budget Act has been waived?

And it concludes by saying, "These tricks, these games and procedural sleights of hand, perfected by the majority of the House of Representatives, are an embarrassment to this Congress." Now, what the gentleman is saying, a few minutes ago, about what kind of amendments have Republicans and Democrats been asking for in the Committee on Rules—

Mr. KINGSTON. Madam Speaker, will the gentleman yield?

Mr. WALKER. This gentleman controls the time. I yield to the gentleman from Georgia.

Mr. KINGSTON. The way I understand is that these rules actually prevent us from working in a bipartisan manner with moderate and conservative Democrats because one of the big points that I am getting from letters back home is, "Work in a bipartisan manner." And we on the Republican side are ready to be bipartisan on our approach to these things. What the gentleman is saying is that these rules are preventing us from doing that.

Mr. WALKER. I yield to the gentleman from New York.

Mr. SOLOMON. The gentleman is absolutely right. As a matter of fact, Republicans meeting in the last 12 hours in the Rules Committee have asked for 27 amendments. They are all significant amendments dealing with such things as repealing the Btu energy tax, repealing the tax increase on social security benefits that Americans have already paid taxes on once or twice before. Democrats and Republicans have

been coming to the Committee on Rules testifying before me and others asking that their amendments be made in order. We as Republicans have been offering to make their amendments in order, the Democrats, if the Democrat leadership would allow those amendments to come on the floor. Now here we are at midnight. We still are in recess waiting for some kind of deal to be put together behind closed doors, and we do not know what the outcome is going to be. I am very much afraid that what was in the last editorial that I just read to the gentleman is going to come to pass.

Mr. WALKER. If the gentleman would permit, then, reclaiming my time: Isn't one of the big differences here, though, that a number of major groups across the country have made a decision on this particular rule to score this rule, however.

Mr. SOLOMON. That is correct.

#### TAX INCREASES DO NOT STIMULATE THE ECONOMY; INVESTMENT, JOBS, CONFIDENCE PICK UP THE ECONOMY

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

Mr. HOUGHTON. Madam Speaker, I am sorry to interrupt this discussion on the rules, because it is an important subject, but what I would like to do is to get back to the real kernel of the whole issue.

Today, because it is past midnight, we are going to be discussing probably as important an economic package as we have ever faced, certainly as I have ever faced during my time here in the House. I would just like to talk a little bit about it.

I know there are not too many people here, and I wish there were more people here; it is late and we are all tired. But I think it is important, important to everybody in this country who is interested in jobs, in security, in deficit reduction.

You know, I give President Clinton great credit for asking for change, and I think the American people responded to that. He held the torch high and he said, "Believe in me, and we can have change, and it is for the better, and we are going to concentrate on the economy."

You know, a lot of people could have done that, and they have not; he did. We should appreciate that fact.

I guess where I come down is that I do not think that he is being properly served by those people who are putting the economic plan together, because I think what he wants and what he says and what actually is coming to this floor for votes are not the same thing.

Let me tell you why: I do not think ever in the history of mankind has a tax increase stimulated the economy.

You may say, "Well, you don't want to stimulate the economy." But the President does. We all want to. One of

the things we are looking out on now is unemployment. We want people to believe, we want them to invest, we want them to employ. But if I say to you who are business people, who are individuals who own homes, who are interested in your own activities, "Please employ, please invest," because we need to pick this economy up because if the whole tide comes up we all benefit.

We cannot do this in individual pockets.

So you say, "Fine, what are you going to do here in Congress?" And what we say is this: "Look, we have got to fix the deficit and, therefore, we are going to increase taxes." And then you say, "But, you know, there must be another way of doing this. You ask me to invest and to employ, and yet you say I am going to throw on you a huge new cost." And furthermore, there is a train coming out of the station which says, "health care," which may be up to another \$100 billion, they say, in additional costs.

So what are you going to do? Are you going to buy a new car? Are you going to invest in your business? Are you going to employ somebody else? No, you are not. You are going to wait because you just do not know what is going to happen.

You know, business is two things; it is timing and psychology. One of the big problems I have with this particular package is it flies in the face of what we want.

Now, you have all these fancy 3-story minds and you have these brilliant Rhodes Scholars, but at the same time people like us are out there and we are in the real world. We have met payrolls, we have to renegotiate our loans, we have got to go down and ask for extensions on our taxes.

So why should we do the things which the President wants with these huge new costs and expenses on us? We are not going to do it. And, frankly, it does not make any sense.

So what you have got to do, you have got to balance what you want to do with the economy with deficit reduction.

Now, let me talk a little bit about deficit reduction. I was down here in 1982 at the time of the Grace Commission and I headed up one of the teams. Our expenses at that time were \$800 billion.

Now it is \$1 trillion 500 billion.

Our income at that time was \$600 billion.

If I had said to you, "I'll tell you what I'll do. I'll increase your income by a factor of 2 in the next 10 years. Can you hold your expenses to a 50-percent increase?"

Any family could do that. Any business could do it.

No, we cannot. So deficit reduction is not a matter of taxes. It is a matter of cost control, and that is expensive.

I guess that is what we are pleading for. It is a perfectly human reaction. It is a reaction we understand. You do not

when you are in trouble in a business increase your prices. You cut your costs, and that is what we are not doing here.

Let me say one other thing. This is a high-risk economic policy, and I will give you an example. We have a debt of \$4 trillion 200 billion, a lot of money. \$4 trillion, you can hardly pronounce it.

Do you know that 70 to 75 percent of that debt is in so-called Treasury bonds which have a maturity of less than 5 years?

Now, if there is anything we learn as we are growing up, you do not borrow short to pay long. You do not borrow on a short-term basis to pay something long, and that is going to come and hurt us.

Furthermore, we are further shortening it so the deficit package and the debt package does not make any sense.

I am sorry about this. I want to support our President, but under the circumstances, I cannot.

#### THE CLINTON BUDGET PROPOSAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. SOLOMON] is recognized for 60 minutes.

Mr. SOLOMON. Madam Speaker and my colleagues, we are still here waiting for the Rules Committee to reconvene to put out a rule which is going to set the levels of spending, taxing and regulating in this country, for the next five years.

Much has been said about this so-called Clinton Budget Proposal. As I look at it, I am very much concerned. I have here before me a chart which shows, for one thing, the tax increases called for by President Clinton over the next five consecutive years starting in 1994.

It shows under tax increases, tax increases of \$332.4 billion over that cumulative five-year period, and \$246 billion of the \$332 billion is a net tax increase because there are some so-called tax incentives in there, but the truth of the matter is that it is a cold hard \$246 billion being taken out of the private sector and put into the public sector, which means we are going to grow government by \$246 billion over the next five years.

Now, much has been said that the American people are willing to sacrifice. They are willing to pay a little bit more if something can be done about this unconscionable sea of red ink that has developed over the years because of what the gentleman from New York [Mr. HOUGHTON] was explaining about the Congress not living within its means.

The alarming thing is that Mr. Clinton is asking for \$246 billion in new taxes, but he is also asking for \$231 billion in new spending.

Now, that means we are going to take \$245 billion out of the pockets of American business and industry and the American people and we are going to take almost all that money, \$231 bil-

lion, and we are going to spend it on new programs.

Now, what does that do to the deficit levels? We have been running deficits in this Congress for many years now. The projected deficit in 1994, even with this huge tax increase, which is the biggest tax increase in the history of the United States of America or any other country, the deficit level for 1994 is still going to remain \$268 billion. That means we are going to add to the \$4 trillion debt another \$268 billion in just one year.

In 1995, we are going to do the same thing.

Now, the reason for that is that there are no spending cuts in those first two years of the Clinton budget, 1994-1995.

In 1994, we are only going to cut spending by a mere \$6 billion in old spending, and we are going to increase spending in new programs by \$27 billion, so there is no net savings at all, so we continue with the \$268 billion annual debt for 1994 and 1995.

In 1996, 1997, and 1998, the remaining three years of this budget, the same thing happens. We end up actually in the fifth year of this Clinton budget with the deficit rising, and during that five-year period we add to the \$4 trillion existing debt today, we add another \$1.2 trillion to that debt.

Do you know what that does? We owe \$5½ trillion. That sum is owed to the American people, but the vast majority of it is owed to foreign governments. That means we have to pay top interest to those note holders, those foreign countries. That means that the interest that we are going to pay on that debt is going to exceed what we now spend on our national defense budget. That is how bad that debt is becoming.

Mr. WALKER. Madam Speaker, will the gentleman yield?

Mr. SOLOMON. I am more than glad to yield to my good friend, the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Madam Speaker, let me see if I understand what the gentleman just told us. It is rather stunning figures, given all the rhetoric we have heard on the floor in the last few days.

The gentleman is saying to us that the deficit never really goes down in the whole five years of the Clinton program, and by the time you get to the last year of the Clinton program, the deficit starts up again and that during this period of time the Clinton economic program adds \$1.2 trillion to the overall national debt, is that what I heard the gentleman say?

Mr. SOLOMON. Well, that is not what I am saying. That is what the Congressional Budget Office is saying. They are the ones who have given me these authentic figures.

Mr. WALKER. Well, Madam Speaker, if the gentleman will yield further, I have heard a lot of criticism on the House floor in recent weeks about the 12 years of the Reagan-Bush administration where in each of these four-

year periods they added a trillion dollars to the national debt, for a total of \$3 trillion, and we have been told that was terrible economics, that somehow the economy was devastated by that.

What I hear the gentleman telling us is that the Clinton administration is going to add that much again with this so-called changed economic program that we have. That does not seem to fit the rhetoric that we have heard so much about on the House floor recently.

Mr. SOLOMON. It does not fit the rhetoric at all.

I will say to the gentleman from Pennsylvania, this is the alarming part. I wish the gentleman would take a look afterwards at the chart I have here. I talked about the tax increases of \$246 billion being the highest in history, and I talked about new spending.

Mr. WALKER. The highest in human history, is that not right? Literally we have had civilizations collapse as a result of the tax burden and none of them ever imposed taxes as high as this.

Mr. SOLOMON. Never, not in this percentage.

The alarming thing is and the thing that bothers me is the sincerity about really trying to get a handle on the deficit, because when they talk about spending reductions, I mentioned that in the first two years of the Clinton budget they only have spending cuts of \$8 billion and \$10 billion respectively, and then when you add all this up for the five-year total, they talk about cutting spending by \$151 billion, but in the fifth year two-thirds of that spending cut comes in the fifth year.

In other words, of the \$150 billion in cuts, \$95 billion of it comes in the last year of the five years. That is after Clinton has been out of office for one year.

So in the first four years of the Clinton Administration of which the President will probably actually serve those four years, he is only going to cut one-third of that money, which is about \$50 billion over four years.

I mean, that is \$10 billion a year, and yet we are running up a \$1.2 trillion debt during that same period of time.

□ 0020

Mr. WALKER. So, if the gentleman would yield further, we are to believe that the Clinton economic program consists of the spending machine continuing to role out the spending for 4 years, and all of a sudden in the fifth year heaven is going to open, the sun is going to shine, and all the spending cuts are going to take place in the fifth year of the deal.

I mean is that the kind of economic program that we are working on here?

Mr. SOLOMON. Well, that is a disastrous program because I do not have to tell the gentleman from Pennsylvania [Mr. WALKER] what happened 12 years ago during the Carter administration when we had inflation running rampant at 12 and 13 percent, and we had interest rates, prime interest rates, at 22

percent, and small businessmen and farmers throughout this country had to borrow at 2 percent above prime—I mean that is what could be borrowed then. I was a small businessman then, and I know that means borrowing at 24 percent. There is not a small business in America that can do that.

But think what would happen to this \$5.2 trillion debt if interest rates go back from what they are now, and, my colleagues, if we continue on this proposal, this 5-year projection that is before us now, those interest rates are going to soar, and that means the Federal debt, the annual debt payment on that accumulated debt, is just going to be beyond what we can spend. We will be spending one-third of the entire Federal budget just to pay the debt payment to these foreign countries that own the debt if we continue this fiscal irresponsibility that is bankrupting this Nation.

Mr. DREIER. Madam Speaker, if the gentleman would yield—

Mr. SOLOMON. Madam Speaker, I am glad to yield to my fellow member of the Committee on Rules from California who has been meeting with me in the Committee on Rules for almost 13 hours now today.

Mr. DREIER. I have to thank my friend from Glens Falls for yielding, and he knows full well that I was not there that entire period, and he criticized me for going to a number of other meetings today, but I was there for a good part of it, and I have to say, as the gentleman knows, that it seems to me that we should really sort of follow along the line that our good friend, the gentleman from New York [Mr. HOUGHTON], was on.

As my colleagues know, I have in Los Angeles County an 11.2 percent unemployment rate, and, as my colleagues know, California boomed during the 1980s, and we are undergoing some extraordinary times in southern California, especially because of cuts in the defense and aerospace industry, and there is a wide range of other problems.

And it seems to me that to have President Clinton fail really does nothing to help us. I see my friend from California who represents the San Fernando Valley here. He knows full well, too, that the failure of President Clinton does not help us. And I have said, when posed with this question, what would I like to see happen, I would like to see President Clinton comply with the commitments that he made to the American people during the campaign.

After all, Madam Speaker, the 43 percent of those who voted in the election were Democrats, Republicans and Independents, people who clearly wanted change, and he did make that promise.

Many of our friends and supporters, people who voted for the gentleman from Pennsylvania [Mr. WALKER], the gentleman from New York [Mr. SOLOMON], the gentleman from Florida [Mr. GOSS] and the gentleman from California [Mr. DREIER] voted for Bill Clinton because they wanted change, and they

cast those votes based on his promise to be fiscally responsible, to put into place a middle income tax cut, to stimulate the economy and help middle income wage earners.

And we know that the Washington Post's David Broder has talked about this trust deficit.

Madam Speaker, I want him to succeed, but the fact of the matter is I want him to succeed with the promises that he made to those of us who followed his campaign for President, and tragically he has moved dramatically away from that by proceeding on the course which was outlined by my colleague from the Committee on Rules, and I think that that is a overly sad commentary on where we have gone, and I hope very much that we can defeat this proposal that he has for the largest tax increase in American history, if it gets down here to the floor, if we ever report it out of the Committee on Rules tonight, and come back with an economic growth package that is modelled after the one he said he supported during the campaign, a meaningful capital gains differential which will create jobs, and stimulate investment and productivity, and to put into place that middle income tax cut that he promised during the campaign.

Madam Speaker, these are the kinds of incentives that we desperately need, not moving in the direction of a massive tax on the so-called rich.

One of the issues that I raised with the gentleman from Illinois [Mr. ROSENKOWSKI] in the Committee on Rules today was the fact that we are repealing many aspects of the luxury tax in this measure. Most of the luxury tax is repealed. Why? Because it was labelled as a tax on the rich, which we were going to raise, and we found, within months of its implementation, following the 1990 budget summit agreement, that people who were in the boat building industry, the small aircraft industry, a wide range of other industries, the working people were thrown out of work, and the luxury tax ended up costing, rather than raising, revenues. It costs revenues because people who had jobs, who were gainfully employed building boats and small aircraft, were thrown out of work.

Well, unfortunately this measure gets to the point where we repeal much of the luxury tax, but the mindset which put into place the luxury tax is being utilized in this bill because we are moving in this so-called tax-the-rich mentality, believing that we can stick it to those in upper income brackets and that we will continue to have people who are working Americans, middle income wage earners, have jobs and opportunity, and unfortunately this bill continues to move in what I believe is a very, very negative direction.

And I hope that we will be able to make these arguments when we get down here, and I do sincerely want President Clinton to succeed because it

will address the problems that we have in southern California and in other parts of the country, but the kinds of things that have been proposed here are anathema to the rhetoric that we heard last fall during the campaign, and I thank my friend, the gentleman from Glens Falls, NY, for having yielded to me.

Mr. WALKER. Madam Speaker, will the gentleman yield to me?

Mr. SOLOMON. I will be glad to yield to the gentleman.

Mr. WALKER. Madam Speaker, I do not want it to get in the way of what is a very good philosophical discussion here, but I seem to recall 45 minutes ago that these gentlemen were told they were going to be called back to the Committee on Rules in 20 to 30 minutes. I ask my colleagues, "Have you been called back yet?"

Mr. DREIER. It is 9:26 in southern California right now, West Coast time, and the legislative day is not over for my constituents yet, but it is almost 12:30 here, and it seems that my friends from the Committee on Rules have vacated the floor, those on the majority side.

Mr. WALKER. And the gentlemen have not been called back yet.

Would this seem to indicate, and this is my question, would this seem to indicate they may be having some trouble cutting a deal that is going to get a majority of them on the floor?

My understanding that I will tell my colleagues, speaking as the chief deputy whip, my understanding was at the time we left that they do not have the votes. The reason why they do not have the votes is there are an awful lot of Democrats who are having trouble swallowing the economic philosophy down in this bill. They have decided that President Clinton has been guided poorly, that some of the people on Capitol Hill that have attempted to give him advice have guided him poorly, and he has come up with an economic program that is impossible to vote for. Many people on the Democrat side of the aisle are, in fact, in a bipartisan coalition with Republicans who believe that this is a bad economic package.

Now the way they are trying to get around that is by cutting some back-room deal that buys off enough people to get them 218 votes. What appears at 12:30 at night is they are having trouble cutting that deal, they are having trouble getting Democrats who have promised the folks back home that they will not vote for Btu taxes, that they will not vote to raise Social Security taxes, that they will not do a lot of the things that are down in this economic program—they are having trouble finding the deal that brings them on board, and I just have to guess, as we stand here at 12:30 at night, that a lot of Democrats are in rebellion against their own leadership and against their own President, not because they want him to fail, and not because they want the country to fail. They are in rebellion because they

agree with what the gentleman from California [Mr. DREIER] said a minute ago, that this is a bad economic package, that this is not the way that the country gets back on the right economic footing, that this is a package being driven by a liberal mindset that believes that now there are all kinds of rich people out there that we tax into poverty and somehow have the Nation move forward.

□ 0030

It just does not add up, because what they have then labeled the rich turn out to be \$20,000-a-year working families, and those working families simply cannot afford the bill that the Democrats want to pass along to them. And many Democrats understand that. Even some of the people who have lined up and told them that they were willing to vote for the package, willing to swallow hard and vote for the President's package, do not like it. They are walking across the aisle here and saying, "I have got to do this, but, boy, what a crummy vote I am being asked to cast."

You know, that is not the way that you define the Nation's future. If this is change, there are an awful lot of people in this country, and, for that matter, a lot of people in the Congress, that think it is the wrong kind of change.

Mr. SOLOMON. If I may for just one minute make a point, because it goes to the point of what the gentleman from California (Mr. DREIER) in the well was speaking about, while I was in the Committee on Rules meeting I had a call from a small businessman back in my district. He has a small plant employing about 100 people and he was calling me for two reasons. One, he was concerned with this Btu tax, and I would like to discuss that Btu tax in a couple of minutes.

Because his company is an older company, it operates with oil to produce the energy to produce the product that he makes. He is a marginal small company and he is afraid that he will no longer be competitive if this Btu tax goes through.

He was planning an expansion which would take in about 75,000 square feet of additional manufacturing space and employ possibly 25 more people. Now he has canceled that because of this threat of this Btu tax going through, and also because of another tax that is going to be retroactive, and that is the corporate tax increase and the individual tax increase that is proposed in this reconciliation bill we are going to be voting on tomorrow that is retroactive to December 31, 1992.

Now, that means that that businessman has already given raises to his employees effective for this year. Those raises are going to have to be rescinded for those employees.

It means that he can no longer go ahead with that expansion because he no longer is going to have the cash flow that was expected from that small

marginal profit that he was going to be able to make.

Now, just picture that. So here he is. He is not hiring 25 more people, and he is probably going to end up laying off 10 or 15, so that is 40 jobs in a county that has less than 70,000 people.

All my district is rural. I do not have any big cities. The City of Saratoga Springs, 25,000, is the largest municipality in my district.

Mr. DREIER. By the way, what is the population of Glens Falls? I have always been curious.

Mr. SOLOMON. Glens Falls has a population of 16,000. It used to be called by Life Magazine back in 1945 "Hometown, USA." It has all the elm trees down the streets. It is a beautiful town.

Let me just tell you about those people. We are talking about that small industry. That was an industry of 100 people. We have another industry that employs over 1000 people called the International Paper Company. It is one of their older plants. I have a lot of paper making plants in the Adirondacks, International Paper Company, Scott Paper Company, and the list goes on and on. But this one particular plant located in Corinth, New York, with a population of 6000 people, is going to probably go out of business because they operate this paper plant that uses imported oil coming in from out of the country to produce their goods. They are marginally profitable now and they are competing with foreign competition.

That plant, if this Btu tax goes through, can no longer operate. It can no longer be profitable, and therefore it will probably close.

Here is a little town, 6000 people, that may lose over 1000 jobs. Those people do not stand a prayer of getting a job anywhere. That is how serious it is.

But let us look at the Btu tax, period, because where I come from in this rural area with Glens Falls, New York at one end of it, the average person drives over 100 miles a day roundtrip to work.

Can you imagine what an 8, 9, or 10-cent gasoline tax does to that person? What does it do to the home heating fuel, where we had for about eight weeks running this past year temperatures below zero, 5, 10 above zero, for almost six weeks straight, and it stayed cold and we had snow on the ground through May?

Those people up there have an income of about \$16,000 after tax for a family of four. Now, you are going to take \$500 out of their after-tax income just to pay for the gasoline, home heating fuel, and those other direct costs that are attributable to this Btu tax.

You would think that that would be bad enough, but let me tell you about something else. Who is going to pay the tax for the municipalities? Each one of these municipalities, they have municipal buildings, they have police cars, they have the sheriff's patrol, they have fire trucks, they have snow plows and highway equipment. All of

those municipalities have to pay the same Btu tax that the individuals are going to pay.

Now, you add that up. The city, the town, the county, the villages, all four municipalities have to pay this Btu tax. That individual family of four living on \$16,000 has got to pay through property taxes. They are going to have to pay on top of the \$500 in additional Btu tax.

Now, it does not stop there. The State of New York, and it is a big state and in my district I have eight state prisons and one federal prison, they all run on energy produced by oil. Those prisons have to pay the Btu tax. There is no exemption in this bill.

All of the psychiatric hospitals and all of the municipal hospitals that are run by the state government, all of that expense, the state trooper cars, the highway trucks, all have to pay a Btu tax. All that has to come out of the state income tax. So that is going to go up.

You would think it would end there. We have a military in this country. Do you know what it is going to cost the military, our Pentagon, in Btu tax? Over \$1 billion to fly the airplanes and for the tanks and the training.

Now, where does all this end? What about the Post Office? Do you know how much gasoline the Post Office uses and how much energy it uses to run all those post offices? Do you think the price of a 29-cent stamp is going to stay there? It is going to go up.

So what I am driving at is this poor family of four, earning after-tax dollars of \$16,000, by the time they get through paying the additional property tax, the additional state tax, the additional state income tax, because they are going to have to pay more, somebody has to pay for all this Btu tax.

How many people here know what Btu stands for?

Four months ago 90 percent of the American people, including me, did not know what it was. What is it, British Thermal Unit?

Mr. WALKER. We need the gentleman on the Committee on Science, Space, and Technology. We would teach you those kinds of things.

Mr. SOLOMON. Along with 90 percent of the American people, I did not know what that meant. Do you know what? Back four months ago, 68 percent of the people supported the President's package because they did not know what was in it. Now they have found out what Btu means. It is an energy tax at all levels.

Now, four months later, they found out what the Btu tax is, they found out what the Social Security tax is, they found out what the increase in corporate income taxes is on small business. Now they know what is in there. Now the President's support for that economic plan has dropped from 68 percent, to what was it the other day, 46 percent? And 49 percent of the people disapproved.

Mr. Speaker, by the time they really find out what is in this thing, 80 percent of the people are going to disapprove, because this is a bad, bad bill.

Mr. DREIER. Mr. Speaker, if my educated friend from Glens Falls would yield for just a moment, I would just like to share a little quip with the gentleman. The last person to stand in this well a little while ago, it has been an hour and a half ago now, was my colleague, the gentleman from California (Mr. KIM), who is an engineer and is very familiar with British Thermal Units. He referred to the fact that when this proposal came out a woman came up to him and said, "It is about time we start taxing those British," when she had that understanding.

□ 0040

So there clearly has been a misunderstanding of British thermal units and this entire tax bill. The thing that has really concerned me, as we have proceeded with the package, which my friend from East Petersburg referred to, the proposal that has come down here by President Clinton, a massive tax increase, a massive spending increase, I think about the fact that why is it that we are adjourning this weekend.

It is for Memorial Day. Now, my friend from Glens Falls is a former Marine who fought courageously in the Korean War. I suspect he will be giving more Memorial Day speeches on Monday than I. I am giving four of them in Whittier and Monrovia and some other cities in Southern California Monday morning.

The fact of the matter is, when we think of why it is that so many veterans sacrificed on behalf of this country, it is for the cause of free economy, limited government, freedom and opportunity. And yet someone quipped to me the other day, as they look at this proposal, and it is interesting to think of it as it relates to Memorial Day, the United States of America tragically today seems to be the world's only emerging socialist country, because this bill, which we have been listening to amendments on for 10½ hours today up in the Committee on Rules, is a bill which clearly moves us in the opposite direction of the rest of the world. In fact, unfortunately, we may be headed to the point where we have to use Poland as our economic model for the future.

Why? Because they truly have moved towards a free economy, free of regulatory burdens. And we, now, under this administration and this Congress, we are moving in a direction which is imposing a greater degree of regulation on the private sector of the economy, a higher level of spending from the Federal Government and, of course, a dramatic increase, this proposal, the largest increase in taxes in American history.

So it seems to me that we really have little alternative other than to do everything that we can to get President

Clinton and the majority in this House back on track to what it was they talked about last fall. That is our obligation. That is our responsibility. And I know that we will, when we finally get our Committee on Rules meeting, which was supposed to have started 30 minutes ago now, back on track with the amendments that we will propose to offer up there.

Mr. WALKER. The gentleman was discussing what Btu means. It is British thermal units, but the American people have come to the conclusion it means being taxed to unemployment, because we now have a Tax Foundation study indicating the kinds of job losses.

For instance, in the gentleman's State, he mentioned all the places in his district that will be impacted. In his State, the Btu tax alone is going to cost New York 31,857 jobs, over 1000 of those jobs in the gentleman's 22nd District of New York.

In my State of Pennsylvania, 21,827 people are going to lose their jobs as a result of the Btu tax. 1,486 of those people are in my Congressional district. In California, over 54,000 people are going to lose their jobs in California as a result of the Btu tax.

Now, I do not see how you can have an economic recovery where you have got a tax that is killing the jobs, not by the hundreds, not by the thousands, but by the tens of thousands in each of our three States.

Mr. SOLOMON. How many jobs is that nationwide?

Mr. WALKER. Overall in the Nation, it indicates, let me see if I can find the figure here, it is about a half a million. Here is the total, 463,000 jobs nationwide are going to be lost just on the basis of the Btu tax. That does not take into account the corporate income tax, all the rest of the job-killing taxes that are down in the package.

Just the Btu tax is going to cost the Nation 463,000 jobs.

Mr. SOLOMON. Do you know what that means? Do you know what happens when you raise the unemployment rate 1 percent in the United States of America? Do you know what that does? It triggers in almost \$40 billion in total social programs at the county, town, city, village, State, Federal level. So here we are, by enacting this Btu energy tax, we are going to raise the unemployment rate by almost 1 percent.

Now, we are raising \$70 billion in revenues from the Btu, and we are going to lose 40 billion of it, 40 billion just to pay welfare benefits. We are going to create a Btu tax, put people out of work, put them on welfare and take the money and give it to them.

Mr. DREIER. Do you really think that we will raise \$70 billion from the Btu tax itself?

Mr. WALKER. Not when the economy collapses.

Mr. DREIER. Exactly. How can we possibly believe that the \$70 billion figure is going to be on track when you have a tax which is going to force so

many people out of work? Those people who commute 100 miles a day in your district are people who will not be able to have jobs if they are thrown out of work, so they will not be paying into the Btu tax, paying that tax. So obviously, as we found with the luxury tax, we are going to see a decrease in that flow of revenues. And it is going to end up costing.

We saw in this reconciliation bill, they increased the level of food-stamp funding, funding for food stamps, because it will be necessary for an offset for the acknowledged jobs that will be lost by the imposition of the Btu tax.

A couple of hours ago I was talking across the street to the Cannon building with one of our conservative Democrat colleagues. I talked to him about the fact that we were bouncing back and forth up in the Committee on Rules, and my friend from Sanibel was referring to the different levels of cost, whether it was going to be \$424 for the average family with the imposition of the Btu tax. And the chairman of the Committee on Rules claimed that it would be \$110.

We went back and forth as to whether or not this was just gasoline or other items. And he said to me, "I'm not concerned about the issue of the cost to the consumer of the Btu tax. I am concerned about the tremendous numbers of people who will be losing their jobs as the result of the Btu job. That is why I am considering voting against this measure."

And to listen to those numbers in the tens of thousands, it is staggering and very disconcerting for those of us who truly want to get this economy moving.

Mr. SOLOMON. Let me say to the gentleman, he said it is 3 hours earlier out in California. I hope the people out there are watching, because tomorrow the Democrats are going to deprive us of our right to offer an amendment on this floor for legitimate debate, to wipe out that Btu tax. And the only way we can get it on to the floor is to have 45 Democrats come across the aisle and vote with us. That is less than 20 percent of them.

If they will come with us and help us defeat the rule, we will come back with the amendments. And there will be no Btu saddled on the backs of the American people.

Speaking of another good member of the Committee on Rules that has been meeting with me for the last 13 hours, I am getting sick of looking at you, let me yield to the gentleman from Sanibel, Florida [Mr. PORTER GOSS].

Mr. GOSS. Madam Speaker, I thank the gentleman for yielding to me, especially with such a gracious greeting.

Mr. SOLOMON. I was being facetious.

Mr. GOSS. I surely know that. It has been a long day, and it may only be 3 hours earlier in California, but I think it is actually a lot later in California than you think it is.

I think that we have talked a lot about the numbers, and I think our

numbers are probably as good as anybody can make them in terms of the economic consequences. But we are talking about people. We are not talking about numbers.

And when you talk about 500,000 jobs or you talk about 1,000 in your district, and I do not know how many are in the district of the gentleman from Pennsylvania, 1,400 in the Commonwealth of Pennsylvania, in that district, I did not hear the gentleman from California, how many in his district, I am sure it is in that range or more, those are sort of abstract numbers.

Behind those numbers are real people. And for every person out of a job, there are several dependents involved, other people, members of the family who are also suffering consequences.

Now, sometimes those consequences, sadly enough, lead to the need to go to other Federal agencies and get support from them. So there really is no way to calculate either in terms of human suffering, human misery, loss of dignity, loss of productivity to America, what the exact figure is.

The point is that anything that trends this way in causing those bad kinds of things to happen seems to be a poor idea, especially when there are other choices. And as the gentleman from New York has so cleverly pointed out, so consistently pointed out, there are choices.

The issue is going to be, are we going to be able to debate those choices so that the full will of this body can make a meritorious decision on some of those other good choices, particularly in the areas of cutting some of the spending, much of which is frivolous, as we know.

□ 0050

Mr. SOLOMON. The gentleman has one of those amendments that I was talking about that is so significant, and in his amendment he actually knocks out not only the Btu tax but it knocks out probably the second most onerous tax of all, and that is the tax increase that President Clinton and the Democrats are calling for on Social Security benefits that have been earned by the American people and have already paid taxes on it once, and sometimes twice before.

The gentleman heard me discussing it upstairs. We had one member of the Committee on Rules say that he resented the fact that his children had to pay higher taxes than some people on Social Security. As the gentleman knows, I became very exercised about that.

I happen to come from a Scotch background. I was raised by Scotch grandparents, and they taught me how to be frugal. I recall right after I got out of the Marine Corps and got married and my wife and I immediately had five children in seven years. During that time in raising those children my wife chose to stay home. We had a one-earner family, and I remember making \$50 a week with five children, and that did not go far.

The point I made upstairs was that every single week of my life my wife and I on that limited income managed to save \$1 a week or more, and we have done that for 37 consecutive years.

Who are the people that are getting hit with this new tax increase on Social Security benefits? It is going to be people like me and thousands and thousands of frugal Americans who have saved all their lives, who have accumulated a little bit of money, and now are going to have to pay a tax on a tax on a tax.

Remember when FDR back in 1932 established the first Social Security Trust Fund, which was supposed to be a supplemental retirement? All that was, quoting FDR, was a forced savings account, so that the American people who were frugal and lucky and were able to save a little bit would not end up having to support those who were lazy or unlucky or unfrugal in their later lives.

Is that right? That is what the President is trying to do. He is trying to tax those people.

We even had Democrats from New York City come and testify before the Committee on Rules asking to repeal, to knock out that Social Security tax. Even they realized it, and they are being shut out, you are and they are. We will not be able to allow that on the floor tomorrow.

Mr. WALKER. Madam Speaker, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Speaker, isn't it also true that one of the most egregious parts of the social security tax is the fact that it breaks faith with the trust fund, because the way in which it is structured means money is going to be pulled out of the trust fund and put into general revenues, which does break faith with the trust fund concept.

Mr. SOLOMON. My good friend, the gentleman from Florida [PORTER GOSS], made that point in the Committee on Rules.

Mr. GOSS. Will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from Florida.

Mr. GOSS. Madam Speaker, I thank the gentleman for yielding.

I think that is a very scary point. I think that this is the first time that line has been crossed, and that line truly is a breach of faith, if not a breach of contract with the people who have paid into the Social Security Trust Fund all these years.

We have always made this great promise that we will protect that fund. No longer are we going to be able to say that we have done that and preserved the purity of that fund if this piece of legislation passes. That will be a significant breakthrough.

I think the gentleman for yielding.

Mr. DREIER. Madam Speaker, will the gentleman yield?

Mr. SOLOMON. The gentleman from California [Mr. DREIER] has a point to

make. I yield to the gentleman from California.

Mr. DREIER. Madam Speaker, I thank the gentleman for yielding. I would like to reiterate the point that I made upstairs in the Committee on Rules on this issue. My good friend, the gentleman from New York [Mr. SOLOMON] talks about the basis of the social security system. Since 1937 when it went into place it has not been optional. Americans have been forced by law to pay into that system. What we have done is we have, along with that, tried to encourage Americans to save and plan for retirement.

I remember that the only tax bill that I voted for in the twelve years I have been privileged to serve here was the Economic Recovery Tax Act of 1981. We had in that bill individual retirement accounts, whereby we were encouraging people to put dollars aside, plan and save for retirement. We constantly would say, "Be prepared so that you do not have to totally rely on the social security system for your sole source of income." One of the things that we have come to is that when people reach retirement, we end up rewarding those who have not saved and not planned for retirement, and we penalize those with this proposed tax, and with the present tax system, quite frankly, that we have, the earnings test and the penalty for those who earn outside earnings above \$10,000, you know, from working, and those who earn above \$32,000 a couple from outside income. We penalize those who plan for retirement. I think it is a very tragic thing that we have come to that point.

We are in fact, as my friend, the gentleman from Sanibel [Mr. Goss] has said, violating that contract which the United States Government has with the American people, having forced them to pay into that system.

Mr. SOLOMON. While I am yielding to another good friend, I see another good friend, the gentleman from Missouri [Mr. WHEAT] sitting over here yawning. I just wonder, while I am yielding to my good friend from California [Mr. DREIER], if the gentleman from Missouri [Mr. WHEAT], another member of our Committee on Rules, can enlighten us as to when we may be going back into the Committee on Rules meeting.

Mr. DREIER. Madam Speaker, if the gentleman will yield, I would like to report on behalf of my good friend, the gentleman from Kansas City, who just told me what basically was happening. We were informed one hour and five minutes ago by the distinguished Deputy Majority Whip, the gentleman from South Carolina [Mr. DERRICK] and our Committee on Rules colleague, that we would be meeting in the Committee on Rules in about 20 to 30 minutes. I think was what he said.

I am saddened to report to the House, based on the report that I just heard from my good friend, the gentleman from Kansas City, that we have yet to

have a meeting time established. My friend went upstairs to the Committee on Rules and has nothing to report as far as a time for us to meet, unfortunately.

Mr. SOLOMON. Time is running short. I yield to the distinguished gentleman from California [Mr. HUNTER], the distinguished chairman of our Research Committee for the Republican Caucus, the gentleman from San Diego, California. I hope his bases are still open.

Mr. HUNTER. Madam Speaker, I thank the gentleman for yielding to me. I want to thank all my friends on the Committee on Rules who have been working hard to try to fashion and draft a rule, and also the true patriot on the floor, who is not here because he is a member of a committee that is still meeting—Mr. WALKER, who is out here making a few points for the American taxpayer.

Let me just address the fact, the statement that has been made by the Democrat side of the aisle on a number of occasions when they have claimed that they are cutting spending significantly to go along with these tax increases.

The spending cuts that the Democrats are talking about are mostly defense cuts. They are talking about \$127 billion worth of defense cuts over the next five years. That is a very significant figure, because in real terms the United States has been cutting defense ever since 1986. That is six years now we have been cutting down the level of money we are spending on defense.

Most of the time what we do is evaluate what has happened in the world, look at how dangerous the world is, and then we build a defense budget that allows us to have enough planes, enough people, enough aircraft carriers, and enough equipment and personnel to meet that threat, whether it is a Desert Storm operation that we think we are going to need or defending the Korean Peninsula against the North Korean attack, a contingency there, or maybe having the capability of making a Panama-type contingency operation, we basically build to the threat.

President Clinton did something a little different this year. He took the \$50 billion cuts that George Bush had made after the Berlin Wall had fallen and he just arbitrarily came up with \$127 billion additional, that is \$127 billion in additional defense cuts.

As Senator SAM NUNN, the chairman of the Senate Armed Services, said, "This number was pulled out of thin air." That means that the fact that the North Koreans are building a nuclear weapon, we know that now, we know they have withdrawn from the nuclear nonproliferation treaty; the fact that Byelorussia and the Ukraine and Kazakhstan and Russia all have nuclear weapons now, those are the four states that made up the former Soviet Union. They all have nuclear weapons now.

We know there is instability in those nations. There is a dispute as to, now, who has the pink slip on nuclear weapons, some of them top end nuclear weapons. We know our adversaries in the Middle East are acquiring nuclear capability and the missile technology with which to deliver those weapons. We know also that Red China is claiming all the territory that is available in the South China Sea. They are moving in warships, they are moving in aircraft landing areas, building air bases for warplanes.

We know all these dangers are arising around the world, and all of these dangers, incidentally, are since and in addition to those dangers that we had in the cold war era.

□ 0100

And yet, in the face of those dangers, we are cutting \$127 billion out of defense.

So this new, so-called new Democrat plan that came from the so-called new Democrat, President Clinton, is not new at all. It is the same old thing. It is the same pattern that was utilized by Jimmy Carter, the same pattern that was espoused by George McGovern and many other liberal Democrats, and that is raise taxes, and match those increases in taxes with spending cuts not in social programs, because in social programs the Clinton plan actually increases social spending, but in fact cut only defense spending, even though you have not evaluated the world situation and even though it could be very dangerous.

I thank my friends for yielding, because I think it is an important point to make, that before he became Secretary of Defense, Les Aspin, who was the chairman of the House Armed Services Committee on which I sat, made an analysis. In this analysis he said what will we need in terms of planes, and tanks, and personnel, and aircraft carriers, and all of those other parts of national defense, what will we need to handle three contingencies, none of which involve the Soviet Union. Those three contingencies were a Desert Storm-type operation like we had in the Persian Gulf, defense of the Korean Peninsula, and lastly a Panama Canal-type contingency. And he came up with the dollars we needed to do that. He thought that was an important thing. And Bill Clinton cut that level by \$60 billion.

So the facts are that this package, which is put together, guts national defense, throws 2½ million defense workers out of work, and has done all of this with no backdrop of national security against which to analyze and define exactly what we needed.

And I thank the gentleman for yielding me time to come over and talk just a little bit about national security, and the fact that the Clinton plan that we are going to be voting on, that we have already voted on in part, guts national defense, and those are where the big cuts are, to go with these big tax in-

creases that are levied on the American people. And I thank the gentleman from New York for giving me a little time.

Mr. SOLOMON. I thank the gentleman.

Madam Speaker, how much time do we have remaining on this special order?

The SPEAKER pro tempore (Ms. E. B. JOHNSON of Texas). The gentleman from New York has 11 minutes remaining.

Mr. SOLOMON. Madam Speaker, we are running out of time.

Mr. WALKER. Will the gentleman yield?

Mr. SOLOMON. I am glad to yield to the gentleman from Pennsylvania.

Mr. WALKER. Madam Speaker, it occurs to this gentleman, and we have just been discussing here on the floor while the gentleman from California was speaking, it is now 1 o'clock in the morning. The House has had absolutely no guidance whatsoever from the Democrat leadership. We have no idea where we are in the Rules Committee. We were told an hour ago that they were going to be called back in session in 20 minutes, and it has not been called back in order yet. It seems to me that the House at least deserves to have some Member of the Democrat leadership come out here and explain to us where we are and when the Rules Committee is going to meet, and what is going to happen here.

There is a privileged motion to adjourn. We have the capacity to offer a privileged motion to adjourn here at any time, and it is going to cause havoc, it seems to me, if that happens. But I think we are entirely within our rights to proceed with that motion to adjourn if this special order runs out and we have not had an explanation of where we are and what is going on, because it is simply not right for the membership to be held in the lurch with absolutely no idea what is going on behind the closed doors of this Capitol. And at the same time we have the Rules Committee held in abeyance about the procedures that are going to go on later on tonight.

So I think it is absolutely essential that someone from the Democratic leadership come to the floor and give us a full explanation of where we are and what is going on here, or it seems to me that we are going to be, as a group, constrained to move adjournment here in the very near future.

Mr. SOLOMON. The gentleman makes a good point, and I hope we do not do that if there is going to be someone. I understand that Mr. ALAN WHEAT from Missouri, a member of the Rules Committee from the other side of the aisle, who we spoke to a few minutes ago, has gone to consult with the Democrat leadership, and I would hope that he would return in the next few minutes, and perhaps with a Member of the leadership to enlighten us so that we know what is going on for the rest of the morning.

Mr. GOSS. Madam Speaker, will the gentleman yield?

Mr. SOLOMON. I am glad to yield to my good friend from Sanibel.

Mr. GOSS. One of the reasons that I asked the gentleman to yield, and the distinguished ranking member of our Rules Committee along with the presence of another distinguished member of the committee, and other distinguished members of our conference, is that we have got a lot of work to do in the Rules Committee before we finish our business. This is not just a question of wanting to know what is going on. That is extremely important, and I believe the gentleman from the Commonwealth has properly echoed the sentiment of many of our colleagues probably in their offices and elsewhere, watching on C-SPAN who would want to know what the impact of what is going on would be, and where we are headed. But we have got work to do in the Rules Committee. We have got some very important motions to make. We have three dozen or so amendments to deal with that came up today. We had 13 hours of testimony.

Mr. SOLOMON. With recorded votes.

Mr. GOSS. And with recorded votes. And we darn well need to have those votes, because people have put in hours and hours. We have had legislative counsel, parliamentary consultation, input from people we represent. I mean, this is a tremendous amount of work that has got to be disposed of even before we can report back to the full body with a rule, well understanding that the majority will have their way. But we have work to do, no matter which way it is. We have got to make a good faith attempt to make those amendments that deserve to be in order to be put in order, as the ranking member knows. And I believe it is reasonable to work 24 hours a day every so often, but I do not see any reason for this. And I think maybe the gentleman from Pennsylvania has struck a chord that other Members feel. Somebody had better give us a reason why we are doing what we are doing.

Mr. DREIER. Madam Speaker, will the gentleman yield?

Mr. SOLOMON. I am glad to yield to the gentleman from California.

Mr. DREIER. I thank my friend for yielding. I would simply say that the gentleman is absolutely right. It will probably take us 30 minutes, I would guess, to go through and offer each of the amendments that those of us in the minority want to offer to this rule, because I rather doubt that the majority is going to allow for consideration all of those amendments that we want to have included in the rule and we want to come down here. And while it is only 5 after 10 in the evening for me, some of the rest of you who live on the East Coast, I know it is a little past your bedtime, and it seems to me that we are in a position right now where we should be able to have some direction as to how late we are going to be stay-

ing up, when we can plan for 30 minutes to begin offering our amendments and start the fight this morning up in the Rules Committee. And I hope very much that we are able to move ahead with it, and I thank my friend for yielding.

Mr. SOLOMON. I would just tell the gentleman that he might look bright-eyed and bushy-tailed, but this gentleman just got back from Berlin, Germany where I was meeting with the 15 other NATO countries, telling them point blank that Americans were not going to put troops on the soil of Bosnia and fight a civil war over there while our European allies sat back and let our kids come home in body bags.

Mr. DREIER. I took the red eye back from California this week, the overnight flight.

Mr. SOLOMON. So I would just as soon go to bed this hour.

Mr. WALKER. Will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I am hearing a rumor that what we might do is use one of the new rules of the House to suggest that the recess authority of the Speaker is of equal weight to the motion to adjourn, claiming that that is a part of the new rules of the House, and that they might declare a recess. If that is the case, they should be forewarned that some of us are probably willing to stay around here for a long time, and when they declare an end to that recess could come in fact, be back out here causing some real difficulty if, in fact, we do not get those kinds of explanations. I mean, this is the ultimate in silliness that they can go behind closed doors, outside of the view of the American people, shut out the Republicans from these kinds of decisions, and then not even report to the House what is going on. And then, you know, begin to use recess authority and all kinds of things in order to further cover up the processes of the House, and then try to keep the House from adjourning so that they can bring this deal, struck behind closed doors, out here at some 3 or 4 in the morning, evidently, and drop it on the House floor, and think that they can do it under the cover of night.

Well, I assure them that somebody will be here during the cover of night, and will be asking for plenty of explanations when it is dropped.

We may well have a motion to adjourn at that point, which could be a bit of a problem.

Mr. SOLOMON. If I might reclaim my time just for a moment, it is not a question of being dilatory at all. You know we have staff, particularly our Budget Committee staff, our Ways and Means Committee staff, and there are about nine committees involved.

Mr. DREIER. And Rules Committee staff.

Mr. SOLOMON. Including the Rules Committee staff, including the men and women who are still here, and we

have at the end of this voting process, and when we see what is left, we have to be able to put together our plans for the rest of the night. And I just hope that we can get some cooperation with the Democrat leadership.

If the gentleman from Missouri would like me to yield to him, I would be glad to yield to the very distinguished gentleman from Missouri, Mr. ALAN WHEAT, a very honorable member of the Rules Committee.

Mr. WHEAT. I thank the gentleman for yielding and for giving me time to make a determination as to what time the Rules Committee expects to go back into session. As the gentleman knows, we have been in session for most of the day and part of the evening hearing witnesses. We expect to attempt to put together a rule very shortly.

□ 0110

There have been some very complicated negotiations going on. My understanding is that these negotiations are completed. It is strictly a matter of drafting some amendments for the Committee on Rules to consider at this point in time.

There is every expectation that all of the information would be placed upon your desk for consideration; there would be every expectation that there would be a minimum of 30 minutes from the time the legislation would be placed on your desk until the time we considered it so that you would have adequate time to review it before any votes were required, and it is with every expectation that that would occur by 1:30, which would mean that the Committee on Rules would be going back in session approximately 2 o'clock, give or take a few minutes.

Mr. SOLOMON. Will all due respect to the gentleman, since no Republicans have been a part of those negotiations, and it has strictly been a one-sided affair, can we be enlightened at all as to what kind of deals have been struck and what we might expect?

Mr. WHEAT. I am not sure that it is appropriate to say that deals have been struck in any regard.

There have been people who have been working on the language of legislation, and that will be available and will be available for a period of time for you to consider before anyone has asked that you be asked to vote on that legislation.

Of course, if you wanted to suggest that you could review that legislation in less than the time that is currently planned of 30 minutes, I am sure that many of us who have families waiting at home would be happier to start before 2 o'clock in the morning in terms of considering this legislation.

Mr. DREIER. So the 3-day layover is obviously waived for us, for those of us on the Committee on Rules?

Mr. SOLOMON. Even the 3-hour layover is waived.

But I know that the gentleman is very honorable, and I know that he is sincere in what he is saying.

I would just hope that the amendments they are laying on our desk are not something that has not been testified to, you know; in the last year I recall they laid an amendment there called double triple X which had no parent, no one claimed it, and yet it was put in, self-executed into the bill, and that is no way to run a ship. I hope that is not what is going to happen up there this morning.

Mr. WHEAT. That is not my expectation. It is my understanding that the legislation we are referring to, the amendments we are referring to are amendments for which we had proponents, witnesses, who came and testified before the Committee on Rules, so in that regard all of us would have the opportunity to be equally familiar with the legislation.

Mr. SOLOMON. That is somewhat reassuring. I thank the gentleman for checking it out for us.

Did the gentleman from California [Mr. HUNTER] leave? The gentleman from California was worried about the defense budget, and I just wanted to worry him a little bit more, because the gentleman from Pennsylvania [Mr. WALKER] and I have been engaged in a colloquy with the so-called spending cuts that are proposed in this 5-year budget.

We pointed out that during the first 4 years that there was only a minuscule \$45 billion in spending cuts proposed with the heavy cuts, \$95 billion, coming in the fifth year after the Clinton Presidency, and a large part of this is, if there are any kind of spending caps and spending controls put into this legislation, what will happen after we have not met these goals in that fifth year, you know, there is going to be a movement to take the vast amount of that \$95 billion out of the defense budget, because there will be no place to take it, according to those who occupy the majority in the House and in the Senate.

So perhaps I could continue that discussion with the gentleman from California [Mr. HUNTER] when he returns tomorrow.

I would just point out again that I am quite worried at what is going to happen. I will run down again through these amendments that we had requested to be offered.

The one amendment, of course, the most important one as far as I am concerned, is the amendment by our Republican leader which would have knocked out the energy, the Btu, tax entirely and offset it with additional spending cuts equal to that lost revenue of \$71.5 billion.

There was another amendment by the gentleman from Texas [Mr. ARCHER], ranking member on the Committee on Ways and Means, to knock out the tax increase on the Social Security benefits. Either of those two amendments, if they were allowed to be

debated on this floor, would pass overwhelmingly.

I mentioned in the Committee on Rules that we have kept track of the press releases and bills sponsored by various Members from both sides of the aisle, and there are at least 267 Members who have tried to take credit for attempting to repeal this proposed Btu tax. Two hundred sixty-seven Members is almost 60 more than is needed to pass a bill in this House. The same holds true for the Social Security tax.

Another very important amendment that we wanted to offer was one by the gentleman from Illinois (Mr. PORTER) that would have repealed the taxes that are going to be enacted in this reconciliation bill tomorrow.

Mr. DREIER. If the gentleman would yield on that point, I do not want him to give up the ship yet, because we have yet to vote on those amendments up there. My friend just said "would have" and it seems to me if we are going to meet at 2 o'clock this morning, we are going to have a chance to wage a fight in behalf of the Michel amendment to repeal the Btu tax with that offset and the Porter amendment and the other amendments that have been proposed, so I would just say to my friend that I plan to fight upstairs in behalf of it, and I hope we can put together a compromise that will gain the votes we need so we can have free and fair debate and consideration of those amendments on the floor here.

Mr. WALKER. If the gentleman will yield further, my guessing is based upon what we are hearing just off the rumor mill here which is that what we are going to have is probably some deal that has been struck with those people who wanted entitlement caps, and that that is going to be the cover for some people to jump on and say that they can now vote for this package.

I would simply want to point out that the fact that they get some entitlement caps and they get some sort of process, whatever that ends up being, and I think you will probably find out when you go up to the Committee on Rules what that involves, it still does not change the fact that there is still going to be this huge Btu tax that is going to cost 463,000 Americans their jobs, and there is still going to be this Social Security tax and all of those things which will still be in there, and the entitlement caps will do nothing to stop the undermining of the economy by those massive new taxes.

So those Members of Congress who run for cover tomorrow and now sign on to this wonderful deal because they have now won a major victory for entitlement caps will still be in a position of destroying American jobs with this massive new tax increase that will still be a part of the package.

Mr. SOLOMON. First of all, I cannot believe that there has been a deal struck that will put the entitlement caps in, that you and I and the American people want.

Second, I find it hard to believe that there would be that many Members of Congress that would sell out their principles for whatever reason, to go back on what they have promised the American people, that they would not vote for a Btu tax that nobody wants in this country.

So it will be interesting to see what does happen when we get up to the Committee on Rules in less than 20 minutes, I understand.

Mr. GOSS. If the gentleman will yield further, I just wanted to point out that you were talking about this massive tax and the Social Security tax. I do not think people realize just how onerous this Social Security tax is.

We had a couple of hypotheticals in testimony in the Committee on Rules today, and I believe several were startled in the room in the Committee on Rules that a very modest income situation with Social Security payments and some modest outside income, the tax impact of consequence per year would be \$1,064 for a couple. That is a lot of money, and particularly for those in a bracket that are in the \$40,000-income range. That is not an isolated case.

There are something like 10 million senior citizens that will be impacted who are on Social Security, so this is not just a few people on Social Security somewhere who have a lot of money who will not notice this. This is everybody out there at all levels, fixed-income levels, and there will clearly be some very, very unhappy consequences. And there will be unexpected consequences.

Even in the Committee on Rules today, Members who know about these things, who have been dealing with these things, I think it is fair to say, were startled at some of the consequences in these hypothetical cases where the people who were testifying before us were actually challenged a couple of times. They said, "Now, that cannot be right. That is too high. The tax consequence cannot be that bad," and in fact it is that bad when you go through the numbers that have been set up by Ways and Means and the appropriators and the others involved.

I thank the gentleman for yielding.

Mr. WALKER. If the gentleman will yield for just a question: I also understand that none of those figures, for instance, the \$25,000 figure and the \$32,500 figure for Social Security people to begin paying the taxes, none of that is indexed, and so not a very far place down the pike you are going to have lots more people than the 10 million you are talking about, because as inflation pushes retirement incomes up, you are going to have a whole host of people who then will come under that category, and so this tax will continue to expand and continue to impact on more and more retired couples as the time goes on.

Mr. GOSS. The projection is that 10 million that are affected now will be 14

million as this Clinton administrative package, tax package, works out over the next 5 years.

□ 0120

Mr. GOSS. Under those projections it could double, that is correct.

Mr. SOLOMON. I yield to the gentleman from California.

Mr. DREIER. I thank the gentleman from Glen Falls for yielding to me.

I would just like the record to show that it is in the job description for Messrs. GOSS, SOLOMON and myself to be here because the Committee on Rules has not met. But the distinguished chief deputy whip [Mr. WALKER] has chosen to stay here at 1:20 in the morning, and I simply would like to congratulate my friend from East Petersburg for having the strength to remain here, as I said.

Mr. WALKER. It is more a test of my sanity, is the question.

Mr. DREIER. And the gentleman's commitment to the cause of trying to bring about a semblance of fairness here.

I simply would like the gentleman to know that Messrs. GOSS, SOLOMON and I congratulate him for taking the time to be here, and we look forward to seeing him bright and early at the Republican Conference at 9:00 in the morning.

Mr. SOLOMON. While we are handing out accolades, I would like to hand one out to the acting Speaker in the chair. He is suffering along with the rest of us and it shows.

Well, as Ronald Reagan used to say, I sure hope we are going to get these amendments in order.

As I look down the line, we did not finish going through these amendments. But Mr. COLLINS of Georgia, a new Member, had a very, very new idea which he was able to enact when he was a Republican in the minority in the Georgia State Legislature. What that did was to mandate a loss of benefit to families if children of recipients drop out of school. There has been a dramatic turnaround.

One of the problems we have with education today is not because of a lack of money to fund the educational system, but it is the lack of discipline in the school and discipline in the home. When these funds were threatened to be taken away from the families, they doggone well made sure that their kids went to school, that they did not drop out, and that the accomplishments, the academic accomplishments went up considerably.

I think that would have been a great amendment to have on this floor to offer.

The gentleman from Kentucky, Mr. BAESLER, who is a Democrat, a new Member, he had an amendment to eliminate this Btu tax, working with us on a bipartisan basis. He wanted to offset it with spending cuts similar to those that I have recommended and also some other Republicans.

Yet he has been told point blank by his Democrat leadership that they are

not going to allow his Democrat amendment. That goes back to the same old editorial that I was reading. Back in the days of Tip O'Neill—everybody remembers Tip O'Neill, from Boston, Massachusetts—there never was a more partisan human being who ever served as Speaker of this House. But there never was a more fair Speaker, too.

Back in those days—which was not so many days ago—Tip O'Neill, presiding over the Rules Committee—and after all, the Speaker does call the shots on the Rules Committee—only closed about 15 percent of the rules. That means only 15 percent were restricted, all of the other time, 85 percent of the time when major legislation came on the floor, it was brought on this floor so that every single Member, all 435, regardless of whether you are Republicans, Democrats, liberals or conservatives or even the socialist from Vermont now, anybody would have an opportunity to help work his will on the floor of this House. It is too bad that we have gone into this structured rule situation that now deprives over 80 percent of all the Members of this House from ever being able to take an active part in enacting legislation on the floor.

Mr. Speaker, I yield to the gentleman from Florida.

Mr. GOSS. The gentleman mentioned several amendments. There were several amendments, such as immunization, ways to increase the efficiency of getting our youngsters immunized, ways to do that. There are a lot more good amendments up there.

The ultimate irony of this today is that the American people are talking at least to me and many other Members about cutting spending. We spent most of the day, at least the majority leadership spent most of the day defending taxes rather than welcoming ways to cut spending. And I think that is the ultimate irony because there is not a voice in America saying, "Well done, Congress, you have stamped out all the waste, you have cut out all the fat, you have chopped out all the pork in Washington. Now, since we can't pay our way, I guess it is okay, we will have to raise taxes a bit."

We are not there. We have not cut where we need to cut, where we could cut, where we should cut, and we are spending all our time right now watching the leadership defend higher taxes when we should be entertaining these very good amendments to allow us to find new ways to cut.

I thank the gentleman for yielding.

Mr. SOLOMON. I thank the gentleman for those words. There were a lot of good amendments. For example, the gentleman from New York [Mr. HOUGHTON], who was in the well here earlier, had an amendment that would have required payment of social security tax on domestic help if paid more than \$800.

We all know what that problem was with people who either deliberately or

not deliberately, not paying social security taxes on young kids who were coming in to cut the grass or someone who might come in and help in cleaning a house for 1 day a week of 1 day a month. That would have been an excellent amendment. People want that amendment. It would save so much bookwork.

Mr. KNOLLENBERG of Michigan had an amendment that would have held the proposed income tax rate increase to 31 percent if that party were engaged in small-business activity. Small-business activity: Small businesses in this country produce 75 percent of all the new jobs in America. You let that tax go up to 36 percent, how many new employees do you think a small businessman is going to be able to hire? This would have given him better incentive.

We will be voting in a few minutes. The gentleman knows we are outnumbered up there by 9 to 4. There are 4 Republicans and 9 Democrats, all handpicked, all extremely partisan. That is why they are up there. And our chances of pulling them across the aisle and getting them to vote for these reasonable estimates are slim at best.

But that is not where the real chance will come. The real chance will come tomorrow on this floor where we can do what we did in 1981, and both of the gentleman were here. That was the year that Ronald Reagan came into office. He had been elected in 1980. He brought with him Republican control of the Senate. We had about 45 solid conservative Democrats from all over this country, and they put together a coalition with us Reagan Republicans, and we rammed through Reaganomics that brought back this country and brought back economic growth and created 21 million new jobs in a period of about 6 years: 21 million, not to mention hundreds of thousands of new businesses, small and large, across this country.

You know that is what we need tomorrow. Back in those days in 1981 we defeated a rule in this House by 4 votes. We wrote our own rule. We made all these amendments in order. That is how we got the economic recovery. Ladies and gentlemen, that is what we need tomorrow on this floor. All we need is 45 solid Democrat conservative votes tomorrow to go with us, and we will carry the day tomorrow. Let us do it.

Mr. GROSS. I thank the gentleman. It sounds good to me.

Mr. SOLOMON. Since the acting Speaker pro tempore assured us we would be back in session in 30 minutes, and the 30 minutes is almost there, at this time I would yield back the balance of my time for the purpose of going off to the Rules Committee to see what has been laid upon our desk.

I would yield back the balance of my time.

RECESS

Mr. SPEAKER pro tempore. (Mr. WHEAT). Pursuant to clause 12 of rule I, the Chair declares the House in recess, subject to the call of the Chair.

Accordingly (at 1 o'clock and 31 minutes a.m.) the House stood in recess subject to the call of the Chair.

□ 0336

AFTER RECESS

The recess having expired the House was called to order by the Speaker pro tempore [Mr. BEILSON] at 3 o'clock and 46 minutes a.m.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2264, OMNIBUS BUDGET RECONCILIATION ACT OF 1993

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 103-112) on the resolution (H. Res. 186) providing for consideration of the bill (H.R. 2264) to provide for reconciliation pursuant to Section 7 of the concurrent resolution on the budget for fiscal 1994, which was referred to the House Calendar and ordered to be printed.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. LEACH (at the request of Mr. MICHEL), for today, on account of medical reasons.

Mr. WILLIAMS (at the request of Mr. GEPHARDT), for today, on account of a death in the family.

SPECIAL ORDERS GRANTED

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

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

Mr. BACCHUS of Florida for 5 minutes today.

Mr. STARK for 5 minutes today.  
Mr. SLATTERY for 5 minutes on June 16.

Mr. KANJORSKI for 60 minutes today.  
Mr. DE LA GARZA for 60 minutes today.

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

Mr. PORTER for 5 minutes today.

Mr. KINGSTON for 5 minutes today.

Mr. DOOLITTLE for 5 minutes today.

Mr. WALKER for 5 minutes today.

Mr. HUTCHINSON for 5 minutes today.

Mr. HORN for 20 minutes on May 27.

Mr. THOMAS of Wyoming for 60 minutes on June 9.

Ms. ROS-LEHTINEN for 5 minutes on June 8 and 9.

Mr. DIAZ-BALART for 5 minutes on June 8 and 9.

Mr. CAMP for 5 minutes today.

Mr. HOUGHTON for 5 minutes.

EXTENSION OF REMARKS

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

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

Mr. ANDREWS of New Jersey.

Mr. HINCHEY.

Mr. APPELEGATE.

Mr. HAMILTON.

Mr. SWETT.

Mr. MILLER of California.

Mr. TRAFICANT.

Mrs. SCHROEDER.

Mr. COSTELLO.

Mr. CLAY.

Mr. TORRICELLI in three instances.

Mr. BLACKWELL in four instances.

Mr. VISCLOSKY.

Mr. JACOBS in two instances.

Mr. KLINK.

Mr. MCDERMOTT.

Mr. HOCHBRUECKNER.

Mr. ACKERMAN in two instances.

Ms. KAPTUR.

Mr. BROWN of California.

Mr. KOPETSKI.

Mr. KILDEE in three instances.

Mr. BORSKI.

Mr. BARCIA.

Mr. POSHARD.

Mr. SHARP.

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

Mr. LEWIS of California.

Mr. DORNAN.

Ms. MOLINARI.

Mr. REGULA.

Mr. FISH.

Mr. SANTORUM.

Mr. YOUNG of Alaska.

Mr. MCINNIS.

Mr. FIELDS of Texas

Mr. GALLEGLY in three instances.

Mr. KING.

Mr. HOKE.

Mr. KYL.

Mrs. BENTLEY in two instances.

Mr. BERENTER.

Mr. GINGRICH.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 775. An act to modify the requirements applicable to locatable minerals on public lands, consistent with the principles of self-initiation of mining claims, and for other purposes.

ENROLLED JOINT RESOLUTION SIGNED

Mr. ROSE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a joint resolution