

The CHAIRMAN. All time has expired on this amendment.

The question is on the amendment offered by the gentleman from New Jersey [Mr. SMITH].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. SMITH of New Jersey. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to the rule, further proceedings on the amendment offered by the gentleman from New Jersey [Mr. SMITH] will be postponed.

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. Pursuant to the rule, proceedings will now resume on those amendments on which further proceedings were postponed, in the following order: Amendment No. 1 offered by the gentleman from Texas [Mr. ARCHER]; amendments en bloc offered by the gentleman from Texas [Mr. ARCHER]; amendment No. 3 offered by the gentleman from Missouri [Mr. TALENT]; amendment No. 7 offered by the gentleman from Oregon [Mr. BUNN]; and amendment No. 8 offered by the gentleman from New Jersey [Mr. SMITH].

PARLIAMENTARY INQUIRY

Mr. MCDERMOTT. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. MCDERMOTT. Did the Chair say the first amendment to be voted on is the amendment offered by the gentleman from Texas [Mr. ARCHER]?

The CHAIRMAN. That is correct. That will be No. 1.

The votes will be as follows: a 15-minute vote on amendment No. 1 offered by the gentleman from Texas [Mr. ARCHER], a 5-minute vote on the en bloc amendments offered by the gentleman from Texas [Mr. ARCHER], a 5-minute vote on amendment No. 3 offered by the gentleman from Missouri [Mr. TALENT] a 5-minute vote on amendment No. 7 offered by the gentleman from Oregon [Mr. BUNN], and a 5-minute vote on amendment No. 8 offered by the gentleman from New Jersey [Mr. SMITH].

One of the amendments offered was agreed to without a recorded vote being required.

AMENDMENT OFFERED BY MR. ARCHER

The CHAIRMAN. The pending business is the demand for a recorded vote on amendment No. 1 printed in House Report No. 104-85 offered by the gentleman from Texas [Mr. ARCHER] on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 228, noes 203, not voting 3, as follows:

[Roll No 257]

AYES—228

Allard
Andrews
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chryslers
Clinger
Coble
Coburn
Collins (GA)
Combest
Cooley
Cox
Crane
Crapo
Creameans
Cubin
Cunningham
Davis
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)

Abercrombie
Ackerman
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Beilenson
Bentsen
Berman
Bevill
Bishop
Bonior
Borski
Boucher
Brewster
Browder
Brown (CA)

Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gekas
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Goss
Graham
Greenwood
Gunderson
Gutknecht
Hancock
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
LoBiondo
Longley
Lucas
Manzullo
Martini
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Molinari

NOES—203

Brown (FL)
Brown (OH)
Bryant (TX)
Cardin
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Costello
Coyne
Cramer
Danner

Moorehead
Morella
Myers
Myrick
Nethercutt
Ney
Norwood
Nussle
Oxley
Packard
Paxon
Petri
Pombo
Porter
Portman
Pryce
Quillen
Quinn
Radanovich
Ramstad
Regula
Riggs
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Skeem
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stockman
Stump
Talent
Tate
Taylor (NC)
Thomas
Thornberry
Tiahrt
Torkildsen
Upton
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Wicker
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

Fields (LA)
Filner
Foglietta
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Geren
Gibbons
Gonzalez
Gordon
Green
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Harman
Hastings (FL)
Hayes
Hefner
Hilliard
Hinchey
Holden
Hoyer
Jackson-Lee
Jacobs
Jefferson
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Klecza
Klink
LaFalce
Lantos
Laughlin
Levin
Lewis (GA)
Lincoln
Lipinski
Lofgren
Lowey
Luther

Maloney
Manton
Markey
Martinez
Mascara
Matsui
McCarthy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Mineta
Minge
Mink
Moakley
Mollohan
Montgomery
Moran
Murtha
Nadler
Neal
Neumann
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Parker
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Pomeroy
Poshald
Rahall
Rangel
Reed
Reynolds
Richardson
Rivers

Roemer
Rose
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schroeder
Schumer
Scott
Serrano
Sisisky
Skaggs
Skelton
Slaughter
Spratt
Stark
Stenholm
Stokes
Studds
Stupak
Tanner
Tauzin
Taylor (MS)
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Traficant
Tucker
Velazquez
Vento
Visclosky
Volkmer
Ward
Waters
Watt (NC)
Waxman
Whitfield
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Yates

NOT VOTING—3

Doyle Edwards Flake

□ 1924

Mr. NEUMANN changed his vote from "aye" to "no."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. FLAKE. Mr. Chairman, I would like to be recorded as voting no on No. 257, the Archer amendment. Due to a delay in getting back, I missed the vote.

The CHAIRMAN. It is now in order to consider the first of a series of four 5-minute votes.

AMENDMENTS EN BLOC, AS MODIFIED, OFFERED BY MR. ARCHER

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendments en bloc, as modified, offered by the gentleman from Texas [Mr. ARCHER] on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendments en bloc, as modified.

The Clerk redesignated the amendments en bloc, as modified.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

de la Garza
Deal
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Durbin
Engel
Eshoo
Evans
Farr
Fattah
Fazio

The CHAIRMAN. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 249, noes 177, not voting 8, as follows:

[Roll No. 258]

AYES—249

Allard	Gekas	Moorhead
Andrews	Geren	Morella
Archer	Gilchrest	Murtha
Army	Gillmor	Myers
Baker (CA)	Gilman	Myrick
Baker (LA)	Goodlatte	Nethercutt
Ballenger	Goodling	Neumann
Barr	Gordon	Ney
Barrett (NE)	Goss	Norwood
Bartlett	Graham	Nussle
Barton	Greenwood	Obey
Bass	Gunderson	Ortiz
Bateman	Gutknecht	Oxley
Bereuter	Hall (OH)	Packard
Bilbray	Hall (TX)	Paxon
Bilirakis	Hamilton	Petri
Bliley	Hancock	Pombo
Blute	Hansen	Porter
Boehlert	Hastert	Portman
Boehner	Hastings (WA)	Poshard
Bonilla	Hayworth	Pryce
Bono	Hefley	Quillen
Borski	Heineman	Quinn
Brewster	Herger	Radanovich
Brownback	Hilleary	Ramstad
Bryant (TN)	Hobson	Regula
Bunn	Hoekstra	Riggs
Bunning	Hoke	Roberts
Burr	Holden	Rogers
Burton	Horn	Rohrabacher
Buyer	Hostettler	Ros-Lehtinen
Callahan	Houghton	Roth
Calvert	Hunter	Roukema
Camp	Hutchinson	Royce
Canady	Hyde	Salmon
Castle	Inglis	Sanford
Chabot	Istook	Saxton
Chambliss	Jacobs	Scarborough
Chenoweth	Johnson (CT)	Schaefer
Chrysler	Johnson (SD)	Schiff
Clinger	Johnson, Sam	Seastrand
Coble	Jones	Sensenbrenner
Coburn	Kasich	Shadegg
Collins (GA)	Kelly	Shaw
Combest	Kim	Shuster
Cooley	King	Sisisky
Costello	Kingston	Skeen
Cox	Kleczka	Smith (MI)
Crane	Klug	Smith (NJ)
Crapo	Knollenberg	Smith (TX)
Cremeans	Kolbe	Smith (WA)
Cubin	LaHood	Solomon
Cunningham	Largent	Souder
Davis	Latham	Spence
DeLay	LaTourette	Stearns
Diaz-Balart	Laughlin	Stockman
Dickey	Lazio	Stump
Doolittle	Leach	Talent
Dornan	Lewis (CA)	Tate
Dreier	Lewis (KY)	Tejeda
Duncan	Lightfoot	Thomas
Dunn	Linder	Thornberry
Ehlers	Lipinski	Tiahrt
Ehrlich	Livingston	Torkildsen
Emerson	LoBiondo	Trafficant
English	Longley	Upton
Ensign	Lucas	Vucanovich
Everett	Manton	Waldholtz
Ewing	Manzullo	Walker
Fawell	Martini	Walsh
Fields (TX)	McCollum	Wamp
Flanagan	McCrery	Watts (OK)
Foley	McDade	Weldon (FL)
Forbes	McHale	Weldon (PA)
Fowler	McHugh	Weller
Fox	McInnis	White
Franks (CT)	McIntosh	Whitfield
Franks (NJ)	McKeon	Whitaker
Frelinghuysen	Metcalf	Wolf
Frisa	Meyers	Young (AK)
Funderburk	Mica	Young (FL)
Galleghy	Miller (FL)	Zeliff
Ganske	Molinari	Zimmer

NOES—177

Abercrombie	Barcia	Bentsen
Ackerman	Barrett (WI)	Berman
Baesler	Becerra	Bevill
Baldacci	Beilenson	Bishop

Bonior	Hefner	Pelosi
Boucher	Hilliard	Peterson (FL)
Browder	Hinchee	Peterson (MN)
Brown (CA)	Hoyer	Pickett
Brown (FL)	Jackson-Lee	Pomeroy
Brown (OH)	Jefferson	Rahall
Bryant (TX)	Johnson, E. B.	Rangel
Cardin	Johnston	Reed
Chapman	Kanjorski	Reynolds
Clay	Kaptur	Richardson
Clayton	Kennedy (MA)	Rivers
Clement	Kennedy (RI)	Roemer
Clyburn	Kennelly	Rose
Coleman	Kildee	Roybal-Allard
Collins (IL)	Klink	Sabo
Collins (MI)	LaFalce	Sanders
Condit	Lantos	Sawyer
Conyers	Levin	Schroeder
Coyne	Lewis (GA)	Schumer
Cramer	Lincoln	Scott
Danner	Lofgren	Serrano
de la Garza	Lowe	Shays
Deal	Luther	Skaggs
DeFazio	Maloney	Skelton
DeLauro	Markey	Stalder
Dellums	Martinez	Spratt
Deutsch	Mascara	Stark
Durbin	Matsui	Stenholm
Engel	McCarthy	Stokes
Eshoo	McDermott	Studds
Evans	McKinney	Stupak
Farr	McNulty	Tanner
Fattah	Meehan	Taylor (MS)
Fazio	Meek	Thompson
Fields (LA)	Menendez	Thornton
Flner	Mfume	Thurman
Foglietta	Miller (CA)	Torres
Ford	Mineta	Torricelli
Frank (MA)	Minge	Towns
Frank (NY)	Mink	Tucker
Frost	Moakley	Velazquez
Furse	Mollohan	Vento
Gejdenson	Montgomery	Visclosky
Gephardt	Moran	Volkmer
Gibbons	Nadler	Ward
Gonzalez	Neal	Waters
Green	Nader	Watt (NC)
Gutierrez	Obestar	Watt (NC)
Harman	Olver	Waxman
Hastings (FL)	Orton	Williams
Hayes	Owens	Wilson
	Pallone	Wise
	Parker	Woolsey
	Pastor	Wyden
	Payne (NJ)	Wynn
	Payne (VA)	Yates

NOT VOTING—8

Bachus	Edwards	Tauzin
Christensen	Flake	Taylor (NC)
Doyle	Rush	

□ 1933

Mr. BREWSTER. Mr. COSTELLO, and, Ms. MOLINARI changed their vote from "no" to "aye."

So the amendments en bloc, as modified, were agreed to.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. CHRISTENSEN. Mr. Chairman, let the record reflect that I would have voted yes in favor of the en bloc amendment offered by the committee chairman, the gentleman from Texas, [Mr. ARCHER]. I was unavoidably detained. Had I been here, I would have voted aye.

AMENDMENT OFFERED BY MR. TALENT

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Missouri [Mr. TALENT] on which further proceedings were postponed and on which the noes prevailed by voice vote.

The CHAIRMAN. The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A record vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 96, noes 337, answered not voting 1, as follows:

[Roll No. 259]

AYES—96

Allard	Gephardt	Metcalf
Andrews	Goodlatte	Mica
Army	Goodling	Minge
Baker (CA)	Graham	Norwood
Barr	Gutknecht	Paxon
Barton	Hall (TX)	Pombo
Bateman	Hamilton	Roemer
Bilbray	Harman	Roth
Boehner	Hastert	Royce
Brown (OH)	Hayworth	Sanford
Bryant (TN)	Hilleary	Scarborough
Burr	Hoekstra	Schroeder
Buyer	Hoke	Seastrand
Canady	Holden	Sensenbrenner
Chabot	Hutchinson	Shadegg
Chambliss	Inglis	Smith (MI)
Christensen	Istook	Smith (WA)
Chrysler	Johnson (SD)	Solomon
Coble	King	Souder
Coburn	Kingston	Spence
Cooley	LaFalce	Stearns
Crapo	LaHood	Stockman
DeLay	Largent	Talent
Dickey	Latham	Tate
Doolittle	Lightfoot	Taylor (NC)
Duncan	Linder	Wamp
Emerson	Lipinski	Ward
English	Lucas	Watts (OK)
Ewing	McHale	Weldon (FL)
Fawell	McInnis	Weller
Foley	McIntosh	Whitfield
Funderburk	McKeon	Wicker

NOES—337

Abercrombie	Coleman	Forbes
Ackerman	Collins (GA)	Ford
Archer	Collins (IL)	Fowler
Bachus	Collins (MI)	Fox
Baesler	Combest	Frank (MA)
Baker (LA)	Condit	Franks (CT)
Baldacci	Conyers	Franks (NJ)
Ballenger	Costello	Frelinghuysen
Barcia	Cox	Frisa
Barrett (NE)	Coyne	Frost
Barrett (WI)	Cramer	Furse
Bartlett	Crane	Galleghy
Bass	Cremeans	Ganske
Becerra	Cubin	Gejdenson
Beilenson	Cunningham	Gekas
Bentsen	Danner	Geren
Bereuter	Davis	Gibbons
Berman	de la Garza	Gilchrest
Bevill	Deal	Gillmor
Bilirakis	DeFazio	Gilman
Bishop	DeLauro	Gonzalez
Bliley	Dellums	Gordon
Blute	Deutsch	Goss
Boehlert	Diaz-Balart	Green
Bonilla	Dicks	Greenwood
Bonior	Dingell	Gunderson
Bono	Dixon	Gutierrez
Borski	Doggett	Hall (OH)
Boucher	Dooley	Hancock
Brewster	Dornan	Hansen
Browder	Doyle	Hastings (FL)
Brown (CA)	Dreier	Hastings (WA)
Brown (FL)	Dunn	Hayes
Brownback	Durbin	Hefley
Bryant (TX)	Ehlers	Hefner
Bunn	Ehrlich	Heineman
Bunning	Engel	Herger
Burton	Ensign	Hilliard
Callahan	Eshoo	Hinchee
Calvert	Evans	Hobson
Camp	Everett	Horn
Cardin	Farr	Hostettler
Castle	Fattah	Houghton
Chapman	Fazio	Hoyer
Chenoweth	Fields (LA)	Hunter
Clay	Fields (TX)	Hyde
Clayton	Filner	Jackson-Lee
Clement	Flake	Jacobs
Clinger	Flanagan	Jefferson
Clyburn	Foglietta	Johnson (CT)

Johnson, E. B. Moorhead
 Johnson, Sam Moran
 Johnston Morella
 Jones Murtha
 Kanjorski Myers
 Kaptur Myrick
 Kasich Nadler
 Kelly Neal
 Kennedy (MA) Nethercutt
 Kennedy (RI) Neumann
 Kennelly Ney
 Kildee Nussle
 Kim Oberstar
 Kleczka Obey
 Klink Olver
 Klug Ortiz
 Knollenberg Orton
 Kolbe Owens
 Lantos Oxley
 LaTourette Packard
 Laughlin Pallone
 Lazio Parker
 Leach Pastor
 Levin Payne (NJ)
 Lewis (CA) Payne (VA)
 Lewis (GA) Pelosi
 Lewis (KY) Peterson (FL)
 Lincoln Peterson (MN)
 Livingston Petri
 LoBiondo Pickett
 Lofgren Pomeroy
 Longley Porter
 Lowey Portman
 Luther Poshard
 Maloney Pryce
 Manton Quillen
 Manzullo Quinn
 Markey Radanovich
 Martinez Rahall
 Martini Ramstad
 Mascara Rangel
 Matsui Reed
 McCarthy Regula
 McCollum Reynolds
 McCrery Richardson
 McDade Riggs
 McDermott Rivers
 McHugh Roberts
 McKinney Rogers
 McNulty Rohrabacher
 Meehan Ros-Lehtinen
 Meek Rose
 Menendez Roukema
 Meyers Roybal-Allard
 Mfume Rush
 Miller (CA) Sabo
 Miller (FL) Salmon
 Mineta Sanders
 Mink Sawyer
 Moakley Saxton
 Molinari Schaefer
 Mollohan Schiff
 Montgomery Schumer

NOT VOTING—1

Edwards

□ 1942

Mrs. CHENOWETH and Messrs. BONO, BARRETT of Nebraska, and BERREUTER changed their vote from "aye" to "no."

Mr. WARD and Mr. ISTOOK changed their vote from "no" to "aye."

So the amendment was rejected.

The results of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. BUNN OF OREGON

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Oregon [Mr. BUNN] on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.
 The CHAIRMAN. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 351, noes 81, not voting 2, as follows:

[Roll No. 260]

AYES—351

Ackerman Duncan Kleczka
 Allard Dunn Klink
 Andrews Durbin Klug
 Archer Ehlers Knollenberg
 Armev Ehrlich LaFalce
 Bachus Emerson LaHood
 Stump Engel Lantos
 Baker (CA) English Largent
 Baker (LA) Ensign Latham
 Baldacci Eshoo LaTourette
 Ballenger Everett Lazio
 Barcia Ewing Leach
 Barr Farr Lewis (CA)
 Barrett (NE) Fawell Lewis (KY)
 Barrett (WI) Fields (TX)
 Bartlett Filner Lightfoot
 Barton Flake Linder
 Bass Flanagan Livingston
 Bateman Foley LoBiondo
 Beilenson Forbes Longley
 Bentsen Fowler Lowey
 Bereuter Fox Lucas
 Berman Franks (CT) Luther
 Bevell Franks (NJ) Maloney
 Billray Frelinghuysen Manton
 Quinn Frisa Manzullo
 Blirakis Funderburk Markey
 Bliley Furse Martini
 Blute Furse Mascara
 Boehlert Gallagly Mascara
 Boehner Ganske McCarthy
 Bonilla Gekas McCollum
 Bono Gephardt McCrery
 Borski Geren McDade
 Boucher Gilchrist McHale
 Brewster Gillmor McHugh
 Waxman Gilman McInnis
 Brown (OH) Goodlatte McIntosh
 Brownback Goodling McKeon
 Bryant (TN) Gordon McNulty
 Bryant (TX) Goss Meehan
 Bunn Graham Menendez
 Bunning Green Metcalf
 Burr Greenwood Meyers
 Burton Gunderson Mfume
 Buyer Gutknecht Mica
 Callahan Hall (OH) Miller (FL)
 Calvert Hall (TX) Minge
 Camp Hamilton Moakley
 Canady Hancock Molinari
 Cardin Hansen Mollohan
 Castle Harman Montgomery
 Chabot Hastert Moorhead
 Chambliss Hastings (WA) Moran
 Chapman Hayes Morella
 Chenoweth Hayworth Murtha
 Christensen Hefley Myers
 Chrysler Heineman Myrick
 Clement Herger Nethercutt
 Clinger Hilleary Neal
 Coble Hobson Nethercutt
 Coburn Hoekstra Neumann
 Coleman Hoke Ney
 Collins (GA) Holden Norwood
 Combust Horn Nussle
 Cooley Houghton Oberstar
 Costello Hoyer Obey
 Cox Hunter Olver
 Cramer Hutchinson Ortiz
 Oxley
 Crane Packard
 Crapo Pallone
 Cremeans Pastor
 Cubin Paxon
 Cunningham Payne (VA)
 Danner Johnson (MN)
 Davis Johnson (SD)
 de la Garza Johnson, Sam
 DeFazio Johnston
 DeLauro Jones
 DeLay Jones
 Deutsch Kanjorski
 Diaz-Balart Kaptur
 Dickey Kasich
 Dicks Kelly
 Doggett Kennedy (MA)
 Dooley Kennedy (RI)
 Doolittle Kennelly
 Dornan Kildee
 Doyle Kim
 Dreier King
 Kingston

Regula Shuster
 Richardson Sisisky
 Riggs Skaggs
 Rivers Skeen
 Roberts Skelton
 Roemer Smith (NJ)
 Rogers Smith (TX)
 Rohrabacher Smith (WA)
 Ros-Lehtinen Solomon
 Roth Souder
 Roukema Spence
 Royce Spratt
 Salmon Stearns
 Sanders Stockman
 Sanford Stump
 Sawyer Stupak
 Saxton Talent
 Scarborough Tate
 Schaefer Tauzin
 Schiff Taylor (MS)
 Schroeder Taylor (NC)
 Scott Tejada
 Seastrand Thomas
 Sensenbrenner Thornberry
 Serrano Thornton
 Shadegg Tiaht
 Shaw Torricelli
 Shays Trafficant

Upton
 Vento
 Visclosky
 Volkmer
 Vucanovich
 Waldholtz
 Walker
 Walsh
 Wamp
 Ward
 Watts (OK)
 Weldon (FL)
 Weldon (PA)
 Weller
 White
 Whitfield
 Wicker
 Williams
 Wilson
 Wise
 Wolf
 Woolsey
 Wyden
 Wynn
 Young (AK)
 Young (FL)
 Zeff
 Zimmer

NOES—81

Abercrombie Gonzalez
 Becerra Gutierrez
 Bishop Hastings (FL)
 Bonior Hefner
 Brown (CA) Hilliard
 Brown (FL) Hinchey
 Clay Hostettler
 Clayton Jefferson
 Clyburn Johnson, E. B.
 Gallins (IL) Kolbe
 Collins (MI) Laughlin
 Condit Levin
 Conyers Lewis (GA)
 Coyne Lincoln
 Deal Lofgren
 Dellums Martinez
 Dingell Matsui
 Dixon McDermott
 Evans McKinney
 Fattah Meek
 Fazio Miller (CA)
 Fields (LA) Mineta
 Foglietta Mink
 Ford Nadler
 Frost Orton
 Gejdenson Owens
 Gibbons Parker

Payne (NJ)
 Pelosi
 Peterson (FL)
 Reynolds
 Rose
 Roybal-Allard
 Rush
 Sabo
 Schumer
 Slaughter
 Smith (MI)
 Stark
 Stenholm
 Stokes
 Studds
 Tanner
 Thompson
 Thurman
 Torkildsen
 Torres
 Towns
 Tucker
 Velazquez
 Waters
 Watt (NC)
 Waxman
 Yates

NOT VOTING—2

Edwards Frank (MA)

□ 1952

Ms. BROWN of Florida, Mr. SCHUMER, and Mr. FIELDS of Louisiana changed their vote from "aye" to "no."

Mrs. CUBIN, Mrs. ROUKEMA, and Messrs. WILLIAMS, SHAYS, ENGEL, and SERRANO changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. SMITH OF NEW JERSEY

The CHAIRMAN. The pending business is the request for a recorded vote on amendment No. 8 printed in House Report 104-85 offered by the gentleman from New Jersey [Mr. SMITH] on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 352, noes 80, not voting 2, as follows:

[Roll No 261]

AYES—352

Ackerman	Duncan	Klug
Allard	Dum	Knollenberg
Andrews	Durbin	LaFalce
Archer	Ehlers	LaHood
Army	Ehrlich	Lantos
Bachus	Emerson	Largent
Baesler	Engel	Latham
Baker (CA)	English	LaTourette
Baker (LA)	Ensign	Laughlin
Baldacci	Eshoo	Lazio
Ballenger	Everett	Leach
Barcia	Ewing	Levin
Barr	Farr	Lewis (CA)
Barrett (NE)	Fawell	Lewis (KY)
Barrett (WI)	Fields (TX)	Lightfoot
Bartlett	Filner	Linder
Barton	Flake	Lipinski
Bass	Flanagan	Livingston
Bateman	Foglietta	LoBiondo
Bentsen	Foley	Longley
Bereuter	Forbes	Lowe
Berman	Fowler	Lucas
Bevill	Fox	Luther
Bilbray	Franks (CT)	Maloney
Bilirakis	Franks (NJ)	Manton
Bliley	Frelinghuysen	Manzullo
Blute	Frisa	Markey
Boehlert	Frost	Martinez
Boehner	Funderburk	Martini
Bonilla	Furse	Mascara
Bono	Gallegly	McCarthy
Borski	Ganske	McCollum
Boucher	Gejdenson	McCrary
Brewster	Gekas	McDade
Browder	Geren	McHale
Brown (OH)	Gilchrest	McHugh
Brownback	Gillmor	McInnis
Bryant (TN)	Gilman	McKeon
Bryant (TX)	Goodlatte	McNulty
Bunn	Goodling	Meehan
Bunning	Gordon	Menendez
Burr	Goss	Metcalf
Burton	Graham	Mfume
Buyer	Green	Mica
Callahan	Greenwood	Miller (FL)
Calvert	Gunderson	Minge
Camp	Gutknecht	Moakley
Canady	Hall (OH)	Molinari
Cardin	Hamilton	Mollohan
Castle	Hancock	Montgomery
Chabot	Hansen	Moorhead
Chambliss	Harman	Moran
Chapman	Hastert	Morella
Chenoweth	Hastings (WA)	Murtha
Christensen	Hayes	Myers
Chrysler	Hayworth	Myrick
Clayton	Hefley	Nadler
Clement	Heineman	Neal
Clinger	Hergert	Nethercutt
Coble	Hilleary	Ney
Coleman	Hobson	Norwood
Collins (GA)	Hoekstra	Nussle
Combest	Hoke	Oberstar
Condit	Holden	Obey
Cooley	Horn	Olver
Costello	Houghton	Ortiz
Cox	Hoyer	Orton
Cramer	Hunter	Oxley
Crane	Hutchinson	Packard
Crapo	Hyde	Pallone
Cremeans	Inglis	Parker
Cubin	Jackson-Lee	Pastor
Cunningham	Jacobs	Paxon
Danner	Johnson (CT)	Payne (VA)
Davis	Johnson (SD)	Peterson (MN)
de la Garza	Johnson, Sam	Petri
DeFazio	Jones	Pombo
DeLauro	Kanjorski	Pomeroy
DeLay	Kaptur	Porter
Deutsch	Kasich	Portman
Diaz-Balart	Kelly	Poshard
Dickey	Kennedy (MA)	Pryce
Dicks	Kennedy (RI)	Quillen
Dixon	Kennelly	Quinn
Doggett	Kildee	Radanovich
Dooley	Kim	Rahall
Doolittle	King	Ramstad
Dornan	Kingston	Rangel
Doyle	Klecza	Reed
Dreier	Klink	Regula

Richardson	Skaggs
Riggs	Skeen
Rivers	Skelton
Roberts	Smith (NJ)
Roemer	Smith (TX)
Rogers	Smith (WA)
Rohrabacher	Solomon
Ros-Lehtinen	Souder
Roth	Spence
Roukema	Stearns
Royce	Stenholm
Sabo	Stockman
Salmon	Stump
Sanders	Stupak
Sanford	Talent
Sawyer	Tate
Saxton	Tauzin
Schaefer	Taylor (MS)
Schiff	Taylor (NC)
Schroeder	Tejeda
Scott	Thomas
Seastrand	Thornberry
Sensenbrenner	Thornton
Serrano	Tiahrt
Shadegg	Torres
Shaw	Traficant
Shuster	Upton
Sisisky	Vento

Visclosky	Wicks
Volkmer	Wickert
Vucanovich	Waldholtz
Walsh	Walker
Walsh	Walsh
Wamp	Ward
Ward	Watts (OK)
Watts (OK)	Weldon (FL)
Weldon (FL)	Weldon (PA)
Weller	White
White	Whitfield
Whitfield	Wicker
Wicker	Williams
Williams	Wilson
Wilson	Wise
Wise	Wolf
Wolf	Woolsey
Woolsey	Wyden
Wyden	Wynn
Wynn	Young (AK)
Young (AK)	Young (FL)
Young (FL)	Zeliff
Zeliff	Zimmer

atives meet all relevant child protection standards established by the State;

“(B) the State would make a needs-based payment and provide supportive services, as appropriate, with respect to children placed in a kinship care arrangement; and

“(2) in placing children for adoption, giving preference to adult relatives who meet applicable adoption standards (including those acting as foster parents of such children).

The CHAIRMAN. Pursuant to the rule, the gentleman from Oregon [Mr. WYDEN] will be recognized for 10 minutes, and a Member in opposition will be recognized for 10 minutes.

Mr. BUNNING of Kentucky. Mr. Chairman, I know of no opposition to the amendment, and I would claim the time in opposition to the amendment.

The CHAIRMAN. The gentleman from Kentucky [Mr. BUNNING] will be recognized for 10 minutes.

The Chair recognizes the gentleman from Oregon, Mr. WYDEN.

Mr. WYDEN. Mr. Chairman, this amendment would encourage our States to utilize the Nation's grandparents, with their vast treasury of love and practical experience, to help our youngsters who might otherwise be abandoned or put in foster care facilities, or put up for adoption.

From across the country in recent months I have heard from grandparents who often are not informed at all by child protection agencies in their States when their grandchildren are moved to foster care facilities or put up for adoption.

We all know that when children are separated from their parents, it is usually a painful and traumatic experience. Living with grandparents they know and trust gives them a better opportunity in the world.

This amendment would strengthen the ability of families to rely on their own family members as resources, and would promote self-reliance within our families and within our communities.

Mr. Chairman, I would like to emphasize that this amendment is not prescriptive. It is a permissive one. It would simply offer to the States to use the Nation's grandparents when those grandparents meet child safety protection standards. This amendment is supported by the American Association of Retired Persons, the National Coalition of Grandparents, and grandparents organizations from across the country.

Mr. Chairman, I would like to say that the majority has been extremely helpful in the developing of this amendment, for which I appreciate their assistance.

Mr. SHAW. Mr. Chairman, will the gentleman yield?

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

Mr. SHAW. Mr. Chairman, I would like to compliment the gentleman for a very wise amendment. Being a grandfather of five myself, I can certainly appreciate the full impact to which the gentleman speaks, and I think he brings a very good element to the bill. I plan to support it.

NOES—80

Abercrombie	Hastings (FL)
Becerra	Hefner
Beilenson	Hilliard
Bishop	Hinchey
Bonior	Hostettler
Brown (CA)	Istook
Brown (FL)	Jefferson
Clay	Johnson, E. B.
Clyburn	Johnston
Coburn	Kolbe
Collins (IL)	Lewis (GA)
Collins (MI)	Lincoln
Conyers	Lofgren
Coyne	Matsui
Deal	McDermott
Dellums	McIntosh
Dingell	McKinney
Evans	Meeke
Fattah	Meyers
Fazio	Miller (CA)
Fields (LA)	Mineta
Ford	Mink
Gephardt	Neumann
Gibbons	Owens
Gonzalez	Payne (NJ)
Gutierrez	Pelosi
Hall (TX)	Peterson (FL)

NOT VOTING—2

Frank (MA)

□ 1954

Mr. GEJDENSON and Mr. SANFORD changed their vote from “no” to “aye.” So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. It is now in order to consider amendment No. 9 printed in House Report 104-85.

AMENDMENT OFFERED BY MR. WYDEN

Mr. WYDEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WYDEN: Page 60, line 8, insert “, using adult relatives as the preferred placement for children separated from their parents if such relatives meet all State child protection standards” before the semicolon.

Page 72, line 4, insert “(a) IN GENERAL.—” before “Each State”.

Page 72, after line 20, insert the following: “(b) PLACEMENT OF CHILDREN WITH RELATIVES.—A State to which a grant is made under this part may consider—

“(1) establishing a new type of foster care placement, which could be considered a permanent placement, for children who are separated from their parents (in this subsection referred to as ‘kinship care’) under which—

“(A) adult relatives of such children would be the preferred placement option if such rel-

Mr. WYDEN. Mr. Chairman, I thank the gentleman for his assistance.

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

Mr. BUNNING of Kentucky. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of a provision in this bill that will make a dramatic difference for the kids in this country who are waiting for placement in adoptive homes.

Since the early 1980's, adoption placement agencies have been discriminating against these kids and prospective parents because of their race. Under guidelines that the Department of Health and Human Services sent out to State agencies back in 1981, race is one of the factors that can be used in placing children in adoptive homes.

In practice, when the actual placement is made by the agencies, race often becomes the sole matching factor that social workers use in making these decisions.

The result of this has been that minority children end up waiting twice as long in foster care as white children. And black children, while only constituting 14 percent of the child population, now account for over 40 percent of the children in foster care.

Since black families only make up 12.5 percent of the population, this has led Randall Kennedy, the black Harvard law professor, to note that "even if you do a super job of recruiting, in Massachusetts, where only 5 percent of the population is black and nearly half the kids in need of homes are black, you are still going to have a problem."

This is not an indictment of the black community. Black Americans have a long tradition of "taking care of their own" through informal adoption, kinship care, and other arrangements that are not made public and do not show up in official counts.

But, given all that the black community has done, and given 20 years of Federal money going for minority recruitment, we still have a large number of black children with no place to call home.

A provision in the Republican welfare bill will help solve this problem. It would deny Federal funds to any agency that uses race as a criteria in placing children in adoptive homes. It is a color-blind provision that will help a lot of children get out of foster care into permanent loving homes, and I think is consistent with our Nation's civil rights laws.

Last year, Senator METZENBAUM got a provision included in the minority health amendment bill that originally would have done what we are trying to do in this welfare reform bill. But by the time the so-called child advocates got a whiff of this and helped get it watered down in conference, the provision only codified the then-current practice that Senator METZENBAUM was originally trying to overturn.

Since the Metzenbaum bill passed, 43 States have interpreted this law to

mean that they can use race to hold up children in foster care. But, now Senator METZENBAUM has indicated that he would like to see his bill repealed so that kids are not tied up in foster care just because of the color of their skin.

Back in the late 1960's and 1970's, more than 10,000 black children were adopted by white parents. Research and countless studies clearly show that these children know who they are, feel good about themselves, and do well in school. Until HHS handed down the deluded 1981 guidelines, this was a practice that was working.

I know that this is true because I have personal experience in this matter. Two of my daughters have adopted minority children—one that is Korean, one that is biracial. And I can attest to how well this has worked out for my family. The children are happy and doing well, and they have made my family a brighter and happier one.

Mr. Chairman, there is a difference between a policy that is based on race and one that is sensitive to race. A policy that prohibits delaying the placement of a child into an adoptive home because of race is not insensitive to race as a cultural issue, but cognizant of the fact that the defining variable here is not race but a loving home.

Potential parents should be judged by the love in their hearts, not the color of their skin. Potential adoptive children should be judged not by the color of their skin but by their needs as children.

The new policy in this welfare reform bill would accomplish an end to the sacrifice of tens of thousands of minority children, on the altar of political correctness. It is one of the best provisions in this entire bill, and one that I believe will really help improve the race relations in our country.

But, most importantly, it will help the kids who are in limbo now, stuck in foster homes only because of their skin color. That is sad, Mr. Chairman, and it is wrong. I urge my colleagues to support this bill and make a difference in these children's lives.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. BUNNING of Kentucky. I yield to the gentleman from Tennessee.

Mr. FORD. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, when the gentleman offered this amendment, basically what he was doing was repeal the Metzenbaum provisions that were passed in the last Congress, is that correct?

Mr. BUNNING of Kentucky. That is correct.

Mr. FORD. Therefore, we would go back to language prior to the Metzenbaum bill passed last year?

Mr. BUNNING of Kentucky. The Civil Rights Act of 1964.

Mr. FORD. Mr. Chairman, basically, we know there are many, many kids of minority who are trapped into foster care simply because they cannot find parents who will adopt them, and I also would like to make note that it was

the Personal Responsibility Act by the Republicans, under the tax cut plan, that gave a \$5,000 tax credit, but it is nonrefundable.

Many of the kids that the gentleman takes reference to today will remain in foster care facilities simply because people who are working and making \$20,000 and \$30,000 a year will not be able to receive that tax credit.

Once again, only the wealthy and rich of this Nation will be able to receive the tax credit to adopt these kids that the gentleman is trying to help, and I support the gentleman's concept. I am not in opposition to it.

I think those in the country of biracial adoptions, I have no problem with that, but in the gentleman's tax cut bill, he comes back and creates a problem for minorities who are working and other people who have low incomes who are making \$20,000 and \$30,000 a year.

The tax cut plan under the Republicans, under their Contract With America, it does just what the gentleman is trying to do for rich people, but it takes it away from the working poor of this country.

Mr. BUNNING of Kentucky. Mr. Chairman, the gentleman from Tennessee [Mr. FORD] realizes we are discussing the welfare reform bill, and when we get to the tax bill I will be more than happy to debate the issue with the gentleman on the \$5,000 credit for adoption.

Mr. FORD. If the gentleman will continue to yield, absolutely, Mr. Chairman, I appreciate that, and I understand that. However, \$69.4 billion in this 5-year window that will be saved will go to offset the \$189 million tax cut for a 5-year period as well.

Mr. BUNNING of Kentucky. It is possible that that could be, but it is improbable that we will need it.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. BUNNING of Kentucky. I yield to the gentleman from California.

Mr. MILLER of California. Mr. Chairman, I want to commend the gentleman for his amendment. I think this is what we were trying to do in the conference committee last year with Senator Metzenbaum, and I think we got some bad advice from HHS on some language.

I just want to thank the gentleman for bringing this amendment to the floor.

Mr. BUNNING of Kentucky. I thank the gentleman, Mr. Chairman.

Mr. WATTS of Oklahoma. Mr. Chairman, children need love. Children need families. Children need consistency and unity as they grow up.

The best place to get the fundamentals of life is with their own families, if possible—if not, other permanent measures for the children's stability should be the primary objective.

In most cases, the two-parent family, along with other family members contribute positively in a child's life. Family should be considered as a major factor in the equation of solving the

welfare problem. Before making the automatic assumption that people should be swept into the welfare trap, the State should be given the flexibility to consider the eligibility of a member of the kinship care network—a grandparent, a noncustodial parent perhaps, or even an aunt or uncle.

I urge you to support this very pro-family proposal as an important and integral part of the House welfare reform package.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oregon [Mr. WYDEN].

The amendment was agreed to.

□ 2015

The CHAIRMAN. It is now in order to consider amendment number 11 printed in House Report 104-85.

AMENDMENT OFFERED BY MS. WOOLSEY

Ms. WOOLSEY. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Ms. WOOLSEY: Page 74, line 8, strike "Secretary" and insert "Attorney General of the United States".

Page 74, line 9, insert "by contract" after "operate".

Page 74, line 15, strike "Secretary" and insert "Attorney General of the United States".

The CHAIRMAN. Pursuant to the rule, the gentlewoman from California [Ms. WOOLSEY] and a Member opposed will each control 10 minutes.

Mr. SHAW. Mr. Chairman, I do not see any opposition on the floor, but I would claim the time in opposition.

The CHAIRMAN. The gentleman from Florida [Mr. SHAW] will be recognized for 10 minutes in opposition to the amendment.

The Chair recognizes the gentlewoman from California [Ms. WOOLSEY].

Ms. WOOLSEY. Mr. Chairman, I yield myself such time as I may consume.

The Woolsey/Ramstad amendment is a technical amendment that corrects an inadvertent error made during the drafting of H.R. 1214.

Mr. Chairman, it is obvious that it is in our bipartisan best interest to protect programs for missing and exploited children. I thank the gentleman from Texas [Mr. ARCHER] for his support.

Mr. Chairman, in October of 1993, 13-year-old Polly Klaas was abducted by a stranger from her home in Petaluma, which is in my district. I know that many of my colleagues are aware of this tragic story. But what many of my colleagues may not be aware of is that an important role was played by the National Center for Missing and Exploited Children in the search for Polly.

The Center alerted 17,000 police departments nationwide. They broadcast public service announcements on all the major television networks. They distributed sketches of Polly and her abductor through the network of nearly 400 private sector partners. The Center has provided these same crucial

services in searches for almost 40,000 children nationwide. This amendment preserves the effectiveness of the Center's programs by keeping these programs in the Department of Justice where they now reside. This is necessary because H.R. 4 repeals the Missing Children's Act which among other things establishes the National Center for Missing and Exploited Children.

In order to ensure that the Center continues to operate, H.R. 4 also authorizes the Secretary of Health and Human Services to establish and operate the Clearinghouse and Hot Line for Missing and Runaway Children. However, under the current congressional mandate in the Missing Children's Act, it is the Department of Justice which works in partnership with the Center to operate the clearinghouse and hot line.

The Woolsey-Ramstad amendment moves the authority back to the Attorney General, in the Department of Justice, and gives her continued authority to contract with the National Center for Missing and Exploited Children to operate the clearinghouse and the hot line. This amendment is strongly supported by both the National Center for Missing and Exploited Children and the Department of Justice.

Mr. Chairman, it is crucial that the Center and the Department of Justice continue their 10-year partnership to protect our most precious national resource, our children.

Mr. Chairman, I yield to the gentleman from Minnesota [Mr. RAMSTAD].

Mr. RAMSTAD. I thank the gentlewoman for yielding and also for her co-sponsorship of this amendment.

Mr. Chairman, I rise in strong support of this amendment.

As the author of the Jacob Wetterling Crimes against Children Act, I know the importance of maintaining a partnership between the Justice Department and the National Center for Missing and Exploited Children.

Last year alone, Mr. Chairman, the Justice Department reported that over 114,000 children in this country were targets of attempted abduction. Fortunately, the National Center is doing an outstanding job to both recover abducted children and prevent abductions in the first place.

The Center's toll-free hot line has logged over 750,000 calls since 1984. Each week the Center distributes literally millions of photographs of missing children and many of these are high-tech, age-enhanced photos. In fact right now the photo of Jacob Wetterling, the young boy from Minnesota who was kidnapped a number of years ago, Jacob would have just celebrated his 17th birthday, Mr. Chairman, and that photo of Jacob, how he does look now at 17, has been circulated around the Nation. The center has also printed 8.3 million publications and trained over 130,000 police and other professionals.

Here is the main evidence that our investment in the Center is worthwhile. After working with law enforcement on over 40,000 cases, more than 26,000 children have been recovered.

Again, Mr. Chairman, this amendment as the gentlewoman from California said is technical, it simply restores the authority for the Justice Department to retain the 10-year partnership with the Center rather than start anew with another agency.

Let us pass this important amendment and preserve this important sponsorship. Our children and our families deserve nothing less.

Mr. SHAW. Mr. Chairman, we both agree with the amendment and we are very pleased with the gentlewoman from California for bringing it to our attention. She is quite correct, it was a drafting error, we compliment her for bringing it to our attention and we support the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from California [Ms. WOOLSEY].

The amendment was agreed to.

Mr. REED. Mr. Chairman, I rise in opposition to the rule before us today. Welfare reform is one of the most important issues we will consider in this Congress, and yet, of the more than 150 amendments filed with the Rules Committee, only 30 amendments have been made in order. And furthermore, most Democratic amendments have been shut out of the debate.

I had filed an amendment, not allowed to be considered under the rule before us today, that would have made the two nutrition block grants more flexible to changing economic conditions within states. My amendment would have established a trigger which would have made States with rising unemployment eligible for increased funding to expand its nutrition programs during economic downturns.

I offered this amendment in markup of the Opportunities Committee, and it has received bipartisan support. In addition, both Republican and Democratic Governors are on record as supporting a block grant trigger.

I urge my colleagues to vote against this restrictive rule.

Mr. CRANE. Mr. Chairman, throughout my career in Congress, I have watched as Democrat majorities sat idly by and watched the welfare system destroy the lives of millions of Americans. I have watched as these failed liberal policies have burrowed a deeper and deeper hole of dependency, abuse, and fiscal irresponsibility for our children and their children.

Democrats argue today that they are in favor of change. They claim to recognize the fact that welfare has not only failed to solve problems, but it has actually made them worse. Unfortunately, this realization comes too late. Last year, Democrats who then controlled the House of Representatives, the Senate, and the Presidency, could not reform the system. In historic numbers, the American people embraced the Republican reform proposal, and Republicans will reform the welfare system.

While I strongly support this bill, I must admit to some reservations. I believe it is unfortunate that we have left untouched some

programs that States could much more efficiently administer as block grants. I have concerns about the expanded use of Social Security numbers under the child support provisions. Finally, I believe there are understandable fears that this bill could adversely impact the number of abortions. But the vast majority of this bill will be beneficial and will help those in need.

Opponents of this welfare reform package have chosen to call supporters mean spirited, and they claim that the bill puts children at risk. I believe that it is far more uncaring and callous to put children and their parents into a welfare system that offers little hope of escape. I do not wish to leave future generations with the social and fiscal responsibilities of cleaning up our mess.

This bill does not, as some on the other side have argued, need a jobs program. Welfare reform, along with other provisions in the contract, is in and of itself a jobs program. By reducing the size of Government, by getting Government out of people's lives, and by cutting the tax burden felt by the American public, jobs will be naturally created. In fact, I would argue that we would today have more jobs with higher wages were it not for Government intrusion into the market.

What we do need is to end the cycle of dependency that has been created by the current welfare system. In too many cases, the current system has created what amount to reservations. So long as beneficiaries stay within certain boundaries, they will be given food and clothing and shelter and other benefits. The system not only does not reward those who try to move off of the reservation, it actually punishes them. This bill provides substantial incentives for States and individuals to make real efforts at moving beneficiaries to self-sufficiency and reducing the welfare rolls.

Perhaps most importantly, this bill gives the States the flexibility to reach those goals. While Governors across the Nation have been experimenting with innovative programs and finding great success in giving beneficiaries the opportunities and incentives they need to become independent, the Federal Government has been largely static, watching without acting. In this bill, we will give States the opportunity to push those experiments even further. We will give States very real incentives to adopt successful programs from other States, without imposing Federal mandates from on high.

Today, we begin to move in the right direction, but I hope that this will be only the first step. I hope that we will be able to implement further reforms in the future to give States more resources and more responsibilities. Some may see this bill as too large a step, others may call it too small. But it is a step. And it is one step more than Democrats ever made. I urge my colleagues to support this bill.

Ms. PRYCE. Mr. Chairman, I rise in strong support for the important provisions contained in this en bloc amendment offered by Chairman Archer. I commend the chairman for his hard work on this bill and for his willingness to accept amendments that strengthen H.R. 4, the Personal Responsibility Act.

Few disagree with the fact that our present welfare system is failing. Our Nation's 30-year-old, \$5.3 trillion war on poverty has done little to improve the plight of the poor. America's

current welfare system encourages illegitimacy, nonwork, and dependency. Those whom we are fighting to protect have instead been imprisoned in a cycle of poverty that is passed from generation to generation. America's campaign against poverty has claimed many victims—most notably, and tragically, our children have suffered.

For this reason, I have joined with my colleague from Indiana, Mr. BURTON, in offering a sense-of-Congress resolution regarding the use of funds under the Child Protection Block Grant. Our resolution, which has been included in the chairman's en bloc amendment, encourages States to allocate sufficient funds under their Child Protection Block Grant to promote adoption. I think we can all agree that a loving family is the best social structure in which a child can be raised.

As an adoptive mother of a 4-year-old, the issue of adoption is very important to me and has a permanent place in my heart. In the debate about policy, it is sometimes easy to lose sight of those about whom we speak. They are, after all, our children.

Today, too many children are abused and neglected in their home environment. Our child welfare systems are charged with the task of protecting these innocent victims and providing them with substitute care when necessary. Ideally, these children would be placed with a family that can provide a stable environment and a consistent caring relationship. Instead, many children end up in the often unstable and lonely foster care system, including group homes and orphanages. The adverse conditions faced by these children in an abusive home and then in institutionalized care hinders their ability to develop positive social skills and succeed in adulthood. There are tens of thousands of children waiting to be embraced into caring families willing to raise them in an atmosphere of love, self-respect, and responsibility. Adoptive families are 100 percent functional, happy, and whole.

The Burton-Pryce amendment stresses to States the importance of facilitating the permanent placement of children into loving families, and strongly urges States to devote child protection funds to adoption for that purpose. Specifically, it encourages the facilitated adoption of special-needs children and suggests a tax credit to families to make these adoptions more affordable.

I encourage my colleagues to support this sense-of-Congress resolution which seeks to protect our children and provide them with hope for the future by voting in favor of Chairman ARCHER's en bloc amendment.

Mr. PACKARD. Mr. Chairman, our current welfare system strips the American people of economic opportunity and fosters a society dependent on government handouts. For far too many Americans the welfare system no longer serves as a safety net, it is a hammock. Our Republican welfare reform proposal offers real change, not false security.

Welfare clearly represents the biggest, most costly policy failure of our time. The current system encourages social behavior that destroys families, fuels skyrocketing illegitimacy, and impoverishes millions of children. It is a heartless system that blocks incentives for people to lift themselves out of poverty.

Our Republican Personal Responsibility Act offers compassionate approaches that promote personal responsibility, require work and strengthen families. It works to lift families and

their children out of the government's hammock and back on to their own feet. Our proposal brings the welfare system closest to the people that need it most by giving block grants to the States.

Welfare has become a way of life for millions of Americans. Our current system traps people in a cycle of dependency and despair and offers little in the way of hope and opportunity. It is responsible for spawning crime, drug use, problem-ridden schools and other social ills, forcing taxpayers to subsidize these.

Mr. Chairman, restoring America's work ethic, a sense of self-respect and community responsibility will alleviate much of the social decay we see today. Our Republican welfare reforms will leave a more civil and compassionate society for our children and grandchildren. The Personal Responsibility Act replaces the Federal hammock with family security and responsibility.

Mr. SANDERS. Mr. Chairman, this is an extraordinary week for the House of Representatives and for the American people.

What we are seeing on the floor of the House of Representatives constitutes a war on the poorest women and children in our country in order to pay for tax breaks for the wealthy. The Republican Party, which recently held a fundraiser and raised \$11 million dollars in one night from some of the wealthiest people in this country are now, under the guise of welfare reform, savagely cutting back on a wide variety of programs which are desperately needed by the weak and defenseless—by children, by the elderly, by the hungry, disabled and the sick.

Sixty-nine billion dollars are being cut back on low-income assistance programs over a 5-year period in order to serve as a down payment for tax breaks for the rich. Robin Hood in reverse. We take from the poor and give to the rich. We take away school lunches from hungry children and serve up two martini lunches to corporate bosses. What courage. At a time when this country, before these cuts, already has the highest rate of childhood poverty in the industrialized world it is clear that the major problem facing low-income children is that they do not fully understand the working of the entrepreneurial system. If only the low-income children, who are going to see cut backs in nutrition programs, health care and child care—had the sense to pay \$1,000 a plate for a Republican fundraiser, things would be different.

The Department of Health and Human Services estimates that 6 million children will be thrown off welfare as a result of the Personal Responsibility Act. Conservative estimates show that in the year 2000 close to 400,000 or 40 percent of disabled children will no longer receive SSI benefits; 14 million children would continue to receive some food stamps, but at a reduced level; over 2 million children would no longer be eligible for school lunches; 1 million children would no longer be fed in child care settings; close to 400,000 children would be denied child care; and 60,000 children would lose access to foster care and adoption assistance.

In the year 2000 the State of Vermont will lose \$10 million in cash welfare and education, training and employment programs for welfare recipients and 2,450 children will be dropped from assistance. In the same year, Vermont will lose \$5.1 million in aid for blind

and disabled children and 500 children will be dropped from the rolls. Vermont will lose close to \$1 million in school lunch funds and 4,100 children will no longer receive free or reduced price meals. Vermont will lose \$1.6 million in child care funds and 990 children will be denied care. Vermont will lose \$3.5 million in funds for the child and adult care food program and 4,150 children will lose their daily meals. Vermont will lose \$9 million in food stamp funds and 25,386 children would receive reduced food stamp benefits.

We all recognize that the current welfare system is not working well, but in reforming the system we do not want to punish some of the most vulnerable people in our society.

This House just passed an unfunded Federal mandate bill and, as a former Mayor, I supported that bill. This welfare reform bill is one of the largest unfunded Federal mandates that the State of Vermont will ever experience.

If we are serious about real welfare reform than we must be talking about a jobs bill which can employ those people who are leaving welfare. We must be talking about increasing child care, job training, and educational opportunities. If our goal is to get people off welfare and into jobs, then we must provide the infrastructure for that transaction. Not to do that is to simply punish poor people for being poor.

Mr. TORRES. Mr. Chairman, last week we saw how the Republicans eagerly take from working families, senior citizens and children.

When I went home to my district I stopped by an elementary school—I wanted to see for myself the importance of Federal nutrition programs and to learn what these meals mean to the children.

What I saw were children being fed a hot and nutritious meal—the only decent meal they eat the entire day.

The cold and heartless attack we are witnessing is appalling.

Hunger afflicts up to 30 million Americans, 12 million of them are children. My congressional district, the East San Gabriel Valley of Los Angeles County, will be the most heavily impacted in all of California. 41,000 children, in my district alone, will be negatively impacted by the Republican proposal to cut nutrition programs.

We all know that hungry students are fatigued, cannot concentrate and end up doing worse than their peers on standardized tests.

I urge my Republican colleagues to visit their schools before denying this small but essential program from our children.

You cannot disguise the fact that block granting nutrition programs is taking food out of the mouths of children, to fill the trough that feeds corporate subsidies.

Mr. SHAW. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore [Mr. LATOURETTE] having assumed the chair, Mr. LINDER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4) to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence, had come to no resolution thereon.

WELFARE REFORM IS ABOUT INDIVIDUAL HUMAN BEINGS

(Mr. SKAGGS asked and was given permission to address the House for 1 minute and to revise and extend his remarks, and include extraneous matter.)

Mr. SKAGGS. Mr. Speaker, the welfare reform debate that we are engaged in is not about politics, and it is not about abstract policy; it is about people, about human beings.

And one person in my hometown of Boulder, Colorado recently had this to tell me: Five years ago I was pregnant and abandoned by my husband. I had no home, no job, no money but I had a goal in my life—to be an education specialist. Today I have reached my goal. I have a happy 4-year-old daughter. I have a job that I love, teaching young children. If it weren't for government programs such as Self-Sufficiency, WIC, section 8, immunizations, Medicaid, food stamps and LIHEAP I would not have reached my goal.

"We can't know," she goes on, "we can't know the individual circumstances of all who ask for assistance. I don't think anyone plans to or wants to beg for help. Thanks for not giving up on me."

We have got to reform welfare but as we do it, we cannot give up on decent young women like this.

Mr. speaker, here is the full text of what this young woman told me:

Five years ago, I was pregnant and abandoned by my husband who was, in his own words, "not ready" for the responsibility of parenthood. I had no home, no job, no money, and no insurance. And I was worried. I had a goal for my life—to be an environmental education teacher. How was I going to do this and be a single parent? I still had to complete my education!

Today, I have reached my goal. I have a happy 4-year-old daughter who, contrary to an article in U.S. News and World Report which states that fatherless children were more likely to have learning disabilities and behavioral problems, is well-adjusted and has been tested as having an above average IQ. I have a job that I love, teaching young children about our environment and how to take care of it. These are children of tax-paying citizens who, through their taxes, supported me during hard time. I feel that, by educating their children, I am helping to repay that debt. If it weren't for State and local government programs such as Project Self-Sufficiency, WIC, Section 8 Housing, Free Immunizations, Medicaid, Food Stamps, and LIHEAP, (low-income energy assistance program), all of which I have received benefits from, I would not have been able to reach my goal. I qualified for and received these benefits while working full time and taking a full course load at the University of Colorado.

Today I am happy to know that some of my taxes are going to help others like myself who are trying to reach their life goals, in spite of difficulties, obstacles, and hardships which are beyond their control.

We can't know the individual circumstances of all who ask for assistance. I don't think anyone plans to or wants to beg for help. I also don't believe that two years of assistance is long enough for most people to complete education or job training and find a job that is going to pay all their bills. I would like to take this opportunity to

thank all the taxpayers, friends and family who have helped me over the past five years to reach my goal. Thanks for not giving up on me.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 4, 1995, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

WESTERN COMMERCIAL SPACE CENTER LEASE SIGNING

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California [Mrs. SEASTRAND] is recognized for 5 minutes.

Mrs. SEASTRAND. Mr. Speaker, last Friday the 25-year lease agreement between the Department of the Air Force and the Western Commercial Space Center—better known as the California Spaceport Authority—was finally signed. It was an arduous process that tested the commitment to commercial space development on all sides.

Although this agreement had been agreed upon in principle for months, it was nearly derailed by an overzealous civilian bureaucracy within the Department of the Air Force. In essence, what would have taken less than 30 days in the private sector took several months because of the arcane manner in which the federal government tends to operate.

There were two key issues at work: first, the release of \$3 million in previously awarded Fiscal Year 1994 Department of Defense grants to the Space Center; and second, signing the lease itself which would then allow construction to begin on the first polar orbit commercial spaceport in America.

The DoD grants were awarded in Fiscal Year 1994. They were awarded independently of the 25-year lease with the Air Force. On October 28, 1994, when Secretary Widnall announced the Air Force's intention to negotiate a lease with the Space Center, no mention was made of a link between releasing the grants and signing the lease. Yet, for some reason, release of grant funds because tied to the lease signing.

This lease had been agreed upon in principle for more than four months. During a December 15, 1994, meeting between the Air Force general counsel's office and the Space Center, the Space Center was told they would have a draft of the lease by January 1, 1995—and that the lease would be signed by January 15, 1995.

On January 30, 1995—30 days after it was promised by the Air Force general counsel's office—a 76-page lease with 26 conditions was submitted to the Space Center.

For weeks, the lease was traded back and forth. Signing was set to take place twice, yet both deadlines passed because civilian bureaucrats kept adding new conditions. For example, condition 15 of the original lease addressed liability and stated that damages were

not to exceed \$10 million. But the bureaucrats decided to add environmental language to the lease—despite the fact that the environmental issues had been addressed and resolved during three review processes and the fact that no launches would take place for two years thus eliminating the possibility of an environmental problem.

Then the civilian bureaucrats decided that the Space Center would have 60 days to submit a certified insurance policy. Clearly unreasonable because insurance companies rarely, if ever, issue certification of policies within 60 days.

Then, the bureaucrats decided that there should be no cap on the amount that could be sought and awarded in a liability suit—then Spaceport could be sued for any amount of money. Obviously no reasonable insurance company would issue a policy where they would be required to pay unlimited damages.

In the end, due in large part to bipartisan support and participation, the primary lease between the Space Center and the Air Force was signed.

Mr. Speaker, the process by which this lease agreement came to be signed should not be a model for future negotiations. It should have never reached an 11th hour deadline. It should have never reached a point where the Space Center was in danger of shutting its doors. It should never have reached a point where hundreds, and ultimately thousands of jobs, could have been lost. It should never have put tens of millions of dollars in private sector investment in jeopardy. It should never have put the future of commercial space development in California on the line.

One of the reasons the voters of America responded as they did during the 1994 elections was because of problems such as this. The American people have demanded a smaller and more efficient federal government that puts the interests of its people ahead of everything else. This ladies and gentleman, is the essence of the Contract with America.

While spaceport development and commercial space are not part of the 100-day agenda, they are very much in line with the goals and spirit of the 104th Congress. Our government must be willing to make America a strong and vibrant competitor in the international commercial space market. Further, the government must demonstrate to private industry that they are committed to making America a leader in the international commercial space market.

Mr. Speaker, the time for action is now. All of our international competitors—France, China, Russia, Canada, Japan, Australia—are moving forward in the commercial space arena. We cannot fall behind. Spaceport development must go forward in conjunction with an aggressive U.S. commercial space policy.

And who stands to benefit from this approach? Certainly space states such as Alaska, California, Florida, Virginia, New Mexico, Colorado, Texas,

Hawaii and others. But, more importantly, our nation stands to benefit. There is enormous economic potential if we are willing to do what is necessary to successfully compete.

As we saw at crunch time on the Vandenberg lease, commercial space is not a partisan issue—it is an American issue. It is an issue where Republicans and Democrats can come together and unite behind a cause that ultimately benefits all Americans.

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WELFARE REFORM: SHELL GAME

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

Ms. DELAURO. Mr. Speaker, I rise to join my colleagues once again in exposing the myths that the Republicans keep repeating about their welfare reform proposal and its impact on child nutrition programs. Later this evening, two of my colleagues will demonstrate how the Republicans are misleading the American people and how this block grant plan clearly cuts funding for essential child nutrition programs. But before they begin, here are the facts.

The Republicans claim their block grant does not cut funding for child nutrition programs, only the growth rate of these programs. They would like everyone to believe that their proposal increases funding for programs, such as school lunch, by 4.5 percent each year.

The truth is their 4.5 percent increase in funding for School Lunch is a fabrication. In fact, the bill doesn't even designate funding specifically for the school lunch, breakfast, or any other school-based meal program. The Republicans' numbers are nothing more than assumptions—I repeat, assumptions—of how much States may choose to use for lunch programs.

Even if States spent all of the money they receive under this block grant, this mythical funding increase would fall \$300 million short of the amount necessary to meet real needs. That is because the Republicans' plan won't keep pace with expected increases in program enrollment, inflation, or a possible recession. These needs require a 6.5 percent increase, so even the mythical 4.5 percent increase falls woefully short.

The Republicans' mythical funding also includes only cash assistance and not the value of direct purchases of food goods such as cheese and fruit. These direct purchases of food are a critical part of the school lunch program. In the first year, Republicans cut \$51 million from direct food assistance. Over 5 years, they cut \$600 million. That is a total shortfall of \$1 billion even if they live up to their hollow promise of a 4.5 percent increase in cash assistance.

That 4.5 percent promise comes with all kinds of trap doors that will drop

even more kids from the school lunch program.

The first trap door is that States would be required to use only 80 percent of the school block grant for school meals. Governors may transfer 20 percent to other programs. That means a potential additional loss of \$5 billion dollars from the program—\$1 billion a year. In my home State of Connecticut, if the Governor had this kind of discretion today and exercised it, the School Lunch Program would lose \$2 million in 1995 alone.

The second trap door is that these funding increases are not guaranteed—they will be subjected to the political whims of the annual budget process. So the Congress each year will be able to vote to reduce funding even more and drop even more kids from the program.

The Republicans also claim that their bill will cut bureaucrats, not kids. They couldn't be further from the truth. If Republicans were only interested in cutting administrative costs they would have done their homework: The entire administrative budget for all USDA feeding programs is \$106 million per year. The Republican plan would cut \$860 million in 1996 child nutrition programs alone. The bottom line is their cuts far exceed what is needed to control administrative costs.

The truth is, if the Republican proposal is enacted, 3,600 kids will be dropped from the School Lunch Program in Connecticut in the first year alone, and over half a million kids will be dropped nationwide.

The Congressional Budget Office has concluded the Republican proposal will cut \$2.3 billion over 5 years from school based nutrition programs and \$7 billion from all child nutrition programs over 5 years.

Republicans though don't want to admit this. They actually believe that these are not cuts. They boast that their plan provides savings. I ask you, how can you have savings, if you don't have cuts? This is the biggest Republican myth of them all.

The tragedy in this debate, Mr. Speaker, is that these Republican myths are being perpetuated so that drastic cuts can be made in a program that everybody agrees is working—and working well. And the savings—the money that will no longer be used to pay for a child's school lunch—will be used to pay for a tax break for the wealthiest Americans. It's shameful. It's mean spirited. It's just plain wrong.

WELFARE REFORM

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

Mr. WAMP. Mr. Speaker, as we enter into this debate on welfare in this country, I think it is important to recognize that my colleague from west

Tennessee, the Honorable JOHN TANNER, told me not long ago when I first got here that he really believed that neither party had an exclusive on integrity or ideas, and I agree with that Congressman. And this should not be a Republican or a Democrat issue. This should be an American issue.

It is clear in my heart that this country wants this welfare system to change, not to be reformed but to be replaced. They want a working opportunity society. They do not want the continuance of the status quo with regard to welfare.

The Washington Post this morning—we all know the tendency politically of the Washington Post—editorialized and said about welfare: "Besides, what's the choice? The existing approach has failed and the public has no appetite for vast new social programs even if there were evidence they worked, and there isn't."

You know an outstanding Tennessee Congressman, Colonel Davey Crockett on the very floor of this House said about welfare, "We have the right as individuals to give away as much of our own money as we please as charity; but as Members of Congress we have no right so to appropriate a dollar of the public money" for charity.

Franklin Roosevelt said in 1935 about welfare: "Continued dependence upon relief induces a spiritual and moral disintegration fundamentally destructive to the national fiber. To dole out relief in this way is to administer a narcotic, a subtle destroyer of the human spirit."

There is a great article in this month's Reader's Digest. It is called "True Faces of Welfare." In it is a case study of a welfare recipient whose story appeared. Her name is Denise B.

"Denise says she would like to work. But she would have to earn a lot, she says, for it to be a better deal than welfare." She talks about how she would have to go to school, and work her way up to a higher salary. "It's a lot of work and I ain't guaranteed to get nothing. . . . Welfare by contrast, is guaranteed—in her words) 'until they cut it out, until they say no more.' Denise knows politicians are talking about that now and she does not believe they are wrong."

"Welfare," she offers, "is an enabler. It's not that you want to be in that situation. But it's there. We always know."

This has become a national attitude about this system, and it hurts children, and true compassion is what I want to discuss here tonight in my short time and as I rise to my feet to talk about welfare.

In my home city a social worker who I will leave unnamed came to me several times in the last few years to tell me of a story in Chattanooga, TN, where multiple children were being born for one reason and one reason only, and that is financial, to gain more benefits.

You know that system creates the worst form of child abuse imaginable, in my estimation, because children then are not born for the right reasons. They are not born because their par-

ents want to love them and sacrifice for them and set aside their own ambitions, and give to them and nurture and educate them. They are born so that they can receive financial benefits. And the stories continue to roll in of how many situations we have like this across the country.

The neglect that those children are suffering because this system promotes this kind of activity is what we need to focus on as we say listen. Everyone agrees, it is time to eliminate the welfare system and replace it with an opportunity society.

In the last 30 years we have spent \$5 trillion on welfare in this country, and we have got more illegitimacy, more poverty, more problems, more crime than you could ever buy with \$5 trillion. It has not worked and it is time to move on. And I believe from the very core of my experience, Mr. Speaker, that true compassion means having the guts to replace welfare at this critical moment in America's history.

TAKING CARE OF AMERICA'S CHILDREN

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

Mr. MILLER of California. Mr. Speaker, America is asking the question that Congresswoman DELAURO just answered, and that is how is it that the Republicans can say they are not hurting the School Lunch Program when they take over \$2 billion away from the School Lunch Program and over \$7 billion away from the nutrition programs for the children of this Nation?

The fact of the matter is they cannot. They cannot fulfill the promise of this Nation to feed hungry children, to take care of children in need, and at the same time remove these funds. The mythical increase as she referred to simply does not provide for the element of growth in the program that takes into account the ever increasing cost of food, the increasing number of children unfortunately in this country who continue to be eligible for this program, and what happens in the downturn in our economy.

So the result is that in fact the school breakfast program, the lunch program, the after school program, and the commodities program simply cannot be taken care of.

Mr. DURBIN. Mr. Speaker, will the gentleman yield?

Mr. MILLER of California. I am happy to yield to the gentleman from Illinois.

Mr. DURBIN. Mr. Speaker, I think the gentleman is referring to this Republican plan to block-grant all of these different feeding programs into one single grant of money, and they are arguing that they are not cutting back.

Mr. MILLER of California. The gentleman is quite correct. What we see

here is the block grant. This is what you need, this is what you are trying to cover. This is the block, ladies and gentlemen, that you have to cover to take care of America's children. You have got to provide lunches for children who need lunches, you have to have food assistance in order to provide the commodities and fresh fruits and vegetables necessary so you can have a healthy lunch, and an after school and summer program because many children unfortunately, when school is out they still require food. It is necessary that they eat, they are still hungry. And of course the breakfast program has become more and more important as we see this is the key if children learn in the early hours of their school day and this is what is necessary.

But unfortunately you will see here that the Republicans do not do that. If you take care and provide full funding for lunches and you provide full funding for food assistance, and you do the breakfast program, you can see that the block grant does not cover the block because there is no funding available for summer programs which so many of our children rely on.

Mr. DURBIN. Mr. Speaker, if the gentleman will further yield, the Republicans argue they are not killing these programs at all, in fact they are providing more money for them. And yet you have one of the blocks there, if I am not mistaken, the after school and summer program that is not provided for. How does this work?

Mr. MILLER of California. What the Republicans would do because they did not provide the increase for the commodities program, they would suggest the commodities is really taken care of, so there would be money left over to take care of after school and summer breakfasts, but there is, as is apparent readily to anyone in the audience, of course nothing here in the commodities program, and the commodities are a key component and that is why when Republicans say they are going to give a 4.5 percent increase for the nutrition programs they did not figure in the cost of commodities into their escalator. And once again there we find out that the block grant they talk about to feed American children is not fully covered and children now go without the commodities portion of that program.

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Mr. DURBIN. If the gentleman will yield, the school districts I represent in Illinois, their commodity assistance which they receive actually is a way that they are feeding the kids in terms of lunches and breakfasts and so forth.

Now, if the Republican block grant does not provide enough money for the food district have?

Mr. MILLER of California. Well, your school district could take another action. It could take away the breakfast program and provide the commodities that are so terribly important for the school lunch program where they make

up a large bulk of the school lunch program menu, but because there is no increase in the food assistance, they would have to take that from the breakfast program or one of these other. No matter how you move around the plates, of course, what you see is that the Republican proposal for child nutrition in our school lunch programs simply does not cover the needs of the children currently enrolled.

And we are now estimating that almost 2 million children that otherwise would be served will not be served because one of them, it is just sort of like musical chairs. One of them is going to show up for one of these programs. There is not going to be funding for that program. They are going to go unserved. That estimate is now 2 million children in the next 5 years.

Mr. DURBIN. If the gentleman will yield, what do you make of the Republican claim? They keep saying, "Wait a minute, we are giving a 4½-percent increase every year for school lunch; how can you complain? Four-and-a-half percent ought to be plenty."

Mr. MILLER of California. That is really similar if I were to cut your wages by \$20,000 and then say I am going to give you a 4½-percent increase over the next 5 years. You start out in the hole, and you never get well, and because they do not provide a 4½-percent increase on inflation, on the price of commodities, the price of food, the increase in enrollment, the 4½ percent turns out to be fraudulent. Under the Republican program, you can do this. You have no lunches, no food assistance, no afterschool program, and no breakfast. What a shame, shameful thing for America's children who were expecting a block grant to take care of their needs.

The plates will be available after the show.

SCHOOL NUTRITION PROGRAMS

The SPEAKER pro tempore (Mr. LATOURETTE). Under a previous order of the House, the gentleman from Ohio [Mr. HOKE] is recognized for 5 minutes.

Mr. HOKE. Mr. Speaker, tonight we are going to talk a little bit more about the school nutrition programs, because this seems to be the Democrats' favorite topic of the topics de jour.

Somewhat, somewhere along the line the Democrats have decided or believe that somehow they can make, by telling the same lie over and over and over, that they can somehow get a wedge with the American people. And the fact is that in some ways the opposition does understand politics perhaps better than the Republicans do. They understand that politics is about power, and when it is about power, you stop at nothing to try to regain it.

Republicans are still under the impression that politics is about ideas and ideals. But this is about the politics of deceit and the politics of the big lie.

I yield to my friend, the gentlewoman from Washington [Mrs. SMITH]. Mrs. SMITH of Washington. I thank the gentleman for yielding.

You know, I have been standing here for 2 days listening, in fact, nearly 2 weeks, to untruths.

My mom used to say, you know, it would be awful nice if people would just turn purple when they started stretching the truth, shifting words around and using wiggle words. There would be an awful lot of purple people here tonight if that were the case.

I think what we need to do is just make sure the American people understand that a 4½-percent-a-year increase is not a cut. Now, if you are used to being in Congress where you guys all have been spending more than we out there have been earning, you think a 4½-percent increase is a cut. The American people, I do not think, will agree with that.

So let us take a look at the actual members of how much the food programs are going to go up.

Mr. HOKE. Only a liberal could call a \$200 million increase a cut. Only people that think the way the people think inside of Washington could call that a cut.

I would like to draw attention just for a moment to the CRS study that was published just today. We got a copy of it just today [CRS] Congressional Research Service, completely independent, nonpartisan.

Mrs. SMITH of Washington. Not a Republican group.

Mr. HOKE. Not a Republican group, not a Democrat group. It is a completely nonpartisan group.

Here is what they say about what is going to happen in Ohio, a State close to my heart. What we are going to find in Ohio with respect to the school-based block grants, school-based nutrition programs, is that in 1995, fiscal 1995, under current law, \$190 million is being spent. Under the school-based block grant program, our Republican program, that will go up to \$202 million, an increase of \$11 million.

Mrs. SMITH of Washington. That is in one State.

Mr. HOKE. That is in one State, just the State of Ohio, an \$11 million increase. Now, for those who like baseline budgeting, which is to say we will take into account demographics, that is, changing populations, plus an inflation number, not the way that America thinks. I mean, this is the way that you get the phony numbers. But the fact is even using those numbers, the 1996 fiscal year current baseline would be \$199 million, a \$2 million increase over that.

Mrs. SMITH of Washington. That is a real increase in food.

Mr. HOKE. A real increase. This is food, and not only that, is there not a difference in the way that these programs get administered?

Mrs. SMITH of Washington. You know, what is amazing about it is the closer you get it to home, from what I can see, the less waste there is. We do

not seem to hear much about that. The closer the States have control, the less we are going to take the money here. I think the thing that surprised me the most when I flew into D.C., and I am from the west coast, did not even have a very long campaign, all of a sudden I was here as a write-in candidate. I fly in, and I see all of these buildings. I get here and find out they are all filled with bureaucrats. Those bureaucrats are deciding one layer of how money is spent, then the States decide, and then the locals, to where by the time the money gets down to food, it has a lot of red tape and rules around it.

What I like about the school lunch program is we unwrap it from a lot of that red tape and make sure the food gets to kids.

Mr. HOKE. And kids who really need it, the kids who need it most. We give them the opportunity; we make it possible for that money to get to those that need it the most. How? By making sure it goes to parents, administrators, and teachers and people right there in the neighborhoods locally making those decisions as opposed to Washington bureaucrats making those decisions.

Mrs. SMITH of Washington. You know, those other bureaucrats are going to whine, and that is the State superintendents of public instruction. They are going to whine, too, because we tell them you cannot spend any more than 2 percent on administration.

FACTS CONCERNING CHILD NUTRITION PROGRAMS

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

Mr. DURBIN. Mr. Speaker, I am sure the people who are following these proceedings are really at a loss to figure out which side of this aisle is telling the truth. I am not sure my 5 minutes here will convince anyone one way or the other.

I would like to lay out a few of the facts which my friends on the Republican side just do not want to point to. The fact is if you took the time to go speak to a local school principal in your hometown or perhaps one of the people who runs the local school lunch program, they would tell you, as we have all heard on the Democratic side of the aisle, that the Republican idea is a very, very bad idea.

You would think, if the Republican position was so good and was going to give this authority to the local school districts and to the States, these people would be jumping up and down, and they are not. And do you know why? Because fundamentally what the Republicans are offering them is not enough money to do the job.

The Republican plan, yes, does provide additional funds in years to come. Let us concede that point. They just do not provide enough money, because we

know as sure as God made green apples that each year the cost of food is going to go up a little bit in each of our school lunch programs. We know there will be more kids enrolled in school, and we know, God forbid, if we have a recession, there will be more families that will be eligible for school lunch.

The Republicans do not build any of those possibilities into their block grant scheme. They assume none of that is ever going to occur. They think the cost of food, the increased number of kids, and the possibility of recession, the most that could ever increase the program in any given year is 4½ percent. That is it.

Then they say to the school districts, "Listen, If that is not enough, you find a way to economize. You finds a way to cut costs."

Do you know what principals tell me at these schools they are going to have to do? They are either going to have to cut the money that they put into classrooms, teachers, computers and microscopes and the like or basically are going to have cut kids off the school lunch program.

That really gets to the bottom line here. Is it not curious when the Republicans finally got in the majority, the first place they turned to start cutting was not waste, fraud, and abuse? The were, in fact, on the floor of the House just a couple of weeks ago asking us for \$40 billion more for Star Wars, \$40 billion for that loony idea under President Reagan that might have made some sense when the Soviet Union was a powerful missile threat to the United States, but does not make sense anymore. They wanted \$40 billion more for Star Wars. They lost it, thank goodness. Then they turned around and said, "We will tell you how we will save some money. We will cut school lunches." School lunches? Do you remember reading, I sure do not, about scandals and waste and abuse in school lunches? You do not hear about it. The reason you do not is it is being run by your local school districts, your local principals, the folks who work for them in the cafeteria. It is a good program. It is a program that most of us saw when we were growing up as a way to have a good meal each day when we went to school, and unfortunately for a lot of kids today, it is the best meal of the day. We even offer a little breakfast to the school lunch program, and the Republicans are willing to cut that, too. They think it is unnecessary. Maybe it is a frill they can do away with.

You ought to see some of the kids I have seen. You ought to talk to some of the teachers about kids who get to school who do not get enough to eat and what their school day starts out like. It is not very pretty.

My friends on the Republican side turn first to school lunch programs, which I think frankly has been a big embarrassment to them to try to explain across America. They you ask the bottom line, surely, there must be

something critically important they would cut America's school lunches for, it really must be the highest possible priority.

Well, what is it the Republicans want to cut school lunches for? Why do they want to cut the food available to kids in schools? So they can pay for a tax cut, a tax cut for these same families? Well, a little bit of it, sure. But the most of the money that goes in that tax cut goes to the wealthiest people in this country. The privileged few will get the break from the Republican tax cuts. It is the kids of working families, it is the kids of middle-class families that will find their school lunches being cut.

I went into Quincy, IL, and sat down with a group of mothers and their kids and talked about the Republican plan. Mothers came forward to me and said, "Congressman, let me tell you my story. I am not on welfare." This mother said, "I am working for a living." One of them said, "I am working two jobs." Another works 45 hours a week at fast food. They had their kids in day care. They are doing their darndest to stay off welfare. We gave them a little helping hand. You know what it is? We help pay for the meal at the day care home which the Republicans would cut.

Now, is that the way to end welfare in America, to heap more expenses on working families who are struggling every single day to make ends meet? I do not think so.

Let me offer a helping hand, whether it is the WIC program for the new mother, whether it is the day care center lunch or the school lunch, and make sure those struggling families, those working families trying to make ends meet get a helping hand to stay off of welfare and move in the right direction, the right family values, the right kind of personal responsibility.

We have to resist the Republican plan. It does nothing but cut the most vulnerable people in America. You cannot have a strong America without strong kids and strong families.

MORE FACTS ON CHILD NUTRITION PROGRAMS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from North Carolina [Mrs. MYRICK] is recognized for 5 minutes.

Mrs. MYRICK. Mr. Speaker, if you watched TV lately, read a magazine or a newspaper, surely you have seen photographs of Democrats surrounding themselves with children and claiming that Republicans are out to cut school lunches and be cruel and mean to little kids.

Mr. Speaker, the policy of this historic Chamber should be set based on the fact they are not on photo ops that make one party look like they love children more than the other. The American people are smarter than that, and I know they can see through it.

Between 1962 and 1992 welfare spending increased by over 900 percent, while the poverty rate only dropped less than 5 percent, and illegitimacy has increased over 400 percent.

I ask you, is that progress? My mom always told me you do not get something for nothing. But in this case, after spending \$5 trillion, we have got just that. Nothing.

I do not understand, why are the Democrats defending a system that has literally enslaved its recipients into a cycle of dependency? If Democrats feel so strongly about welfare reform, why did they not do something about it during the 40 years they controlled this House?

The Republicans are talking heat right now, but it is because we are picking up the mess left behind by the failed welfare state. But that is OK. It takes leadership to make hard choices.

The current welfare system should be arrested for entrapment, because it traps its recipients in a web of dependency.

Listen to the following facts: There are 5 million families with 9.6 million children on AFDC right now, and more than one-half of those families remain on AFDC for more than 10 years. Of the 5 million families receiving that help, only 20,000 people work, and children born out of wedlock have three times greater chance of being on welfare when they grow up.

You know, we are hearing a lot of talk right now about Head Start and WIC also. Well, not one penny is being withheld from Head Start, and as for WIC, this rescissions bill merely recouped \$25 million out of the \$125 million the programs was unable to spend in the previous fiscal year.

Our bill does not take a single person off the WIC rolls and leaves in place the \$260 million increase for the program in fiscal 1995.

□ 2100

And the School Nutrition Block Grant Program actually grows at a 4.5 percent rate. Over 5 years that is \$1 billion more than is currently being spent.

As a former mayor, I spent a lot of time with programs to help people get out of the dependency cycle and learn to help themselves. My experience has taught me that people want their self-respect and their dignity restored, and the current system does not do that. In fact, it works against that goal. I trust the American people can see through the smoke screens and deception that we have heard here tonight from the other side.

Mr. Speaker, I am finished.

Mr. OLVER. Would the gentlewoman from North Carolina yield?

Mrs. MYRICK. Yes, I will yield.

Mr. OLVER. Yes, thank, you very much.

I recognize that the gentlewoman and I both serve on the Budget Committee, and the Budget Committee has had to deal with scoring the items that

we are talking about here tonight and that the gentlewoman has just finished speaking about.

The two nutrition programs that the gentlewoman has spoken of show savings by your own party's count and by the Congressional Budget Office of \$6.6 billion over the next 5 years. That is the school-based nutrition program and the family nutrition program. How can you be claiming savings on those programs if in fact there has not been something cut?

Mrs. MYRICK. We are talking about, what you are talking about, the only thing that has been cut is the increases that were requested that are not being increases in the same point.

Mr. OLVER. How can you get savings if you have not cut something?

Mr. HOKE. Would the gentlewoman yield?

Mrs. MYRICK. Yes.

Mr. HOKE. You get savings when you are using a baseline that is phony to begin with and you define savings as being a cut from an inflated number in the first place.

The fact is that we are going from some \$6.7 billion a year up to come \$7.8 billion a year in the year 2000. That is clearly an increase in spending. Only in Washington.

BASELINE BUDGETING

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

Mr. DEFAZIO. Mr. Speaker, let us talk a little bit about phony baselines, which is where the gentleman on the other side of the aisle left off before the time expired. That is a funny place here inside the Beltway in Washington, DC.

The Pentagon gets its own special baseline. That is, at the Pentagon things are very expensive, you know, over there at the Pentagon. So they get not only the inflation that seniors get on Social Security or the inflation that anybody else might think about, they get their own special inflation index. And at the Pentagon a cut is a decrease in the increase.

So say next year the Pentagon determines its own little special inflation index is 6 percent. If they only get a 5 percent increase in their \$271 billion budget, that is if they only get an increase around \$11 billion, if they only get \$10 billion, that is a decrease, and we would hear screams from that side of the aisle. We heard screams earlier.

We have appropriated more money for the Pentagon this year. God forbid we should ask them to produce something. It costs extra.

We had to come up with a supplemental bill to pay for the Pentagon to do something. They couldn't squeeze it out of their \$271 billion budget.

Now with the nutrition programs, of course, they apply a different ruler. That is, are there going to be more kids going to school next year? Yes; is

food going to be more expensive next year? Yes.

There might even be a little bit of an increase in the wages for the people who cook those meals in the schools. A lot of them are getting minimum wage, and if we increase the minimum wage they will get a little bit more. Now in their world those increases don't count. Only increases in inflation for the Pentagon count.

So here is the world we are looking at. We know there will be more kids in school. We know there will be more need for those kids.

I visited a school lunch last week and talked about it last Monday night on the floor. So I won't repeat the stories about how hungry those kids are on Mondays and Fridays and what the needy really is. But the point is, in their world we will only give them enough money to increase it just a little bit. And if there are more kids, the portions get smaller. Or if there are more kids, ketchup becomes a vegetable again, whatever. We are just—can't afford those things.

But we can afford an infinite amount of money for the Pentagon. That is what is wrong with this debate. Let's put our priorities in order here. This debate is about priorities.

What will make America stronger tomorrow? Is it hungry kids who can't learn because we cut back on the school lunch program, the school breakfast program? Or is it imaginary programs like star wars and the fat defense contractors taking people out to dinner every night on the Federal budget, which we all know goes on with these Pentagon lobbyists.

So I would like to put it in that perspective. And let's just remember, when it comes to the Pentagon, a decrease and an increase is a cut, but when it comes to school lunches, a decrease in a real need is not a cut.

That is what the Republicans are trying to feed us here. It is about as real as feeding people ketchup and calling it a vegetable.

They talk a lot about the bureaucrats. I checked that out. I was disturbed about that. I thought, well, maybe they are right.

We could eliminate some of these administrative cuts if we eliminated every administrator. That is from the woman who runs the program downtown here in Washington, DC., down to the person who takes the little lunch tickets, to the person who cooks in the school. That is if Congress could miraculously appropriate the money and deliver the food straight to the kids with no one in between. That would be one-eighth of the cuts the Republicans are making in the real needs of these programs.

So it is a lie. It is a lie to say we just want to eliminate the bureaucrats. No, you can't just eliminate the bureaucrats. Where are you going to get the other seven-eighths of your cut?

The gentleman, Mr. OLVER, made a great point. How is it they can talk about \$7 billion, "b", billion dollars, in

savings in school nutrition programs, WIC programs and other children's nutrition programs and then tell us there aren't any cuts.

I would like to make \$7 billion in savings over at the Pentagon, and I would be happy to tell the Pentagon that those things don't constitute cuts. But we would hear screams from that side of the aisle because it is a different standard. It is a different ruler when it comes to kids. They come after the Pentagon.

STATE FUNDING AND CHILD NUTRITION

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Washington [Mrs. SMITH] is recognized for 5 minutes.

Mrs. SMITH of Washington. Mr. Speaker, you know, every once in a while you have to come back to real numbers that will buy real groceries. And I am starting to even get confused listening to the other side. So what I want to know, and I would like to ask this of your, Representative HOKE.

I know where we are now, and I can't go home and tell anybody that we have increased the school lunch program unless it is in hard dollars. I know we are at \$6.296 billion right now a year on school lunches. I want to know how much it will take to feed those kids in later dollars, how much we put in the budget, and I want to make sure we feed those kids as many lunches as we are feeding now. You show me that.

Mr. HOKE. Okay. This has got to be so incredibly confusing to the American public watching this and trying to discern what is really going on. I can't imagine what could be more confusing until finally you are going to have to decide somebody is telling the truth and somebody is lying. Let me review.

Mrs. SMITH of Washington. I just want real numbers. I don't want anything spun. How much are we going to spend in this budget compared to the last budget?

Mr. HOKE. March 20, 1995, from the Congressional Research Service. Let me just read the preamble.

Mrs. SMITH of Washington. That is the nonpartisan group?

Mr. HOKE. Yes, that is the nonpartisan group. It is anybody, any Member of Congress can ask them to do research. Let me read this. Then I will go directly to the numbers.

Mrs. SMITH of Washington. Thank you.

Mr. HOKE. All right. This is from Jean Yavis Jones. She is a specialist in Food and Agriculture Policy in the Food and Agriculture Section. The subject is Child Nutrition: State funding under current law and block grants proposed in H.R. 1214. That is what we are talking about, the nutrition block grants.

This memorandum responds to numerous congressional requests for information on the effect that recent

proposals to block grant child nutrition programs would have on the States. The attached tables compare estimates of fiscal year 1995 and fiscal year 1996 funding to States under current law to the estimated amount of funding that States would receive under the child nutrition block grants contained in H.R. 1214 as introduced on March 13, 1995.

Now, let me go to the table. Here is the table. This is school-based block grants and current law funding by States and the total. I am going to give you the total. The total for all the school-based nutrition programs for fiscal year 1995 was \$6.295 billion.

Mrs. SMITH of Washington. Does that include breakfast and the feeding programs?

Mr. HOKE. That is breakfast, that is after school, that is school lunches, school snacks, all. There are five programs in all. The amount that is estimated by CBO for fiscal year 1996 under current law is \$6.607 billion. That takes into account, and I will read it to you exactly.

What it does, it says that those amounts are based, it takes into account the adjustments that will show the projected and actual changes in overall Federal obligations, and it takes into account the number of students that will be in the program and also inflation. So it takes into account exactly what my friends on the other side of the aisle are talking about.

Mrs. SMITH of Washington. So increases in food and increases in kids?

Mr. HOKE. Precisely. Precisely. So that is what the current law is, okay? \$6.296 billion in fiscal year 1995 to \$6.607 billion in fiscal year 1996.

Mrs. SMITH of Washington. Now that is what they say we will need to keep up, to make sure we don't get behind?

Mr. HOKE. We need to get to \$6.607 billion in 1996.

Mrs. SMITH of Washington. Where are we then in the budget?

Mr. HOKE. The school-based block grant is at \$6.681 billion, \$6.681 billion. The difference between the block grant and the fiscal year 1996 CBO estimate that takes into account the demographic changes as well as the inflation is \$73 million.

In other words, under the block grant program, the Republican program that is being criticized here in a bombastic way, that doesn't begin to square with the facts. We are increasing the funding for school nutrition programs by \$73 million in fiscal year 1996.

Mrs. SMITH of Washington. Actually, we are increasing it \$384 million, but part of that is to keep up with costs of inflation and new children. So we are going over what it costs and kicking in \$74 million, sending it back to the States and saying get your grubby hands off it at the State level, don't spend much on administration, get it back to kids?

Mr. HOKE. You are absolutely right, Linda. We are, in fact, increasing it by \$384 million over what we are spending

in 1995. We are increasingly it by a third, more than a third of a billion dollars.

Mrs. SMITH of Washington. Well, this grandma likes that. I think we have done a great job.

NUTRITIONAL PROGRAMS

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

Mr. HOYER. Mr. Speaker, we have had some protestations, particularly from the gentleman from Cleveland or just outside of Cleveland, with respect to baselines. Mr. DEFAZIO spoke of baselines.

And the question and answers, we pretend that there can be a savings which is going to be applied to a tax cut and for the wealthiest in America, but that somehow this savings doesn't cost anybody anything. It is a free lunch. It is sort of like supply-side economics that was brought to us in 1981, and we were told that the budget would be balanced as a result of supply-side economics by October 1, 1983.

Mr. HOKE. Would you yield for one single question?

Mr. HOYER. Four and one-half trillion dollars later.

Mr. HOKE. Have you, have you seen the CRS report?

Mr. HOYER. I have not.

Mr. HOKE. Would you like to have a copy of it?

Mr. HOYER. I would love to have a copy of it.

Mr. HOKE. It is working from the baseline. It shows the increase off the baseline.

□ 2115

Mr. HOYER. The gentleman asked me to yield. Will the gentleman yield?

Where does this savings, this magic savings come from that Mr. KASICH is applying to the tax cut?

Mr. HOKE. It is not in this school-based nutrition program.

Mr. HOYER. Where does it come from then? Let me show a little chart that we have.

Mr. HOKE. Charts are good.

Mr. HOYER. Charts are good. We have agreed that charts are good, and it is confusing.

You did not like baselines. At the beginning of this session you wanted honest budgeting, no baselines.

Now, Mr. DEFAZIO is right. I happen to be someone who supports the Defense Department, believes we need a strong defense, have supported many of, frankly, Ronald Reagan's increases in the early 1980's. But the fact of the matter is Mr. DEFAZIO is correct.

On the one hand, if buying weapons costs you more year to year, buying food also costs you more year to year. So the baseline is no more than phony for one than it is for the other.

Now, because you think charts are good, let me show you these charts.

Mr. HOKE. I totally agree with you about baselines. The problem with

baselines is not taking into account the increases. It is deceiving the public about those increases.

Mr. HOYER. Reclaiming my time.

What you are saying, whether you are talking about defense or children's breakfast and lunch or whether you are talking about food for women, infants, and children so that mothers can be healthy in their prenatal period and babies can be healthy in the postnatal period and grow up healthy and able to learn, either way, you are talking about maintaining effort unless you have a decreased need.

And although I have not seen that, you responded that the number of kids increased, and you say that report shows that we are taking care of it.

Here is the chart that shows the difference between, and we use perhaps more programs here because the number is larger for all the programs that are included on this chart, which includes expenditures under current law for school meals, child care food, summer food, and the WIC program. 11.6, fiscal year 1995. 12.1 by the same products.

Mr. HOKE. Are you using home-based day care? Is that one of the programs you used?

Mr. HOYER. Yes.

Mr. HOKE. There is the difference. That is a program we are cutting. It is a program that the administration called to cut. It is a program that the President wants cut. You are absolutely right. That is an area that is going to show a difference because we are cutting.

Mr. HOYER. So we have agreement. There is a cut.

Mr. HOKE. That is right. And the reason that the administration wants to have that cut is that it is not means tested. Everybody gets it. And we believe that only people that really need it should be getting these nutrition programs.

Mr. HOYER. We are going to run out of my 5 minutes real soon.

Mr. HOKE. I will give you more time. We have got all night.

Mr. HOYER. Reclaiming my time.

The fact of the matter is that those five nutritional programs, if they grew as the need would require to stay even, that is all we are talking about, to stay even. You would be at 15.9. But you are at 13.6, a two billion difference. Seven billion. That is where we get that seven billion. These years are a \$7 billion cut. Now, it is a cut, and you use it.

Mr. KASICH and the Budget Committee refers to this as we have got some savings from what they call, of course, a phoney baseline.

But the fact of the matter is, I want to tell you in Maryland our folks have reviewed this program and 37,000 children, real people, will have to be cut off the program if your program passes.

Now, that is what they say. They haven't seen CRS. That is what they say. Thirty-seven thousand kids are

going to be cut off the rolls in Maryland.

SCHOOL-BASED NUTRITION PROGRAMS

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

Mr. GREENWOOD. Mr. Speaker, I had not intended to participate in this evening's special orders, but I was sitting in my office answering mail and became a little vexed about the discussion and decided I needed to come over and maybe engage someone on that side in some discussion, on the same subject of child nutrition programs.

I am a member of the Committee on Economic and Educational Opportunities that worked very carefully to try to craft this bill, particularly as it relates to the school-based nutrition programs.

It angers me to hear over and over again the use of the term "cut" for these programs. It is not fair. It is not accurate. And if we want to elevate this argument to a place maybe we could find some agreement, we have to start agreeing on what is indisputable.

What is indisputable is that we are not proposing a cut of one penny in the school lunch program, not a penny. In fact, we are proposing an increase that far exceeds, frankly, what your side of the aisle did when you had all of the tools available to you to set the budget.

Mr. GENE GREEN of Texas. If the gentleman would yield.

Mr. GREENWOOD. I will be happy to yield.

Mr. GENE GREEN of Texas. Mr. GREENWOOD, like you, I was waiting for my turn, and I also serve on the committee with you. And let us talk about that "not cut" a minute because we served on that committee, and we tried to take away, and there was an amendment in committee to eliminate the block granting of the school nutrition.

And it was generally a party line vote, as I recall, to take away the school lunch in this process and say, okay, let us do welfare reform without touching school lunches. And it was defeated on a party line. So the Republican majority in our committee said school lunch is a part of the welfare reform bill.

You say you have an increase, but let me talk about and ask you about if this is correct.

Mr. GREENWOOD. Let me reclaim my time for a moment to state my case, and then I will be happy to engage you in further discussion.

Last year when the Democrats controlled the House and the Senate and the White House, what you did in your budget was increase the school lunch program by 3.1 percent. We are proposing 4.5 percent for 5 years, which is about 50 percent better for the kids that we are doing in our proposal than you ever did.

The President in this year's budget proposal, the President of the United States, the one who went to visit the school children in Maryland for lunch, he proposed a 3.6 percent increase this year. And we proposed 4.5 percent.

Now I want to know who has the gall to call the difference between the President's 3.6 percent and our 4.5 percent a cut.

Mr. GENE GREEN of Texas. If you would yield again to me.

Mr. GREENWOOD. I would yield if you would respond to my question.

Mr. GENE GREEN of Texas. The difference between the President is 3.1.

I will give you an example. In the State of Texas, we are actually growing 8 percent instead of 4.5.

Mr. GREENWOOD. Reclaiming my time.

Mr. GENE GREEN of Texas. I will let you reclaim your time since Mr. HOKE wouldn't let some Members reclaim their time.

Mr. GREENWOOD. I will be happy to have anyone respond to me if they will indeed respond to me.

The issue is this. I have heard Members from your side of the aisle all night tonight talk about a cut in the child nutrition program, particularly the school lunch program. I just want to know how you square that with these facts.

When you ran the show here, you did 3.1 percent more in the current fiscal year for school lunch programs. The President of the United States proposes 3.6 percent, and we offer 4.5 percent for 5 years. I want to know what you have to complain about compared to what you did when you were in control and what the President proposes.

Ms. PELOSI. The difference, my colleague, and thank you for yielding, is that we are talking about a block grant versus an entitlement. When you are talking about a block grant you are talking about a limitation on the number of children and the kind of nutrition they would get.

Mr. GREENWOOD. Let us talk in those terms.

Ms. PELOSI. That is an important point because when you are talking about an entitlement, then the money will be there for the children.

You are talking about a block grant that has several shortcomings. First of all, it is a limitation on the amount of money that will be spent regardless of the growth and need for children who are hungry.

Second of all, your block grant requires that the Governors only spend 80 percent of that money on the school lunch program.

Third of all, your block grant removes the nutritional requirements so what the children are getting does not relate to what the children may need nutritionally. So you can spread it out among more kids so that they meet certain criteria for the block grant, but it may not be more kids who need the school lunch. Therefore, the nutrition

that the really needy kids are getting is good.

Fourth of all, you are talking about the school-based lunch program, and you are cutting out the summer program and the afternoon program and the child care program.

The SPEAKER pro tempore. The time of the gentleman has expired.

PARLIAMENTARY INQUIRY

Mr. GREENWOOD. Mr. Speaker, may I request a point of order? Am I able to request two more minutes?

The SPEAKER pro tempore. The Chair is unable to entertain that request during the 5-minute special orders.

CHILD NUTRITION PROGRAMS

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

Mr. GREENWOOD. Since I yielded half of my time last time, would the gentleman yield me 30 seconds?

Mr. BECERRA. I would be more than willing to yield if I have some time at the end of my remarks, and I probably will have. If I do, I would be more than happy to yield.

I think the gentleman from Illinois a while back stated it best, Mr. DURBIN, when he said folks probably watching this do not understand what is going on. Is there a cut? Is there not a cut? Are the Republicans providing less? The answer is yes.

I visited some elementary schools and high schools recently, and I was talking to those that do provide school lunch programs, and the principals will tell you the price of food is going up. The number of kids in schools is growing.

When you tell that principal that today the dollar that that principal has to provide a school lunch to a child is the same dollar or just a slight bit more than the principal will have to feed that same child or the child's younger brother or sister coming up, that principal will tell you, "If the school population has grown and inflation is cut into the value of my dollar, there is no way that I as a principal will be able to feed the number of students that need free or subsidized school lunches."

Let us not make any mistake about that. The Republican proposal cuts the amount of moneys that would be available for child nutrition programs in this Nation. It cuts them because it does not square the fact that we have inflation in this country and we have growing student populations. If they kept pace, then we would be okay.

And the problem that a number of us have as Democrats is that the current law says that whether or not we in Congress play political games with the moneys for our school kids, it makes no difference because the law protects

children. The law preserves that opportunity for the child to be able to pay a subsidized price for that school lunch or, if the child is very poor, then to get the lunch free because the law provides that right now.

But under the new Republican proposal, not only would there not be a keeping of the pace with inflation and the growth of school population but at the same time the Republican bill guts that protection for children under the law that says you will get fed. Because we understand and have recognized under the law that it is important to make sure that you have the nutrition you need to be able to learn.

The Republican bill says, no, you will get fed if the Committee on Appropriations in the House and if the Committee on Appropriations in the Senate agrees that they will fund certain levels.

So when the Republicans talk about their funding levels of 4.5 percent increases, they are speculating because they haven't provided those moneys. Those aren't there, and they will not be there until the appropriating committees in each House each year decides that they will allocate the moneys.

Let me tell you, I have very little faith that future Congresses will allocate the moneys that are authorized to be spent.

Why do I say that? Well, last week we just finished, and I voted against this, proposing and adopting a bill that cut moneys. Where did it cut? Well, it did not do much to defense. It did not do anything to programs that are out there to subsidize the wealthy.

What it did do was it cut from students, from the elderly, from veterans. And if I look at how they were able to make cuts in those programs, I have very little faith that a program like school nutrition, which will no longer be protected under the law, will be protected from cuts in the future, especially if anyone in this Congress is serious about trying to balance the budget.

So whether we want to say we are providing more money or not, the reality is that under current law our kids are protected from the shenanigans and politics of Members of Congress under the Republican proposal that is gone, and we have to hope that not only will they provide the money they say but they will see the light and provide the actual dollars needed for that principal to provide not just the same meal but provide it to the growing number of kids in the school.

What does all this do to a place like Los Angeles, CA, a place that I represent? Well, if in fact we are going to lose the \$2.3 billion over the next 5 years that the Republican bill will cost us, which is about a 6 percent cut, then I know in Los Angeles, the Los Angeles Unified School District, which is the second largest school district in the Nation with something over 600 and some odd thousand students in it, close to 550,000 of those children who receive

subsidized or free lunches will not be able to eat, will not be able to eat the same amount, or will be told to wait until tomorrow.

That is a lot of meals. That is a lot of kids. I think we have to start doing something differently.

□ 2130

MORE ON WELFARE REFORM

The SPEAKER pro tempore (Mr. LATOURETTE). Under a previous order of the House, the gentleman from North Carolina [Mr. JONES] is recognized for 5 minutes.

Mr. JONES. Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. GREENWOOD].

Mr. GREENWOOD. Mr. Chairman, I thank the gentleman very much for yielding to me. I simply asked for the time so I could respond to the comments of my very good friend, the gentlewoman from California, because frankly, she brought the debate back to where I think it should be and that is a fair debate.

The previous speaker raised legitimate issues about the difference between an entitlement program and a block grant. That is the level of the discussion that we ought to have. If we have that level of discussion, then we can talk about different strategies to balance the budget.

I came over here fairly upset because I am so angered to hear over and over again the use of the term "cutting" the funding for this program. It simply is not true. It really should not be said.

The level of debate will be elevated tremendously if we talk about different strategies, whether it is entitlements or block grants. We can do that. We can have honest differences of opinion. We might actually learn from each other and find some common ground.

I really would encourage my friends on the other side of the aisle to stop using the terminology of cutting funding for this program, when in fact the facts are, and I will repeat them, when the Democrats controlled the House and the Senate and the White House, they provided this program with a 3.1 percent increase and the president, in this year's budget, proposed 3.6 percent, and we have offered 4.5 percent for the next 5 years.

If the appropriators do not do that, that is a discussion for another day. And perhaps we will join some of you in voting against an appropriations bill that does not live up to the 4.5 percent authorization. But let us be honest about where we are in the process.

Mr. JONES. Mr. Chairman, I yield to the gentlewoman from California [Ms. PELOSI].

Ms. PELOSI. Mr. Speaker, in the spirit of debate, I would like to respond to the gentleman's comments. What we have to do, if we are going to debate this in a way that is clear to the American people, is to define our terms. The gentleman from Ohio was waving the

CRS report before and saying how much of an increase that the Republican proposal was of the school-based lunch plan versus, as you are referencing, President Clinton's increase on an entitlement program as opposed to a block grant.

The point I want to make is that what the gentleman was waving was already a cut, yes, a cut, because it is only referring to the school-based lunch program. It does not provide funding for the afternoon program or the summer school program. So you have already cut children's nutrition plans.

Mr. JONES. Mr. Speaker, I appreciate the debate on both sides as it relates to the nutrition program. I wanted to touch on welfare and the need for welfare, but first I have to make these comments as a former Democrat, that today I was interviewed by the Washington Post wanting to know why in the State of North Carolina that we went from 8 Democratic Congressmen, four Republicans to four Republican Congressmen and four—excuse me, eight Republican Congressmen and four Democrats. The whole purpose is simply because the new minority party was out of touch with the middle-class working American.

People in America are paying, the working family will spend half of what it makes on paying taxes and actually spend more on paying taxes than it will spend on clothing, housing and food. And this debate tonight about children is extremely important, and on our side we believe we are doing what is right for children.

I can tell the other side, after hearing the debate today and yesterday, that the American people are ready for downsizing Government. They are ready to see efficiency in programs. They are ready to see less taxes coming out of their paycheck. That is what I think the Republican party has done.

Let me talk just briefly, I know my time is short, about the facts on welfare. Since the 1960s, Washington has spent approximately \$5 trillion of taxpayers' money on the war on poverty. It is the most expensive war our Nation has ever waged, and it is a war we have lost. The amount we spend in a year on welfare is roughly three times the amount needed to raise the incomes of all poor Americans above the poverty income threshold. Nearly 65 percent of the people on welfare at any given time would be in the welfare system for 8 years or longer.

A record 14.3 million people now receive welfare benefits, a 31 percent increase since 1989. Funding for welfare programs is estimated to increase from \$325 billion in 1993 to \$500 billion in 1998.

My colleagues, the people of America are demanding welfare reform. We can debate as we should debate, being a democracy, but when we really come down to it, the working people of America are tired and fed up of seeing

their money wasted. It is our responsibility and obligation to pass welfare reform.

THE DEAL SUBSTITUTE

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

Mr. DEAL. Mr. Speaker, I agree with my colleague from Tennessee, who joins me along the Tennessee-Georgia border, Mr. WAMP, on the Republican side. He said that we do not need partisanship in this issue. I would come here tonight to suggest that we have a solution that breaks the status quo, that changes the existing programs, and we do it in a way that we think works.

We ought to all be seeking solutions that work, rather than political rhetoric. I have listened to the debate all day today, and I have come to one conclusion. We probably need fewer speech writers and more mathematicians. The only trouble is, I am reminded of the saying that "figures don't lie but lies sure can figure." We seem to be caught up in that business of arguing about figures.

Now, there is something that is true, and I think my colleague made the point earlier, and that is this, you cannot have it both ways. In your welfare reform package you are either going to make cuts to have the savings to offset the tax cuts that are coming or you are not. You cannot have it both ways.

Now, we have talked about various aspects of this plan, and we focused just recently on talking about the child nutrition programs. I am looking here at a document that came from the majority leader's office in which he is talking about the savings from the Republican bill. Now, they are either savings or they are not savings. And according to this, it says that there are \$66.3 billion of savings over 5 years. I understand that figure may have increased now because of some other changes.

And the one area of title III of the bill of child care and nutrition, according to the majority leader's office, saves \$11.8 billion over 5 years. Well, I do not know whether you are talking about cuts or whether you are talking about cuts from base line. The point is, either you have savings or you do not have savings. They are either cuts or they are not cuts. You cannot have it both ways.

Now, let us talk about a few of the things that I think are significant, and I pointed this out today. My chart has had to be amended as a result of an en bloc amendment that came on the floor today. But this is a chart that compares and contrasts the Republican version of welfare reform with a substitute that I, along with several of my colleagues, will be offering. It talks about the concept of work.

I think all of us should agree that work is the best solution to breaking

the welfare cycle. And the question is, how do you get people off welfare and into work and how do you achieve that goal of keeping them in a work force?

We both have in our plans percentages of the population that must move into the work force at certain levels. As you will notice, the Republican plan started off at 4 percent. It is has now been amended up to 10 percent. Ours starts in 1997 with 16 percent going to a total of 52 percent at the final termination in the year 2003 and thereafter.

As a result of the amendments on the floor today, the work percentages of the Republican plan have now been increased significantly. In fact, cumulatively those percentages are about 52 percent, I believe. But the interesting thing to me is that if it costs to put people into a work program to move them off of welfare into the work force, if it costs money, and it obviously does, if it did not cost any money all of us would say 100 percent from the first day must be in the work force.

I would point out, however, that under the Republican plan, they allow people to stay on welfare for 2 years and do not require anything of them.

We require within 30 days that they must sign a self-sufficiency plan and they must begin the job search process. We also have a 4-year limit once they enter a work first program. Two years in work first, at the most 2 years in a community service plan, and then a State option if they choose to put them with a voucher system for 2 years at the maximum.

Now, if it does not cost any money to move people from welfare to work, then we ought to all put our percentages at 100 percent from the word go. If it does cost money to up the percentages, we have seen the percentages on work under here by an amendment but we have not seen any revenue flow to the States to pay for that. It does not work both ways. It either costs money to do this or it does not cost money to do this. If it costs money to increase your percentages, then we ought to have some reflection in the funding proposal to pay for it. We do not see that.

WELFARE REFORM IN ARIZONA

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

Mr. SALMON. Mr. Speaker, for the last 4 years I have been serving in the Arizona State legislature prior to coming to this noble institution.

One of the privileges that I have had is to co-chair the Joint Select Committee on Children and Family Services. What I have seen over the last several years has really frightened me.

I think that government has become the great enabler. Those of us that have dealt with programs with alcoholics, people that we have tried to help to get off the problem, recognize that first of all, they have to have a desire deep

inside that they want to change that terrible situation that has been plaguing them for probably many years. But if they do not decide that they want to change, it is not going to happen.

I think government has become the great enabler with welfare programs in that we have basically robbed people of self-dignity. We have told them, we do not want you in mainstream society. We will pay you to stay at home because you really have no value to society. I think it is a very counterfeit type of compassion. Just as it would be with the alcoholic that is going through detox, when they are writhing in agony and going through the pain, to offer them a bottle of scotch to solve their problem, I believe that the government programs that have really trapped people in a snare of government dependency and replaced it with nothing, which has robbed people of their self-dignity. They have got to be replaced. We have to flee from those programs as fast as we can.

I do not mean to belittle the efforts tonight of the minority party in trying to reform the system. But I will say, with all due respect, you have had 30 years to do it so I am not sure that the sincerity of the effort tonight is truly noted.

I really feel that it is time for us to get off of our duff. It is time for us to help people to help themselves.

It was a great President on his inauguration that said, ask not what your country can do for you, ask what you can do for your country. How quickly, it has only been three short decades since that prophetic declaration was made, and here we are today trying to be mother and father to people that really on their own are crying for dignity and they want the ability to be able to help themselves and get out of the trap that they are ensnared in, the destructive trap that they are ensnared in.

In Arizona, we were able to pass some really key reforms within the last couple of years. In fact, I would like to talk a little bit about one of my favorite people in Arizona. It is Charles Barkley.

Mr. Speaker, there are at least two huge differences between President Bill Clinton and Arizona's own Charles Barkley. Sir Charles, for one, backs up his big talk with big action. We have no such luck with Bill Clinton.

In my home State, we have been waiting for the Clinton administration HHS to grant us a waiver so we can implement our State's innovative welfare reform proposals.

Let me tell you about one of the pilot programs which would cash out the value of food stamps and give it to an employer to subsidize them to hire an employee, to hire a welfare recipient. It is a win/win. They get a job. They get dignity and self-respect and the employer gets a valued employee.

Our bill was signed by the governor a year ago but the waiver paperwork was done last August. I personally wrote

the President in February, the first of the year. Still nothing. But there he was, just a few days later, talking big before the National Association of Counties, while the President's waiver application grows cobwebs on the President's desk, Bill Clinton declared, to applause in fact, here it is in the paper, in the Washington Times, "Clinton wants States to have freedom to adjust welfare."

□ 2145

He basically said, to applause, that we should abolish the waiver system altogether. Well, Mr. Clinton, we are waiting.

Mrs. LINCOLN. Mr. Speaker, will the gentleman yield?

Mr. SALMON. No, I will not yield.

Approve the waiver now, President Clinton.

Mr. Speaker, I also forgot to say that there is one other crucial difference between President Clinton and Charles Barkley. I still believe Charles Barkley somewhere in the country could win an election.

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

Mrs. LINCOLN. Mr. Speaker, I would just like to tell the gentleman we will have a great deal for you tomorrow, because in the Deal substitute plan we give the flexibility to the States to not have to deal with those waivers. It is a wonderful proposal that will be presented tomorrow and it is an opportunity for you to take a look at things that we will be able to offer to the States, flexibility to deal with their own plan.

Mr. SALMON. Mr. Speaker, I reclaim the balance of my time, and I would like to say I believe in private sector jobs and in more government-funded programs.

Mrs. LINCOLN. That is exactly right; that is what we do.

Mr. SALMON. I do believe people ought to have the dignity to be able to go out into the private sector to be able to get jobs, and really, if sincerely you do believe that this is a good idea, would you call President Clinton for me tomorrow and tell him to pass that waiver?

DIGNITY OF WORK IS WHAT WELFARE REFORM IS ALL ABOUT

The SPEAKER pro tempore (Mr. LATOURETTE). Under a previous order of the House, the gentleman from Tennessee [Mr. TANNER], is recognized for 5 minutes.

Mr. TANNER. Mr. Speaker, let me just say as I start here, I have been here 6 years and we have been working on this welfare reform program almost from the day I got here.

The people who have been working on the Deal substitute have been working tirelessly for the last 3 years that I know of, and we appreciate the opportunity to come to the floor tomorrow and offer the Congress, the House, a chance to vote with us.

I have been disappointed in the debate tonight. I still have trouble determining why a school lunch program has anything to do with helping people go back to work. When we started our welfare reform plan, we went from the principle that work is dignity, work is what people need, work will make this country stronger, and we insist that if you want something from the Government you must do something for yourself.

For people who are talking about the school lunch program, the school lunch program started 49 years ago and it was a national program. The reason it was started by President Truman was because so many kids from around the country in poor, rural States were unable to pass their draftee physical.

School nutrition, what kids have for lunch is not what we are about. We are about reforming the welfare system so people can go back to work and earn their own way.

We give more State flexibility in the Deal bill than anybody does. Right here, provisions, AFDC benefits, State option; mandated in H.R. 4. Families, States option, mandated in H.R. 4. Child support pass-through, State option for Deal, mandated in H.R. 4.

It is ironic that on the day the President signs the unfunded mandates legislation, which many of us have been working on for 2 or 3 years, and again we thank the majority for bringing that to the floor, that we have seen a bill now come before the floor on welfare for mandating to the States many of the things that we leave to State flexibility on the wonderful theory that many Republicans have professed through the years that local people know best.

We have work first. We give States flexibility in how they do that, and we do one other thing for those people that are just barely getting by and they are working, they are living by the rules, playing by the rules and that is this: We include public assistance for purposes of taxable income on the basic fair theory that a welfare dollar should not be worth more than a work-earned dollar. We are the only plan that does that.

Now we have, many of us who have been voting for some of the contract provisions as conservative Democrats, have asked some of our moderate Republican friends to join us on the theory, as the gentleman said earlier tonight, neither party has a monopoly on wisdom and virtue, and I think anybody who does not subscribe to that theory is fooling themselves. We asked for some bipartisan support on our plan. The Deal plan is the best plan in this Congress. You would not have had to have all of these amendments today you have had to put up. It is already in our package, if you would just give us the same consideration you ask from time to time from us, and it would be bipartisan. Come on over, read the Deal bill. If you have not, you ought to, because what we do in this substitute is exactly what many of you all have pro-

fessed you want to do, and that is bring back the dignity of work to the American people and help them get off of welfare.

That is what welfare reform is about. We can talk all night about whether there is a cut in the child school lunch program or not. It does not have much to do with helping someone get back to work, an adult, and that is what we try to do, and that is what we will do. And we know this: Real welfare reform has to be a Federal-State partnership and you cannot just block grant it and say States, here is some money, do the best you can with it. That will not work. That will not put people back to work. And that is why we got this letter today from the United States Conference of Mayors. They know what is going to hit them and they do not have the equipment or the ability to handle it, quite frankly, and you cannot just say block grant it and let the States do it any way they want to.

We do, and we enter into a true Federal-State partnership and we clean up the mess here in Washington in the Deal bill before we turn it over to the States. And I believe, and I would ask everybody here to read our bill and to give us serious consideration tomorrow.

I think you will find it is by far the best approach.

WELFARE REFORM

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

Mr. KINGSTON. Mr. Speaker, I want to pick up on the comments of the last speaker. I think it is important to note that the gentleman from Tennessee thanked the majority party for getting the unfunded mandates legislation to the floor of the House as has the majority party brought welfare reform finally to the floor of the House. And I will say this to my moderate Democrat friends over there, that we are glad you have a plan.

I was real disappointed when the President decided to end the welfare debate as we know it by not offering a plan. I thought he was going to end welfare, but it was just end the welfare debate. So I am glad you all have stepped in and filled what is obviously a leadership vacuum and tremendous void over there both from the White House and I would say the party leadership. I am glad to see the Deal plan is on the floor. A lot of good aspects on the Deal plan, a lot of good aspects in it and I am looking at it.

Favor H.R. 4 though. It is a bill that offers hope and independence and opportunity for people. I think it is important.

Today I had an opportunity to meet a lady named Felicia Patterson from Savannah, GA. She had been on welfare. She is right now living in public housing and she has now got a job. She is

independent, she is raising three children. She is asking for a little help on something that to my knowledge the Deal plan does not address, H.R. 4 I hope will address in the future. It is something I think both parties ought to come back and work on and that is the subject of rent reform.

You know in a public housing unit when somebody is making money, as Ms. Patterson is, and their income goes up, their rent goes up, so what they find themselves doing is running faster just to stay in place; and in a situation where they get married or the father decides to live at home, they get thrown out completely. Or if, as in Ms. Patterson's case, you have a 16-year-old child who wants to go to work but knows that all of the money is just going to go to additional rent, it is kind of hard on them. We have to make it so that the transition to getting off of public assistance in its entirety is a little bit smoother.

Now the Republican plan has a lot of flexibility. It allows States to work with people like Ms. Patterson and it grants some waivers, and I think stuff like that is important. I will not say it is totally complete. But all of these bills we are going to have to come back. After all, the current welfare system is one of despondency and dependence probably as a result of 40 years of negligence and political payoffs and so forth. We did not get here overnight. We got here slowly. And we are probably going to pull out of this thing slowly.

The thing I do like about the Republican plan is it consolidates 45 different welfare programs into 4 flexible block grants. Anytime I hear the idea of eliminating duplication of consolidating Federal programs I get excited, because as a member of the Committee on Appropriations, I cannot tell you, Mr. Speaker, the number of government agencies that come in day after day, doing the exact same thing, but have a little bit different title, and of course it is a tad bit different turf and they are all saying please keep us alive, we are the only agency that can deliver such service. That is not true. The Republican plan consolidates services, it consolidates a number of different things that will free up money by eliminating bureaucrats' jobs and free up money to help create more flexibility to States, and lowers the tax burden for taxpayers so that the private sector can go out and create jobs.

One of the aspects I like about the Republican plan is the idea of requiring work. I think that that is important because we have got to give people the opportunity to end the cycle and become independent, and have that hope that you and I have when we get our paycheck and buy our own car and buy our own food and put a down payment on a house and so forth. I think all of that is very important.

The other thing that I like about it, I am not sure if the moderate Democrat plan addresses it or not, but ille-

gal aliens, one of the problems particularly in California, Texas, and even in Georgia, we have 28,000 illegal aliens. This restricts benefits to illegal aliens. I am sick and tired, as I know my constituents in Georgia are, of going out and earning a living and then seeing a percentage of your paycheck go to people who are illegal aliens who have never paid American taxes and do not even have proper citizenship cards. I am glad to see the Republican Party addressing that.

Stopping the welfare payment and the new benefit for having a baby, we have interviewed people who have said listen, there is in fact to some women out there and some people a motivation to have an additional child if they are going to get paid for it.

These things, Mr. Speaker, are addressed in the Republican plan. I think it is a good plan. We will look at the Deal plan; I think it has some good aspects, but I hope you all will look at ours.

WELFARE REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mrs. THURMAN] is recognized for 5 minutes.

Mrs. THURMAN. Mr. Speaker, we have another chart and I am glad to know that the gentleman is looking at the Deal plan because I think that that is very important, because I think it does do many of the things that the gentleman talked about, particularly in simplification, folding in waste, fraud and abuse. We are all trying to meet that same criteria. I think where we really get into the fights is over some of the funding issues and specifically because of some of the entitlement issues.

But I heard some remarks tonight that I really took exception to and that was that some of us may have lost or gotten into the Beltway kind of feeling up here. Let me tell you, I have never done that and I can tell you that the people that work in my office every day are out there helping people every day with problems that they have. So I am going to give you some facts, and some real-life situations, and not just about numbers, first of all, and then I am going to go to the numbers.

Mr. KINGSTON. Mr. Speaker, if the gentlewoman will yield, I will never accuse you of being an inside-of-the-Beltway person because I fly home with you every weekend. I will say this: I hope you tell some of the stories to the leadership in your party who do tend to be a little bit more inside the Beltway than someone like yourself.

Mrs. THURMAN. I think we can all take some credit for that, and I will leave it at that. I want to talk about a man and woman who live in Horsehoe Beach, Thomas and Pam Wright, and they have five children, four of which are of school age. Tom was a long distance truck driver who made \$600 to \$800 a week. He was diagnosed with dia-

betes and can no longer be certified as a truck driver and now is working as a security guard, and he makes \$200 a week and he is now receiving \$230 per month in food stamps. He does not like where he is at, but he does not know what to do if this is cut off.

Danielle Plummer, a 30-year-old single mother living in Holder, FL considered herself lucky because she inherited a 40-year-old A-frame house which was paid for. So she does not have to pay rent anymore. Imagine that.

Miss Plummer recently lost her job at a McDonald's restaurant because she lost her source of transportation and if you know where this area is of Florida, there is no transportation. She receives \$212 in food stamps and \$214 in AFDC monthly for her 10-year-old daughter. Miss Plummer has been in and out of court fighting for child support and cannot receive benefits owed for her daughter.

□ 2200

She admits welfare is not where she wants to be, nor is it where she plans on remaining. However, when I asked her what she would do if her assistance she now receives was suddenly discontinued, she said, "I don't know. My God, how would I take care of my daughter?" Those are real people. Those are people that live in my district.

But in the Deal plan, I was asked to look at some situations as how the purchasing power, and I will admit, you do go up 2 percent for purchasing power for food every year, but what happens is that that power actually goes down. And this is what happens here.

In the Deal plan we keep 102 percent, the safety net, very safety net. This is the package that President Nixon and President Ford worked on, and they said, "We have got to have a thrifty food plan. We have got to make sure there is a nutritional program out there," kind of like we do with food and breakfast and those kinds of things, that very basic nutritional need. What happens is, if you look at what happens traditionally in food prices, they have gone up 3.4 percent every year. In your plan it goes up 2 percent. So what we are doing is we are notching that down every year, and not leaving it so people get good nutritional value. This is what happens.

Deal leaves it 102 percent. Republicans, under H.R. 4, actually, as you see it, it declines. So think about it this way, think about this woman who is on food stamps who has to go to the grocery store next year, because she does not have a job, she is trying, she is trying to do all the right things to raise her daughter, she goes to the grocery store, and now all of a sudden she has got to start pulling food out of the bag, because she cannot afford to keep up with prices as they have increased. It may mean a loaf of bread. It may mean some eggs. It may mean that milk. It may mean one of those basic

nutritional value foods that we talk about.

And that is what you are going to end up doing here.

Now, let me tell you about Michael and his family to finish this. Well, I do not have time, but let us just remember in this debate, this is not about numbers. This is about people with real problems, and we need to be careful.

IN SUPPORT OF THE DEAL SUBSTITUTE BILL

The SPEAKER pro tempore (Mr. LATOURETTE). Under a previous order of the House, the gentlewoman from Arkansas [Mrs. LINCOLN] is recognized for 5 minutes.

Mrs. LINCOLN. Mr. Speaker, I would certainly like to say to my colleague from Georgia and the others over there that, yes, we do thank your leadership for bringing up some of these issues that we have worked very hard on over the past 3 years. And I guess I can say that, as a newer Member, I also think it is important that we shed our pettiness in terms of who is bringing up the issues and look more at what is happening to the American people. I think that is one of the objectives that I and many of the other colleagues that I have shared this bill with, the Deal substitute bill, in trying to put people above politics, and that is a very important issue that we have to do right now.

Mr. KINGSTON. Will the gentlewoman yield?

Mrs. LINCOLN. I yield to the gentleman from Georgia.

Mr. KINGSTON. I thought it was the Democrat chart that had a T shape on our plan versus your plans. I was only responding to your plan.

Mrs. LINCOLN. I just think it is very important for the American people to know our group and the bill that we have produced is very nonpartisan. It is a very practical bill. It is very realistic. And we are here because we want to put people before politics. That is what is important, taking the American people, looking at what their needs are.

Tomorrow we will have the options of looking at the bill offered by the gentlewoman from Hawaii [Mrs. MINK], the Deal bill, and the Republican Contract bill.

We have worked hard. We have produced a bill that is really realistic in terms of what it does for the American people and in terms of what it does for this Nation in long-term getting people off of welfare, and that is what we want. We do not want to just throw them off of welfare. We want to get them off of welfare, get them off of the generational dependency and put them into a constructive, contributing life style.

People have a tendency really to ignore the voice of reason, and I think really that is what we have got to present in the Deal bill is real reason,

looking at what people need to survive and to become independent.

It is time that we finally hear what that voice of reason is. We have talked about priorities tonight. Are you going to talk about food and making sure children get fed, or are you going to talk about \$20 billion to \$40 billion of increases in military spending? Are you going to talk about putting people back to work and giving them the opportunity to provide for themselves? That is what is important. We have got to look at where this Nation is spending its money.

In terms of percentages, if you look at the money we are spending on both military, on interest, on the debt, the talks we have had here tonight in terms of nutrition, less than 0.1 percent are a drop in the bucket in what we need to do, and our voice of reason, the Deal substitute, puts more people to work than the alternative bills that will be offered tomorrow.

The Deal substitute is the only one that devotes its entire savings to deficit reduction, and if you are serious about deficit reduction for your children and your children's children, you have got to realize that we have got to put those savings toward deficit reduction. We realize the same amount of savings roughly that the Republican plan does, but we direct our savings to deficit reduction, because we are worried about the future of our children, not only in welfare reform, but also in deficit reduction.

The Deal substitute recognizes that it is impossible to work without proper job training and child care. You cannot ask a single mother to work for her benefits if she has nowhere to take her children.

And, yes, you are right, the family structure in this Nation is deteriorating, and that young woman does not have the support network of a family, a grandparent or a parent to look after that child. She has got to depend on some child care, and we have got to provide it, and we do in the Deal substitute. We not only provide it, but we pay for it, and that is an important part of what we do.

The Deal substitute identifies the problems that have been created in the crazy checks abuse, and it solves the problem. I have seen a tremendous amount of that problem in my district, and I have been working hard over these past years to look for a reasonable solution that does not throw out the baby with the bath water. It does not put that child with cerebral palsy out on the street, but it makes sure the disabled children, especially those that are multiply disabled, are going to be helped, but the ones that are abusing the programs, those loopholes will be closed.

The Deal substitute is the only one that sets a 2-year lifetime limit on welfare benefits, the only program that is going to be offered that sets a 2-year lifetime limit.

We give the States the option of extending benefits for 2 more years with

community service, and that is what we have heard from most people is that the States know better how to craft and to recraft those programs to get their people back into the work force.

The Deal substitute gives States more flexibility than any other proposal without passing massive costs on to the States, no unfunded mandates. We do not produce the unfunded mandates, because we know it is unrealistic, and in the long run it will not work.

The Deal substitute does not demand family caps. Instead, we give that flexibility to the States, that option of denying additional benefits to mothers who have more children while on welfare.

The Deal substitute includes welfare benefits as taxable income. It is the best alternative you are going to get, and I encourage my colleagues to support it.

WELFARE REFORM AND DEFICIT REDUCTION

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

Mr. HAYWORTH. Mr. Speaker, it is good to see my good friend from Ohio in the chair tonight.

At the outset, I yield to my good friend from Georgia for a moment.

Mr. KINGSTON. Let me say one thing about the Deal alternative. I do agree, Mr. Speaker, with the previous speaker. It is the best alternative that is out there, not as good as H.R. 4, the Republican plan, but in terms of an alternative, I agree that the moderate Democrats are showing some leadership over there, and I hope maybe you can inspire your official leaders to show some leadership, too.

One thing though I do want to say about the Democrats' newfound interest in deficit reduction is that, you know, for since 1969, the Democrats have controlled the House, and each year we have a new debt. Now, I say since 1969; that is the last time we had a balanced budget, but year after year the deficit has gone up.

But I say this: It is a Republican and A Democrat obligation to address it, because I believe both parties created the deficit, and I am glad now that both of us are talking about it, and let us have this one-upmanship. Let us see who can top each other's deficit-reduction plan. That is what two parties are all about.

Mrs. LINCOLN. Mr. Speaker, will the gentleman yield?

Mr. HAYWORTH. I am happy to yield to the gentlewoman from Arkansas.

Mrs. LINCOLN. I just wanted to re-emphasize the fact if we are really truly talking about deficit reduction that all of what we have been talking about in terms of cuts, rescissions, and certainly in the welfare reform and the

moneys that we can save should be going to deficit reduction, and I would certainly encourage the gentlemen when those amendments are offered and certainly when we talk about the lockbox aspects of putting those moneys towards deficit reduction, that we will see that.

Mr. HAYWORTH. Reclaiming my time, I note with interest the gentlewoman from Arkansas preceded me in this Chamber by one term, part of the 103rd Congress, I know not her voting record personally, but I do not know the former majority is on record as voting for the largest tax increase in history, a tax increase which hit so many Americans in the wallet as to be just grossly unfair, and went on with the gasoline tax the average impact of which being in excess of an average of \$400 per year in additional energy payments for every family in America, regardless of their socioeconomic status. So I would contend with the lady and my other good friends on the other side of the aisle, I do not believe we can tax ourselves to prosperity, and nor, although there are certainly some noble aspects to the notion of a deficit lockbox, I believe we have to return the money to the people who earned that money in the first place.

If I could speak for just a few moments on the 5 minutes I have, I thank my good friends on the other side for their restraint. I would also add that I certainly welcome tonight's meaningful dialog in stark contrast to the hysterics we heard earlier today.

I mentioned that earlier today during the debate I cannot for the life of me understand why anyone from any political party would choose to compare their opposition to the Third Reich of Nazi Germany or to slave holders. I believe that was inexcusable, but I welcome certainly the tone tonight which has changed.

You and I just happen to have a difference of opinion. I think we also have a different interpretation on some of the numbers, but let me yield in the interests of fairness to my friend from Arkansas.

Mrs. LINCOLN. I just want to say that we have also seen three consecutive years of deficit reduction. I would just like to encourage the gentleman to make sure that he knows that there are those of us who are speaking out for deficit reduction.

Mr. HAYWORTH. Reclaiming my time, I would point out that deficit reduction came at the expense of hard-working taxpayers who would like to keep more of their money in their own pocket, and if we cut taxes and cut the deficit and build this economy, then that will be the answer for everyone including those trapped right now in the prison, if you will, of welfare, and a system that is broken, and we all agree is in need of some radical change.

We asked for that type of change, and that is what we are working to do with your majority bill, H.R. 4. We welcome your thoughts on it, but we would ask

you to take a much closer look at the numbers you purport with reference to the Federal lunch program. One is tempted to recall the words of our good friend from California, "There you go again," not talking about the real numbers. We call for increases in the school lunch program of 4.5 percent over the next 5 years, an increase over 5 years of \$1.1 billion in expenditures, and we are getting the job done while we are hearing a lot of rhetoric.

Ms. PELOSI. Mr. Speaker, will the gentleman yield?

Mr. HAYWORTH. I yield to my friend, the gentlewoman from California.

Ms. PELOSI. I thank the gentleman very much.

I would like to reference your remarks where you just said there was an increase in school lunch program, and I want to, and I appreciate the time to respond to that, there is not an increase in the school lunch program. There is a cut.

Mr. HAYWORTH. The gentlewoman has to understand how on Earth can you increase a program, now, in fairness, if you are saying there is a reduction in anticipated increases, I would certainly contend that is an interesting way to define a cut.

Ms. PELOSI. I wish the gentleman would wait until my time so we can continue.

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

[Mr. CLEMENT addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

THE CURRENT WELFARE SYSTEM DOES NOT WORK

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

Mr. PAYNE of Virginia. Mr. Speaker, I would like to talk about something that I think we all agree upon. There has been a lot of discussion, a lot of debate today, and it seems that one thing that we do agree upon is the current welfare system simply does not work, and instead of requiring work, it actually punishes those who go to work. Instead of instilling personal responsibility, it encourages dependence on the Government, and instead of encouraging marriage and family stability, it penalizes two-parent families and rewards teenage pregnancies.

We all agree welfare must be drastically changed, and that welfare should only offer transitional assistance leading to work, not leading to a way of life.

Now, I am one of the cosponsors of the Deal substitute, and we are committed in our bill to making some pretty major changes. Our bill is the only bill that will be considered which en-

ures that its savings are used for deficit reduction.

Now, I think that is an important goal that many of us share, and our bill is the only bill that ensures that our savings will be used for that purpose. We support welfare reform that emphasizes work. It emphasizes personal responsibility. It emphasizes family stability.

The Deal substitute imposes some pretty tough work requirements while providing opportunities for education and training and for child care and health care to support working people.

□ 2215

It provides States with the resources necessary in order for welfare reform to succeed without shifting costs to local governments or without creating unfunded mandates, and it gives the State the flexibility to design and administer welfare programs they need without sacrificing accountability of the Nation's taxpayer's dollars. We believe that real welfare reform must be about replacing a welfare check with a paycheck.

The Deal substitute's time-limited work first program is designed to get people into the work force as quickly as possible by requiring all recipients to enter a self-sufficiency plan within 30 days of receiving their benefits.

The Republican welfare bill allows recipients to receive cash benefits for up to 2 years before they are required to work or even to look for work.

The Deal substitute also encourages welfare recipients to leave welfare for work by providing adequate funding for safe child care and by extending transitional medicaid assistance from 1 year to 2 years.

The Deal substitute provides the necessary resources for welfare recipients to become self-sufficient, but it also requires recipients to be responsible for their own actions by setting clear time limits on benefits. No benefits will be paid to anyone, and this is extremely important, no benefits will be paid to anyone who refuses to work, who refuses to look for work or who turns down a job.

In addition to making individuals responsible for their own welfare, we demand that both parents be responsible for their children. The Deal substitute includes the toughest child support system ever to make sure that the noncustodial parents simply don't walk away from the children that they helped bring into this world.

The sponsors of the Deal substitute recognize that in order to reform welfare States must have the flexibility to design and administer welfare programs that are tailored to their unique needs, to the unique characteristic of their States. And we believe that States should not have to go through any cumbersome Federal waiver process in order to implement innovative reforms in their welfare programs.

The Deal substitute, in fact, puts into place a Federal model for the work

first program, but it really encourages States to develop their own work programs. And, unlike the Republican bill, the Deal substitute does not remove some existing mandates only to replace them with different mandates regarding payments for children born on welfare or payments to teenage mothers.

I believe that the Deal substitute offers the best approach to welfare reform. It takes a tough approach by setting time limits, and it requires people to be responsible for their own actions. It provides the necessary resources for welfare recipients to realistically achieve self-sufficiency, and I believe that the Deal substitute is the only welfare reform bill which gives the American people what they really want, which is a plan that makes work the number one priority, individuals responsible for their own actions, and welfare reform that gives the States the flexibility they need.

I thank the gentleman. I am sorry I am out of time.

WELFARE REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Ms. WATERS] is recognized for five minutes.

Ms. WATERS. Mr. Speaker, I have said maybe on two occasions today that this is one of the most important debates that this 104th Congress will be engaged in, and it is important for us to understand what we are about to do here.

I know there are a lot of unhappy folks in this country, unhappy about the fact that there are too many families and too many children on welfare. I know that most people want change.

We must be fair in our representations about who wants change. Republicans want change. Democrats want change. Workers want change, and recipients want change. I think it is one thing that we can agree on.

No one has the corner on wanting reform. We would all like to see reform in the system, and it is absolutely incorrect to say that the President or Democrats did not have a bill, did nothing about reform.

The President had a comprehensive piece of legislation that he attempted to get into this Congress, the 103d Congress, and we got caught up in the health debate, and it turned into a nightmare, and there was not the opportunity to move on welfare reform as the President had planned. So it is not true that the President did not want welfare reform.

The difference between the Democrat and Republicans is the question of implementation. How will we do welfare reform? Will it be a plan that will offer real opportunities for people to get off welfare or will it simply be a plan to punish folks because for whatever reasons they have found themselves on welfare?

I think it is time for us to try and speak about this in a language that the

American public can understand. No, they don't really understand block grants and waivers.

Let's put a face on this discussion. We are talking about, for the most part, just plain old poor people and working people. We are talking about people, some of whom were born into situations through no choice of their own that keeps them locked into the cycle of poverty, and there have been no real guidelines, rules by which they can get out of the cycle of poverty.

We have some folks who work every day, and they are poor. They can't take care of their families. They need food stamps. They need some help with their health care needs.

And so these are real people. These are not pawns that should be used by politicians to gain favor with people who are very vulnerable at this time. This should not simply be a political issue where some politician stands up and says vote for me. I am going to save you money. I am going to get rid of all these bad people.

And we should not have politicians simply defining all of America's problems by talking about the welfare state. And we certainly should not have politicians who talk about taking America's children and putting them in institutions, in orphanages.

We need to talk about these problems in a real way. Yes, there are teenage pregnancies, too many of them, and most of us don't like the idea that babies have babies. But we live in a society where sex is glamorized, where it is promoted, where it is expected. In order for young women to be looked upon with favor, they must be sexual. Young women are sought after by young men and old men, some of them in their neighborhoods, some out of their neighborhoods, some of them who are poor young men who have not very much to offer, some of them politicians and others. We know what is going on in American society.

We need sex education. We need jobs. Jobs have been exported to Third World countries for cheap labor. We need jobs for educated people and not-so-educated people. We need a better education system. We need to deal with the root causes of this problem, and we need to build into welfare reform the real opportunity for people to become independent by offering real jobs, job training and child care.

The SPEAKER pro tempore. The gentleman's time has expired.

FOOD ASSISTANCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina [Mrs. CLAYTON] is recognized for 5 minutes.

Mrs. CLAYTON. Mr. Speaker, this is a sad day in American history. The Republican Majority, with brute and brutal force, has begun a process to undo a half century of laws—laws that have taken this Nation from the depths of depression and malnutrition to soaring

heights of health. This process threatens the very strength of America. Federal nutrition programs were first started when it was realized that many of those poor upon whom we depended to join the military and defend us came to the job undernourished and poorly fed. If they could die for America, we reasoned, we should feed them while they were young.

This Personal Responsibility Act is irresponsible. It is irresponsible, for many reasons. I want to share five of those reasons with you. First, this Bill penalizes children. It penalizes children because, beginning immediately, fewer children than we now help and who need our help, will be helped. More than fourteen million children will receive less in food stamp benefits. More than six million children, born to younger mothers, will be denied benefits altogether. More than three million children, who do not know their fathers, will get reduced benefits, through no fault of their own. But, worse yet, more than 700,000 of those disabled children who received benefits last year will not receive benefits next year, under provisions of this Bill.

The Republican Majority will say they are making the system more efficient. The children born to children, without fathers and with disabilities, will simply suffer.

Second, this Bill has unfair work requirements. Because it does not clearly define the amount of compensation for the requirement to work, it could mean eighty hours of work for sixty-nine dollars in benefits—less than a dollar an hour. That is not fair. That is not just. That is not humane. At the very least, forced labor should require payment of the minimum wage. The Republicans will say that these workers may get a package of benefits worth as much as ten thousand dollars a year. That is deceptive. What about those who do not live in public housing? What about those who do not receive Medicaid? What about those who only get food stamps? What about child care costs? Those recipients will be forced to work for compensation far below the minimum wage. That does not encourage self-sufficiency. Third, the Bill puts people off welfare, without putting them to work.

Time limits for benefits, without job opportunities will not work. If an individual is able to work, we must insure that a job is available. Fourth, reasonable child care options should be a part of any work program. The Majority recognizes this by offering an amendment to increase the amount of money in the Bill for child care. But, the amendment falls far short. Under the Bill, there is a twenty percent cut in child care, affecting some 400,000 children. The amendment, if it passes, will put a small dent in those affected children. And, finally, but certainly not least, The Personal Responsibility Act creates block grants out of federal food assistance programs, thereby shifting the burden of nutrition programs to

the States. Instead of one nutrition standard, we will have fifty different standards. Instead of promoting our children-our future-we punish them.

Mr. Speaker, the Republican Majority has the votes to force this Bill upon the American people. But, what they want and what we want are clearly different. They want block grants. We want healthy Americans. They want cheap labor. We want fair labor. They hurt children. We want to help children. They call the seventy billion dollars in benefit reductions "savings". We call them "cuts". They want to use that money to give tax breaks to the wealthiest Americans. We want to use that money to give a break to the children of America. They want change. We want change. Their change is mean and cruel and will cause misery. Our change is for improvement. We want to put people to work, get them off welfare, prevent teen pregnancy, nourish infants, feed needy children and prepare our young for a productive future.

When the record of this period in our Nation's history is written, we want it said that we took people off welfare and put them to work, at a livable wage. We want it said that we fed children in their stomachs so that we could feed them in their minds. We want it said that while some wanted to hurt the people, reason prevailed, and we helped the people. I urge my colleagues to reject the Personal Responsibility Act. It is irresponsible.

□ 2230

CHILD NUTRITION IN THE WELFARE REFORM BILL

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

Mr. CLYBURN. Mr. Speaker, I stand here today utterly and totally appalled by what I am reading in the bill H.R. 1214, the so-called "Personal Responsibility Act."

If this bill passes, and it just might—judging by the rapid-fire way this and other ill conceived "Contract With America"-inspired legislation is making its way on and off the House floor—the GOP itself should be held "personally responsible" for creating a measure that could create the specter of millions of hungry American children.

Let us take a close look at what will be cut and, if I may, let us use South Carolina as a case study on just how these cuts will affect some of the nation's neediest children.

First, the bill proposes to cut almost \$70 billion over 5 years in low-income assistance programs. As a part of these cuts, the bill will end the entitlement status of all federally funded child nutrition programs in lieu of State block grants, for the States to do what they will.

On the surface, this may sound like big government savings. But a closer look at this bill reveals that these sav-

ings are being made at the expense of our children.

On the chopping block are school breakfast and lunch programs, summer feeding programs, the special milk program and the commodities portion of school nutrition programs.

In South Carolina alone, the absence of the school lunch program could mean that 400,000 children will be denied what may well be their only balanced meal of the day.

Further, the bill repeals the Supplemental Nutrition Program for Women, Infants and Children, better known as WIC.

In South Carolina, the WIC caseload is close to 124,000. WIC has been proven to be highly successful in meeting nationally standardized nutritional needs of women and children.

All totaled, South Carolina would receive \$96 million less in Federal funding for the school lunch and WIC programs.

Also on the cutting board are food stamps. This bill will cut spending by \$20.3 billion in the Food Stamp Program over 5 years. This portion of the bill would impose a rigid cap on food stamp expenditures, with no adjustments for inflation. It would also require certain recipients to go to work without providing any funds to States for job creation.

This portion of the bill would affect over 350,000 food stamp recipients in South Carolina and the State would receive \$174 million less in Federal funding for food stamps over 5 years.

Mr. Speaker, I have had a steady stream of visitors to my office in the past few weeks—bipartisan visitors—from the South Carolina PTA, the South Carolina Guidance Counselors, the South Carolina Food Service Association, the South Carolina Dietetics Association—people who are horrified at what this bill contains because they know first-hand what the true affects would be on children if this measure were to pass.

What is the impetus behind the GOP trying to pass a measure that has raised the ire of such diverse groups as the National School Board Association, the United States Conference of Mayors, the American Heart Association and the National Education Association?

Why are they so bent on passing a plan that would literally take food out of the mouths of the Nation's young?

It is not secret that Republicans intend to use the revenues raised from cuts to welfare programs to pay for tax cuts for the wealthy.

Well, this "steal from the poor to pay for the rich" Robin Hood-reversal scheme has come under fire from all corners.

And the fact of the manner is, even though the Republicans would like to pretend that welfare mothers and their children are the bane of the Federal budget, the realities do not bear them out.

For even if the entire welfare program were totally cut today, it would make only a dent in deficit reduction.

So, this mean-spirited attack on welfare, and in particular, this hatchet job being waged against child nutrition program, is totally unnecessary and will not make any significant cuts in the Federal budget.

Mr. Speaker, when this 104th Congress began, much reference was made to the orphanage heralded in the movie "Boys Town" as a model for the Nation on how to deal with children born to poor mothers.

Now, the Draconian measures proposed in this bill brings to mind another movie image, that of young poor and hungry "Oliver Twist," his small child's hands cupped, standing before a scowling orphanage director, piteously pleading, "More, sir?"

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

[Mr. OWENS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

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

[Mr. FLAKE addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

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

[Ms. EDDIE BERNICE JOHNSON of Texas addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

SACRIFICES IN THE PERSONAL RESPONSIBILITY ACT

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

Mr. OLVER. Mr. Speaker, we have debated for many hours today on the welfare reform bill, the so-called Personal Responsibility Act, and it is a very important piece of legislation indeed.

The Republicans say that this bill is about sacrifices. And indeed there are going to be 5 million families, and in those 5 million families there are 9.5 million children who are indeed going to make some sacrifices. Because for each one of those families, for each of the next 5 years on average, they will use nearly \$2,000 worth of income and food and care for children while the parents go to work and care for abused children and such.

And every one of those 5 million families has under \$15,000 of income at the

present time from which they are going to sacrifice least \$2,000.

Why are we doing that? Is it to balance the budget? No, not even the first step on that. Not a single economist of some 20 or so, mostly chosen by the Republican majority for their willingness to say what the majority wanted them to say, not a single one of those economists supported the tax cut as a way to get about balancing the budget.

Is it to reduce the deficit? Well, here is a chart that shows indeed what the deficit is and what it has been over a period of time. And you can see this massive deficit that was built up during the Reagan years and the Bush years, year after year, after many years of nearly balanced budgets and then slowly rising, but this huge deficit in the Reagan and the Bush years, year after year after year.

But, no, it is not going to reduce the deficit. Because after the amendment that we adopted today which allows the savings to come from the welfare bill, the welfare reform bill, those savings are not to be used for reducing the deficit. They are, in fact, to be used to give a massive tax cut to the richest among us.

Fifty billion dollars of moneys from families, from the 5 million families with under \$15,000 a year is going to be transferred. Fifty billion dollars is going to be transferred to the 2 million families who have now presently over \$200,000 per year. Each one of those families is going to see almost \$5,000 per year for the next 5 years on average of tax reductions.

Now, where is the sacrifice here for those 2 million families who presently make over \$200,000 per year under the present tax laws? Where is the sacrifice there? I know, if you hadn't already guessed, there is not a single family of a Congressman or Congresswoman who is going to be sacrificing a penny in that process.

And what are we as Americans going to be gaining from this? Are we going to get growth in the economy by putting people to work or a lower unemployment rate?

Well, every time the economy looks as if it is going to take off and grow a bit or the unemployment rate goes below 6 percent, the Federal Reserve Chairman, Alan Greenspan, raises the interest rate to cut the growth rate and to put people out of work.

Where is the sacrifice for all of those 2 million families that are going to be given \$50 billion in tax cuts that is going to be taken from the 5 million families and their 9½ million children, families that have less than \$15,000 a year of income?

Well, there is a sacrifice here ultimately, even if it is a little hard to see. And it may take a few years to see it, and it comes in crime particularly.

Because we are going to see in a few years down the road thousands more people in prisons, prisons that cost \$60,000 a cell to build and \$20,000 to maintain a prisoner in one of those cells. We are going to see more drive-

by shootings and more thefts and robberies and house breaks and drug abuse and sales of drugs. And it will only take a few more years. That is a few years down the road.

In all of my years in the legislature of my State, and there were quite a number of those, and my few years, 4 years now, in the Congress, that is the most vicious and the most far-reaching attack on children that I have ever seen, and I have seen more than a few of those in my years in government.

Because whenever you need to cut revenues, whenever you need to cut expenditures, children are targeted. They can't fight back. They can't vote.

But some of us are going to fight back for them.

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

[Mr. WISE addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Colorado [Mrs. SCHROEDER] is recognized for 5 minutes.

[Mrs. SCHROEDER addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

SCHOOL LUNCH PROGRAM

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

Mr. BROWN of Ohio. Mr. Speaker, yesterday I visited or 2 days ago I visited in Sheffield Lake in Lorain County in my district the Tennyson Elementary School to see the School Lunch Program up close and to talk to students and teachers and parents and administrators and cafeteria people.

I was taken around by a couple of third graders, Will Emery and Zach Russell, and met with lots of students, Jennifer Ward and her two sisters, who had some things to tell us, with Mrs. Armstead, the principal, and with several other people that all agreed on one thing. People, whether it is from a PTA or from school administrators or teachers or parents, the one thing they agree on about the School Lunch Program is that if it ain't broke don't fix it.

And perhaps I shouldn't use grammar like that talking about a grade school, but when you think about all the talk, that the Republicans say it is block grants and the Democrats say that these are very real cuts as they are about nutrition programs for children and about school lunches, the fact is, as my friend from North Carolina [Mrs. CLAYTON] said a few minutes ago this has been a program in existence for 49 years.

It works. There is simply no reason to fix something that is not broken. It

is a government program that works. It is for the future of our children.

Why mess with it? Why make these radical, divisive kinds of changes that Republicans are suggesting about school lunch? It simply doesn't make sense.

PRESSLER AMENDMENT

Mr. BROWN of Ohio. I would like, Mr. Speaker, to shift gears and talk about another matter, different from the school lunch issue that people have been debating tonight.

In 10 days, the Prime Minister of Pakistan, Benazir Bhutto, is coming to Washington to meet with the President.

Business Week magazine reports that one of Bhutto's key goals in courting President Clinton is to ease enforcement of the Pressler amendment. The Pressler amendment, Mr. Speaker, prevents Pakistan from obtaining 60 F-16 fighter jets.

The Pressler amendment made good sense when it was enacted, and it makes better sense today because of the political and social upheaval that is wracking Pakistani society and threatening the stability of the Bhutto government.

Pakistan is in a chaotic state. Just in recent weeks, we have witnessed:

The murder earlier this month of two American diplomats in Karachi;

A show trial in which two Christians, one of them a 14-year-old boy, were sentenced to death for blasphemy against Islam and narrowly escaped Pakistan with their lives; and

A stunning piece of journalism by the New York Times Pulitzer Prize-winning reporter, John Burns.

Mr. Speaker, I will include in the RECORD the article from the New York Times by Mr. Burns.

At considerable risk to himself, John Burns has traced a good deal of the world's terrorist activity to the University of Dawat and Jihad in Peshawar, Pakistan. Roughly translated, it is the University of the Community of the Holy War. It is simply a school for terrorism.

According to Mr. Burns, "Just about everyone has a hidden Kalashnikov assault rifle."

The university is a haven for Muslims militants from throughout Asia and the Arab world. The University of Dawat and Jihad is under investigation as a possible training ground for terrorists who have struck in the Philippines, Central Asia, the Middle East, North Africa and now investigators believe the World Trade Center bombing in New York 2 years ago.

Burns says that the area in and around Peshawar represents, "One of the most active training grounds and sanctuaries for a new breed of international terrorists."

According to high-ranking U.S. diplomats, students are taught that the Islamic renaissance has to be born out of blood and by only striking at the West will Islam ever be able to dictate events in the world and events have

been dictated up to now by the West. Burns says intelligence reports in recent years have suggested that militants trained here have taken part in almost every conflict where Muslims have been involved. For instance, the Philippines, where there was an attempt on Pope John Paul II's life; the Middle East; of course, Bosnia; Tajikistan; and certainly in Kashmir, where the Kashmiri Pandits have been the target of ethnic cleansing carried out as part of a campaign of terrorism.

□ 2245

Pakistan supporters cite the threat posed by Islamic terrorists as a reason not to pressure from us the Bhutto government. But then they turn around and say that Pakistan is a stable government and that the extremists represent only a tiny fraction, a tiny minority of the population.

Mr. Speaker, I do not believe that supporters of Pakistan can have it both ways. We should insist that Prime Minister Bhutto stand up to Islamic extremists and repeal the blasphemy laws that are the method of choice for abusing the human rights of Christians and abusing the human rights of other Pakistani minorities.

We should insist that Pakistan bust up the terrorist network operating on Pakistani soil, a network that is spreading violence and frustrating political solutions throughout South Asia, the Middle East, North Africa, and even here in the United States.

We should insist that Pakistan crack down on extremists. And, Mr. Speaker, in closing, until Pakistan demonstrates that it is ready to participate in the world community as a responsible player, any consideration of waiving the Pressler amendment must simply be out of the question.

The article referred to follows:

[From the New York Times, Mar. 20, 1995]

A NETWORK OF ISLAMIC TERRORISM TRACED TO A PAKISTANI UNIVERSITY
(By John F. Burns)

PESHAWAR, PAKISTAN, March 19.—Glimpsed from a taxi, there is nothing obviously sinister about the University of Dawat and Jihad. Like much of the sprawling Afghan refugee camp that surrounds it, the campus crouches unobtrusively behind high walls of sun-baked clay. Beyond a guardhouse, clusters of young men in Afghan tribal garb move about languidly.

The scene could be anywhere in this tense and often lawless region along the frontier with Afghanistan. There is no police presence for miles around, and no sign of any other Government authority. In the bazaars that line the road running past the university, the name of which translates roughly as "University of the Community of the Holy War," just about everybody has a hidden Kalashnikov assault rifle, and a sharp eye for anything deemed intrusive, especially Westerners.

But nothing in this atmosphere of suspicion and imminent violence compares with the university, which for years has had a reputation as a haven for Muslim militants from Arab and Asian countries. Now, top Pakistani police officials say, it is under investigation as a possible training ground for

terrorists who have struck in the Philippines, Central Asia, the Middle East, North Africa and even, investigators now believe, in the 1993 explosion of a 500-pound bomb in the basement of the World Trade Center in New York that killed six people and wounded more than 1,000.

This weekend, American investigators were working behind the scenes here with Pakistan's intelligence services, scouring for links to the bombing as well as the recent attack on Americans by gunmen who leapt from a taxi 12 days ago in Karachi, Pakistan's largest city, shooting to death two Americans who were driving to work at the United States Consulate.

Officials interviewed here said today that the questioning of six suspects captured a week ago has led to further arrests. A top police official said details of the newest arrests would not be made known for "a couple of days."

"But," he said, "these are not innocent citizens, I can tell you."

So feared has the university become that even men reared in the harsh gun culture of the Afghan frontier wilt at the sight of its gates.

"Don't go in there, sir, it is too dangerous. They can kill you," said Syed Gul, the taxi driver, watching anxiously in his rearview mirror for any sign that a black pickup truck idling at the campus gates might decide to give chase. Mr. Gul, one of 1.5 million Afghan refugees living around Peshawar, then sped away from the campus at Babbi, 20 miles east of Peshawar.

With its obsessive secrecy and hostility to outsiders, Al Dawat, as it is known, remains little but a name to most people in Pakistan's North-West Frontier Province. But what has not been so much of a secret is that Peshawar, and the wild valleys and passes of the tribal areas along the Afghan border, have emerged as one of the most active training grounds, and sanctuaries, for a new breed of international terrorists fighting a jihad—a holy war—against Governments and other targets they regard as enemies of Islam.

Until the 1990's, Peshawar received scant notice among known terrorist training centers like Beirut, Teheran or Tripoli in the search for groups who hijack aircraft, assassinate public figures, and plant bombs.

But the two terrorist attacks involving American targets, have swung the spotlight on this ancient city at the eastern end of the Khyber Pass, where violence and intrigue are as much a part of the city's legacy as the towering battlements of its 19th-century fort.

Investigators, including a 50-member team from the F.B.I., are working in the knowledge that almost all the groups that have punctuated life in Karachi with drive-by shootings and mosque bombings have ties to Peshawar, either to the Arab-led terrorist underground or to gangs of gun-runners and heroin-traffickers who are based in the frontier province's tribal districts, historically ungovernable areas along the border with Afghanistan.

In the World Trade Center bombing, the clues being followed by the investigators are clearer. Beginning last weekend, Pakistani police working with officials of the C.I.A. and the F.B.I. began a round of arrests in Peshawar that have flowed from the discovery that Ramzi Ahmed Yousef, a prime suspect in the New York attack, used Peshawar as a base for several years. He was seized in a joint American-Pakistan capital, on Feb. 7, and immediately deported to face trial in New York.

RAID IN ISLAMABAD SHAKES MILITANTS

The arrest of Mr. Yousef in Islamabad set off a chain of events that has rocked the Peshawar underground and resulting this weekend in the issuing of a police alert for two men identified as Abdul Karim and Abdul Munim, who the officials said are Mr. Yousef's brothers.

The six men seized a week ago are being held at a jail at Adiala, outside Islamabad, on suspicion of involvement in the World Trade Center bombing and a botched attempt to assassinate Pope John Paul II during his visit in January in Manila, the capital of the Philippines. They included three Arabs, an Iranian, a naturalized Pakistani born in Syria and a native-born Pakistani.

Nervousness among American officials over the possibility of revenge killings led the top diplomat at the United States Consulate in Peshawar, Richard H. Smyth, to announce on Friday that the American Club in the city, long a favorite gathering place for diplomats, relief workers and others, would be closed temporarily, as would the American school. Similar steps were taken in Karachi.

The risks for Americans seem unlikely to diminish, at least in the short run, especially if Pakistan follows through on another move that top officials here hinted at today—closing Al-Dawat University.

"It has to go," one official said, noting that the questioning of Mr. Yousef, and of others seized since, have confirmed that his links in Peshawar were mainly to an Afghan group headed by Abdul Rab Rasool Sayyaf, the university's founder. Mr. Sayyaf, a militant Muslim with strong anti-American leanings, established the school and recruited its staff and students in the mid-1980's.

In many ways, Al-Dawat serves as a symbol for the events that turned Peshawar into a terrorist haven. The a law-abiding reputation, going back to the days when Britain, as the colonial power in what was then India, fought fierce battles against the Pathans who dominate both sides of the border with Afghanistan, and eventually allowed them a broad degree of autonomy. In the idiom of 19th-century Britain, "the frontier" became synonymous with fierce warriors, banditry, and a culture of guns and revenge.

A FLOOD OF ARMS AFTER SOVIET SWEEP

But the uneasy balance with the border tribes that was achieved by Britain, and later Pakistan, tipped after the Soviet intervention in Afghanistan in 1979. The huge amounts of weapons and money that the United States, Saudi Arabia and other nations poured into supporting Afghan groups established in Peshawar unleashed new levels of lawlessness on the frontier.

This anything-goes atmosphere encouraged large numbers of foreigners—mainly Arabs but also Asians, Europeans and some Americans—to volunteer to fight with the Afghan guerrilla groups. According to a high-ranking Pakistani military officer, 25,000 of these volunteers were trained with assistance from Pakistan's military intelligence agency, Inter-Services Intelligence, during the 1980's.

Some died in Afghanistan, and some went home after Soviet troops withdrew in 1989, but others remained in and around Peshawar or across the border in Afghanistan, "looking for other wars to fight," as the Pakistan's Prime Minister, Benazir Bhutto, put it in Karachi last week.

According to Western diplomats familiar with the investigations, current American estimates of the number of Arabs, Asians and others currently active in terrorist groups with bases here run to about 1,000. Of

these, some are believed to have taken sanctuary inside Afghanistan, with Afghan armed groups that have Muslim fundamentalist leanings, including Mr. Sayyaf's. Police officials in Peshawar said this appeared to have been the pattern with Mr. Yousef.

"He'd stay here for a few days, then disappear into Afghanistan for months, then come back," the official said.

Others are said to have taken refuge in what are known here as the "inaccessible" areas of the frontier, meaning regions where no Pakistani laws apply. But a large number, according to diplomats and police officials, still live in and around Peshawar, using as cover some of the 18 Arab educational and relief organizations that registered with the Pakistani authorities during the Afghan war, among them the Al Dawat University. "Some of these organizations actually do what they are supposed to be doing," one diplomat said, scanning a list of the groups. "But others are just fronts for terrorism."

Another high-ranking diplomat said that Pakistani officials had been aware for years that at Al Dawat and other training centers, youths were being taught that Muslims had a duty to join in an international brotherhood that could avenge the humiliations Muslims are said to have suffered at the hands of the west.

"They are taught that the Islamic renaissance has to be born out of blood, and that only by striking at the West will Islam ever be able to dictate events in the world, as events have been dictated up to now by the West," the diplomat said.

A FLOW OF GUERRILLAS TO OTHER CONFLICTS

According to the diplomats, intelligence reports in recent years have suggested that militants trained here have taken part in almost every conflict where Muslims have been involved. The diplomats said Muslims trained here have fought in places including Mindanao, the largest of the Philippine islands, where Mr. Yousef is said to have had links with a Muslim insurgency; the Indian-held portion of the state of Kashmir, where 500,000 Indian troops and police officers are tied down by a Muslim revolt; the former Soviet Republic of Tajikistan; Bosnia; and several countries in North Africa that face Muslim rebellions, including Egypt, Tunisia and Algeria.

Like previous Pakistani Governments, Ms. Bhutto's has responded to Western pressures cautiously, fearing a backlash from powerful Muslim groups within Pakistan.

But many senior Pakistani officials resent Western pressures, saying that the terrorist groups that became established here got their start under politics that the United States and other Western countries eagerly supported, so long as the target was the Soviet Union.

"Don't forget, the whole world opened its arms to these people," one senior official said. "They were welcomed here as fighters for a noble cause, with no questions asked. They came in here by the dozens, and nobody thought to ask them: when the Afghan Jihad is over, are you going to get involved in terrorism in Pakistan? Are you going to bomb the World Trade Center?"

"The Afghan War was a holy war for everybody, including the Americans, and nobody bothered to think beyond it," the official said.

MORE ON WELFARE REFORM AND BLOCK GRANTS

The SPEAKER pro tempore (Mr. LATOURETTE). Under a previous order of the House, the gentlewoman from

California [Ms. PELOSI] is recognized for 5 minutes.

Ms. PELOSI. Mr. Speaker, I wanted to call to the attention of our colleagues H.R. 4. My colleagues who are viewing this from home, our friends who are viewing this from home should read this and weep. This is the Republican welfare proposal. It rewards the rich, cheats children and is weak on work.

But one particular aspect of this proposal is the federal children's nutrition program which I wish to address this evening.

My colleague earlier this evening referenced the fact that the child nutrition programs came into being following World War II, when the military told us that our recruits were malnourished and this took its toll on their physical and mental well-being. Since that time, feeding the hungry has not been a debatable issue in our country. Indeed, President Richard Nixon said, a child ill-fed is dulled in curiosity, lower in stamina and distracted from learning.

This has been our national policy until now. The proposal that the Republicans have placed on the table will take food off the table for America's poor children. And this is why.

You have heard much discussion here this evening about whether the Republican proposal is a cut or is not a cut in what they call the school lunch program. But what we are addressing in this bill is the full federal children's nutrition program. So if we are only talking about school lunch, then you are talking about a situation where the Republicans are saying, we are not cutting school lunch. But what they are cutting are the after-school and summer programs. They are giving the same amount of money and they say with an increase except they are cutting out one very important facet of the children's nutrition program.

In addition to that, they are making this a block grant and not an entitlement. Under the law now, there is a formula for needs-based, a formula that is needs-based for children who are poor. And now the Republican proposal will eliminate that entitlement and call it a block grant instead, which means a definite amount of money will be sent to the states. Why does that create a problem?

For the following reasons: First, in that block grant, there is a reduction of the money for the full children's nutrition program, including school lunch, school-based lunch program, and assistance for after-school and summer programs. These programs are very important to day care, children in day care who have to stay after school because their parents work. And work is the goal that we have for the welfare program. So that undermines that goal there.

Second, in this block grant, it removes eligibility, so you do not have to be poor to be a beneficiary of the Republican proposal, which means that

poor children will get less nutrition because more children can avail themselves of the program. This is supposed to be needs-based.

In addition to that, on the block grant program, it only says that a governor must spend 80 percent of the money that the Federal Government sends to the state. The governor only has to spend 80 percent of the money on the children's nutrition programs.

So already we have had a reduction of 20 percent because that is all the requirement is.

This is why people are concerned about what they hear coming out of Washington, DC. People are not fools. People who have received this benefit because it is necessary for children's nutrition know when they are getting cut. And then to hear semantics used about, well, when I said school lunch program, I did not mean after school or I did not mean summer school. Well, we are talking about the children's nutrition program. Let us refer to it there, and that is being cut. And eligibility is being removed and the requirement to spend all the money is being removed.

This is not even a fight between domestic spending versus defense spending, as is classic in this body, because this came from the military, recognizing the deficiencies and the malnutrition that they saw in our troops coming out of World War II. So this is about the strength of our country.

I did not even really get started. What I want to just say is that what the Republicans are doing is a real cut in the children's nutrition program. The welfare proposal they are proposing should not even contain a nutrition cut. Nutrition has never been part of the welfare program. It rewards the rich because that is what this cut is about, giving a tax break to the wealthiest Americans. It cheats children, and it is weak on work.

I urge my colleagues to oppose the legislation.

REPUBLICAN SHELL GAME

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

(Mr. GENE GREEN of Texas asked and was given permission to revise and extend his remarks and include extraneous material.)

Mr. GENE GREEN of Texas. Mr. Speaker, I appreciate the opportunity to address the House tonight. I want to compliment our speaker on his ability tonight, but also when I heard last week that you were fortunate to have Dave Berry sit in your office just briefly as your press secretary, you are a very brave man, Mr. Speaker.

Let me talk about the welfare bill that we are considering because that has been the topic this evening. The Republican shell game continues with the lives of the children hanging in the

balance literally. Today my office received updated estimates on exactly how much the welfare reform bill would cost the state of Texas, and it would be over a billion dollars in the year 1996 and 1997.

The good news, if you can call it that, is that the early estimates of 60 million reduction for the Texas school nutrition program is now, after looking at the final bill that came out of the committee, will now only be a 35.1 million cut. And my Republican colleagues tonight, when they talked about that it is really an increase, they obviously, I would rather read and depend on outside the beltway information from someone who is looking at it than from someone who is inside the beltway.

The chief financial officer of Texas estimates, in fiscal year 1996, the appropriations will be sufficient. But after that year, with only the 4.1 percent increase, and I would like to read part of the letter and also have it all inserted from John Sharp.

I am happy to provide you with our analysis of the federal welfare reform proposals. The analysis below has been updated based on the bill language expected to reach the House floor.

Again, I received this today.

My concern isn't with making cuts in federal spending but rather with the unfair way in which Texas is being placed at a disadvantage and asked to shoulder more than its fair share. The proposals currently under consideration in Congress have a disproportionate and grossly inequitable effect on Texas. Nothing has changed since our preliminary analysis. While I support block grant funding as an effective way to reduce federal spending, the fact is that the current formulas being debated by Congress are based on past allocations for the states. It is unfair to Texas that high-spending, low-growth states like Michigan and Wisconsin would make money with the current formulas while Texas would be one of the hardest hit.

Texas is a typically low-spending and high-growth state for funding:

The inequity of the current formula would result in a loss of \$1 billion anticipated federal funds for Texas in the 1996-1997 biennial budget. I know Texans are willing to take their share of the cuts, but we want to make sure that we aren't penalized while other high-spending states avoid cuts and actually make money.

That is what we are looking at, if you are a member of Congress from Texas.

And to continue:

As far as your specific request regarding current funding formula proposals for the school nutrition program, we expect to sustain a shortfall of \$35.1 million during the next two-year budget cycle. The family-based nutrition program funding formulas will also cost Texas more than \$149.5 million during the same period.

I know earlier this evening my colleague from Ohio [Mr. HOKE] talked about how Ohio is going to benefit, but let me tell you, Texas is low spending on welfare but a high-growth state and we will lose money.

The Republicans will not admit that we grow at 8 percent each year. What they do not tell you is that now we

have a guarantee of a school lunch and that an increase in authorization, with an increase in authorization but a possible cut in the appropriations each year, the Republicans should not play the shell games with our children and take nutrition programs out of welfare reform. Under this shell game, the authorization under this bill is one shell. The appropriations is another. And yet the 80 percent that will only be required to be used is the other shell.

We ought to take school lunch out like the Deal amendment talks about. I am not a cosponsor of the Deal amendment, but I intend to vote for it because it is so much better than the current bill that we have. We do not call buying textbooks, computers, desks or other material in our schools welfare. And we should not call a school lunch or a breakfast that they are providing that helps them to be a better student welfare.

Congress must stop the shell game and calling school lunch and breakfast welfare. Call it like it is. It is a helping hand to our students. That is what we need to consider. That is why it should not be part of this bill, and that is why I would, the Committee on Rules did not let us have an amendment on the nutrition. But at least we will get a shot at it when we have the Deal amendment up.

Mr. Speaker, I include for the RECORD the letter to which I referred.

COMPTROLLER OF PUBLIC ACCOUNTS,
Austin, TX, March 22, 1995.

Hon. GENE GREEN,
House of Representatives, Longworth House Office Building, Washington, DC.

DEAR CONGRESSMAN GREEN: I am happy to provide you with our analysis of Federal welfare reform proposals. The analysis below has been updated based on the bill language expected to reach the House floor. My concern isn't with making cuts in federal spending, but rather with the unfair way in which Texas is being placed at a disadvantage and asked to shoulder more than its fair share.

The proposals currently under consideration in Congress will have a disproportionate and grossly inequitable effect on Texas. Nothing has changed since our preliminary analysis. While I support block grant funding as an effective way to reduce federal spending, the fact is that the current formulas being debated by Congress are based on past allocations to the states. It is unfair to Texas that high-spending, low-growth states like Michigan and Wisconsin would make money with the current formulas, while Texas would be one of the hardest hit states in the Union.

The inequity of the current formulas would result in a loss of more than \$1 billion in anticipated federal funds for Texas' 1996-1997 biennial budget. I know Texans are willing to take their fair share of cuts, but we want to be sure we aren't penalized while other high-spending states avoid cuts and actually make money.

As for your specific questions regarding current funding formula proposals for the School Nutrition program, we expect to sustain a shortfall \$35.1 million during the next two-year budget cycle. The Family-based Nutrition program funding formulas will also cost Texas more than \$149.5 million during the same period.

Attached are two charts illustrating the estimated five-year impact of current nutri-

tional block grant funding proposals. We derived the estimates for the proposed block grants by taking the anticipated 1996-97 federal revenues for the affected programs from the current Biennial Revenue Estimate (BRE) and then subtracting the anticipated revenues from these programs in each block grant. The BRE revenue estimates are based on projected caseload growth, program costs and the federal share of total costs of the programs under current law.

Again, I strongly support block grants as a means of cutting federal spending, balancing the federal budget and returning control to the states. However, the future losses to be incurred by our state under the proposed funding formulas are unfair because they ignore the fact that Texas, with one of the fastest-growing populations and lowest per capita income rates in the nation, will have one of the greatest needs for these funds in the years ahead and yet, states like Michigan, which is losing population, face no loss of funds.

I look forward to working with you, the Texas delegation, the Governor and Texas' legislative leadership to ensure the necessary curtailments to federal spending occur—without treating Texas unfairly.

Sincerely,
JOHN SHARP,
Comptroller of Public Accounts.

Comptroller Estimates of Potential losses in federal funds under block grant formula for federal nutrition payments with Block Grant Caps, under formula approved by Committee.

NUTRITION FUNDING BLOCK GRANT FUNDING PROPOSAL

Combining total WIC, Child Summer Nutrition programs into single lump sum payment to the states (including growth rates in bill formula):

Year	BRE Estimate (millions of \$)	Proposed Block Grant (Grant formula)	Rev. loss
1996	\$476.1	\$412.7	\$63.4
1997	514.1	428.0	86.2
1998	555.3	442.1	113.2
1999	599.7	458.5	141.3
2000	647.7	475.4	172.3
Total			576.2

Total loss for 1996-97 biennium \$149.5 million.

SCHOOL NUTRITION FUNDING BLOCK GRANT FUNDING PROPOSAL

Replacing current enrollment-based funding formula for total school nutrition programs with Block Grant amount as approved in formula (including growth) by House:

Year	BRE Estimate (millions of \$)	Proposed Block Grant (Grant formula)	Rev. loss
1996	\$591.6	\$577.3	\$14.3
1997	621.8	601.0	20.8
1998	653.5	625.0	28.4
1999	686.8	651.3	35.5
2000	721.8	678.0	43.9
Total			142.9

Total loss for 1996-97 biennium: \$35.1 million.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Puerto Rico [Mr. ROMERO-BARCELÓ] is recognized for 5 minutes.

[Mr. ROMERO-BARCELÓ addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

SCHOOL LUNCH

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York [Mrs. MALONEY] is recognized for 5 minutes.

Mrs. MALONEY. Mr. Speaker, the Federal school-based nutrition program is not like welfare, which cries out for fundamental change. On the contrary, the New York Times calls the school lunch program "a rousing success in boosting health and academic achievement." It feeds 25 million American children each day. But the new majority is willing to slash and burn a program serving America's hungriest and most vulnerable population.

They want to use them as guinea pigs for the revolution. But one bad thing about a revolution is that a lot of people starve in them.

Under this proposal, New York State could lose as much as \$373 million in funding. They could cause 60,000 New York City children to be dropped from the school lunch program. The Republicans say they are just handing over the program to the States who are bound to do a better job. But let us take a hard look at their proposal.

They are going to dismantle an entire nutrition infrastructure that successfully feeds 25 million children, hand it over to 50 new State bureaucracies, sharply cut funding for the program from projected levels of need, and eliminate minimum nutrition standards. They say this will provide better lunches to more kids at lower cost.

I cannot speak for other Americans, but I do not have any great confidence that the majority of Republican governors nationwide will make school lunch programs for poor children a high priority.

I do not think our State bureaucracy is any more efficient than the Federal one. And the fact is the school-based nutrition block grant will create more bureaucracy, not less. It is written into the bill. The administrative cost currently in Federal child nutrition programs, excluding WIC, is 1.8 percent.

□ 2300

The school-based block grant proposal increases the administrative cap to 2 percent. It retains most Federal administrative burdens such as meal counting and income verification. It imposes an additional bureaucratic procedure to establish citizenship, and it requires States to create 50 new bureaucracies of their own.

Child nutrition bureaucracies will be a growth industry nationwide. The new majority denies they are cutting school-based nutrition programs. They say they are increasing it by 4.5 percent per year. But that would cause decreases in child and adult care food

programs, the summer food program, and after school programs, as my colleague the gentlewoman from California [Ms. PELOSI] pointed out.

That simply is robbing from Peter to give to Paul.

They also fail to account for the 3.5 percent rise in food inflation, or the 3 percent growth in school enrollment.

And they fail to mention that they will allow States to transfer 20 percent of funds to programs for purposes other than food assistance to school children. They say, "Only in Washington would a 4.5 percent increase be considered a cut."

Well, most American families do not see it that way. Assume an American family is financially breaking even this year. The next year their daughter's school tuition goes up by 9 percent, but their family income only goes up by 4.5 percent. The fact that their income went up is irrelevant to them. Their concern is only that they do not have enough. The alleged 4.5 percent increase is a phony number, and even if it were accurate it would not be enough.

The bill strips school-based nutrition programs of their entitlement status. It makes no allowance for the growing number of children who live in poverty. The new majority knows this full well, but apparently does not care.

In 1987, one in five American children lived in poverty. By 1992, it was one in four. The new majority talks about flexibility, but capped block grants are totally inflexible.

Ultimately school-based nutrition programs will face dramatic shortfalls. Under President Reagan, a smaller cut led to 3 million fewer children being served a school lunch. But these new State bureaucrats will not just reduce the number of children served, they have a cost-saving instrument that today's Washington school lunch bureaucrats do not. They will not have to meet strong Federal nutritional standards that have been refined and developed over 50 years by scientists and nutrition experts.

By abolishing these standards we effectively throw out the window half a century of expertise in feeding our children so they can learn, so they can think, so they can grow, so that they can succeed.

The child nutrition program is a health care program, it is necessary to our children, it is an education program, and it is an important part of our country.

REFORMING WELFARE

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

Mr. WELDON. Mr. Speaker, I was going to do a longer special order this evening on defense, but listening to some of the comments tonight by our colleagues on both sides, I had to come

over here and speak about the current welfare reform debate and to lend some feeling that I have personally.

My background in coming to the floor tonight to speak on welfare reform is not one of being an attorney who has never had to live in an area where people of poverty have to survive on a daily basis. I was born the youngest of nine children in one of the most distressed communities in Pennsylvania. Neither parent was able to complete high school because of their having to quit school when they were in sixth and eighth grades to help raise their families. Even though we were poor and even though we were a blue collar family, my father worked in a factory 38 years, we were proud.

My father was proudest of the fact up until the day he died that during the 38 years he worked for the plant, ending up making about \$6,000 a year when he retired, never once did he accept public assistance. There were many times when he was out of work because of strikes, because of situations involving labor unrest at the factory, but never once did he have to resort to taking money from the taxpayers.

He was proud of that because he felt it was his responsibility to support his children. And all of us are better for that spirit.

I realize all families are not in that situation. My parents were, and I am fortunate to have had parents of that caliber. They taught us that in the end it is our own responsibility for how far we go and what we achieve.

I went on to go to college, working my way through undergraduate school with a student loan, and taught school in one of the second poorest communities in our area, Upper Darby right next to west Philadelphia.

Unlike many of my colleagues in here, out of 435 most of them were lawyers. When we talk about school lunches I ran a lunch hour in our school for 7 years with kids eating lunch, and understand the problems and concerns that that brings. I also ran a chapter I program for 3 of those years aimed at educationally and economically deprived kids.

While working as a teacher during the day, I decided to run for mayor of my hometown because of the distressed nature of the community and the problems we had. All of these experiences were experiences I was involved in before coming here, and what bothers me the most is the level of debate we hear in the House today that somehow because the systems that we are trying to fix have not been addressed in the last 30 years in a constructive way in terms of change, somehow what we are doing is going to harm American young people.

Somehow what we are trying to do in the welfare reform debate is mean-spirited and we really do not care about children. I resent that. I have been a teacher and an educator, my wife is a registered nurse. I live in a poor community. I helped turn that town around

as a mayor, as a community activist. I want to do what is right for America, but let me tell you the system today does not work.

Over the past 30 years we have had two wars in America. We won one, that was the Cold War. We spent \$5 trillion on defense. Today the Berlin Wall is down. We have seen Communism fall and the investment we made worked.

The second war was the war on poverty. We lost that war and we spent about \$6 trillion on poverty programs that in inner city areas and in areas where I taught school and grew up actually created disincentives for people and actually took away self-pride, self-initiative and took away the ability of people who were poor to feel good about who they are.

We are trying to change that. We may not get it right the first time, but for someone to question our motives, like somehow we do not care about kids or somehow we do not care about what people eat is absolutely ridiculous. It is not just ridiculous, it is absolutely offensive.

As a Republican who has crossed the arty line on many times, to support family and medical leave, strike breaker legislation, efforts to deal with programs serving the working people of this country, environmental legislation, I take exception to the kind of characterization that is occurring on this House floor that says that Republicans do not care about people or people problems. That is not what we are about.

We have a series of programs in this country that are not working. Talking about school lunch. The largest school district in my district, Upper Darby Township, population 100,000, has opted out of the Federal school lunch program for almost a decade; even though they border west Philadelphia and even though they have 100,000 people in the school district, they have chosen voluntarily not to be a part of the school lunch program. Now maybe they know something that we do not know, at least our Democrat colleagues do not know down here about the school lunch program. For almost a decade they have opted out; they do not want any of our money; 100,000 people in an urban school district have chosen in my district not to partake of the school lunch program.

Where are the doom and gloom predictions that were supposed to have occurred in Upper Darby Township? How could a school district that serves a population of 100,000 people that chose not to be in this program have their children dying of hunger and starvation? Where are the answers from our liberal friends?

I would hope, Mr. Speaker, that this debate would be on factual information, and cut the rhetoric and the garbage coming out of Members on both sides of the aisle in terms of welfare reform.

CHILD NUTRITION

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

Mr. KLINK. Mr. Speaker, I just wanted to rise today to speak on the same topic of child nutrition and really again say that so much of what we are talking about, Mr. Speaker, I can remember sitting on a picket line many years ago when I was a news reporter, and the company that was being picketed had said they were going to open their books to the striking workers, and I asked one of the grizzled old union fellows who was out there, I said, "You know we can go in there and take a look at those figures." This striker looked at me and said, "Well, you know, figures don't lie but liars sure know how to figure."

And let me say a lot of the rhetoric I have heard from the other side of the aisle would remind me you can shuffle figures any way you want to, but the bottom line is when you take a look at the proposal of child nutrition we have given a whole new meaning to the term women and children first. We are whacking women, we are whacking children, and we will see more children going hungry because of this welfare proposal that is being put forward by the majority side.

□ 2310

There is not any doubt about that.

You talk about increases, 4.5-percent increase, yes, there are increases. But they do not account for the fact that food prices are going to go up. They do not account for the fact that in most of our districts we are seeing an increase in the number of children coming into the schools. They do not account for the fact that is spots throughout this country, we currently, because the Federal Government has the ability to adjust when there are recessions in certain areas, when there is a high rate of unemployment in a certain area, to get that additional funding in there.

We are going to see under a block grant program for child nutrition far less money going in to provide the same level of food that we have today. Five million children across this country are going hungry today under the current system. You are right. The current system does not work. It needs to be tweaked, but not giving as much food, not accounting for inflation, not accounting for increased enrollment, not being able to move food where it is needed is certainly not the answer.

I was just at a school in my district on Monday with leader DICK GEPHARDT, who happened to be coming through our area. It happens to be in Aliquippa, PA; now, Beaver County, in which Aliquippa is located, is of those counties in what we commonly refer to now as the Rust Belt of our Nation, that saw a tremendous decrease in the number of jobs in the 1970's and 1980's. In fact, in 13 counties in southwestern Pennsylvania, we have seen a loss of 155,000 man-

ufacturing jobs, and it just so happens that Aliquippa is one of those towns that was hit the hardest. In one day in 1982 they lost 15,000 jobs in one small town when one steel mill went down, a 7½-mile-long steel mill along the Ohio River shut down in 1 day.

Mr. Speaker, I will tell you that causes a lot of problems. Those problems persist today. But through hard work we have begun to get some reinvestment back in that county. We are beginning to see some of those steel industries not adding 15,000 jobs at one whack, but adding a few hundred here, a few hundred there, and our industry is coming back.

At a time when there is a ray of hope, we are going to tell these children in Aliquippa, 80 percent of whom qualify for free or reduced meals, that we are going to change the rules on them now. Many of these kids who are eligible for free or reduced-cost breakfasts, and the teachers will tell you they cannot teach children that cannot eat, and they will tell you on Monday morning many of these children come in and they are famished. You can tell that they have not had adequate meals over the weekend, and the parents will tell you that they have children that they have to depend on the free and reduced meals, and that block-granting will not get it, that the ability to take 20 percent out of the block grant to pave roads, to build sewers, to lay water lines is not going to put food in the mouths of these children.

They will tell you that children do not vote, and there is going to be a temptation in 50 States across this Nation for some people to decide to take more of that money out of child nutrition and put it into projects where people do vote.

What are we going to have, Mr. Speaker? Are we going to have 50 different social laboratories across this Nation? Fifty different social laboratories where we attempt to see if we are able to do a better job than the Federal Government?

Surely, Mr. Speaker, there are people in States that are going to do a better job, but there are some that are going to do worse.

This is not something that we want to risk.

TERM LIMITS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 4, 1995, the gentleman from Florida [Mr. MCCOLLUM] is recognized for 23 minutes as the designee of the majority leader.

THE WELFARE ISSUE

Mr. MCCOLLUM. Mr. Speaker, I just was going to talk tonight about term limits. I wanted to respond very briefly and share with the gentlewoman who is here from Washington State some views on the welfare issue.

I cannot help but respond on the question of the block grants that have

been talked about all evening by members of the Democrat Party and the minority, how they think that if we block-grant money for child nutrition and other welfare programs to the States, to let the local governments and the States decide how to spend this money in detail and specificity, that somehow all of this is going to mean something terribly harmful to children and to others. That is just nonsense.

Just like with the crime block grants, just like with any other block grant program, where we pass the money back to the States, it seems to me the Republican Party recognizes, and I think the American people who really think about it do, that government closest to the people governs best and knows best. Washington is not all wise. The Federal Government is not all wise.

But there have been people who were in power for 40 consecutive years in the United States House of Representatives who stand on the other side of the aisle and come to the well person after person tonight to talk about why Washington knows best and what great harm is going to occur because we let the money go back to the States and to the local governments to decide exactly how to use it, and within the framework of the parameters we give them, they have got to use it for child nutrition, in the child nutrition area, they have got to use it for certain specified reasons in welfare, for assistance to those who really are deserving of it.

Why should we in Washington be dictating all the minutiae, running the program, doing it in these old-fashioned ways with entitlements where we know lots of people on welfare today are abusing that system and will continue to abuse it?

The worst case of all, of course, is the situation of the illegitimate mother and welfare mother whom we have heard about many times over who gets on the system and stays on it for year after year after year.

And with that, just for a couple of minutes with the time we have got, I yield to the gentlewoman from Washington. I think you have got a great illustration of Sally, I believe you call her.

Mrs. SMITH of Washington. If it were not so sad, you know, Sally is a happy name. I have known Sallies who were happy, but the Sally I am going to talk about is not happy.

Sally is 18 years old, but you know, Sally is probably the reason we are in the welfare debate today, because America's people sent a group of us here and said, "Change welfare, change the system."

Sally, when she was 15, did what a lot of little girls do. They thought if they got out of their home and got a baby, got in their own place, that they would be happy, because they would be independent. And Sally saw a couple of other girls in the housing close to us do that, and she thought that looked good. She had not seen the misery yet.

But you know, once she got pregnant, and she did know how to get pregnant and how not to get pregnant, she got into that housing, and about when she was 16, and she got scared, and I think the interesting thing about Sally is you go visit Sally, is she was brave, and then scared, and she was still a little girl, and all I could think about was this little girl out on her own by herself under the name of compassion with this baby. If she had not been pregnant, we would have put this little girl in a foster home or group home, if she was unhappy at home, but because she was pregnant, we put her out in tenant housing.

You know, that tenant housing, that group housing, is not always the nicest place to be. It was not for Sally. You know, Sally got scared. Before I knew it, Sally had a guy shackled up with her. He was not young. He was in his twenties. Still Sally was still a kid.

But, you know, once they are out there, there is nobody to watch. She felt safer. You could not convince this little kid it was not going to be a good life, because she felt safe with him, and not too long, Sally had another baby, and Sally is 18, and this guy is gone.

Now, Sally, there are over 500,000 Sallies we have identified, and this bill is about Sallies. Sally is going to be on welfare over 10 years average. Actually many Sallies will be on most of their lives.

What is even worse is what is going to happen to her kids. Sally's little kids are only going to see, unless we can find some way to get her out of welfare and onto her feet, all they are going to see is her mom who goes to a post office and picks out a check and does not work for it. That is what we have to do with this welfare bill. That is why I like the welfare bill we are working on, because it would not have put Sally on the street. It would not have given her money.

It would have taken care of her and foster care, if she needed it. It would have encouraged her to stay home, but I bet Sally would not have gotten pregnant to begin with.

Now that Sally is there, we have to do something to help Sally, and this is a tough love for Sally. Sally is scared. She is going to stay there unless we figure out a way to say, "Sally, you are just going to stay here so long, and you are going to get off."

That is what I like about what we are doing. I like the child care supplement. I like the idea the health care going on so she can get off. Mostly I like the idea that says, "Sally, you have got 5 years total. You are going to work on it. You know, your kids get big enough, you're going to have to go to work. But there is an end."

And I think the best thing we can do for Sally now that we have trapped her on welfare by an unfeeling system is to help her off, and so I wanted to share Sally tonight with you, because I think what we have gotten into is numbers and rhetoric, and the people sent us

here to fix the system that they know has trapped people in welfare.

Do you know that most of them start as teenagers? Over 50 percent that are now on welfare are kids, and if we do not stop that level, then they grow up, and they stay on welfare, and they are on long-term welfare, not the safety net, but that safety net becomes a spider web, a trap that holds them and literally sucks the very lifeblood out of their life and destroys their children.

□ 2320

Mr. McCOLLUM. Well, now how does the Republican bill that we are offering out here, welfare reform, very briefly in your judgment change this for Sally?

Mrs. SMITH of Washington. Well, for right now, now that Sally is there, she probably wouldn't be there to begin with under this bill because we wouldn't give her cash assistance and put her in her own home.

We would tell the States, she is a kid. Treat her like a kid. She gets pregnant, help her. Help her at home. Do whatever. And if her parents are needy, make sure you supply medicaid, medical care for her, food, but don't put her out on her own.

But now that Sally is there, under this bill we get done amending it, she will have the ability to get child care to help her get back on her feet while she is starting to go to work. She will get health care ongoing. And Sally again will know for certain that she can't stay on forever.

One thing I found with these young girls, and I have worked with several, is they get out there and they lose all their self-esteem. They just believe after a few years there is nowhere to go. And it is awful hard each day to want to go out, but if they know they have to, that is going to make a lot of difference.

It will mean that they will see hope as they are pushed out a little bit, but we will carry them out and help them out the door of poverty. And that is what we will be doing for Sally, a compassionate hand up and a little push out as we bring her back into freedom from the poverty and slavery of welfare.

Mr. McCOLLUM. Well, far from being anything radical, the Republican proposal actually is a common-sense approach to trying to correct a very bad deficiency in the welfare system that has allowed the Sallies of this country to continue down a hopeless road, and a hopelessness not just for themselves but for the offspring that they produce who then become a part of the welfare system.

It seems for those who want to criticize this, they offer no real meaningful alternative. I cannot hear on the other side of the aisle in all the rhetoric tonight anything more than wails of, hey, you guys are bad guys. Somehow you are going to, by trying to correct this problem for Sally, do some gosh awful evil out there.

We are not about that. You are as compassionate a person as I have heard out there tonight, and I know you are.

Mrs. SMITH of Washington. The American people know this makes sense. They know it makes sense. They sent us here for change.

With all you are doing on term limits, I feel they sent you here to continue to beat the drum for term limits in spite of the fact that you get beat up on it occasionally. You fought for it real hard. Tell us where are we at tonight and how did we get where we are and what is the hope for term limits?

Mr. MCCOLLUM. I would like to do that a little bit. I would certainly be glad to share with the gentlewoman. I know you have had the experience in Washington State. I have had it in my State.

The history of term limits goes back a long way. The limited time tonight doesn't allow us to go all they way back into delving into it.

I would say rotation in office or term limits was something that way back in the days of England was conceptualized. And when our Founding Fathers began to look at our Constitution and our way of government, we had term limits for legislators. In the original kind of Congress that we had before the Constitution was adopted, there were limits on the length of time somebody could serve.

James Madison, who wrote a good deal of the Federalist papers we are familiar with, was a big believer in term limits. Somehow in the debates over the Constitution that got left out. And for quite a while in our country it didn't really make much difference, but the history shows that around the turn of this century we began to see careerism, professionalism creep into government, and we began to see Members serve long periods of time in the House, not just a couple of terms and then go home.

The length of time that somebody had to spend in a period of a given year for serving in Congress stretched as we began to reach the middle of this century much longer than anybody could have conceptualized.

We are now today virtually a year-around Congress. We have a very big government. We have a lot of things we have to do as an institution. Now, many of us, you and I, I guess, would like to shrink the size and scope of the Federal Government, and I believe over time that will occur, but it will never return to the days that our Founding Fathers envisioned where Members of Congress came perhaps here for a month or two at the most each year and then went back to their jobs, served maybe one or two terms in the House and went home again. We have long since passed that.

Today I think there are some very valid reasons which have been put forward why so many across this country, nearly 80 percent of the American public, have come to support term limits. They don't always recognize why, but I

would put them in about three categories. I don't know that these are necessarily in the order of importance. In fact, I am going to save the one, I think perhaps the most important one, to the end.

One of them is the fact that we have had power vested in the hands of a very few people who served as committee chairman for years and years and years, and that power emanates to the point that they decided what would come to the floor for votes, what came out of the Rules Committee. Just a handful of people determined a great deal about what happened in this government of ours.

Now, when we Republicans took over with our new majority and your freshman class came along, that ended in terms of the rules. We changed the rules of the House so that you can only serve for 6 years as a committee or subcommittee chairman.

But that is not permanent. Who knows what is going to happen next year or the year thereafter? The only way you can permanently end the kind of potential problems and abuse that comes from a handful of people holding power for years and years and years in this Congress through chairmanships of committees and leadership posts is by a constitutional amendment to limit the length of time somebody can serve in this House and Senate. That is one reason.

The second reason why I think the term limits has been a very important concept and grown in popularity is because of the fact that we have a need to reinvigorate this body with fresh faces regularly.

Yes, we had a big turnover this time. We have had it for a couple of times in a row in the House of Representatives, but that has not been the norm over the past century, and it probably won't be the norm over the long haul unless we limit terms so that we can bring new voices from the community in here.

And, yes, we will give up a few experienced people who we would like to have here, but I am confident, as I think most term limits supporters are, that there are literally thousands if not hundreds of thousands of Americans out there ready to take their place with creative new ideas that can give us a spark and more than make up for the absence of the experience we might lose with a few people who leave.

And then the third and perhaps the most important reason we really need to have term limits is to end this careerism I mentioned earlier. The fact of the matter is that only if we limit the length of time somebody can serve in the House and Senate will we take away what has become the compelling reason about this place for all too many of us, and that is to try to get re-elected, to spend time pleasing every interest group, every faction, as James Madison would call it, in order to be sure that the next time around we will get back to coming back to Washing-

ton again to serve and to stay here for that length of time. You cannot end it altogether, but we can mitigate it by term limits and only by term limits.

Now, I would like to relate this into the present situation in the very limited period we have. I am going to ask the gentlewoman a question or two about that in a minute, but in perspective from a Washington, DC, standpoint, I think it needs to be understood that just two congresses ago in the 102d Congress there were only 33 Members of the House of either party willing to openly embrace the idea of being a term limits supporter.

In the last Congress, in the 103d, the number grew to 107. In the eve of what is going to happen here next week, it is certainly monumental. We are going to have a vote, a debate and a vote on the Floor of the House of Representatives for the first time in the history of this Nation on a constitutional amendment to limit the terms of Members of the House and Senate, and I fully expect us to have well over 200 members voting for one term limits proposal or another.

Now, I think that is truly remarkable. Now, it takes 290 to get to the two-thirds required in order to send the constitutional amendment to the States for ratification. But it is remarkable whether we get to the 290 or not, A, that we are just having the debate and, B, that we are going to have the numbers probably double or better than double who announce support for term limits in the last Congress to this Congress.

A lot of that comes because of the State initiatives, like your State and mine, Washington State and Florida, we have, what, 22 States now, I believe, who have passed term limit initiatives.

Mrs. SMITH of Washington, I think so.

Mr. MCCOLLUM. Tell me briefly how has it gone in Washington State, your home State with regard to term limits.

Mrs. SMITH of Washington. Term limits was passed, and we were sued on the congressional portion, but the rest of it for the legislature is going on. And it is a 6 year for the House. And, let's see, what is it for the Senate? I think it is three terms for the Senate.

Mr. MCCOLLUM. For the State legislature?

Mrs. SMITH of Washington. Yes. Then it is for the Congress and the Federal also, I always say Congress and the Senate, the House and the Senate at the Federal level. You can tell I have been in the State level too long. That is a good reason for term limits at the State level.

□ 2330

But we passed term limits, and it became real important last year in our elections because the Speaker of this body that stood there for many years in the majority decided to sue the State of Washington over term limits, the people of the State of the Washington.

They didn't take it lightly. As you can see, he is no longer here. He was defeated.

We saw him as a rock. Nobody would ever move this man. But what he did is show the people the arrogance of this place by suing the Washington State people who had passed this initiative.

Now, we are still in court over the Federal portion, but he is out of office. And the people sent us with a very strong message Do not mess with what the people did.

So that is probably part of the mix here that is a little bit difficult for some of us. Anything that does not protect our State's rights gives us a little bit of a problem.

So tell us how are we going to overcome that hurdle.

Mr. MCCOLLUM. We are going to have several options out here on the floor next week. And while many of us are going to debate which one is the preferable one, a lot of us are going to conclude, I think rightfully so, that if we are ever going to get to 290 and do what the public wants and have a national constitutional amendment that limits the terms of the Members of the House and Senate, we are going to have to pull together on a common bond on whatever emerges out of the great debate that will take place.

Next week, we are going to have a rule that brings to the floor three hours of general debate where we can talk about it like this among ourselves like this. It is going to bring us an opportunity to vote for four different options.

There will be a base bill, which is something I have sponsored for a number of years. It will be known as House Joint Resolution 73. And that bill will propose that we have an amendment to the Constitution that limits the length of time Senators and House Members serve to 12 years in each body: Six 2-year terms in the House, two 6-year terms in the Senate.

And that they be permanent limits. That is, you cannot sit out a term and run again. Once you serve 12 years in one body or the other, that is it.

There is no retroactivity to this particular proposal, and there is no touching of the question of whether or not the States-passed initiatives are to be held inviolate or whether they are to be disturbed by this amendment.

Which means that the Supreme Court, which is now hearing the case involving Arkansas and may hear the Florida and Washington State cases eventually, when it makes its decision, it will make its decision.

According to former Attorney General Griffin Bell, who represents both the Arkansas State issue and the Washington State issue, it will make its determination under the McCollum amendment free of any burden. Whatever they decide will be the law of the land.

If they decide the States presently have the power to make the decisions

that they have been making and that is upheld as constitutional, then the State individual initiatives will still bind the term limit issue. But if they decide that the State initiatives are unconstitutional, then the 12-year limit that I would propose would be a national total limit across this country. That would be uniform.

Now, there will be three other options.

One of those options will be an option for a 6-year term in the House and 12 years in the Senate.

One of the options that will be offered out here will be to include a provision that allows specifically, regardless of the Supreme Court decision, that the States can decide under a 12-year cap for the House lesser limits, perhaps 6 years, eight years or whatever it might be, but ingrain that in the Constitution, something that is not there now, but that some Members really should be actually placed there regardless of what the court decides.

Then there will be an effort to try to establish retroactivity, that is to apply term limits, whenever they become effective, to Members now and say if you served however many years, bang, that is it.

Those will be the proposals.

Mrs. SMITH of Washington. Does this have any votes, that last one, the retroactivity?

Mr. MCCOLLUM. I think there are probably some, but I think the biggest problem is it is going to be proposed by some Members of the other side of the aisle who really do not believe in term limits.

There is a good deal of cynicism out here, and the problem with that is that we have not really seen yet what all is going to come forward, but there are certain Members who really do not believe in term limits, and they are going to try to figure ways to be able to vote and have cover and hide behind that vote.

And I think retroactivity is probably a device to do that. It is one that many of the term limits organizations believe is that kind of a device. They are very worried, I think, because they do not want to be criticized for being opposed to them, but they are not willing to vote for whatever comes out at the end.

As you know from your experience in Washington State, no State initiative in the 22 States that have passed term limits has had the retroactive feature. And the one that did try it was your State of Washington, and the voters defeated that, and you came back with one that was not that way.

I would like to wrap up by pointing out something that I think is important, particularly to my proposal on 12 years.

I personally do not think that it is good and healthy to have the length of time the Senate serves and be limited to different from what the House serves. I think it will make the House

an inferior body. I think it will make it a weaker body vis-a-vis the Senate.

So I think whatever we determine, whether it is 12 years or 6 years or any other number of years, the Senate and the House should serve the same number of years. That is true because of conference committees and a lot of other reasons.

I also think that 6 years in particular is too short a period of time. We need people who are experienced in this body in order to serve as chairmen of committees, and we need people who can be in leadership who have had some experience here. Otherwise, you do fall into the trap the critics of term limits say, and that is that there will be staff who will dominate that place.

I think there is a call and a good reason to say when we have finally decided with a constitutional amendment that goes to the States that three-quarters have to ratify a constitutional amendment on it, that at that point in time we really should have uniformity. It should be the same throughout the country at that point in time.

Although my version of this amendment that is proposed out here today would still leave open the opportunity for the Supreme Court to decide that there could be a hodgepodge out there, it is unlikely in my judgment that that side will come out. If the proposal that is being offered that will give the States an absolute right to make that decision were to be adopted, then forever it would be ingrained in the Constitution that we would have a hodgepodge of some States having 6-year terms, some 8, some 12.

I personally believe, and I think a lot of people do, that it does not make good sense, and it is not good government. And it is the Federal Government's responsibility to make this kind of decision, just as we did with the 17th amendment when we decided direct election of U.S. Senators was preferable to the old system of electing those Senators through the State legislatures, even though there were those at that time who debated the issue who wanted the question of elections left to the State as a States' rights matter.

Ultimately, the States do decide any constitutional amendment. Three-quarters of the legislatures have to ratify. That is States' rights. Once that is there, once they have decided, it seems to me that the best bottom line is whatever they do decide.

The key thing, though, is we are going to get the first-time-in-history vote on term limits out here next week. All of us who support term limits, regardless of our view on the variations, ought to vote for the final passage, and we ought to encourage people to help get this movement going and pass the word that we are really going to have the vote and, by golly, whoever is for term limits ought to be here for the last word when the final version, whatever it is, is left standing at that point in time.

WELFARE AND CHILD NUTRITION

The SPEAKER pro tempore. Under the Speaker's announced policy of January 4, 1995, the gentlewoman from Texas [Ms. JACKSON LEE] is recognized for 23 minutes as the designee of the minority leader.

Ms. JACKSON LEE. I yield to the gentleman from Louisiana.

Mr. FIELDS of Louisiana. I thank the gentlewoman for yielding.

I just wanted to respond to some of the comments that the gentleman from Florida made in terms of term limits.

It is very popular to stand in the aisle or stand up in the well and talk about how one is for term limits, but it is very interesting to know that the gentleman who is for a proposal to limit a Member's term to 12 years he himself has served in that body for 15 years and about to serve one more year which would be a total of 16 years and is not for retroactivity.

I just find it amazing that Members of Congress, those who speak the loudest about term limits, are those who have served in this Congress for 16, 20 and some have served as long as 25 years.

If the gentleman is really for term limits, then I would suggest to the gentleman that he not run for reelection and commit to the American people and basically practice what he preaches and say to the American people here tonight that since he is so committed to this term limit ideal that he is not going to seek reelection.

Mr. MCCOLLUM. Would the gentleman yield on that point?

Mr. FIELDS of Louisiana. I do not have the time, but I would be happy to engage with the gentleman on the debate of term limits. But I do not control the time, but I would certainly suggest to the gentleman that if he really wants to be true on the issue of term limits and true to the American people he himself ought to not seek reelection.

Mr. MCCOLLUM. Would the gentlewoman yield just on that one point?

Ms. JACKSON-LEE. I can yield you 15 seconds.

Mr. MCCOLLUM. I just want to respond that I am ready to walk out of here voluntarily when every other Member of this body is willing to do it. Other than that, I am penalizing my district.

I do not think that is a good, logical thing to do, but when we have uniform term limits for everybody, whether it be voluntary or otherwise, I am ready to go out. I think that is the logical thing to do, but I do not believe we are going to do it voluntarily. That is why we need a constitutional amendment.

□ 2340

Mr. FIELDS of Louisiana. We are never going to do it voluntarily, because you have decided not to do it yourself.

Ms. JACKSON-LEE. Mr. Speaker, I do thank you and I know that we have had a vigorous debate this evening, a

myriad of issues which include term limits.

I want to just, for the brief time that I have to really speak to the American people, I might imagine that some would say that they have been spoken to, but there has been a fury, if you will, and a flurry of discussions today dealing with welfare reform and dealing with where this country needs to go in the 21st century.

One of the great concerns, when you involve yourself in great debate, is, of course, the rising emotions. Today I have heard a number of examples of people who pull themselves up by their bootstraps, individuals who looked over on this side of the aisle, the Democratic side of the aisle, and talked about African American illegitimacy in terms of babies. I know that this is not a castigating of one race of people over another or one group of Americans over another. We know this whole question of welfare reform is not a question of African Americans, White Americans or Hispanic Americans or Asian Americans or any other kinds of Americans.

It is a question of people. What I say, Mr. Speaker, is that in fact all of us are looking for the best way to deal with the issue of welfare reform.

I have maintained since this debate has started, and let me offer to say to those who might be listening, that I am a new Member. So I think it pales worthless to be able to talk about what happened in 1982 and 1983, which I hear many of my Republican colleagues talking about. We now have before the American people the agenda that they want us to have. And that agenda has been an agenda supported by Democrats and Republicans. I imagine Independents. And I imagine all people. That is an agenda that moves people from welfare to independence, the ability to be Americans and stand up and be counted and to be responsible but to also have dignity and self-esteem.

The debate that we have gathered this evening and over these last hours points decidedly by the Republicans to undermine and to cause the lack of self-esteem to come about in people who are now on welfare. By those stories of talking about how people should be independent and how they pull themselves up by the bootstraps, it is accusatory and it is not helpful.

I spent time in my district, as many people have, and I have touched those who are experiencing the need to be on welfare. And I can tell you that the mothers have told me, one and all, this is not the way I want to run my life. This is not the way I want my children to live. I really want to be part of the all American dream.

I hear from people like Alicia Crawford who said, to go and ask a person for assistance, this is a welfare mother, age 30, and she said, is as if you are giving up everything, your dignity, your self-esteem, your ability to walk about. She said, your self-esteem is low. With the help of the welfare sys-

tem, you can find a job which will give you a sense of independence, self-esteem and self-worth.

But you know what, the program that is being offered by the Republicans that they call welfare reform takes away job training, has a sense of mean spiritedness that does not include child care and certainly blames the Government but yet has no way of creating jobs.

Three amendments that I offered to the Committee on Rules and offered to be presented to this House, and that was an amendment that included job care, job training, rather, child care, and a unique, I think perspective, that many my colleagues have supported in the past and are supporting even now, and that is to provide a reasonable incentive for the private sector to provide those welfare recipients who have been trained and are able to work.

Is that not fair? Is it not fair to recognize that Government cannot be the only employer of those seeking independence? Unfortunately, the Republican plan does not include any of that sense of understanding.

Able-bodied parents who are on welfare two to one have said, We would like to work. But yet there is no recognition in the present legislation that is before us to allow that to happen.

Mr. Speaker, I, again, say we are not asking for a handout. We are asking for a hand up. But I tell you what we get with the Republican bill, major cuts for the state of Texas. Our comptroller has already indicated what rescissions will bring about. Let me tell you what would happen to the State of Texas over a 5-year period if we have the present welfare reform package passed in the U.S. House of Representatives.

Title I would block grant cash assistance for needy families resulting in \$323 million less in federal funding for Texas over the next 5 years. Title II for abused and neglected children, in foster care or adoptive placements would lose \$196 million for Texas. What does that actually mean?

I served on the Harris County Protective Services Administration's Foster Parent Retention Program. I lived and breathed the stories of foster parents in terms of the great need, one, that we have in our communities to retain foster parents and what foster parents go through to mend the broken spirits and sometimes broken bodies that come into their homes. Are you telling us that we will block grant them and when there is no money in the bottom of the pot we then say to those abused and neglected children, we have nowhere for you to go, stay and be abused. And if happenstance, you are maimed or killed, so be it.

That is what we are saying. Foster parents who are sometimes at their very last rope because we do not have a enough across this Nation. We did not have enough in Harris County, and we are looking for different resources to be able to allow them to hang on because they were doing such a wonderful

job. But yet we are telling them in this new welfare reform, which I really call welfare punishment, that we will tell those in the state of Texas and many other States that you will have 196 million. That is abusive in and of itself. That is child abuse. That is not being responsive to the needs of our community and of our children.

Title III would consolidate child care programs into a block grant that would cut \$172 million from Federal funds that would be provided for Texas children over the next 5 years. That is 29,000 fewer Texas children that would be served.

I heard a discussion here today that saddened me for it failed to realize the excitement of a young woman. First off, the young woman has not gotten pregnant to get welfare. It has been documented that that is not the case. In fact, most Americans do not believe that. And I would say that primarily because we have documentation that says, and it is refuting all of what the Republicans are saying their mandate has given them.

It says, they asked the question of the American people, should unmarried mothers under the age 18 be able to receive welfare? Interestingly enough, 57 percent of the Republicans said yes; some 63 percent of the Independents said yes; and 67 percent of Democrats. Should welfare recipients in a work program, should they be allowed to receive benefits as long as they are willing to work for them? Same high numbers: 63 percent Republicans said yes; 70 percent Independents and 66 percent Democrats.

I do not know what the mandate is that the Republicans are saying that they have in order to be able to cut off people who are trying to rise up.

My point about child care is, these young energetic mothers who happen to have babies are looking for job training to prepare them for the 21st century. They want to work in high tech jobs. They want to work in clerical jobs. They want to understand the new computer age, the new super-highway. And they are prepared to go out to work. Yet child care is costing any of them, no matter what wages they are getting, particularly if they are at the minimum wage, they are getting some one-third of whatever their wages might be for child care.

Here in the Republican bill we find out that they do not want to give child care to anyone with children under 5. These are young women and possibly young men who are at the prime of their life, who want to have training, who want to get out and work, who want their babies who are 15 months old and 2 years old and 3 years old and 5 years old to understand that mom or the parent, whoever it might be, has the dignity to go out and want to be something and someone.

And then we find title III and title V repealing the nutrition programs, the school lunch programs. And, oh, the

stories we have been told about the school lunches.

First we are told that there are really people who are working-class people who really do not want the lunches. Then we are told that bring the old fashioned bag lunch and go back to the good old days. I can tell you that I truly came from a family, a mother and father, lived with my grandmother. We worked to pull our bootstraps up, if you will. We were looking for the shoes, but we did not have the sadness that people have today, and we were gratified by the kinds of services that were offered to us and my brother. And we made the best of it.

Those were the days that maybe you could bring a mayonnaise sandwich or maybe you could skip, if you will, a lunch for a period of a day or so because things were not as bad as you would find them today, but we go into homes today and we find people living in such degradation, not brought upon by crack and selling drugs but simply because of the poverty, the need of jobs, the lack of education, poor schooling.

□ 2350

So I would simply say rather than maybe getting a good oatmeal breakfast every morning which I got, which even though it was the same old same old, it was a good breakfast, some of these children are not getting any kind of breakfast. And we are told by the American pediatric Association that these children are going hungry in school here, suffering from dizziness; they are not understanding what is going on if they are not on the school breakfast program; that sometimes these meals are the only meals that our children get throughout the week. Kid Care, which is in Houston, a private organization in the city of Houston, has said how many meals children miss. And in fact if they do not get the Kid Care, which is a charitable organization, over the weekend and sometimes during the week, they do not eat all weekend long, and the only time they eat is when they come to the school that Monday morning.

What are you going to say when you block grant child nutrition programs that in fact help our children to learn, help the teachers to be able to control the classroom, and clearly as you can note, the kinds of loss that we are suffering here in Texas, the impact that nutrition block grants will have on WIC programs which have proven to be successful in and of themselves.

If you just look at these numbers, although they go up simply to 1992, you can simply see when we have the prenatal WIC which deals with nutrition and the prenatal care of those mothers that we say have gotten pregnant just to get on welfare, and I have never heard that story, but we notice what has happened: the decline in infant mortality.

Is it not interesting that a community like the city of Houston that has

such a high rate of infant mortality is being compared to Third World countries. Can we even stand as an international world power when we are losing infant children at the rate of Third World countries? That is what will happen with the kind of nutrition programs that is in the Republican plan.

I am looking clearly and supporting both the Deal plan that has been proposed, a Democratic plan, and as well the Mink plan. All of those concern themselves with welfare to work. But at the same time, they recognize that you cannot fill a bucket up with water, then let it run out, and when a dying man or child comes for a drink of water you say to them, "I am sorry, we have no more."

This is what the program is that we have. And then title IV talks about the difficulty or the lack of welfare for legal immigrants. Let me simply say something to you. I am reminded of being taught as a child what the Statue of Liberty stood for, and let me share any misconception. Legal immigrants pay taxes. They pay taxes. I think what we need to understand is that welfare dollars come from our taxes, and so it is certainly irresponsible not to consider those who pay taxes and work and fall upon hard times.

Interestingly enough, we find ourselves with the SSI allotment under title VI denying some of our most severely disabled children. What I am bringing to the point of the American people is I think that we have a voting population and a constituency that is certainly more sympathetic than what is occurring on the House floor. They have decidedly said that if people are willing to work, let them continue to get benefits so that they can bridge themselves to independence. Do not cut off 18-year-olds. Help them get to the point of independence by job training, by child care, and certainly job incentive.

It is interesting to find out there are letters coming in from adoption agencies begging my office for children. We feel it is a mistake to make child protection a block grant. There should be a Federal standard to protect abused and neglected children. It should not be a matter of geography that determines how children should be treated.

This is the issue because what is happening in the State of Texas, which has not been traditionally high in its AFDC payments, this new formula that will be utilized as indicated by our comptroller has said that we will be hurt, we will be hurt in the State of Texas, our children will be going to drink out of an empty bucket. There will be known dollars for abused children, there will be no dollars for adoption assistance, there will be no dollars for WIC assistance programs, there will be no dollars for school lunches and breakfast programs, there will be no dollars to help us understand our own children.

I do not understand this. It is frustrating that when I go home and I have to see a headline like "do not short change Texas children." Is this a raving radical, somebody irresponsible? No. It happens to be the President and chief executive of Children at Risk, because before we left home we were pleaded with by the youth commission that is formulated in Harris County, we were pleaded with to remember the children.

Under the proposed legislation Texas would get \$558 million annually for our children, but it would indicate that we would lose dollars because of the formula.

This means that Texas has 7.3 percent of the U.S. child population, New York 4.4 percent but we would be losing money because we would not get the number of dollars to serve that population.

Our children are at risk. And it is very important to understand that as our children are at risk, we are in fact suffering the lack of investment in those children.

Where are the family values we talk about and I have heard them discussed in this very emotional debate about grandmothers and mothers and those good people who raised us? I hear the comments saying that the good people who work do not want their tax dollars thrown away. And if I can share with you what has happened in the WIC Program, gain, and to emphasize again, for example, how this program has again been effective, but I hear all of that kind of talk about where we are, and why we are in fact trying to do it this way, the Republicans say.

But let me show you these numbers. WIC prenatal care benefits saved, if we want to save taxpayer dollars, \$12,000 to \$15,000 for every very low birth weight baby prevented. Is that saving the taxpayers dollars? Is that true investment for the time that we spend?

The gentleman from Louisiana is interested in this issue as well. But, does this save us money? It does save us money; that we would invest to avoid a child that is born that cannot learn, that cannot think and then to have dysfunctional behavior in school because they were a low birth weight baby. This is an investment in our future.

Mr. FIELDS of Louisiana. Mr. Speaker, will the gentlewoman yield?

Ms. JACKSON-LEE. I yield to the gentleman from Louisiana.

Mr. FIELDS of Louisiana. I thank the gentlewoman for yielding. This whole debate is really not necessarily about mothers, it is really about children. And I think all too often we lose sight of the fact that this is really about 15.7 million children who cannot make the decision and could not make the decision about what household they are born in, they cannot make the decision as to whether or not they are handicapped or not handicapped or have some type of birth defect.

But we can help in the area of prenatal care and we still find ourselves in this Congress cutting money for prenatal care where we have babies dying, high infant mortality all across this country, and I just want to commend the gentlewoman from Texas for taking out the time at this very late hour in talking about the need to preserve some of these programs, because these programs actually affect real people and those real people so happen to be children.

Ms. JACKSON-LEE. I thank the gentleman, and let me simply say as I close, I have this picture up because I want to emphasize our children are our future. Our Democratic colleagues know that and they know that Texas will lose 100,000 children who will not be able to eat school lunch and of course this is not a me, me situation, me in Texas, you in Louisiana, someone else in New York. This is really about our children.

I think what we need to do in the U.S. Congress is clearly to emphasize not the stories of yesteryear about what grandmother did for me and how we pulled our bootstraps up because we realize by the year 2000 we will be losing \$1.3 billion in aid to children, SSI will be losing 348,000 children, in foster care 59,000 while about 14 million children will not have school lunches, 2.2 billion under this program, and 14 million children will lose food stamps.

We need to move this agenda forward and vote for legislation that will in fact assure that parents, but yes, children can be able to move with their parents from dependence to independence.

We must ensure our children of a future and we must ensure that the ugliness that has been brought about by the debate or the mean-spiritedness is not the way that we go.

We must ensure that these numbers that I have cited, the 2.2 million in school lunches will not be caught up in the term limits debate, is not caught up in what part of the country we come from, but realize actually we confront that we must represent and govern all Americans. It is so very important.

I hope tomorrow will be a day and Friday will be a day that we vote for legislation that is not a mean-spirited, mishmash, patchwork, but in fact will be a comprehensive and informative piece of legislation that goes to the U.S. Senate that represents all of the people and reflects the polls that are saying Americans are compassionate taxpayers, middle class, rich, whatever you want to call them, working class, poor people are compassionate for our children. That is what we are missing in the legislation that is being proposed. And that is what I had hoped that we would be able to work toward, my colleagues, that that would be the case and that we would be successful in making this legislation effective for all of the people and especially our children.

Mr. Speaker, I rise tonight to again speak against the short-sightedness and apparent spitefulness of H.R. 1214—the Republican welfare reform proposal.

Mr. Speaker, all Democrats unequivocally acknowledge the shortcomings of our current welfare system and are genuinely determined to do the bipartisan work necessary to fix that system.

I, for one, have always believed that welfare should be a hand up, not a hand out.

I want very much to join with all my colleagues in crafting forward-thinking reform that will provide welfare parents and their children with real hope and a renewed sense of individual responsibility.

By promoting the American work ethic with intelligent reform, we can finally make our welfare system live up to its original purposes and promises: To lift people out of poverty; move them into real jobs; and empower them to become independent, self-supporting and productive citizens.

To that end, I offered, in good faith, amendments to this welfare bill that would have accomplished three very important things.

First, so that able-bodied welfare parents ready to work could actually find real jobs in the private sector—as opposed to make-work government jobs—I proposed offering a tax incentive for businesses willing hire them.

I believe corporate America is willing and able to do more when it comes to expanding and preparing our workforce.

Second, so that welfare parents could acquire the training and job-skills private sector employers rightly demand, I proposed that the Federal Government ensure funding for training and education programs needed to prepare welfare parents for the competitive world of work.

And third, so that parents could complete their training and begin a regular work schedule without undue fears about the safety and care of their young children, I proposed that the Federal Government provide assistance for transitional child care.

Mr. Speaker, these common-sense amendments were rejected out-of-hand by the majority on the rules committee.

Unfortunately, the G-O-P proposal before this body makes no job training or child care provisions for welfare parents. And the short-term budget savings it boasts are to be squandered on tax breaks for some of the most comfortable citizens.

For the moment, let's set aside the obvious moral questions the GOP proposal raises. Let us just talk practicality.

If we just begin slashing aid to families with dependent children, emergency assistance for families, childcare assistance, nutrition assistance including the WIC and food stamps program, and supplemental security income for families with disabled children, what will we accomplish beyond tax cuts for the well-to-do?

And what will we do when the bills for our shortsightedness come due?

Will we be forced to raise taxes 5 years from now to pay for costly emergency health care as nutrition-related childhood diseases reach epidemic proportions?

How will we cope with the inevitable explosion of homelessness of women and children?

Are we fiscally prepared to build jails and orphanages to the horizon so that we might incarcerate or house all those Americans who

the GOP bill would relegate to futures outside the mainstream economy?

And does corporate America want a workforce that excludes the potential and creativity of millions of Americans who, in some cases, are literally dying for a chance to succeed?

I do not think the American people would answer yes to any of these practical questions?

The Department of Health and Human Services has analyzed the GOP welfare proposal and their findings are not encouraging.

HHS projects that, during the next 5 years, 6.1 million children nationwide would be cut off from AFDC benefits. Nearly 300,000 in my home State of Texas alone.

I will share more revealing numbers in a moment but my point is this: if family values are truly a concern of my colleagues from the other side of the aisle, why won't they work with us to preserve America's safety net for families.

This welfare reform debate is indeed one of values. We must ask ourselves, what kind of nation shall America become as we prepare for the 21st century?

Shall we wisely seek to nurture the vast potential of all our citizens, or merely those with political clout?

Do we want welfare reform that steers people into productive work, or shall we continue driving them down the dead-end road of dependency?

Mr. Speaker, these are our choices and we dare not consider them lightly?

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. EDWARDS of Texas (at the request of Mr. GEPHARDT) for today on account of the death of a friend.

By unanimous consent, leave of absence was granted to Mr. MINGE (at the request of Mr. GEPHARDT) for today until 7 p.m., on account of family illness.

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. GENE GREEN of Texas) to revise and extend their remarks and include extraneous material:)

Ms. DELAURO, for 5 minutes, today.

Mr. MILLER of California for 5 minutes, today.

Mr. DURBIN, for 5 minutes, today.

Mr. DEFAZIO, for 5 minutes, today.

Mr. HOYER, for 5 minutes, today.

Mr. BECERRA, for 5 minutes, today.

Mr. DEAL, for 5 minutes, today.

Mr. TANNER, for 5 minutes, today.

Mrs. THURMAN, for 5 minutes, today.

Mrs. LINCOLN, for 5 minutes, today.

Mr. CLEMENT, for 5 minutes, today.

Mr. PAYNE of Virginia, for 5 minutes, today.

Mr. KLINK, for 5 minutes, today.

Ms. WATERS, for 5 minutes, today.

Mrs. CLAYTON, for 5 minutes, today.

Mr. CLYBURN, for 5 minutes, today.

Mr. OWENS, for 5 minutes, today.

Mr. FLAKE, for 5 minutes, today.

Ms. EDDIE BERNICE JOHNSON of Texas, for 5 minutes, today.

Mr. OLVER, for 5 minutes, today.

Mr. WISE, for 5 minutes, today.

Mrs. SCHROEDER, for 5 minutes, today.

Mr. BROWN of Ohio, for 5 minutes, today.

Ms. PELOSI, for 5 minutes, today.

Mr. ROMERO-BARCELÓ, for 5 minutes, today.

Mrs. MALONEY, for 5 minutes, today.

Mr. GUTIERREZ, for 5 minutes, today.

Mr. VOLKMER, for 5 minutes, today.

Mr. MFUME, for 5 minutes, today.

Mr. STENHOLM, for 5 minutes, today.

Mr. GENE GREEN of Texas, for 5 minutes, today.

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

Mr. WAMP for 5 minutes, today.

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

Mr. HOKE, for 5 minutes, today.

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

Mrs. MYRICK, for 5 minutes, today.

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

Mrs. SMITH of Washington, for 5 minutes, today.

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

Mr. JONES, for 5 minutes, today.

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

Mr. HOYER for 5 minutes, today.

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

Mr. KINGSTON, for 5 minutes, today.

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

Mr. SALMON, for 5 minutes, today.

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

Mr. HAYWORTH, for 5 minutes, today.

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

Mr. WELDON, for 5 minutes, today.

EXTENSION OF REMARKS

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

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

Mr. WOLF.

Mr. COOLEY.

Mr. ISTOOK.

Mr. MOORHEAD.

Mr. GILMAN.

Mr. HYDE.

Mr. BURTON of Indiana.

Mr. PACKARD.

Mr. SOLOMON.

Mr. PORTMAN.

Mr. BATEMAN.

Mr. SMITH of New Jersey.

Mr. YOUNG of Florida in two instances.

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

Mr. UNDERWOOD in two instances.

Mr. DIXON.

Mr. CONDIT.

Mrs. MALONEY in two instances.

Ms. WOOLSEY.

Mr. BONIOR.

Mr. HOYER.

Ms. LOFGREN.

Mr. MONTGOMERY in two instances.

Mr. HAMILTON.

Mr. OBERSTAR.

Ms. DELAURO.

(The following Members (at the request of Ms. JACKSON-LEE) and to include extraneous matter:)

Mr. DOOLITTLE.

Mr. PALLONE.

Ms. PELOSI.

Mr. CARDIN.

Mr. TORRICELLI.

Ms. PRYCE.

Mrs. MORELLA.

ADJOURNMENT

Mr. FIELDS of Louisiana. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 midnight), the House adjourned until Thursday, March 23, 1995, at 10 a.m.

CONTRACTUAL ACTIONS, CALENDAR YEAR 1994 TO FACILITATE NATIONAL DEFENSE

The Clerk of the House of Representatives submits the following report for printing in the CONGRESSIONAL RECORD pursuant to section 4(b) of Public Law 85-804:

OFFICE OF THE SECRETARY OF DEFENSE,
Washington, DC, March 14, 1995.

Hon. NEWT GINGRICH,
Speaker of the House of Representatives, Washington, DC.

DEAR MR. SPEAKER: In compliance with Section 4(a) of Public Law 85-804, enclosed is the calendar year (CY) 1994 report entitled, "Extraordinary Contractual Actions to Facilitate the National Defense."

Section A, Department of Defense Summary, indicates that 45 contractual actions were approved and that 5 were disapproved. Those approved include actions for which the Government's liability is contingent and can not be estimated.

Section B, Department Summary, presents those actions which were submitted by affected Military Departments/Agencies with an estimated or potential cost of \$50,000 or more. A list of contingent liability claims is also included where applicable. The Defense Logistics Agency, Ballistic Missile Defense Organization, Defense Information Systems Agency, Defense Mapping Agency, and the Defense Nuclear Agency reported no actions, while the Departments of the Army, Navy, and Air Force, provided data regarding actions that were either approved or denied.

Sincerely,

D.O. COOKE,
Director,

Administration and Management,

Enclosure: As stated.

DEPARTMENT OF DEFENSE

EXTRAORDINARY CONTRACTUAL ACTIONS TO FACILITATE THE NATIONAL DEFENSE (Public Law 985-804), Calendar Year 1994

FOREWORD

On October 7, 1992, the Deputy Secretary of Defense (DEPSECDEF) determined that the national defense will be facilitated by the elimination of the requirement in existing Department of Defense (DoD) contracts for the reporting and recoupment of non-recurring costs in connection with the sales of military equipment. In accordance with that decision and pursuant to the authority of Public Law 85-804, the DEPSECDEF directed that DoD contracts heretofore entered into be amended or modified to remove these requirements with respect to sales on or after October 7, 1992, except as expressly required by statute.

In accordance with the DEPSECDEF's decision, on October 9, 1992, the Under Secretary of Defense for Acquisition directed

the Assistant Secretaries of the Army, Navy, and Air Force, and the Directors of the Defense Agencies, to modify or amend contracts that contain a clause that requires the reporting or recoupment of nonrecurring costs in connection with sales of defense articles or technology, through the addition of the following clause.

The requirement of a clause in this contract for the contractor to report and to pay a nonrecurring cost recoupment charge in connection with a sale of defense articles or technology is deleted with respect to sales or binding agreements to sell that are executed on or after October 7, 1992, except for those sales for which an Act of Congress (see section 21(e) of the Arms Export Control Act) requires the recoupment of nonrecurring costs.

This report reflects no costs with respect to the reporting or recoupment of non-recurring costs in connection with sales of defense articles or technology, as none have been identified for calendar year 1994.

CONTRACTUAL ACTIONS TAKEN PURSUANT TO PUBLIC LAW 85-804 TO FACILITATE THE NATIONAL DEFENSE, CALENDAR YEAR 1994

SECTION A—DEPARTMENT OF DEFENSE SUMMARY

SUMMARY REPORT OF CONTRACTUAL ACTIONS TAKEN PURSUANT TO PUBLIC LAW 85-804 TO FACILITATE THE NATIONAL DEFENSE—JANUARY–DECEMBER 1994

Department and type of action	Actions approved			Actions denied	
	Number	Amount requested	Amount approved	Number	Amount
Department of Defense, total	45	16,016,149.00	16,016,149.00	5	18,459,908.00
Amendments without consideration	1	16,016,149.00	16,016,149.00	4	3,459,908.00
Formalization of informal commitments	0	0.00	0.00	1	15,000,000.00
Contingent liabilities	44	0.00	0.00	0	0.00
Army, total	1	16,016,149.00	16,016,149.00	0	0.00
Amendments without consideration	1	16,016,149.00	16,016,149.00	0	0.00
Navy, total	41	0.00	0.00	5	18,459,908.00
Amendments without consideration	0	0.00	0.00	4	2,345,908.00
Formalization of informal commitments	0	0.00	0.00	1	15,000,000.00
Contingent liabilities	41	0.00	0.00	0	0.00
Air Force, total	3	0.00	0.00	0	0.00
Contingent liabilities	3	0.00	0.00	0	0.00
Defense Logistics Agency, total	0	0.00	0.00	0	0.00
Ballistic Missile Defense Organization, total	0	0.00	0.00	0	0.00
Defense Information Systems Agency, total	0	0.00	0.00	0	0.00
Defense Mapping Agency, total	0	0.00	0.00	0	0.00
Defense Nuclear Agency, total	0	0.00	0.00	0	0.00

¹ Libby Corporation requested extraordinary contractual relief under P.L. 85-804. The request for relief was approved for \$16,016,149.

² Denials involved Delphi Painting & Decorating Company (\$50,000); Farrell Lines, Incorporated (\$87,200); Mech-Con Corporation (\$2,076,082); and Truax Engineering, Incorporated (\$1,246,626).

³ Southwest Marine, Incorporated requested extraordinary contractual relief under P.L. 85-804. The request for relief was denied.

⁴ The actual or estimated potential cost of the contingent liabilities cannot be predicted, but could entail millions of dollars.

SECTION B—DEPARTMENT SUMMARY

DEPARTMENT OF THE ARMY

Contractor: Libby Corporation.

Type of action: Amendment Without Consideration.

Actual or estimated potential cost: \$16,016,149.

Service and activity: U.S. Army Aviation Troop Command (ATCOM).

Description of product or service: Tactical quiet generator sets (TQG's).

Background: Libby Corporation (Libby) submitted a request for extraordinary contract relief under Public Law (P.L.) 85-804 requesting an amendment without consideration pursuant to Federal Acquisition Regulation (FAR) 50.302-1. Libby asserted that if it did not receive relief, it would not be able to complete performance on U.S. Army Aviation Troop Command (ATCOM) Contracts DAAK01-88-D-080 and DAAK01-88-D-082 for tactical quiet generator sets (TQGs) which are essential to the national defense.

Justification: Libby was awarded two firm fixed priced requirements contracts on August 30, 1988, for the production of a new generation of tactical generators. Contract D080 called for the production of: 4,498-5KW, and

3,417-10KW TQGs. Contract D082 called for the production of: 1,240-15KW, 1,261-30KW, and 2,436-60KW TQGs. A total of 12,852 TQG were placed under contract. The contracts classified these TQGs as Level III Nondevelopmental Items (NDI). No formal research and development effort preceded the award of these contracts because it was believed that contract performance would require little more than the assembly/integration of existing commercial components into generator sets, meeting military requirements.

Under the terms of the contracts, first article testing (FAT) was set to start in February 1990, production release was set for March 1991, and completion of deliveries was set for May 1993 (Contract D080) and June 1993 (Contract D082). Difficulties were encountered during the preproduction/FAT phase of the contracts. In September 1991, Libby filed a claim alleging Government delay, defective specifications, Government superior knowledge, and impossibility of performance. The contracting officer found that the Government did delay Libby during FAT and revised the delivery schedule to start production in March 1993, with completion by September 1995. While a new delivery

schedule was established, the other issues were not fully resolved and a new contract amount was not definitized.

In October 1993, Libby advised the contracting officer that it could not complete production of the TQGs unless it received an additional \$46,000,000 beyond the \$106,800,000 priced for the production of the two contracts. As of October/November 1993, Libby had manufactured, and the Army had accepted, 3,500 of the 12,852 TQGs under contract. Libby's initial position was that these additional amounts were due under the contract as a result of defective specifications, Government superior knowledge, and impossibility of performance.

During October, November, and December 1993, a negotiation team from ATCOM and the U.S. Army Materiel Command (AMC) conducted a detailed evaluation of Libby's position. The negotiation team reviewed the amount Libby claimed it needed to complete performance of the contracts and evaluated liability for the claimed amount. After intensive negotiations, supported by DCAA, the parties agreed that \$32,047,879 was needed to complete performance of the two contracts. However, of this amount, the Army

was only legally liable for \$16,031,748. The remaining \$16,016,149 reflected costs that could not be attributed to the Government and, therefore, the Government was not legally liable for this amount.

On December 11, 1993, Libby submitted its formal request for extraordinary contract relief to the contracting officer. The Army Contract Adjustment Board (ACAB) heard the case on December 22, 1993, and approved relief in the amount of \$16,016,149, subject to the execution of a Settlement Agreement between Libby and the contracting officer which reflected the understandings of the parties as to liability. On February 23, 1994, a Settlement Agreement was executed.

Applicant's contentions: Libby contended that it could not complete performance of its contracts for \$106,800,000. Libby contended that it needed an additional \$32,047,897 to complete performance of the contracts. Of this amount, Libby acknowledged that it was not legally entitled to \$16,016,149. Libby contended that if it did not receive this relief, it would suffer a cash flow problem so severe that by December 1993/January 1994, it would have to terminate its operations and, with that, stop performance of contracts essential to the national defense. Libby cited FAR 50.302-1, Amendments Without Consideration, as authority for relief.

Decision: As of October 1993, Libby's TQGs contracts were priced at \$106,852,103. By October 1993, Libby had concluded that it could not complete performance for that amount and had submitted a claim to ATCOM for an additional \$46,000,000. Libby asserted that many of the difficulties it had incurred during the early phases of the contracts entitled it to additional compensation to perform the contracts. Libby characterized those problems under various legal theories like: Government caused delay, defective specifications, Government's superior knowledge, and impossibility of performance. Although the Army conceded that it had delayed Libby's performance during FAT, because the contracts called for the assembly and integration of existing commercial components, the Army was not particularly receptive to Libby's claim.

During the period October to December 1993, Libby engaged in negotiations which reached the conclusion that it would take an additional \$32,047,879 to complete performance of the TQGs contracts. Of this amount, the Army agreed that it was liable, under different contract principles, in the amount of \$16,031,748. Libby agreed that the Army was not responsible for the additional \$16,016,149 needed to complete the TQGs contracts.

Before the ACAB, Libby presented detailed financial information which disclosed that without the additional \$16,016,149, its cash flow would not be sufficient to continue performance past January 1994. This figure does not include any amount for profit.

FAR 50.302-1(a) provides that:

When an actual or threatened loss under a defense contract, however caused, will impair the productive ability of a contractor whose continued performance on any defense contract found to be essential to the national defense, the contract may be amended without consideration, but only to the extent necessary to avoid such impairment to the contractor's productive ability.

It was found to be essential to the Army and, therefore, the national defense, that it receive the TQGs currently being manufactured by Libby. The Chief of the Combat Support, Combat Service Support & Common Systems Division, Office of the Deputy Chief of Staff for Operations (DCSOPS), verified the need in a memorandum dated December 22, 1993, subject: "Mission Criticality of Tactical Quiet Generators for the U.S. Army."

That memorandum detailed the impact on the Army if action was not taken and Libby ceased production of the TQGs. In particular, the following concerns were identified:

(a) A large percentage of the 132,000 Army Military Standard (MILSTD) generators currently in the inventory had two problems impacting on readiness: one, many exceeded their expected useful life of 17 years; and two, about one-third of these generators operated on gasoline instead of multi-fuel. The continued use of gasoline increases support costs and represents a safety concern because of the volatility of gasoline.

(b) Many of the critical major components required to maintain the readiness of the current fleet of generators were no longer available in the supply system. The cost of having to overhaul MILSTD generators was almost twice that of buying comparable TQGs. Delays in fielding TQGs would result in the expenditure of needed operation and maintenance funds at nearly twice the amount of procurement costs.

(c) New weapons systems that were being developed, tested, and fielded depended on the timely fielding of the TQGs. If the TQGs were not fielded as scheduled, these programs may not have been fielded or may have incurred expensive alternative costs.

(d) Modern battlefield requirements had become more sophisticated and had resulted in new needs that MILSTD generators could not fulfill. Most notable was audible and infrared signature suppression. TQGs provided an 80 percent reduction over MILSTDs in both areas, significantly reducing the vulnerability of soldiers to enemy attack. Improved survivability is a high priority on the modern battlefield.

The December 22, 1993, DCSOPS memorandum clearly established the urgent need for the TQGs and the negative impact on the national defense if the TQGs were not delivered as soon as possible.

Libby presented data, confirmed by ATCOM, which indicated that the TQGs being manufactured met the Army's specifications and would be able to meet the current delivery schedule if Libby was provided the \$16,016,149 requested under P.L. 85-804.

Conclusion: Under these circumstances, the Army Contract Adjustment Board (ACAB) is of the belief that Libby's continued performance of the TQGs contracts is essential to the national defense. ACAB therefore granted Libby's requested relief. This action will facilitate the national defense. The contracting officer was authorized to amend the TQGs contracts without consideration in the total amount of \$16,016,149, as memorialized in the Settlement between Libby and the contracting officer, dated February 23, 1994.

DEPARTMENT OF THE ARMY

Contingent Liabilities: None.

Contractor: None.

DEPARTMENT OF THE NAVY

Contractor: Delphi Painting & Decorating Company.

Type of action: Amendment Without Consideration.

Actual or estimated potential cost: \$50,000.

Service and activity: The Department of the Navy, Naval Facilities Engineering Command.

Description of product or service: Removal and disposal of paint that potentially contains lead.

Background: The subject action is an Amendment Without Consideration under FAR Section 50.302-1. Delphi submitted a request for extraordinary relief by letter dated December 21, 1992. Delphi based the request on contractor essentiality and stated that they were entitled to compensation in the approximate amount of \$50,000. Within the

Department of Defense, P.L. 85-804 is implemented by the Federal Acquisition Regulation (FAR). FAR Part 50, Extraordinary Contractual Actions, Section 50.302, lists the type of adjustments available for relief. The only potentially applicable basis for adjustment in this case is contained under paragraph 50.302-1, Amendments Without Consideration, subparagraph (a). Subparagraph (a) allows Amendments Without Consideration if an actual or threatened loss will impair the productive ability of a contractor whose continued operations as a source of supply is found to be essential to the national defense. The essential nature of the work being performed is the essence of this exception. Upon review of the nature of the work involved in this contract (the removal and disposal of paint that potentially contains lead), it has been determined that this type of work is not uncommon and can not be considered essential to the national defense. Further, the suggestion that future contracts will have to be awarded on a sole source basis is unfounded.

Decision: In conclusion, the Contracting Officer determined, that pursuant to FAR 50.101, the request must be denied in its entirety.

Contractor: Farrell Lines, Incorporated.

Type of action: Amendment Without Consideration.

Actual or estimated potential cost: \$87,200.

Service and activity: The Department of the Navy, Military Sealift Command.

Description of product or service: U.S. flag ocean and intermodal transportation service.

Background: The subject action is a request for a portion of the amount which was the subject of a certified claim under the Contract Disputes Act, which was previously denied by the Contracting Officer. Because the basis of the present claim involves some of the same facts as in the certified claim, a brief discussion of those facts follows.

The SMESA contract covered U.S. flag ocean and intermodal transportation services, including combination U.S. flag and foreign flag services, if all U.S. flag service was not available to meet Government requirements between the United States, as well as other parts of the world, and areas in the Middle East. The purpose of the Contract was to support U.S. Gulf War operations. The Contract was solicited and awarded during August 1990, on a firm fixed price basis for a period not to exceed one year. The effective date of the Contract was August 23, 1990. Farrell offered a combination U.S. flag/foreign flag service between the U.S. East Coast (USEC) and the Middle East (ME), including, but not limited to, service to and from Damman. Farrell offered and provided U.S. flag vessel service between the USEC and the Mediterranean, with connecting foreign flag service to the ME.

The connecting service offered and provided by Farrell under the Contract involved the use of a slot charter with Compagnie Maritime D'Affretement (CMA) which, in turn, had entered into various time charters, including one with the owners of the VILLE D'OMAN, Gebr. Peterson Schiffahrtsgesellschaft Westertal GMBH & Co. (Owners). Farrell commenced performance under the Contract in late August/early September 1990.

On January 11, 1991, the owners of the vessel VILLE D'OMAN, asserting the threat of war and reports of floating mines in the Persian Gulf, gave notice of their intent not to permit the vessel to proceed to Damman and discharge its Department of Defense (DoD) cargo. CMA, after several unsuccessful attempts to convince the Owners and crew to proceed to Damman to discharge the DoD cargo under the Contract, directed the

VILLE D'OMAN on January 21, 1991, to discharge its DoD cargo in an alternate port. Farrell subsequently arranged for the replacement of the VILLE D'OMAN by another CMA chartered vessel, the TITANA, which was engaged in the European/Far East trade route, to deliver the DoD cargo to Damman, in accordance with the Contract. The costs associated with the diversion of VILLE D'OMAN and the use of the replacement vessel, the TITANA, to deliver the cargo are at issue.

Farrell's certified claim and the contracting officer's final decision: On July 10, 1992, Farrell submitted a certified claim for \$485,978 for reimbursement of unanticipated costs (the \$87,200 adjustment sought by Farrell was originally part of this claim). Farrell sought recovery of the additional expenses incurred in shipping the DoD cargo to Damman under a clause in its SMESA contract, which provided for reimbursement of unanticipated costs. Farrell claimed that the Contracting Officer had suggested the clause as a means by which Farrell could be reimbursed.

In support of its claim, Farrell asserted that it had considered trying to invoke the Liberties Clause. However, Farrell alleged that it was discouraged from doing so by the Contracting Officer. Farrell further alleged that the Liberties Clause, if applicable, would have relieved Farrell of the duty to ship the DoD cargo to Damman, based on the VILLE D'OMAN's refusal to proceed there out of safety concerns for the ship and its crew, and would have allowed it an equitable adjustment for its services. Farrell further asserted that it was discouraged from alternately imposing a special surcharge increase to the SMESA rates to cover the additional cost.

The Contracting Officer's Final Decision denied Farrell's claim, concluding that the contract clause permitting reimbursement for unanticipated costs was inapplicable. The Contracting Officer noted that Farrell had contracted to deliver cargo safely to Damman and that the performance of its subcontractors were Farrell's responsibility. The Contracting Officer also pointed out that the unanticipated costs clause applied only to costs not otherwise covered in the Contract, and that the Liberties Clause was the appropriate avenue for Farrell to recover its additional expense. The Contracting Officer concluded, however, that no valid claim existed under that clause because the VILLE D'OMAN was not justified in refusing to proceed to Damman. Further, Farrell had failed to seek the Contracting Officer's approval before arranging alternate delivery of the DoD cargo to Damman, as required by the Liberties Clause. Finally, the Contracting Officer was unable to conclude that MSC personnel had discouraged Farrell from seeking relief under the Liberties Clause or through surcharges.

Request for adjustment: Farrell sought extraordinary relief in the form of a contract adjustment under the provisions of P.L. 85-804 for \$87,200. Farrell asserted that its loss was directly caused by Government action. To determine whether an adjustment was appropriate, the Government had to determine whether a loss occurred, whether the loss was caused by Government action, and whether that action resulted in a potential unfairness to the Contractor. 48 C.F.R. 50.302-1(b).

Farrell claimed that when they approached the Contracting Officer with the possibility of invoking the Liberties Clause under the Contract because of the VILLE D'OMAN's refusal to proceed to Damman, the Contracting Officer insisted they perform and stated that Farrell would receive no further book-

ings if the clause were invoked. Based on this, and the Contracting Officer's subsequent demands for assurances of performance capabilities, Farrell claimed they were forced to abandon their rights under the Liberties Clause and were required to incur additional costs to deliver the cargo to Damman.

Assuming that an \$87,200 loss existed, it was not caused by the Contracting Officer's actions. The viability of Farrell's service under the Contract was clearly in doubt during the January 1991 time frame due to Farrell's problem with the owners of the VILLE D'OMAN. The Contracting Officer's response to Farrell's comment about invoking the Liberties Clause was legitimate. It was reasonable for the Government to expect Farrell to perform, as contracted, and resort to the clause would have realistically suggested that Farrell was incapable of performing. This conclusion was bolstered by Farrell's responses to the Contracting Officer's inquiries which confirmed the service problems and detailed operational plans to continue performance under the Contract. Considering that the Contract permitted the Contracting Office to suspend bookings with a carrier for its prospective inability or failure to perform, the Contracting Officer's comments to Farrell were entirely reasonable, under the circumstances, in that they only highlighted contract rights available to the Government.

Government attempts to actively ascertain and secure Farrell's commitment to continue contract performance can not be construed as an unreasonable influence causing Farrell to abandon its contract rights under the Liberties Clause. The Government had a legitimate, real, and urgent need to determine Farrell's intent and ability to provide service. If Farrell was unable to perform under the Contract, then the Government clearly would have been entitled to exercise its rights, under the Contract, to suspend the booking of cargo with Farrell for failure to perform or for the prospective inability of Farrell to make good any future bookings. Farrell's decision to abandon any contract rights it may have had under the Liberties Clause and incur additional costs to ship the cargo to Damman is considered an affirmative and voluntary business decision on its part that was not induced by the Contracting Officer. Consequently, any additional expense incurred by Farrell was not caused by Government action.

Decision: After a careful and thorough review of Farrell's case, the Navy did not find that payment of the requested amount would facilitate the national defense. Further, it was concluded that Government action was not the cause of Farrell's loss. The Government had a right and a responsibility to seek full contractor performance under the terms and conditions of the Contract, particularly during a contingency such as Desert Shield/Desert Storm. No contractual relationship existed between the Government and Farrell's subcontractor, CMA. It was Farrell's responsibility to insure that CMA fulfilled its obligations under its contract with Farrell. Thus, it was decided that Farrell must absorb the loss resulting from CMA's failure to perform. Farrell accepted the cargo under the Contract and was obligated to deliver that cargo to Damman. Farrell made a conscious business decision in choosing its subcontractor, and must, therefore, bear the consequences of that decision, not the Government. Accordingly, Farrell's request for extraordinary relief under P.L. 85-804 for a contract adjustment in the amount of \$85,200 was denied.

Contractor: Mech-Con Corporation.

Type of Action: Amendment Without Consideration.

Actual or estimated potential cost: \$2,076,082.

Service and activity: The Department of the Navy, Naval Facilities Engineering Command.

Description of product or service: Construction of the Propellant Disposal Facility.

Background: By letter of May 29, 1992, Mech-Con Corporation, Pomfret, Maryland, submitted a request for extraordinary relief. The Contractor's request is based on alleged unconscionable and unfair acts by the Government.

Within the Department of Defense, P.L. 85-804 is implemented by the Federal Acquisition Regulation (FAR). FAR PART 50, EXTRAORDINARY CONTRACTUAL ACTIONS, Section 50.302, lists the type of adjustments available for relief. The only appropriate adjustment in this case is contained under paragraph 50.302-1, Amendments Without Consideration, subparagraphs (a) and (b). Subparagraph (a) allows Amendments Without Consideration if an actual or threatened loss will impair the productive ability of a contractor whose continued operations as a source of supply is found to be essential to the national defense. A review of the file does not establish that Mech-Con is essential to national defense. Therefore, contractor has not met the requirements of FAR 52.302(a).

Subparagraph (b) allows relief in instances where the Government directs its action primarily at the contractor and acts in its capacity as the other contracting party, the contract may be adjusted in the issue of fairness. However, any relief under this subparagraph is limited by paragraph 50.203(c), which states that no contract shall be amended or modified unless the contractor submits a request before all obligations (including final release and payment) under the contract have been discharged.

The Contractor claimed monies in the amount of \$2,076,082 for legal fees, interest expenses, and other miscellaneous costs under or relating to Contract N62477-74-C-0333, Construction of the Propellant Disposal Facility, Naval Ordnance Station, Indian Head, MD.

A review of the contract file showed that the contract was awarded to the joint venture of Mech-Con and Heller Electrical Corporation on September 26, 1977. The contract was awarded in the amount of \$4,258,643, with a contract completion date of 455 days. On June 30, 1981, modification P00029 was issued which terminated the contract for the convenience of the Government. On January 27, 1982, Mech-Con signed a final release on the contract.

Decision: Entitlement could not be granted under FAR 50302-1(b), because Mech-Con signed the final release. Contained within the final release, Mech-Con agreed that for the sum of \$6,433,894.38, all liabilities, obligations, and claims had been discharged and satisfied. However, following the signing of the final release, Mech-Con alleged that the Government coerced it into signing the final release. However, Mech-Con did not provide any documentation to support this allegation. Thus, the final release is valid. Therefore, Mech-Con did not meet the requirements of FAR 52.302-1(b) and FAR 52.203(c).

Contractor: Truax Engineering, Inc. (TEI).

Type of action: Amendment Without Consideration.

Actual or estimated potential cost: \$1,246,626.

Service and activity: The Department of the Navy.

Description of product or service: Development of a low-cost, reusable rocket.

Background: The claimed potential cost involved in the request is \$1,246,626 as of November 1, 1993, plus a claimed \$50,000 per month since then. This was TEI's second Government contract, for development of a low-cost reusable rocket to be launched and recovered from the sea (SEALAR). Funding for the program was limited from the beginning. A subsequent contract modification (P00009) substantially descope the Contract by deleting all tasks not specifically related to the proof-of-principle launch and recovery. On June 4, 1991, a burst liquid oxygen tank damaged the rocket and caused delays and additional costs. Although later contract modifications increased the estimated cost, the Contract was allowed to expire on its completion date without the proof-of-principle launch and recovery having been achieved.

Justification: As stated, the Contractor's request was for a contract adjustment without consideration. The standard, set by FAR 50.302.1(b), for granting such an adjustment is one of fairness to a contractor that sustains a loss (not merely a decrease in anticipated profit) under a defense contract because of Government action. When the Government directs its action primarily at the contractor and acts in its capacity as the other contracting party, the contract may be adjusted. When this action increases performance cost and results in a loss to the Contractor, fairness may make some adjustment appropriate. A review of the facts in this case, however, indicated that fairness with regard to the Contractor's claimed losses had already operated under an administrative provision of the contract.

Decision: For purposes of this decision, the facts regarding this case are outlined in the Contracting Officer's findings and recommendation dated December 13, 1993. In that document, it is noted that the Contractor's request was based on substantially the same circumstances as a previously settled claim, including nonbinding arbitration, under the disputes resolution process of the contract. The Contractor had misinterpreted the favorable recommendation by the arbitrator and the subsequent negotiated settlement of the earlier claim as "proof" that TEI was entitled to the entire amount claimed under P.L. 85-804. The company's approach is inconsistent with a negotiated settlement. Moreover, TEI's position overstated the arbitrator's findings and recommendation, as well as the role of the arbitrator. In submitting its P.L. 85-804 request for relief without a breakdown of actual costs incurred, the Contractor ignored a provision in the contract modification which settled the earlier dispute, viz., that it "... agrees to forgo any further claim or requests for relief ... except that this shall not preclude ... relief under Part 50 of the [FAR] for costs or losses not included in the Contractor's ... claim."

The Contracting Officer's statement also observed that TEI further asserted it had to remain in business at continued losses until its dispute and P.L. 85-804 claims were settled. There was no apparent reason for this except that TEI apparently anticipated further SEALAR-related business from the private sector, and made a business decision to continue operations albeit at a heavy loss. The Contractor calculated its losses by comparing unaudited, undifferentiated balance sheets from December 1991 and August 1993 and requested the difference as relief under P.L. 85-804. Essentially, then, TEI asked the Government to underwrite all its business operations after the expiration of its only remaining Government contract.

Finally, given the facts that (1) the SEALAR program was canceled, and (2) TEI's self-declared principal reason for being

in business was the SEALAR program, relief action under P.L. 85-804 would not appear to facilitate the national defense. In addition, information on the Contractor's recent business activity with regard to trying to develop the concept of reusable ICBM's has been evaluated and the same conclusion reached in that situation.

In light of the above circumstances, and under authority delegated by NAPS 5250.201-70, the request by Truax Engineering, Inc., for relief under P.L. 85-804 was disapproved.

Contractor: Southwest Marine, Inc.

Type of action: Formalization of Informal Commitments.

Actual or estimated potential cost: \$15,000,000.

Service and activity: The Department of the Navy.

Description of product or service: Drydock overhauls performed at Atlantic Dry Dock Corporation and Southwest Marine, Inc.

I. INTRODUCTION

In the early 1980s, Southwest Marine, Inc. (SWM), and Atlantic Dry Dock Corporation (ADD) invested in drydock facilities in San Diego, California, and Jacksonville, Florida, respectively, expecting to receive more Navy ship repair and overhaul contracts. Claimants asserted that they added facilities because of representations of senior Navy officials of more repair work if increased drydock facilities were available in the homeports of San Diego and Jacksonville, and because of the existing Navy homeport policy, planned changes in the Navy master ship repair policy to require ownership of facilities, as well as planned Navy use of additional multi-ship repair contracts. SWM and ADD asserted that increases in work did not materialize to the extent expected due to Navy alteration of, or failure to implement, these policies. In particular, claimants pointed to the change in the homeport policy from all overhauls performed in the homeport if adequate competition existed, to one third of overhauls reserved for the homeport if adequate competition existed, to later all overhauls competed coastwide. SWM and ADD claimed harm because the expected number of contracts were not competed only in the homeport or for work restricted to the homeport, but due to high debt burden/facilities costs, claimants' prices were not competitive with other companies.

Conference Report No. 103-339 (at 93-94) for the FY 1994 DoD Appropriations Act provides:

The conferees are aware of a long standing dispute between Southwest Marine of San Diego, California, and Atlantic Dry Dock of Jacksonville, Florida, and the Department of the Navy over facility investments made by these two shipyards. Although [] the shipyard owners agree that there is no legal remedy for a claim to be paid by the Navy, they continue to believe that, in fairness, the Navy should pay costs which the yards incurred in making facility investments. The conferees direct the Navy to examine this issue again and inform the Committees on Appropriations of the House and Senate by May 31, 1994, on what course of action it recommends to resolve this matter.

Pursuant to this language, the Navy has conducted a reexamination of the SWM/ADD facility investment claims, making an impartial and independent review of the record. This review has encompassed the Navy Report to Congress of November 1992 on this matter and data considered in that Report, including all SWM/ADD submissions made prior to that Report. As well, the SWM/ADD joint submission of January 29, 1993; SWM 1994 submissions of May, August 8, and September 2; and ADD submission of May 1994 were considered. Additionally, ASN(RD&A) met with claimants on October 24, 1994, to

provide them the opportunity to present the issues and facts of the dispute from their perspective. Also, a letter from the shipyards dated October 24, 1994, was reviewed.

II. PRIOR CONGRESSIONAL LANGUAGE AND NAVY CONSIDERATION OF CLAIMS

In 1986, P.L. 99-500, Making Continuing Appropriations for FY 1987, Section 122 of the Military Construction Appropriation (hereinafter referred to as Sec. 122), directed:

The Secretary of the Navy shall enter into negotiations with shipyards located on Sampson Street, San Diego, California, and on Fort George Island, Jacksonville, Florida, to determine what liability (if any), the United States has for damages suffered by such a shipyard resulting from facility improvements made by such shipyard during 1982 in good faith reliance on representations and assurances provided to officials of such shipyards by representatives of the Department of the Navy in 1981 and 1982 with respect to future work of the Department of the Navy at such shipyard.

Pursuant to Sec. 122, SWM and ADD submitted a joint request for relief on October 29, 1987, totaling \$59,558,447 for lost profits not realized after the facility investments. In response to questions from the Navy, claimants provided supplemental documentation. The parties held negotiations on January 24 and 25, March 14, and April 26, 1989. By a May 10, 1989, letter to Congress, the Secretary of the Navy determined that the Navy bore no legal or equitable liability to the shipyards and formally denied the request. This position was supported by a 5-page Contracting Officer Memorandum of Decision and a 60-page legal memorandum.

In 1989, Conference Report No. 101-331 (at 422) for the FY 1990 DoD Authorization Act provided:

The conferees desire that the Navy fully explore all equitable and legal aspects of certain claims for relief submitted by shipyards pursuant to section 122 of the FY 1987 Military Construction Appropriations Act (P.L. 99-591).

Accordingly, the conferees direct the Secretary of the Navy to reconsider actively and together with the shipyards all facts and the quantum aspects of the claims and to report to the committees on Armed Services of the Senate and House of Representatives the results of such reconsideration with a definitive analysis of such claims under section 122.

Pursuant to this language, the parties met (first on March 28, 1990) and exchanged considerable documentation regarding the facts and legal issues of the case. On November 2, 1992, by letter to Congress, the Secretary found that the shipyards were not entitled to compensation, either as a matter of law or equity, and formally denied the request. This letter forwarded a detailed 97-page Navy analysis conducted by the Navy General Counsel of the facts, legal and equitable issues, and quantum, including copies of relevant documentation (87 attachments). This analysis will hereinafter be referred to as the 1992 Navy Report.

III. BACKGROUND

SWM and ADD claimed that, in the early 1980s, each invested in certain capital improvements at its San Diego facility and Jacksonville facility, respectively, with the expectation of receiving increased Navy ship repair and overhaul contracts. SWM began serious plans for purchase of a drydock in late 1981. The drydock was purchased in December 1982, with the loan requirements finalized in March-April 1983 with Wells Fargo Bank. SWM installed a large new floating drydock, new piers, and a new warehouse. In the first half of 1980, ADD began planning for

the construction of a 4,000 ton marine railway and made a firm decision to proceed in January/February 1982. The railway was completed in October/November 1982. ADD added a pier extension, begun in June 1983 and completed in July 1984.

Claimants alleged that investments in these facilities improvements were made in reliance on Navy policies in 1982, including the Navy's existing homeport ship repair policy, planned changes in the Navy master ship repair policy, and planned Navy use of additional multi-ship repair contracts, combined with various Navy representations of increased homeport repair work if SWM or ADD invested in increased drydock facilities. The following summarizes these areas.

Navy Representations: SWM/San Diego Homeport. Prior to facility improvements by SWM and National Steel and Shipbuilding Company (NASSCO) in the 1980s, there was a shortage of drydocking capability in the San Diego homeport. The only drydock was the Navy graving dock which the Navy leased to the San Diego Unified Port District, which made the dock available to local ship repair firms doing Navy ship repair work. The Navy dock permitted adequate competition, but only one drydock in the area limited the number of overhauls or other repair work that could be done in the homeport in any one year.

A March 12, 1981, letter from VADM Fowler, Commander, Naval Sea Systems Command (NAVSEA), to Arthur Engel, President of SWM, advised of " * * * an increase in the size of the Navy Shipbuilding Program in the forthcoming years;" that the problems caused by the increase " * * * will be solvable if the Navy and industry embark on innovative, cooperative planning;" and that one of four objectives of the Navy and industry should be to " * * * [s]trengthen the industrial base and enhance the vitality of the shipbuilding industry."

In late 1981, NAVSEA prepared a draft report outlining a business plan for overhaul and repair of Navy ships in the San Diego area which provided:

Addition of another graving dock or floating drydock would enable a significant number of Naval vessels to remain in the homeport of San Diego for repair and overhaul. "In order to foster a robust private sector industrial base, the Navy should investigate immediately all alternatives to relocate a floating drydock in San Diego."

An option for obtaining additional drydock capability would be to provide a "contractual means of providing incentives to a contractor or contractors to make substantial capital improvements in a new drydock and pier" and fully explore all appropriate methods to provide incentives to assist or encourage private development of drydocking facilities, including multi-year contracts, capital investment incentive clauses, capital investment sharing, and contractor consortiums.

"[T]here is little the Navy can do to guarantee future work to individual companies in the private sector to encourage capital investment to expand facilities/capabilities."

Acknowledgment that SWM was seeking to add a 20,000 ton drydock to its facilities.

Recognition that there was a need to establish more stringent qualification criteria for Master Ship Repair (MSR) contract holders to "continually glean contractors with inadequate resources from the ranks of eligible bidders" and that the Navy "should develop quantitative criteria for MSR eligibility that specifies minimum, albeit substantial, levels of technical, management, financial, and facilities resources."

Acknowledgment that there was a need to provide schedule stabilization of ship repair requirements to give the local ship repair in-

dustry more certainly in workload demands: "There should be a commitment to retain in San Diego as much depot maintenance repair work as port capability allows. . ." with multiship packages maximized, with minimum concurrence in schedules, for overhauls and Selected Restricted Availabilities (SRAs).

According to a Declaration by Mr. Engel, submitted with SWM's 1987 claim submission in early 1982, Mr. Engel met with Mr. Lehman, then Secretary of the Navy, to discuss SWM's intended capital improvements. "Secretary Lehman indicated that SWM's facilities improvements would be appreciated and encouraged by the Navy." In early spring of 1982, Mr. Engel met with ASN(S&L), Mr. Sawyer. "We again discussed SWM's improvement plans. Mr. Sawyer also indicated that facility improvements would be followed by more repair work in the homeport."

In March 1982, a cost type overhaul contract for USS HENRY WILSON was awarded outside the homeport at a price nearly twice that proposed by two San Diego shipyards. In relation to this award, certain Government statements were reported:

The March 31, 1982, San Diego Union reported that Mr. Carlucci, then Deputy Secretary of Defense, told Congressman Hunter that lack of sufficient drydock facilities in San Diego was the main consideration in this award decision.

The April 2, 1982, San Diego Union reported that ASN(S&L) Sawyer stated that the award was based on a superior proposal in the solicitation's higher weighted factors [presumably, facilities was one of these factors] and that "I would like to encourage some of the local (San Diego) firms to invest in their own facilities. The real bottom line is, if I could urge something on the people of San Diego, looking at the market projections for overhauls and repairs there, is to do it the American way and invest in better facilities." Mr. Sawyer was also reported as saying that improved repair facilities in San Diego would make it easier for the Navy to adhere to the homeport policies on repairs, which "is alive and well."

The June 7, 1982, San Diego Union reported that, in response to a question regarding what was needed to get overhaul contracts in San Diego, ASN(S&L) Sawyer stated: "three good shipyards."

In an undated and unidentified newspaper article provided by SWM, it was reported that a Navy memorandum to Edwin Meese, then Counselor to the President, regarding the WILSON award stated that, in order for homeport firms to obtain greater number of ship overhaul contracts, they should increase facility investment, noting that SWM has no drydock while the awardee does.

On August 12, 1982, Chapman Cox, DASN (Installations) met with San Diego business leaders and the San Diego Port Commission. (This meeting is described by SWM but not mentioned in the 1992 Navy Report.) He stated that the homeport policy was still in effect despite the recent change in policy requiring only one third of overhauls to be restricted to the homeport (discussed below); the overall percent of homeport repair and overhaul work would remain the same; there would be an increase in the number of ships homeported in San Diego there was a need for additional homeport facilities and private investment to that end was encouraged; and endorsed a proposal to build a drydock to be operated by the Port Commission and used by local firms.

The September 22, 1982, San Diego Daily transcript and San Diego Union reported that Mr. Sawyer and VADM Fowler met with San Diego contractors at a September 21, 1982, session organized by the local Chamber

of Commerce. Mr. Sawyer emphasized the need to improve the quality of area facilities, noting that with the anticipated 30 percent growth in Navy work over the next two years, there was a potential for \$240,000,000 in assured work in the period. Mr. Sawyer said that these predictions depended on improved facilities, adequate competition, and local contractors' ability to win one third of coastwide overhaul solicitations. Both Navy officials sought to encourage interest in the Port District obtaining a drydock for the use of area contractors. Mr. Sawyer said that there was no guarantee San Diego firms would receive additional work just because the facilities were there unless a public body were involved in its construction. Mr. Engel pointed out the risk in private investment in the absence of Navy guarantees and asked whether the homeport policy would be eliminated.

According to a Declaration by a Wells Fargo employee responsible for investigating and recommending approval of the drydock loan to SWM, he met with personnel from the Supervisor of Shipbuilding, Conversion and Repair (SUPSHIP) San Diego to discuss the future of Navy ship repair and overhaul business in San Diego. "Although the Navy would not formally commit itself, SUPSHIPS personnel did indicate that there would be a substantial amount of future work in the San Diego homeport and that there was a need for additional drydock capacity and pier capacity." It was the Wells Fargo employee's impression that the Navy was encouraging the development of improved facilities to handle future work. "The anticipation of an increase in the volume of overhaul and ship repair contracts in the San Diego homeport was one of several major considerations in our credit decision."

Navy Representations: ADD/Jacksonville Homeport. Before ADD completed its marine railway, only one contractor in the homeport, Jacksonville Shipyards, Inc. (JSI), had an adequate drydock to repair Navy ships. Consequently, because there was no competition for overhaul work in Jacksonville between at least two sources, overhauls of ships homeported in Jacksonville had to be competed coastwide. A further barrier to repairing ships in the Jacksonville homeport was that JSI did not actively compete in coastwide competitions.

RADM Kinnebrew was Commander of Cruiser Destroyer Group Twelve (homeported in Mayport) from February 1980 to August 1981. According to a Naval Sea Systems Command attorney interview with RADM Kinnebrew on June 7, 1988, at some point during his tenure, RADM Kinnebrew had one or two discussions with Mr. Gibbs, President of ADD, in which he indicated that additional ship repair capability in the Mayport/Jacksonville area would be welcome because it would increase the possibility of accomplishing ship repair in the homeport. RADM Kinnebrew also indicated to Mr. Gibbs that the Navy planned to homeport some FFG-7 Class ships in Mayport and that the Navy would continue to homeport destroyers in Mayport for the foreseeable future. According to RADM Kinnebrew, he did not make any promises or commitments to ADD regarding future work. The Admiral cannot recall what was said at a particular meeting, but indicated in this interview that these were the general remarks made over the course of the discussions with Mr. Gibbs.

According to a Declaration by Mr. Gibbs, RADM Kinnebrew met with Mr. Gibbs in February 1980 and stated that he wanted ADD to construct facilities that would enable ADD to repair and overhaul destroyers and frigates and indicated that his statements to ADD were authorized by his superiors. After this conversation, Mr. Gibbs "was

convinced that the initiation of a substantial facilities improvement program at ADD would result in substantial business opportunities with the Navy."

As reported in Vol. 12, Number 24 of the Weekly Report of the Jacksonville Area Chamber of Commerce (undated), ADM Train, Commander in Chief, Atlantic Fleet, addressed a session of the Jacksonville Area Chamber of Commerce in Norfolk on May 2, 1980. ADM Train indicated that: if Jacksonville expands its ship maintenance and repair capabilities, it will be in line for more Navy work; such additional capabilities in an area ensure more competition which, in turn, could lead to more Navy ship repair and maintenance work in Jacksonville; Jacksonville lacks the drydock facilities necessary for major overhauls of Navy ships; and the Navy wants major overhaul facilities to exist in the ship's homeport to avoid having the crew relocated. As a result of these remarks, the Jacksonville Chamber of Commerce indicated they would contact local shipyards about plans for expansion and help in locating additional ship repair facilities in Jacksonville.

According to a Declaration by Mr. Gibbs, in the summer of 1981, ADD and its consulting firm, SEACOR Associates, made presentations to the Navy in Norfolk and to RADM Nunneley, Director of the Ships Maintenance and Modernization Division of the Office of the Chief of Naval Operations, regarding the proposed construction of the marine railway. The Navy audience at both sessions "responded favorably" to the proposed improvements and "encouraged continued construction."

On December 18, 1981, VADM Fowler met with a group of Jacksonville area Navy, business, and industrial leaders at the Mayport Officers Club to discuss ship maintenance support for Navy expansion at Naval Station Mayport (NAVSTA Mayport). According to a Declaration by Mr. Gibbs, VADM Fowler "... reiterated the notion that, if improved facilities were built, Jacksonville contractors would get work to fill those facilities."

To prepare VADM Fowler for the December 18, 1981, talk in Mayport, RADM Johnston, SUPSHIP Jacksonville, sent VADM Fowler copies of background memoranda. One memorandum (undated), entitled "Growth of Support Capability in Jacksonville," states: current ship intermediate and depot level maintenance support facilities in the Jacksonville area have a maximum capacity of 20,000 man-days per month, which capacity will be "overtaxed" by the Selected Restricted Availability (SRA) workloads projected in FYs 1983, 1984, and 1986; there is a need to expand the current ceiling of industrial capacity to between 30,000 and 35,000 man-days per month to meet long term needs; "the projected maintenance needs are well publicized and discussions with the industrial community have been conducted by local flag officers, SUPSHIPS JAX and CO, NAVSTA Mayport"; "[a]n extensive effort has been and continues in the Jacksonville area to outline the programmed Navy build up and to call for community support. A stable, predictable plan will enhance credibility and reassure commercial activities who will be investing their resources"; ADD is proposing a major expansion of facilities in order to handle FFG-7 SRAs; the problem of assuring adequate depot and intermediate level repair capacity "is real but solvable." Another memorandum (undated), entitled "Background of Current Situation," references a request from the Commander, Naval Air Forces Atlantic to review "community planning in light of Navy expansion" in the Mayport area and develop a program to encourage commercial growth for both ship maintenance support and housing for personnel. It also identifies possible ques-

tions for the meeting: "What assurances can be given that SRAs/RAVs [Restricted Availabilities] will be committed to the Mayport area and not contracted out of homeport?"; Will the NAVSEA policy of soliciting most regular overhauls on a coastwide basis continue?"

According to a Declaration by Mr. Hoepner, former President of the bank (Flagship Bank, subsequently acquired by Sun Bank) that provided the marine railway loan, Mr. Lehman and Congressman Bennett met in Washington in January 1982 with the Jacksonville Chamber of Commerce. At that meeting, Mr. Hoepner "was led to believe that existing and proposed Navy policies and practices would result in greater business for ADD if it were to make proposed capital improvements." In other discussions between bank employees and Navy officials, Navy officials reaffirmed the homeport policy and were not equivocal about its policies or the likelihood that ADD's capital improvements would result in more business.

According to a Declaration by a former employee of Flagship Bank involved in evaluation of ADD's loan application, he had several discussions with Navy personnel in which the Navy indicated that, "if another company improved its facilities so that there would be competition in the homeport, the Navy would provide more overhaul work in the homeport." Based on these discussions, he concluded that ADD's market projections were valid and that it was reasonable for ADD to rely upon Navy assurances regarding future ship repair and overhaul work in Jacksonville.

A May 1982 draft report of the Jacksonville Chamber of Commerce Ship Repair Facility Task Force stated that ship repair awards will increase during the 1980s and 1990s as a result of ADD's soon-to-be completed marine railway and JSI's drydock, which will create a competitive situation in the homeport, and that SUPSHIP advised that the Navy will restrict overhaul and SRA work requiring drydock capability when a competitive situation exists. The task force should do all it can to ascertain that this work is indeed restricted to the homeport to provide an opportunity for a fair return on the shipyards' investments in view of the "financial risk being undertaken by these shipyards in anticipation of the needs of the Navy."

The April 1982 Jacksonville Seafarer reported that: by the end of 1984, NAVSTA Mayport will be home to 45 vessels (compared to 25 in December 1981); the expansion "could mean a bonanza of repair and maintenance contracts for area shipyards;" at a March 18, 1982, meeting of local subcontractors chaired by JSI, a JSI representative indicated that Navy concerns expressed at sessions between Jacksonville Chamber of Commerce and Navy officials was that the Jacksonville area have a viable competitive base and that the industrial base capacity be adequate to handle the increase in Navy work; that JSI was encouraging ADD to proceed with the planned marine railway to meet the competition requirements in the homeport; JSI had made commitments of manpower levels to be maintained to support Navy needs; Congressman Bennett stated that, if the community does not have the industrial capacity to meet Navy ship repair needs, he will "see that the ships go somewhere else, and not only for repair, but for home basing"; the Jacksonville area shipyards, business community, and Navy were "working to expand the area's capacity for repairs," and the Navy itself was actively working to encourage capacity expansion; upon assuming his command in the area, SUPSHIP cited three goals: increased Navy housing in Mayport, development of ship repair capacity, and development of industrial capacity

in the community to support that ship repair capacity.

The May 1982 Jacksonville Seafarer reported that: the Navy wants three drydock-capable yards in Jacksonville to provide a guaranteed competitive situation for repair work on new and existing ships homeported in the area; over \$1.3 billion of work is scheduled to be done on vessels homeported at Mayport and Charleston during the next decade; because there are no drydocks capable of performing this work in Charleston, SUPSHIP Jacksonville indicated that Jacksonville yards can "expect to get much of the work from there [Charleston] if the area has the drydock capacity"; "Navy and Jacksonville Chamber of Commerce Task Force have agreed that if local yards cannot handle the work, it would favor having new companies established in the Jacksonville area to perform the work;" and regarding doubts about the ability of the projected ship repair business volume to support the new shipyard facilities, the Navy "can not guarantee in writing contracts over the long-term, largely because of its inability to award multiyear repair contracts because of budgeting restrictions, though Johnston [SUPSHIP JAX] did assure task force members that the work would be available if the facilities were. . . ."

Navy Homeport Policy. Before 1982, the Navy's homeport policy required that all ship repair availabilities, including overhauls (six months duration or more) or shorter term availabilities (selected restricted availabilities (SRAs), restricted availabilities, or technical availabilities), of ships having crews attached be accomplished in the homeport area when adequate competition was available. The primary goals of this policy were to minimize disruptive effects on Navy personnel and families caused by conducting ship maintenance away from the homeports and to provide industry better predictability of future business opportunities.

In testimony on March 10, 1982, before the House Armed Services Committee regarding the Naval Ship Overhaul Program, VADM Fowler had testified that the Navy policy is to overhaul ships in or near the homeport to minimize family disruption and improve crew morale. Other key factors in determining where a ship will be overhauled include ship complexity, fleet operations schedules and material readiness requirements, shipyard workload and qualifications, shipyard capacity and capability in the homeport area, and contract requirements regarding competition and small businesses. The following statements by the Admiral were also included in the record: "the long-term effect [of the homeport policy] is expected to be an increase in private sector industrial capacity near major homeport areas. In fact, the industry is already increasing its capability in areas of heavy fleet concentration such as San Diego, California; Norfolk, Virginia; and Jacksonville, Florida."

On July 19, 1982, OPNAVNOTE 4700 directed that at least one third of the regular overhauls of ships having crews attached be reserved for the homeport, with the balance to be competed coastwide and that SRAs be performed in the homeport "where feasible."

In 1985, the homeport policy required unrestricted competition for all overhauls, a change that resulted from Congressional direction (in the Conference Report on Making Continuing Appropriations for FY 1985 dated October 10, 1984) to terminate the policy of reserving one-third of overhauls for the homeport. The direction was based on factors which Congress believed would adversely affect the mobilization capability of non-homeport private shipyards—namely, decline of commercial ship repair workload

making private ship repair firms more dependent on Navy work; increased ship repair work being done by shorter repair availabilities (specifically SRAs) that were 100 percent reserved for the homeport area; and corresponding decrease in overhauls available for coast-wide competition above the 30 percent homeport reservation.

In 1987, the homeport policy was codified at 10 U.S.C. 7299a by Sec. 1101 of the FY 1988/89 DoD Authorization Act. This law directs the Navy to restrict to the homeport area short-term repair or maintenance work if there is adequate competition. Short-term is defined as performance of six months or less.

Master Ship Repair (MSR) Policy. The 1981 NAVSEA draft report, mentioned above, noted that about 70 percent of work awarded under MSR contracts was subcontracted and recommended that MSR contract holders be required to meet certain qualifications regarding technical, management, financial, and facilities resources. As reported in the September 22, 1982, San Diego Union, at the September 21, 1982, meeting between the Navy and San Diego contractors, in response to a question regarding MSR contractors, VADM Fowler stated that the Navy had reached no conclusion regarding a requirement for firms to have waterfront facilities.

In the Conference Report to the Continuing Resolution for FY 1983, dated December 20, 1982, Congress directed the Navy to establish a certification procedure to qualify firms as MSR holders to guarantee fully qualified private sector capability. This language led to the Navy's establishment of a MSR recertification program on January 28, 1983, intended to ensure that MSR holders had the necessary facilities, management capability, and technical expertise.

On May 27, 1983, NAVSEAINST 4280.2 was issued to revise policy for MSR contracts. MSR contractors would be required to have the ability to perform an entire overhaul or SRA of a Naval ship of 500 tons or larger, including control (possession or committed access) of facilities (piers, shops, and a Navy-certified drydock), and an organization capable of performing 56 percent of the work for an overhaul in-house.

In this respect, it is noted that SWM finalized its drydock purchase negotiations in December 1982—before Congressional identification of the MSR recertification program and before the SR policy change in May 1983.)

Multi-Ship Contracting Policy. In the Naval Sea Systems Command Ship Overhaul Policy Statement dated January 18, 1982, VADM Fowler stated that multiple ship procurements will be used, when appropriate, to provide incentives for shipyard improvements and capital investments as well as to obtain benefits of learning and economies of scale. In March 1982 Congressional testimony, VADM Fowler stated that multi-ship and cost type contracting under negotiated solicitations provided incentives for shipyard improvements and other benefits. The 1981 NAVSEA draft report mentioned above had recommended multi-year contracts as a possible way to provide incentives to encourage private development of ship repair facilities.

A July 13, 1982, San Diego Tribune article reported an internal NAVSEA memorandum indicating a NAVSEA desire for "a plan to award in one package in San Diego to the yard that promises to build the biggest and best facility to support this multi-ship overhaul and the Navy: 6 ships." This article stated that Navy officials would not comment on the authenticity of the memorandum or elaborate on ship repair plans in San Diego.

OPNAVNOTE 4700, issued on July 19, 1982, provided that multiple ship overhaul contracts would normally be competed coast-

wide and that increased use of multiple ship overhaul solicitations was desired to provide incentives for shipyard capital improvements and to achieve improved performance through greater competition. NAVSEA NOTICE 4710, issued September 3, 1982, reflected the policy to compete multiple ship contracts coast-wide.

(In this respect, it is noted that when SWM finalized its drydock purchase negotiations in December 1982, the multi-ship contracting policy provided that such contracts would normally be competed coast-wide. Moreover, multi-ship contracts never were in wide-spread use (partly because of the inherent restriction on competition) and have decreased in use since 1982. SWM admits that by 1982, the Navy had only awarded one multi-ship contract in San Diego and had canceled another multi-ship solicitation, repackaging the work as single ship contracts.)

IV. CLAIM SUBMISSIONS

The following discusses the SWM/ADD claims by addressing the claimants' submissions made since the last Navy analysis and decision regarding the facility investment claims—the Navy's November 2, 1992, Report to Congress—in relation to the prior record. As noted above, all the claimants' submissions have been reviewed, considered and analyzed as well as prior Navy reports.

January 29, 1993, Submission. Claimants submitted a joint document entitled "Claimants' Response to Navy Report to Congress." Dated January 29, 1993, (forwarded to Congress on February 1, 1993) in response to the Navy's November 2, 1992, Report to Congress which concluded that there was no legal or equitable basis to compensate SWM and ADD for their claims.

In arguing that it is essential that an equitable settlement be achieved and that Congress, if necessary, should give further direction/clarification to that end, claimants include various statements. Claimants identify "Navy barriers" to equitable resolution of the claims, namely: Navy placed a significant burden on claimants to draft a statement of facts, only to subsequently unilaterally draft a Navy statement of facts which raised a "whole host of new issues" and, thereby, delayed agreement on a statement of facts; Navy refused to give weight to sworn statements submitted by claimants or to provide any sworn evidence to contradict these statements; and Navy placed undue reliance on written versus oral exchanges, which denied claimants access to top-level Pentagon personnel and resulted in entitlement analysis being delegated to NAVSEA officials. Claimants also take issue with certain factual and legal conclusions of the Navy Report, which are discussed below; maintain their position that Sec. 122 creates Navy liability, with quantum being the only item to be determined; argue that P.L. 85-804 provides a "mechanism" to provide monetary settlement under formalization of informal commitment or residual powers authority; state that promissory estoppel represents a basis to provide monetary relief; argue that the doctrine and sovereign immunity is not a defense to Navy liability; and take issue with Navy conclusions regarding quantum.

This submission does not provide new facts or legal theories to support the claims but rather primarily consists of rebuttal arguments to conclusions made in the 1992 Navy Report. Those rebuttal arguments are discussed below.

May 1994 Submissions. SWM submitted in May 1994 a revised quantum proposal as a "resolution" to the claim, seeking a \$15,000,000 cash payment in 1994, to be repaid \$2,500,000 annually over a six-year period (1995-2000) by reducing SWM's depreciation cost pool allocated to current/future Navy

cost contracts. This submission does not provide new facts or underlying legal theories to support the claim. Relative to the 1992 Navy Report, SWM's quantum request after discussions with the Navy was \$18,600,000 in reliance damages for unrecovered depreciation and facilities capital cost of money, plus profit, from the time of the investment through 1987.

ADD also submitted in May 1994 a revised quantum proposal as a "resolution" to the claim. ADD and North Florida Shipyards (NFS) would form a third company (X Co.) to receive a 10 year lease of Navy AFDM 7 at NAVSTA Mayport for \$1 rent per year, in return for yearly drydock operation/maintenance at X Co. expense, and ADFM 7 use dedicated to Navy ship repair. Use of AFDM 7 would be limited to ADD and NFS, which would compete for its use for specific Navy work. This submission indicates a different quantum than previously requested; ADD's request addressed in the 1992 Navy Report was for \$6,900,000 in reliance damages. It does not provide new facts or underlying legal theories to support the claim.

August 8, 1994, Submission. SWM requested that the Navy provide SWM a \$15,000,000 payment in 1994 pursuant to P.L. 85-804 to formalize an informal commitment or pursuant to exercise of residual powers. SWM asserted that the Navy should "report to the [appropriations] committees the amount of relief that it views as appropriate, in view of the Navy officials' inducement of Southwest's facilities investments." A legal memorandum provided arguments to support its conclusion that "relief along the lines proposed by Southwest would be an appropriate exercise of the Navy's discretion under P.L. 85-804, and in particular its discretion to formalize informal commitments by Navy officials."

This submission contains no new facts or underlying legal theories but, expands on the May 1994 submission by providing additional legal argument that P.L. 85-804 authority is available to make the \$15,000,000 payment and rebuts P.L. 85-804 statements in the 1992 Navy Report. The relief requested is also different in quantum and type from that addressed in the 1992 Navy Report. See discussion above regarding the May 1994 SWM submission.

September 2, 1994, Submission. In response to an Assistant General Counsel (Research, Development & Acquisition) letter of August 24, 1994, requesting that SWM submit any additional "facts and information, or theories of relief" in support of its request for relief, SWM reiterated its request for extraordinary contractual relief in the form of a payment of \$15,000,000 in 1994, with the following conditions: SWM will enter into an advance agreement providing for repayment by reduction of the depreciation cost pool allocated to SWM's Government contracts by \$2,500,000 annually for the six-year period 1995-2000; SWM will reduce remaining long-term debt associated with the capital asset expenditures that gave rise to the dispute; SWM will provide a written release of any further Government liability for this claim. Alternatively, the \$15,000,000 could be forgiven in equal increments over six years. According to SWM, because tax obligations relating to payment arise in the year of loan forgiveness rather than in the year of payment, more of the proceeds of payment would be applied to long-term debt reduction. SWM's request, certified in accordance with the Contract Disputes Act by Mr. Herbert Engel, SWM's President, seeks relief under P.L. 85-804 based on formalization of informal commitments or residual powers.

The narrative factual background of this submission essentially repeats the text in

the January 29, 1993, submission, with minor changes. The discussion of P.L. 85-804 essentially repeats the text in the August 8, 1994, submission, with additional allegations that SWM's financial position is "far worse now than it was last April" when the Department of Transportation Board of Contract Appeals denied SWM's request for extraordinary relief; SWM will soon run out of credit and that, absent some financial relief, will "probably be insolvent within a matter of weeks." September 2, 1994, Submission at 40. A "1994 Consolidated Forecast" is also provided.

V. SPECIFIC CLAIMANT ARGUMENTS AND RELEVANT FACTS

The following summarizes those SWM/ADD arguments that take issue with the 1992 Navy Report as well as sets forth corresponding facts and Navy conclusions. (Cites are to the January 29, 1993, submission; as the other two submissions are repetitive, they are not specifically cited.)

Claimants were denied access to top-level Pentagon decision-makers. January 29 Submission at 9-10.

Facts: The negotiations and analysis of the claims undertaken for the 1992 Navy Report were handled by the General Counsel of the Navy, at the request of the Secretary of the Navy, with the exception of certain quantum issues when the General Counsel was unavailable and the Deputy General Counsel (Logistics) acted in his stead. Claimants were not denied access to senior Navy decision-makers.

The process of jointly drafting an uncontested statement of facts was arduous and unfair. January 29 Submission at 7-9.

Facts: More important than the length of time or difficulty in compiling a statement of facts is that the Navy fully considered claimants' views on all issues. When agreement could not be reached on certain issues, the 1992 Navy Report noted the claimants' differing views so that Congress would be able to consider all sides of the matter.

The Navy failed to give proper weight to sworn statements provided by claimants or to obtain sworn statements from relevant former Navy officials.

Facts: Claimants raised this argument, and the navy fully considered it, before issuance of the Navy 1992 Report. The Navy did not (and does not) consider that claimants' declarations, even if accepted as entirely accurate on their face, provide a factual basis for recovery on legal or equitable principles. Therefore, there was no need to substantiate or refute the facts asserted by claimants.

In the years following the facilities expansion programs, both ADD and SWM failed to realize the promised levels of work, which result is attributable to the Navy's refusal to issue homeport-restricted solicitations. SWM and ADD suffered a competitive disadvantage over other overhaul contractors due to the debt incurred by the facilities investments. January 29 Submission at 35.

Facts: The shipyards were independently contemplating facility improvements in the 1981-82 period and the investments were made after independent market analysis and business risk assessment. The investments were planned and initiated, in part, before Navy representations and, in part, based on expected increases in commercial work. The improvements resulted in benefits to each shipyard: an increase in Navy ship repair business and valuable operating asset improvements which enabled the shipyards to bid on and perform contracts for which they would otherwise have been unable to compete. From FY 1983-87, total overhaul work increased and total dollar volume of ship repair business in each homeport increased.

The shipyards realized profits on most fixed priced Navy contracts performed during the relevant period. ADD was profitable during this time. SWM did not recover \$2,600,000 of costs of performance. However, there is no evidence that this loss was attributable to purchase of the drydock. Instead, other factors could have caused the loss, such as SWM's loss of its small business size status just before its workload started to decrease, the general decline of the commercial ship repair industry during the period in question, SWM's decision to purchase a drydock with more than twice the capacity necessary for the vast majority of Navy homeported ships, or SWM inefficiencies in performance. SWM represented to its bank when obtaining the loan that SWM would lease the drydock to competitors when it was not using the drydock itself, but has not done so.

Furthermore, the shipyards do not offer any credit for cost recoveries realized under Navy fixed price and commercial contracts. SWM received over \$80,000,000 in Navy payments for fixed price repair work performed in FY 1984-87 and asserts that none of this \$80,000,000 represents recovery of its costs of performance. SWM also received over \$50,000,000 in payments for commercial work during this time, but offers no credit for use of the drydock or recovery of drydock costs from this work. ADD received over \$60,000,000 in Navy payments for fixed price repair work performed in FY 1983-87 and asserts that none of this \$60,000,000 represents recovery of its costs of performance. ADD also received over \$48,000,000 in payments for commercial work and non-Navy government work during this time and offers no credit for use of the marine railway or recovery of marine railway cost from such work.

Additionally, Navy policy is to not grant use of government drydock facilities to perform ship repair contracts if there is adequate competition in the homeport between private yards with dedicated access to privately-owned drydocks. This policy has benefited the shipyards. For example, in San Diego, because there is such competition between SWM and National Shipbuilding and Steel Company (NASSCO), the Navy does not make available its graving dock to offerors. As a result, offerors without dedicated access to private drydock facilities are ineligible to compete for phased maintenance multi-year/multi-ship solicitations.

The Navy attributed the decline in overhaul work in Jacksonville and San Diego to the trend to perform shorter repairs rather than overhauls, but the examples cited by the Navy do not prove that there was an inadequate supply of overhauls work for the Navy to honor its representatives. January 29 Submission at 33-41.

Facts: The Navy 1992 Report identified other trends in ship maintenance that "affected Navy ship repair planning[]" and that led to a decrease in the percentage of overhauls solicited only in the homeport. In particular, more complex ships meant that the length of time to perform an overhaul increased. Therefore, to maintain fleet operational requirements, a greater number of SRAs vice overhauls were scheduled. The Navy describes these trends as part of the factual background to the claims and does not argue that the increasing preference for SRAs somehow gave an excuse to not "honor its representations."

The Navy's correlation between SWM's loss of its small business size status and a subsequent loss of revenue does not take into account that, during "large parts" of FY 1984, SWM's facilities were unavailable for Navy work because the company was in the process of installing and testing its new drydock and SWM "expected some disruption of

normal operations," and the new drydock changed SWM's business from primarily top-side work and small drydock availabilities to larger jobs beyond the capacity of most small businesses. January 29 Submission at 42-43.

Facts: SWM lost its small business size status in December 1983, causing a significant loss of business because of an inability to bid on the many small business set-asides offered in the homeport. SWM had ranked first or second in Navy homeport repair business in FYs 1981, 1982, and 1983, but fell to fourth in FY 1984 and fell further to eighth in FY 1985 before beginning to recover in FYs 1986 and 1987. The Navy noted in its Report, the SWM rebuttal to this issue—specifically, that SWM in a November 25, 1991, letter asserted that it expected a decline in its FY 1984 business volume due to installation and testing of the drydock which is inconsistent with an earlier SWM statement that it is entitled to the award of numerous FY 1984 repair availabilities. Finally, where the new drydock gave SWM the capacity to perform larger jobs, the choice was with SWM to continue bidding on set-asides if it so desired; the loss of its size status took that choice away from SWM.

Contrary to the Navy's position, Congress should not be blamed for the change in homeport policy, because Congressional language on homeport policy only established "short-term, expedient measures designed to alleviate problems experienced by non-home port yards during a recession." The Navy must take responsibility for its role in reversing the homeport policy; the Navy had a "disposition toward the elimination of all homeport restrictions on overhaul solicitations" and never advised Congress of the SWM or ADD facility investments made in reliance on Navy representations. January Submission at 43-47.

Facts: See discussion above of homeport policy. In addition to direction to terminate the policy for reserving one-third of overhauls to the homeport in the Conference Report on the FY 1985 Continuing Appropriations Acts, the Conference Report for the FY 1984 DoD Appropriations Act added five additional overhauls, above the number included in the President's budget, to be awarded to private shipyards—two to be competed on the West Coast and three to be competed on the East Coast. The Navy 1992 Report notes SWM arguments similar to those in the January 29, 1993, submission and finds that there is no evidence to support that the Navy was, off the record, advocating to Congress that the homeport policy should be abandoned. Also, Congress was aware of Navy public statements regarding the need for additional drydock facilities in San Diego and Jacksonville at the time Congress directed relaxing the homeport policy. Members of the Florida and California Delegations were aware of those statements and actively participated in conveying many of them to constituents. In October 1984, Congress directed abandonment of the policy to restrict one-third of the homeport overhaul contracts to the homeport, and the Navy thereafter implemented that direction.

The principles of statutory construction dictate that Sec. 122 be interpreted to recognize Government legal liability for the claim. The words "if any" in the statute mean that Congress made no determination as to quantum of damages; Congressional interpretations of Sec. 122 after its enactment are relevant. Furthermore, Sec. 122 is like a Congressional reference case where the Court of Claims has previously ruled that equity demands compensation. January 29 Submission at 58-69.

Facts: These arguments were fully addressed in the Navy 1992 Report. Sec. 122 provides, in pertinent part, that "[t]he Secretary of the Navy shall enter into negotiations * * * to determine what liability (if any) the United States has for damages suffered by such a shipyard * * *." After the Navy originally denied the claim in 1990, Congress, in again addressing the matter, did not direct entitlement, but rather reconsideration of the claims. Conference Report accompanying the FY 1990 DoD Authorization Act. In the Conference Report for the FY 1994 DoD Authorization Act, Congress again only directed reconsideration—not entitlement. Special reference cases are generally enacted either to waive a Government affirmative defense or to provide an admission of liability by the Government, leaving to the courts the factual and legal questions relating to damages. These cases are strictly construed, and a Congressional confession of liability must be clearly expressed. Sec. 122 and its progeny have no expression of liability and is not a Congressional reference case. Post-enactment interpretations by Members of Congress are given legal effect only where not inconsistent with the statute and legislative history.

The Navy's conclusion that the Secretary will not exercise residual powers under P.L. 85-804 because such action is not "necessary and appropriate" or would not "facilitate the national defense" runs counter to the record, Sec. 122, and the post-enactment Congressional letters of clarification. P.L. 85-804 is authority for the Navy to provide equitable relief on the basis of formalization of informal commitments or residual powers authority. Federal Acquisition Regulation (FAR) 50.302-3 and FAR 50.401, respectively.

Facts: The Navy in 1992 denied relief under P.L. 85-804 on both formalization of informal commitment and residual powers grounds based on the facts. The Navy did (and does) recognize that the residual powers authority could be utilized but was (and is) not appropriate on the facts of the case. Both shipyards were never precluded from ship repair competitions; the facility improvements enhanced the ability to receive future Government contracts; and the shipyards received benefits from the capital improvements, including an increase in Navy ship repair work. Regarding the requirement to determine that granting relief will facilitate the national defense, the Navy found no evidence that the shipyards' continued viability was endangered. See also discussion below.

Although claimants now concede that they could not prevail if they sued the Government in the Court of Federal Claims on a claim of promissory estoppel, they assert that all elements of promissory estoppel essentially are present which "indicates why Congress felt a moral or honorable obligation to compensate the shipyards." Sec. 122 permits application of the "tenets of promissory estoppel to the matter." January 29 Submission at 74-75.

Facts: Statements by Navy representatives were opinions and predictions that an increase in homeport drydocking capability would increase the amount of Navy ship repair work which could be solicited within the homeport. The statements were reasonable predictions about future Navy ship repair business and expressed legitimate goals for enhanced competition and a stronger national industrial mobilization base. While the Navy desired and encouraged facility improvements in the two homeports, it disavowed any guarantees that future work would follow (and in fact expressly rejected making guarantees of work prior to the investments being made) and did not unfairly induce these investments. The Navy also did

not urge specific improvements which were rather chosen by the shipyards.

There is no evidence that the Navy misled the shipyards by misrepresenting or concealing material facts. When the Navy statements were made, they were accurate and reasonable in light of the expanding 600-ship Navy and existing policy, and the Navy in 1981-82 did not know Congress would later direct changes in the homeport policy or that other later changes in policy would occur to reflect changing requirements. Navy officials never promised specific contracts or a specific amount of future repair work. The Navy representations were too indefinite and uncertain to support a claim of promissory estoppel. The record also shows that others (e.g., the Jacksonville Chamber of Commerce Ship Repair Facility Task Force) made representations and inducements to encourage homeport investment.

These shipyards were aware that Government policies affecting contractors are subject to change and, to the extent that they based their business decisions on certain existing Navy policies, they assumed the business risks that those policies could change.

Sec. 122 effectively waives sovereign immunity. The analogy of Congressional reference cases applies because Sec. 122 must be interpreted as a determination of liability. January 29 Submission at 76-78.

Facts: The Navy changes in homeport, master ship repair, and multi-ship policies were actions taken by the Government in its sovereign capacity. They were actions with a public and general application that affected all Navy ship repair contractors, all Navy ships, and ships' crews and their families, among others. These actions were not directed at SWM and ADD. The Government is immune from liability for its sovereign acts. The arguments regarding interpretation of Sec. 122 and the applicability of Congressional reference cases were found legally unpersuasive in other sections of the Navy Report. Furthermore, the case law on reference cases requires that the Government be guilty of wrongful or negligent acts in order to have liability on broad equity grounds. There is no evidence that the Navy acted wrongfully or negligently in making any representations or in changing contract or homeport policies.

Claimants repeat their disagreement with the Navy on various quantum issues—e.g., what facility investments can be considered "drydocking capacity" investments; propriety of ADD's inclusion of facilities capital cost of money; propriety of claimants' inclusion of imputed profit; and propriety of ADD's application of a discount to proposed change order prices. Claimants state that they did not recover investment costs from the fixed price contracts awarded in the claim period because, in order to win competitions, they could not raise prices to a level that would result in cost recovery for facility investments. January 29 Submission at 97-112.

Facts: Claimants have not presented any evidence to demonstrate that any alleged unrecovered facility investment costs are attributable to decreased levels of work competed in the homeport or to below-cost bids for fixed price ship repair contracts rather than other causes (such as inefficiencies). Furthermore, each shipyard realized increased Navy work after the facility investments. From FY 1983-87, the dollar volume of Navy ship repair business in Jacksonville doubled and ADD experienced a significant increase in Navy work following the investment. From FY 1983-87, San Diego Navy ship repair business increased substantially. SWM Navy work significantly increased in FY 1987 and after. Prior to FY 1987, SWM sales did not increase due, in large part, to

SWM's loss of small business status in February 1984. The damages suffered are highly speculative. ADD/SWM have not acknowledged any recovery of investment costs in \$60,000,000 and \$80,000,000, respectively, of fixed price Navy and commercial ship repair work in the claim period. The companies may have already recovered more than the booked depreciation costs of the investments. During the October 24, 1994, meeting with ASN(RDA), both claimants admitted that they have been profitable for the last few years, with the exception of loss years in 1993 and 1994 for SWM.

VI. REEXAMINATION SUMMARIZED

In its 1993 and 1994 submissions, SWM/ADD did not submit any new facts, issues, legal theories, or supporting documentation relating to Navy actions during the relevant claim period that were not analyzed as part of the 1992 Navy Report. Also, SWM's P.L. 85-804 request at that time was the same as the present request—formalization of an informal commitment or residual powers. The only new data submitted relates to SWM's P.L. 85-804 request for payment of \$15,000,000—specifically, data on its current financial position and its 1993/94 ship repair workload. The 1992 Report fully and completely documented the facts, substantive differences of opinion between the parties, legal and equitable issues and analysis, including supporting documentation. The Navy's 1992 Report fully analyzed claimants' claim on legal entitlement and on certain equitable or "fairness" theories: P.L. 85-804, broad moral responsibility, equitable estoppel, and promissory estoppel. The Navy cannot find a basis to reach conclusions different from those in the 1992 Navy Report.

Based on the Navy's independent review of the record—that existing for the 1992 Navy Report and all additional information submitted after the 1992 Navy Report—the Navy finds no legal entitlement for the claims and no reason to grant relief to the claimants based on fairness.

VII. P.L. 85-804

As mentioned above, SWM has requested payment of \$15,000,000 to allow SWM "to reduce the long-term debt resulting from its facilities investment, which is contributing to its current serious cash flow problems," September 2 Submission at 4-5, pursuant to P.L. 85-804 (formalization of an informal commitment or residual powers).

Formalization of an Informal Commitment. FAR 50.302-3 provides: Under certain circumstances, informal commitments may be formalized to permit payment to persons who have taken action without a formal contract; for example, when a person, responding to an agency official's written or oral instructions and relying in good faith upon the official's apparent authority to issue them, has furnished or arranged to furnish supplies or services to the agency, or to a defense contractor or subcontractor, without formal contractual coverage. Formalizing commitments under such circumstances normally will facilitate the national defense by assuring such persons that they will be treated fairly and paid expeditiously.

No informal commitment shall be formalized unless the contractor submits a written request for payment within six months after furnishing, or arranging to furnish, supplies or services in reliance upon the commitment and the approving authority finds that, at the time the commitment was made, it was impracticable to use normal contracting procedures. FAR 50.203(d).

The 1992 Navy Report determined that these two conditions were absent. The Report stated that the facts "do not involve an urgency, emergency or other situation that

precluded use of normal procurement procedures" (at 64) and that SWM and ADD submitted their request for relief years after the investments and changes to Navy policies (at 95).

SWM argues that it would be unfair to hold it to the six month period because it believed that payment for facilities investments would occur in the future by being awarded additional contracts pursuant to the homeport and other policies. Only years later did SWM realize such contracts were not going to be awarded. However, the Navy does not have authority to waive this regulatory limitation or allow the six months to run from when SWM knew, or should have known, that the facts upon which it relied had changed. In any case, SWM knew years before 1987, when it first submitted its claim, that the ship repair policies had substantially changed. Therefore, there is no basis to find that SWM acted promptly under any reasonable standard.

Regarding the impracticability of normal contract procedures, SWM argues that the Navy does not normally contract for private shipyards' facilities improvements and there is no requirement to find an emergency or other urgent situation. However, FAR 50.203(d)(2) requires that the agency must make a finding that, at the time the commitment was made, it was "impracticable to use normal contracting procedures." The subject matter of the informal commitment in question (e.g., private facility investments) is irrelevant to this regulatory limitation on formalization of informal commitments. While there is no specific regulatory requirement to find an emergency or other urgent situation, such time-sensitive situations are typical examples that can justify the impracticability of going through the often lengthy steps required to award a contract.

Residual Powers. Residual powers to enter into, amend, or modify a contract, or indemnify a contractor for unusually hazardous or nuclear risks, may be used "when necessary and appropriate, all circumstances considered." FAR 50.401.

The 1992 Navy Report found that the circumstances of this case did not warrant finding that extraordinary contractual relief was necessary and appropriate or that such relief would facilitate the national defense. The Report found that there was no liability on a theory of promissory estoppel because Navy representations were too vague and uncertain, were merely projections of anticipated future work in the homeports, and never promised specific contracts or guaranteed additional work. There was no liability under an equitable estoppel theory because the Navy did not mislead the claimants by misrepresentations or by concealing material facts. Navy representations in the nature of predictions of future homeport workload were reasonable and true, at the time, based on existing policies, and the claimants' investments resulted in valuable capital improvements that led to additional ship repair work. Finally, the Report found that there was no basis for relief on a theory of broad moral responsibility because there was no wrongful or negligent Government conduct.

The only new circumstances presented by SWM in its new submissions is its alleged cash flow problems, i.e., that it will soon run out of credit; absent relief, SWM will probably be insolvent within "a matter of weeks"; and insolvency may impact SWM's ability to complete Government contracts and "may require drastic actions to protect the company's assets." September 2, 1994, Submission at 40-41. In support of its financial situation, SWM submitted a "1994 Consolidated Forecast" (Attachment 19), "Projected Impact of \$15,000,000 Relief Payment

on Cash Flows For the Period 1994-1997" (Attachment 52), and a Port of San Diego breakdown of workload from October 1, 1992, to September 30, 1993, (Attachment 49).

SWM states that its financial position is "far worse" than last April when its P.L. 85-804 request for losses under four Maritime Administration (MARAD) contracts was denied by the Department of Transportation Contract Adjustment Board (DOTCAB). SWM's request to DOTCAB was for a \$5,500,000 amendment without consideration, on the basis that it may lose sufficient working capital and have to cease operation before it can process its claims pursuant to the Contract Disputes Act.

DOTCAB solicited the positions of affected agencies regarding SWM's essentiality to the national defense and whether granting relief would facilitate the national defense. The Coast Guard responded that SWM was not essential and its continued viability would not facilitate the national defense. MARAD responded in the negative to both issues. The Navy stated that it cannot conclude that SWM is essential to the national defense and:

The company provides a significant source of competition for depot level availabilities that require drydocking of Navy ships homeported in San Diego. The loss of Southwest Marine's drydocking capability could have an adverse effect on Navy ships homeported in San Diego from a cost and time standpoint as well as on the quality of life for the ships' crews and their families.

The Navy is mindful that "[w]hether appropriate [extraordinary relief] action will facilitate the national defense is a judgment to be made on the basis of all the facts of the case." As we are not in possession of all pertinent facts and, equally important, because the matter is before the Maritime Administration and not the Navy, we offer no comment as to the advisability of granting Southwest Marine's request.

DOTCAB interpreted the Navy's letter as withholding an opinion on the question of whether granting relief (versus the continued viability of SWM) would facilitate the national defense; conveying that SWM is not essential to the national defense; and stating that the continued viability of SWM does aid and assist (i.e., facilitate) the national defense, because avoiding the adverse impact identified makes the Navy's tasks easier.

DOTCAB, in analyzing whether granting or withholding relief will affect SWM's ability to continue operations, found that SWM's actions have impaired its financial situation. SWM paid bonuses in 1993 to senior executives who, as a group, represented the four major stockholders (while aware of substantial losses being incurred under the MARAD contracts) and wrote off almost \$5,000,000 in loans made to subsidiaries, both of which contributed to losses leading to default of the credit agreement with Wells Fargo Bank. SWM made a loan of \$5,000,000 to its Chief Executive Officer for personal investment in another business, obtaining the funds in a transaction with its bank secured by SWM property—an impairment of SWM's ability to borrow further against its assets.

DOTCAB concluded that SWM was not essential to the national defense; that granting relief under P.L. 85-804 at that time would not facilitate the national defense; that SWM did suffer losses under the four MARAD contracts (although there is no finding as to the cause of the losses); and that it does not find that relief under the Contract Disputes Act is unavailable in sufficient time to continue SWM's viability.

Facilitation of National Defense. A prerequisite to granting relief under P.L. 85-804, including the use of residual powers, is the agency's determination that granting relief

will facilitate the national defense. FAR 50.301 provides that "[w]hether appropriate action will facilitate the national defense is a judgment to be made on the basis of all of the facts of the case." Therefore, it is appropriate to consider the impact on the Navy if SWM's operations were to cease due to financial difficulties.

Uniqueness or Essentiality of SWM's Capabilities. Based on Navy projections of ship repair requirements in San Diego through the year 2000, the Navy needs at least two drydocks and sufficient pier space to conduct up to 12 depot maintenance availabilities at any one time. NASSCO and SWM are the only two private shipyards in San Diego that have the capability to drydock all Navy ships, with the exception of the largest (CVs/LHA/LHDs). If SWM were to go out of business, the Navy would be able to meet the foregoing facility requirements in San Diego. The drydocking facilities of NASSCO and the Navy in San Diego are adequate to meet Navy projected repair requirements. NASSCO has a Navy-certified floating drydock (20,750 LT capacity). The Navy has the Naval Station graving dock (33,000 LT) and the Steadfast floating drydock (9,700 LT). In addition to this drydock capacity, four other contractors (apart from NASSCO and SWM) hold Master Ship Repair Agreements (MSRA) and three contractors hold Agreements for Boat Repair (ABR). Therefore, the continued viability of SWM as a ship repair company in San Diego is not essential for Navy operations or for industrial mobilization considerations.

Consequences if SWM Goes out of Business. If SWM were to cease operations, the Navy would lose the services of a ship repair firm with good facilities and performance record. The quality of SWM's piers and Navy-certified drydock is good. SWM's performance record, both past and current performance, on Navy ship repair contracts has been good. SWM is the San Diego shipyard with the most experience on AEGIS cruisers and destroyers. Unlike NASSCO, whose primary focus is on ship construction, SWM devotes its business to ship maintenance and modernization. Other examples of its experience include a successful completion of a major cruiser New Threat Upgrade, selection to support the USS *John Paul Jones* (DDG 53) shock trials, and award of the major amphibious ship (LPD/LSD) phased maintenance contracts in San Diego for the past five years.

Other effects should SWM cease operations include a decrease in competition and facilities available to perform homeport maintenance. There would remain only one private shipyard (NASSCO) with its own Navy-certified drydock capable of drydocking most Navy ships homeported in San Diego. Furthermore, if SWM's certified drydock were no longer available, the drydock capacity in San Diego would be significantly reduced. The Navy would have to award certain work sole source to NASSCO, if justifiable on a case by case basis; make the Navy's drydock or pier facilities available for purposes of achieving competition; or expand the solicitation area to include more distant facilities. The capacity of Government drydocks in San Diego is limited and making them available for competition would reduce their availability for emergent voyage repairs. Expanding the solicitation area could lead to contracts outside the homeport, with attendant costs of moving the ship and crew and negative affect on personnel quality of life. This could also cause a violation of Personnel Tempo (PERSTEMPO) Program Turn-Around-Ratio criteria, which could disrupt operations.

The following ships are, or soon will be, undergoing maintenance availabilities at SWM:

Contract No., ship, and completion date

- N00024-89-C-8507, *Denver* (LPD-9), 10/28/94.
- N00024-89-C-8507, *Duluth* (LPD-6), 1/06/95.
- N00024-94-C-0057, *John Young* (DD-973), 12/16/94.
- N62791-94-0103, *LCM's* (3), 10/14/94.
- N62791-94-C-0108, *Peleliu* (LHA-5)¹, 12/09/94.
- N00024-92-C-2802, *John Paul Jones* (DDG-53), 11/14/94.
- N62387-93-C-3001, *San Jose* (T-AFS-7), 11/01/94;
- Curtis Wilbur* (DDG-54), 12/19/94;
- Fort McHenry* (LSD-43), 4/21/95;
- Rushmore* (LSD-47), 4/21/95;
- Cleveland* 4/28/95.

¹The U.S.S. *Peleliu* is located at a Navy pier.

If SWM were to file for protection under Chapter 11 of the Bankruptcy Code, work on these ships would be affected and operating schedules delayed. The work would be delayed until the Bankruptcy Court approved either an assumption of these contracts by SWM or Navy terminating the contracts. Although there would be delay and perhaps additional cost in completing these contracts, the negative impact on Navy operations could be accommodated.

Therefore, as concluded in the Navy response to DOTCAB (a conclusion that remains valid), "loss of [SWM's] drydocking capability could have an adverse effect on Navy ships homeported in San Diego from a cost and time standpoint as well as on the quality of life for the ships' crews and their families."

SWM Viability. SWM has not demonstrated that it cannot obtain further lines of credit to support its cash flow requirements. There is no substantiation that SWM will cease operations any time soon. SWM merely stated that it "will probably be insolvent."

DCAA Audit Report No. 4221-94J1760001 of January 26, 1994, which analyzed SWM's financial condition in relation to its P.L. 85-804 request before MARAD, found "no adverse financial conditions which would preclude SWM from performing on its government contracts. Our audit disclosed relatively insignificant financial distress, and no indications of significant long-term problems." A basis for this opinion included audited 1994 business volume forecasts and projected cash flow resulting from this business volume. An updated financial capability audit of SWM, DCAA Audit Report No. 4151-94J1760007 of November 1, 1994, discloses "no adverse financial conditions which would preclude it [SWM] from performing on its government contracts," and "relatively insignificant" financial distress with no "indications of significant long-term problems." Regarding SWM's line of credit, SWM entered into an amended loan agreement with Wells Fargo Bank in June 1994. Although SWM may now be noncomplaint with the amended loan agreement's covenants on profitability and cash flow coverage, the bank has indicated that it will probably restructure the loan agreement. Accordingly, the audit concludes that SWM has demonstrated that it can work with the bank in resolving its needs.

Moreover, even if SWM's allegations of financial straits were accurate, granting the requested \$15,000,000 relief would not necessarily result in SWM remaining a viable entity in San Diego. There is no evidence demonstrating that the amount and type of relief requested will satisfactorily resolve the alleged cash flow problems. There is no evidence to demonstrate that the amount requested related to SWM's financial viability. SWM has provided no explanation of the basis for requesting the \$15,000,000 amount, i.e., how was it calculated? Nor is there any

guarantee that SWM will not continue certain actions that DOTCAB found to have at least partly caused SWM's financial difficulties, such as granting bonuses to stockholders and writing off loans to subsidiaries.

Conclusion Regarding P.L. 85-804. Based on all of the foregoing considerations, it is not considered necessary to make a finding regarding "facilitation of the national defense," and, although SWM's operations in San Diego are beneficial to the Navy, the Navy cannot find that granting the requested P.L. 85-804 relief to SWM is appropriate in this case.

VIII. CONCLUSION

the Navy finds no legal entitlement for the SWM/ADD claims and no reason to grant relief to the claimants based on fairness. Moreover, the Navy cannot find that granting the requested P.L. 85-804 relief to SWM is appropriate in this case.

Contingent Liabilities: Provisions to indemnify contractors against liabilities because of claims for death, injury, or property damage arising from nuclear radiation, use of high energy propellants, or other risks not covered by the Contractor's insurance program were included in these contracts; the potential cost of the liabilities can not be estimated since the liability to the United States Government, if any, will depend upon the occurrence of an incident as described in the indemnification clause. Items procured are generally those associated with nuclear-powered vessels, nuclear armed missiles, experimental work with nuclear energy, handling of explosives, or performance in hazardous areas.

Contractor:	Number
Hercules, Inc	1
Rockwell International Corp	2
Interstate Electronics Corp	1
Unisys Systems Corporation	1
Westinghouse Electric Corporation	4
Honeywell Incorporated	2
Lockheed Missiles & Space Co., Inc	3
Raytheon Company	4
Kearfott Guidance & Navigation	4
Hughes Aircraft Company	4
Martin Marietta Defense Systems ..	8
General Dynamics Corps., Electric Boat Division	3
Newport News Shipbuilding and Drydock Co	3
Hughes Missile Systems Company ..	1
Total	41

DEPARTMENT OF THE AIR FORCE

Contractor: Various.

Type of action: Contingent Liability.
Actual or estimated potential cost: The amount the Contractors will be indemnified by the Government can not be predicted but could entail millions of dollars.

Service and activity: Civil Reserve Air Fleet (CRAF).

Description of product or service: FY 1994 Annual Airlift Contracts.

Reference: "Definitions of Unusually Hazardous Risks Applicable to CRAF FY 1994 and FY 1995 annual airlift Contracts" are described on pages 50 and 51.

Background: Twenty-six contractors have requested indemnification under P.L. 85-804, as implemented by Executive Order 10789, for the unusually hazardous risks (as defined) involved in providing airlift services for CRAF missions (as defined). In addition, Air Mobility Command (AMC) has requested indemnification for subsequently identified contractors and subcontractors who conduct or support the conduct of CRAF mission. The contractors for which indemnification is requested are those to be awarded as a result of Solicitation F11626-92-R0030 and future contracts to support CRAF missions, which are awarded prior to September 30, 1994. The

26 contractors requesting indemnification are listed below:

- CONTRACTORS TO BE INDEMNIFIED AND PROPOSED CONTRACT NUMBER
- Air Transport International (ATN), F11626-93-D0037.
 - American Int'l Airways (CKS), F11626-93-D0038.
 - American Trans Air (ATA), F11626-93-D0035.
 - Arrow Air (ARW), F11626-93-D0039.
 - AV Atlantic (AVA), F11626-93-D0040.
 - Buffalo Airways (BVA), F11626-93-D0041.
 - Continental Airlines (COA), F11626-93-D0042.
 - Delta Air Lines (DAL), F11626-93-D0043.
 - DHL Airways (DHL), F11626-93-D0044.
 - Emery Worldwide (EWW), F11626-93-D0036.
 - Evergreen International (EIA), F11626-93-D0036.
 - Federal Express (FDX), F11626-93-D0035.
 - Hawaiian Airlines (HAL), F11626-93-D0045.
 - Int'l Charter Xpress (IXX), F11626-93-D0046.
 - Miami Air (MYW), F11626-93-D0047.
 - Northwest Airlines (NWA), F11626-93-D0035.
 - Private Jet (PVJ), F11626-93-D0048.
 - Rich International (RIA), F11626-93-D0036.
 - Southern Air Transport (SAT), F11626-93-D0035.
 - Sun Country Airlines (SCX), F11626-93-D0036.
 - Tower Air (TWR), F11626-93-D0051.
 - Trans World Airlines (TWA), F11626-93-D0050.
 - United Parcel Service (UPS), F11626-93-D0051.
 - US Air (USA), F11626-93-D0052.
 - World Airways (WOA), F11626-93-D0036.
 - Zantop International (ZIA), F11626-93-D0053.

Note: The same contract number may appear for more than one company because in some cases the companies are providing services under a joint venture arrangement.

Desert Shield/Storm showed that air carriers providing airlift services during contingencies and war require indemnification. Insurance policy war risk exclusions, or exclusions due to activation of CRAF, left many carriers uninsured—exposing them to unacceptable levels of risk. Waiting until a contingency occurs to process an indemnification request could result in delaying critical airlift missions. Contractors need to understand up front that risks will be covered by indemnification and how the coverage will be put in place once a contingency is declared.

Justification: The specific risks to be indemnified are identified in the applicable definitions. The Government will not incur a contingency liability as an immediate direct result of this advance indemnification approval; however, if the air carriers suffer losses or damages, exclusive of losses or damages that are within the air carriers' insurance deductible limits are not compensated by the contractors' insurance, the contractors will be indemnified by the Government. The amount of this indemnification can not be predicted, but could entail millions of dollars.

All of the 26 contractors are approved DoD carriers and, therefore, considered to have adequate, existing, and ongoing safety programs. Moreover, AMC has specific procedures for determining that a contractor is complying with government safety requirements. Also, the contracting officer has determined that the contractors maintain liability insurance in amounts considered to be prudent in the ordinary course of business within the industry. Specifically, each contractor has certified that its coverage satisfies the minimum level of liability insurance required by the Government. Finally, all

contractors are required to obtain war hazard insurance available under Title XIII of the Federal Aviation Act of 1958 for hull and liability war risk. All but one contractor has obtained this coverage with the Federal Aviation Agency. The remaining firm will obtain it before receiving an Air Force CRAF contract. Additional contractors and subcontractors that conduct or support the conduct of CRAF missions may be indemnified only if they request indemnification, accept the same definition of unusually hazardous risks as identified, and meet the same safety and insurance requirements as the 26 contractors currently seeking indemnification.

Without indemnification, airlift operations to support contingencies or wars might be jeopardized to the detriment of the national defense, due to the non-availability to the air carriers of adequate commercial insurance covering risks of an unusually hazardous nature arising out of airlift services for CRAF missions. Aviation insurance is available under Title XIII for air carriers, but this aviation insurance, together with available commercial insurance, does not cover all risks which might arise during CRAF missions. Accordingly, it is found that incorporating the indemnification clause in current and future contracts for airlift services for CRAF missions would facilitate the national defense.

Decision: Under authority of P.L. 85-804 and Executive Order 10789, as amended, the request was approved on June 2, 1994, to indemnify the 26 air carriers listed above and other yet to be identified air carriers providing airlift services in support of CRAF missions for the unusually hazardous risks as defined. Indemnification under this authorization shall be affected by including the clause in FAR 52.250-1, entitled "Indemnification Under P.L. 85-804 (Apr 1984)," in the contracts for these services. This approval is contingent upon the air carriers complying with all applicable government safety requirements and maintaining insurance coverage as detailed above. The AMC Commander will inform the Secretary of the Air Force immediately upon each implementation of the indemnification clause.

Approval was also granted to indemnify subcontractors that request indemnification, with respect to those risks as defined.

DEPARTMENT OF THE AIR FORCE, HEAD-QUARTERS AIR MOBILITY COMMAND MEMORANDUM DATED OCTOBER 11, 1994

Findings: By Memorandum of Decision dated June 2, 1994, SAF granted indemnification to contractors for unusually hazardous risks involved in providing airlift support for CRAF missions. A CRAF mission means airlift services ordered pursuant to CRAF activation or directed by Commander AMC for missions that are deemed to be substantially similar to, or in lieu of, those ordered under CRAF activation.

Contracted civil air missions in support of possible military operations in Haiti could expose contractors to unusually hazardous risks, specifically war risks, because of the hostile environment they will encounter. AMC is requesting the Federal Aviation Administration (FAA) to provide Title XIII insurance for contractors flying missions in support of potential Haiti operations. Based on experience with past contingencies, AMC/DOF advises that commercial insurance may not be available at reasonable rates. Consistent with the SAF approval, indemnification will apply to the extent that the risks are not covered by Title XIII insurance or other insurance. Participation of civil air carriers is essential to successful completion of the mission. Contractors can not be expected to absorb the liability for loss that could arise while performing operations in Haiti. With-

out indemnification, the ability to support the airlift mission will be jeopardized.

Determination: On September 14, 1994, it was determined that missions in support of possible military operations in Haiti will be in lieu of CRAF activation and that indemnification under P.L. 85-804 is necessary to protect contractors against unusually hazardous risks associated with such missions.

AIR MOBILITY COMMAND DETERMINATION SUPPORTING INDEMNIFICATION UNDER PUBLIC LAW 85-804

Memorandum for SAF/OS dated October 11, 1994, from AMC/CC, subject: Indemnification of Contractors and Subcontractors for Unusually Hazardous Risks Involved in Providing Airlift Support for Civil Reserve Air Fleet (CRAF) Missions (SAF Memorandum of Decision, June 2, 1994).

As the June 2, 1994, memorandum requires, on October 11, 1994, AMC/CC provided notice of implementation of the indemnification clause for civil air missions supporting military operations in Haiti. The AMC staff provided verbal notice to SAF/AQCO during the week of September 12, 1994. The clause was implemented only after air carriers requested indemnification, and after it was determined these missions would be in lieu of CRAF activation and would require indemnification to protect carriers against unusually hazardous risks as defined in the June 2, 1994, memorandum. The indemnified missions began September 19, 1994.

AMC has implemented the indemnification clause for five contractors. Four of them (American Trans Air, Tower Air, World Airways, and Sun Country Airlines) are on the original list of 26 air carriers approved in the June 2, 1994, memorandum. Three additional contractors (Express One, US Air Shuttle, and North American Airlines) received FY 1994 contracts containing the indemnification clause. The indemnification clause was implemented for one of them—North American Airlines.

Contractor: Various.

Type of action: Contingent Liability.

Actual or estimated potential cost: The amount the Contractors will be indemnified by the Government can not be predicted, but could entail millions of dollars.

Service and activity: Civil Reserve Air Fleet (CRAF).

Description of product of service: FY 1995 Annual Airlift Contracts.

Reference: "Definitions of Unusually Hazardous Risks Applicable to CRAF FY 1994 and FY 1995 Annual Airlift Contracts" are described on pages 50 and 51.

Background: Twenty-nine contractors have requested indemnification under P.L. 85-804, as implemented by Executive Order 10789, for the unusually hazardous risks (as defined below) involved in providing airlift services for CRAF missions. In addition, Headquarters Air Mobility Command (HQ AMC) has requested indemnification for subsequently identified contractors and subcontractors who conduct or support the conduct of CRAF missions. The contractors for which indemnification is requested are those contracts awarded as a result of Solicitation F11626-94-R0001, and future contracts to support CRAF missions through September 30, 1995. The 29 contractors requesting indemnification are:

CONTRACTORS TO BE INDEMNIFIED AND CONTRACT NUMBER

Air Transport International (ATN), F11626-94-D0026.

Alaska Airlines (ASA), F11626-94-D0033.

American Airlines (AAL), F11626-94-D0029.

American Trans Air (ATA), F11626-94-D0026.

Arrow Air (ARW), F11626-94-D0030.

Atlas Air (GTI), F11626-94-D0031.

Buffalo Airways (BVA), F11626-94-D0034.

Continental Airlines (COA), F11626-94-D0035.

Delta Air Lines (DAL), F11626-94-D0036.

DHL Airways (DHL), F11626-94-D0037.

Emery Worldwide (EWW), F11626-94-D0027.

Evergreen International (EIA), F11626-94-D0027.

Express One (LHN), F11626-94-D0038.

Federal Express (FDX), F11626-94-D0026.

Int'l Charter Xpress (IXX), F11626-94-D0026.

Miami Air (MYW), F11626-94-D0040.

North American Airlines (NAO), F11626-94-D0041.

Northwest Airlines (NWA), F11626-94-D0026.

Rich International (RIA), F11626-94-D0027.

Southern Air Transport (SAT), F11626-94-D0026.

Sun Country Airlines (SCX), F11626-94-D0027.

Tower Air (TWR), F11626-94-D0044.

Trans World Airlines (TWA), F11626-94-D0043.

United Air Lines (UAL), F11626-94-D0045.

United Parcel Service (UPS), F11626-94-D0046.

US Air (USA), F11626-94-D0047.

US Air Shuttle (USS), F11626-94-D0048.

World Airways (WOA), F11626-94-D0027.

Zantop International (ZIA), F11626-94-D0049.

Note: The same contract number may appear for more than one company because in some cases the companies are providing services under a joint venture arrangement.

Desert Shield/Storm showed that air carriers providing airlift services during contingencies and war require indemnification. Insurance policy war risk exclusions or exclusions due to activation of CRAF left many carriers uninsured—exposing them to unacceptable levels of risk. Waiting until a contingency occurs to process an indemnification request could result in delaying critical airlift missions. Contractors need to understand up front that risks will be covered by indemnification and how the coverage will be put in place once a contingency is declared.

The specific risks to be indemnified are identified in the definitions. The Government will not incur a contingent liability as a direct result of this advance indemnification approval; however, if the air carriers suffer losses or incur damages as a result of the occurrence of a defined risk, and if those losses or damages, exclusive of losses or damages that are within the air carriers' insurance deductible limits are not compensated by the contractors' insurance, the contractors will be indemnified by the Government. The amount of this indemnification can not be predicted, but could entail millions of dollars.

All of the 29 contractors are approved DoD carriers and, therefore, considered to have adequate, existing, and ongoing safety programs. Moreover, HQ AMC has specific procedures for determining that a contractor is complying with Government safety requirements. Also, the contracting officer has determined that the contractors maintain liability insurance in amounts considered to be prudent in the ordinary course of business within the industry. Specifically, each contractor has certified that its coverage satisfies the minimum level of liability insurance required by the government. Finally, all contractors are required to obtain war hazard insurance available under Title XIII of the Federal Aviation Act of 1958 for hull and liability war risk. All but one contractor has obtained, and is required to maintain, this coverage under the Federal Aviation Act. The remaining firms will obtain it before receiving an Air Force CRAF contract. Additional contractors and subcontractors that conduct or support the conduct of CRAF

missions may be indemnified only if they request indemnification, accept the same definition of unusually hazardous risks as defined, and meet the same safety and insurance requirements as the 29 contractors currently seeking indemnification.

Without indemnification, airlift operations to support contingencies or wars might be jeopardized to the detriment of the national defense, due to the non-availability to the air carriers of adequate commercial insurance covering risks of an unusually hazardous nature arising out of airlift services for CRAF missions. Aviation insurance is available under Title XIII for air carriers, but this aviation insurance, together with available commercial insurance, does not cover all risks which might arise during CRAF missions. Accordingly, it is found that incorporating the indemnification clause in current and future contracts for airlift services for CRAF missions would facilitate the national defense.

Therefore, under authority of P.L. 85-804 and Executive Order 10789, as amended, the request to indemnify the 29 air carriers and other yet to be identified air carriers providing airlift services in support of CRAF missions for the unusually hazardous risks, as defined, was approved on September 30, 1994. Indemnification under this authorization shall be affected by including the clause in FAR 52.250-1, entitled "Indemnification Under P.L. 85-804 (Apr 1984)," in the contracts for these services. This approval is contingent upon the air carriers complying with all applicable Government safety requirements and maintaining insurance coverage as detailed above. The HQ AMC Commander will inform the Secretary of the Air Force immediately upon each implementation of the indemnification clause.

Approval was also granted to indemnify subcontractors that request indemnification, with respect to those risks as defined below.

DEFINITIONS OF UNUSUALLY HAZARDOUS RISKS APPLICABLE TO CRAF FY 1994 AND FY 1995 ANNUAL AIRLIFT CONTRACTS

1. Definitions:

a. "Civil Reserve Air Fleet (CRAF) Mission" means the provision of airlift services under this contract (1) ordered pursuant to authority available because of the activation of CRAF, or (2) directed by Commander, Air Mobility Command (AMC/CC), or his successor for missions substantially similar to, or in lieu of, those ordered pursuant to formal CRAF activation.

b. "Airlift Services" means all services (passenger, cargo, or medical evacuation), and anything the contractor is required to do in order to conduct or position the aircraft, personnel, supplies, and equipment for a flight and return. Airlift Services include Senior Lodger and other ground related services supporting CRAF missions. Airlift Services do not include any services involving any persons or things which, at the time of the event, act, or omission giving rise to a claim, are directly supporting commercial business operations unrelated to a CRAF mission objective.

c. "War risks" means risks of:

(1) War (including war between the Great Powers), invasion, acts of foreign enemies, hostilities (whether declared or not), civil war, rebellion, revolution, insurrection, martial law, military or usurped power, or attempt at usurpation of power;

(2) Any hostile detonation of any weapon of war employing atomic or nuclear fission and/or fusion, or other like reaction or radioactive force or matter;

(3) Strikes, riots, civil commotions, or labor disturbances related to occurrences under subparagraph (1) above;

(4) Any act of one or more persons, whether or not agents of a sovereign power, for politi-

cal or terrorist purposes, and whether the loss or damage resulting therefrom is accidental or intentional, except for ransom or extortion demands;

(5) Any malicious act or act of sabotage, vandalism, or other act intended to cause loss or damage;

(6) Confiscation, nationalization, seizure, restraint, detention, appropriation, requisition for title or use by, or under the order of, any Government (whether civil or military or de facto), public, or local authority;

(7) Hijacking or any unlawful seizure or wrongful exercise of control of the aircraft or crew (including any attempt at such seizure or control) made by any person or persons on board the aircraft or otherwise acting without the consent of the insured; or

(8) The discharge or detonation of a weapon or hazardous material while on the aircraft as cargo or in the personal baggage of any passenger.

2. For the purpose of the contract clause entitled "Indemnification Under P.L. 85-804 (APR 1984)," it is agreed that all war risks resulting from the provisions of airlift services for a CRAF mission, in accordance with the contract, are unusually hazardous risks, and shall be indemnified to the extent that such risks are not covered by insurance procured under Title XIII of the Federal Aviation Act of other insurance, because such insurance has been canceled, has applicable exclusions, or has been determined by the government to be prohibitive in cost. The government's liability to indemnify the contractor shall not exceed that amount for which the contractor commercially insures under its established policies of insurance.

3. Indemnification is provided for personal injury and death claims resulting from the transportation of medical evacuation patients, whether or not the claim is related to war risks.

4. Indemnification of risks involving the operation of aircraft, as discussed above, is limited to claims or losses arising out of events, acts, or omissions involving the operation of an aircraft for airlift services for a CRAF mission, from the time that aircraft is withdrawn from the contractor's regular operations (commercial, DOD, or other activity unrelated to airlift services for a CRAF mission), until it is returned for regular operations. Indemnification with regard to other contractor personnel or property utilized or services rendered in support of CRAF missions is limited to claims or losses arising out of events, acts, or omissions occurring during the time the first repositioning of personnel, supplies, and equipment to support the first aircraft of the contractor used for airlift services for a CRAF mission is commenced, until the timely removal of such personnel, supplies, and equipment after the last such aircraft is returned for regular operations.

5. Indemnification is contingent upon the contractor maintaining, if available, non-premium insurance under Title XIII of the Federal Aviation Act and normal commercial insurance, as required by this contract or other competent authority. Indemnification for losses covered by a contractor self-insurance program shall only be on such terms as incorporated in this contract by the contracting officer in advance of such a loss.

Contractor: Boeing Defense and Space Group, Seattle, WA.

Type of action: Contingent Liability.

Actual or estimated potential cost: The amount the Contractor will be indemnified by the Government can not be predicted, but entail missions of dollars.

Service and activity: Department of the Air Force, AFMC/CC.

Description of product or service: Inertial Upper Stages (IUS) Program.

Background: Boeing Defense and Space Group, Seattle, WA, has requested indemnification for themselves and their major subcontractors, United Technologies Chemical Systems Division (CSD), and Lockheed Missiles & Space Company (LMSC), under P.L. 85-804, as implemented by Executive Order 10789, for the unusually hazardous risks as defined below. This indemnification request is applicable to performance of contract F04701-91-C-0011. An accident resulting from launch or landfall of the IUS or its components could be catastrophic.

The Administrative Contracting Officer (ACO) has reviewed Boeing's safety program and deemed it to be in compliance with the applicable safety requirements and acceptable for performance of this contract. In addition, Boeing currently has insurance coverage in force, and complete details of the exclusions and deductibles are contained in the schedule attached to their request. The cognizant ACO has reviewed the insurance policies and found them satisfactory and reasonable under normal business conditions. No significant changes in these insurance coverages are expected to occur during the course of this contract, except for annual updates of insurance in force and monetary limits. If the dollar value of coverage varies by more than 10 percent from that stated in the schedules provided, the contractor shall immediately submit to the contracting officer a description of the changes. It was found that the insurance coverage identified in the schedules represents an appropriate level of financial protection to permit indemnification.

Justification: The specific risks for this indemnification of Boeing have been identified below. No actual cost to the Government is anticipated as a result of the actions to be accomplished under a memorandum signed by the Secretary of the Air Force on November 4, 1994. However, if the contractor suffers losses or incurs damages as a result of the occurrence of a risk as defined below, and if those losses or damages, exclusive of losses or damages that are within the contractor's insurance deductible limits, are not compensated by the contractor's insurance, the contractor will be indemnified by the Government. It is recognized that the amount of this indemnification can not be predicted, but could entail many millions of dollars.

Aside from their importance to the IUS program, Boeing is a prime contractor for other major programs. A catastrophic financial impact on Boeing could have implications on their ability to produce launch vehicle upper stages, and ultimately on the existing defense system. Accordingly, it was found that the incorporation of an indemnification clause in this contract would facilitate the national defense.

Decision: Therefore, under the authority of P.L. 85-804 and Executive Order 10789, as amended, the indemnification of Boeing against those unusually hazardous risks, as defined below, to the extent claims arising thereunder are not covered by self-insurance or compensated by insurance coverage, facilitates the national defense was approved. Indemnification under this authorization shall be effected by including the clause at FAR 52.250-1, entitled "Indemnification Under P.L. 85-804 (Apr 1984)" and Attachment 1 in contract F04701-91-C-0011. This approval is contingent upon Boeing maintaining their aggressive safety program and current insurance coverage.

Boeing has requested indemnification be extended to their major subcontractors, United Technologies Chemical Systems Division (CSD), and Lockheed Missiles and Space Company (LMSC), with respect to the same

risks as defined below. Approval to indemnify these subcontractors was granted exclusive of any insurance coverage amounts provided the contracting officer approves inclusion of the clause in each subcontract. This approval may only be granted in the case where the contracting officer determines that the subcontractors' insurance coverage represents an appropriate level of financial protection, and that, based upon a safety inspection, the subcontractors adhere to good safety practices.

DEFINITION OF UNUSUALLY HAZARDOUS RISKS CONTRACT F04701-91-C09911 (APPLICABLE TO BOEING DEFENSE AND SPACE GROUP, UNITED TECHNOLOGIES CHEMICAL SYSTEMS DIVISION, AND LOCKHEED MISSILES AND SPACE COMPANY ONLY)

For the purpose of contract clause entitled "Indemnification Under Public Law 85-804 (APR 1984)," it is agreed that all risks resulting from, or in connection with:

a. The burning, explosion, or detonation of launch vehicles or components thereof during preparation, casting, and testing of Solid Rocket Motor (SRM) propellant, shipment of SRMs, launch processing liftoff or flight, abort landing or subsequent return of the Inertial Upper Stage (IUS) to the launch site; and

b. The landfall of launch vehicles or components or fragments thereof, are unusually hazardous risks, unless it is proven that the contractor's liability arose from causes entirely independent of the design, fabrication, testing or furnishing of products or services under this contract.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

576. A letter from the Director, Administration and Management, Office of the Secretary of Defense, transmitting the calendar year 1994 report on "Extraordinary Contractual Actions to Facilitate the National Defense," pursuant to 50 U.S.C. 1434; to the Committee on National Security.

577. A letter from the Chairman, Defense Environmental Response Task Force, transmitting a report of the Defense Environmental Response Task Force for fiscal year 1994; to the Committee on National Security.

578. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notification concerning the Department of the Army's proposed Letter(s) of Offer and Acceptance [LOA] to Greece for defense articles and services (Transmittal No. 95-08), pursuant to 22 U.S.C. 2776(b); to the Committee on International Relations.

579. A letter from the Acting Director, Defense Security Assistance Agency, transmitting the Department of the Navy's proposed lease of defense articles to Brazil (Transmittal No. 15-95), pursuant to 22 U.S.C. 2796a(a); to the Committee on International Relations.

580. A communication from the President of the United States, transmitting an update of events in Haiti (Operation "Uphold Democracy") consistent with the War Powers Resolution to ensure that the Congress is kept fully informed regarding events in Haiti (H. Doc. No. 104-50); to the Committee on International Relations and ordered to be printed.

581. A letter from the Chairman, Administrative Conference of the United States, transmitting the 1994 annual report in compliance with the Inspector General Act Amendments of 1988, pursuant to Public Law

95-452, section 5(b) (10 Stat. 2526); to the Committee on Government Reform and Oversight.

582. A letter from the Chairman, Federal Deposit Insurance Corporation, transmitting a copy of the annual report in compliance with the Government in the Sunshine Act during the calendar year 1994, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Reform and Oversight.

583. A letter from the Director, Office of Government Ethics, transmitting a report of activities under the Freedom of Information Act for calendar year 1994, pursuant to 5 U.S.C. 552(d); to the Committee on Government Reform and Oversight.

584. A letter from the Vice President and General Counsel, Overseas Private Investment Corporation, transmitting a report of activities under the Freedom of Information Act for calendar year 1994, pursuant to 5 U.S.C. 552(e); to the Committee on Government Reform and Oversight.

585. A letter from the Adjutant General, Veterans of Foreign Wars of the United States, transmitting the financial audit for the fiscal year ended August 31, 1994, together with the auditor's opinion, pursuant to 36 U.S.C. 1101(47), 1103; to the Committee on Judiciary.

586. A letter from the Comptroller General of the United States, transmitting a report addressing the deficit entitled "Budgetary Implications of Selected GAO Work for FY 1996" (GAD/OCG-95-2); jointly, to the Committee on Government Reform and Oversight and the Budget.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BUYER:

H.R. 1288. A bill to amend the Solid Waste Disposal Act to permit Governors to limit the disposal of out-of-State solid waste in their States, and for other purposes; to the Committee on Commerce.

By Mr. ACKERMAN (for himself, Ms. ROS-LEHTINEN, Mr. MCCOLLUM, Mrs. SCHROEDER, Mr. SMITH of New Jersey, Mr. LEWIS of Georgia, Mr. DELAY, Mr. MCDERMOTT, Ms. MOLINARI, Mr. TAUZIN, Mr. GILMAN, Mr. MFUME, Mrs. KENNELLY, Mr. ABERCROMBIE, Mr. ANDREWS, Mr. BAESLER, Mr. BALDACC, Mr. BARRETT of Wisconsin, Mr. BELENSEN, Mr. BENTSEN, Mr. BERMAN, Mr. BEVILL, Mr. BILBRAY, Mr. BISHOP, Mr. BOEHLERT, Mr. BORSKI, Mr. BOUCHER, Mr. BREWSTER, Mr. BROWDER, Ms. BROWN of Florida, Mr. BROWN of Ohio, Mr. BRYANT of Tennessee, Mr. BRYANT of Texas, Mr. BURTON of Indiana, Mr. CALLAHAN, Mr. CALVERT, Mr. CANADY, Mr. CHAPMAN, Mrs. CHENOWETH, Mr. CLAY, Mrs. CLAYTON, Mr. CLEMENT, Mr. CLYBURN, Mr. COLEMAN, Miss COLLINS of Michigan, Mrs. COLLINS of Illinois, Mr. CONDUIT, Mr. CONYERS, Mr. COSTELLO, Mr. COYNE, Mr. CRAMER, Mr. DEFazio, Mr. DE LA GARZA, Mr. DELLUMS, Mr. DEUTSCH, Mr. DIAZ-BALART, Mr. DICKS, Mr. DIXON, Mr. DORNAN, Mr. DOYLE, Mr. EDWARDS, Mr. ENGEL, Ms. ESHOO, Mr. EVANS, Mr. EVERETT, Mr. FARR, Mr. FATTAH, Mr. FAZIO of California, Mr. FIELDS of Louisiana, Mr. FILNER, Mr. FOGLETTA, Mr. FOLEY, Mr. FORBES, Mr. FORD, Mr. FOX, Mr. FRISA, Mr. FROST, Mr. FUNDERBURK, Ms. FURSE, Mr. GALLEGLY, Mr. GEJDESON, Mr. PETE GEREN of Texas, Mr. GIBBONS, Mr.

GILLMOR, Mr. GORDON, Mr. GOSS, Mr. GENE GREEN of Texas, Mr. GREENWOOD, Mr. GUTIERREZ, Mr. GUTKNECHT, Mr. HALL of Ohio, Mr. HALL of Texas, Ms. HARMAN, Mr. HASTINGS of Florida, Mr. HAYES, Mr. HEFNER, Mr. HILLIARD, Mr. HINCHEY, Mr. HOLDEN, Mr. HOUGHTON, Mr. HOYER, Mr. INGLIS of South Carolina, Ms. JACKSON-LEE, Mr. JACOBS, Mr. JEFFERSON, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. SAM JOHNSON, Mr. JOHNSTON of Florida, Mr. KANJORSKI, Ms. KAPTUR, Mr. KILDEE, Mr. KING, Mr. KINGSTON, Mr. KLECZKA, Mr. KLING, Mr. LAFALCE, Mr. LANTOS, Mr. LAUGHLIN, Mr. LAZIO of New York, Mr. LEVIN, Mrs. LINCOLN, Mr. LIPINSKI, Ms. LOFGREN, Ms. LOWEY, Mr. MANTON, Mr. MANZULLO, Mr. MARTINEZ, Mr. MARTINI, Mr. MASCARA, Mr. MATSUI, Ms. MCCARTHY, Mr. MCHALE, Mr. MCHUGH, Ms. MCKINNEY, Mr. McNULTY, Mr. MEEHAN, Mrs. MEEK of Florida, Mr. METCALF, Mr. MENENDEZ, Mr. MILLER of Florida, Mr. MILLER of California, Mr. MINETA, Mr. MINGE, Mrs. MINK of Hawaii, Mr. MOAKLEY, Mr. MONTGOMERY, Mr. MORAN, Mr. MURTHA, Mr. NEAL of Massachusetts, Mr. OBERSTAR, Mr. ORTIZ, Mr. ORTON, Mr. PALLONE, Mr. PARKER, Mr. PASTOR, Mr. PAXON, Mr. PAYNE of Virginia, Mr. PAYNE of New Jersey, Mr. PETERSON of Florida, Mr. PICKETT, Mr. POMBO, Mr. POMEROY, Mr. POSHARD, Ms. PRYCE, Mr. QUINN, Mr. RAHALL, Mr. RANGEL, Mr. REYNOLDS, Mr. RICHARDSON, Ms. RIVERS, Mr. ROHRBACHER, Mr. ROSE, Mrs. ROUKEMA, Ms. ROYBAL-ALLARD, Mr. ROYCE, Mr. RUSH, Mr. SABO, Mr. SAWYER, Mr. SCHIFF, Mr. SCOTT, Mr. SHAW, Mr. SKELTON, Mrs. SMITH of Washington, Mr. SOLOMON, Mr. SOUDER, Mr. STARK, Mr. STEARNS, Mr. STENHOLM, Mr. STOCKMAN, Mr. STOKES, Mr. STUMP, Mr. TANNER, Mr. TAYLOR of Mississippi, Mr. TEJEDA, Mr. THOMAS, Mr. THOMPSON, Mrs. THURMAN, Mr. TORKILDSEN, Mr. TORRES, Mr. TORRICELLI, Mr. TOWNS, Mr. TRAFICANT, Mr. TUCKER, Mr. UNDERWOOD, Mr. UPTON, Mr. VENTO, Mr. VISLOSKY, Mr. VOLKMER, Mrs. WALDHOLTZ, Ms. WATERS, Mr. WATT of North Carolina, Mr. WELLER, Mr. WILLIAMS, Mr. WILSON, Mr. WISE, Ms. WOOLSEY, Mr. WYDEN, Mr. WYNN, Mr. YATES, Mr. YOUNG of Alaska, and Mr. ZIMMER):

H.R. 1289. A bill to require in certain circumstances that States disclose the HIV status of newborn infants to legal guardians of the infants, and for other purposes; to the Committee on Commerce.

By Mr. COOLEY:

H.R. 1290. A bill to reinstate the permit for, and extend the deadline under the Federal Power Act applicable to the construction of, a hydroelectric project in Oregon, and for other purposes; to the Committee on Commerce.

By Mr. GREENWOOD (for himself, Mr. FRANKS of New Jersey, Mr. FRANK of Massachusetts, and Mr. HORN):

H.R. 1291. A bill to amend title 39, United States Code, to provide that the provisions of law preventing Members of Congress from sending mass mailings within the 60-day period immediately before an election be expanded so as to prevent Members from mailing any unsolicited franked mail within that period, and for other purposes; to the Committee on House Oversight, and in addition to the Committee on Government Reform

and Oversight, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. HYDE:

H.R. 1292. A bill to revise, codify, and enact without substantive change certain general and permanent laws, related to aliens and nationality, as title 8, United States Code, "Aliens and Nationality"; to the Committee on the Judiciary.

By Mr. JOHNSON of South Dakota (for himself and Mr. COSTELLO):

H.R. 1293. A bill to amend the Employee Retirement Income Security Act of 1974 with respect to rules governing litigation contesting termination or reduction of retiree health benefits; to the Committee on Economic and Educational Opportunities.

By Mr. LATHAM:

H.R. 1294. A bill to prohibit the Secretary of the Army from modifying water control policies in a manner which would interfere with the use of navigation channels; to the Committee on Transportation and Infrastructure.

By Mr. MOORHEAD (for himself, Mr. SENSENBRENNER, Mr. COBLE, Mr. CANADY, Mr. GOODLATTE, Mr. BONO, and Mr. BOUCHER):

H.R. 1295. A bill to amend the Trademark Act of 1946 to make certain revisions relating to the protection of famous marks; to the Committee on the Judiciary.

By Ms. PELOSI (for herself, Mr. HORN, Mr. GILMAN, and Mr. LANTOS):

H.R. 1296. A bill to provide for the administration of certain Presidio properties at minimal cost to the Federal taxpayer; to the Committee on Resources.

By Mr. SHAYS (for himself and Mr. BORSKI):

H.R. 1297. A bill to promote a new urban agenda, and for other purposes; to the Committee on Ways and Means, and in addition to the Committees on Banking and Financial Services, Science, Commerce, Transportation and Infrastructure, Government Reform and Oversight, and International Relations, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. Thomas (for himself and Mr. MOORHEAD):

H.R. 1298. A bill to amend the Federal Food, Drug, and Cosmetic Act to exempt fluid milk standards of the State of California from preemption in order to guarantee the same high quality fluid milk to the consumers of California that they have received since 1961; to the Committee on Commerce.

By Mr. THOMAS (for himself, Mr. STARK, and Mr. FARR):

H.R. 1299. A bill to amend the Internal Revenue Code of 1986 with respect to the treatment of certain charitable risk pools; to the Committee on Ways and Means.

By Mr. UPTON (for himself, Mr. GREENWOOD, Mr. BURR, Mr. NORWOOD, Mr. COBURN, Mr. BILBRAY, Mr. HASTERT, Mr. GANSKE, Mr. TOWNS, Mr. COX, Mr. GILLMOR, Mr. MOORHEAD, Mr. HALL of Texas, Mr. BRYANT of Tennessee, Mr. KNOLLENBERG, Mr. CHRYSLER, Mr. CAMP, Mr. BARCIA, Mr. EHLERS, Mr. MARTINI, Mr. CALVERT, Mr. ROHRABACHER, Mr. MCINTOSH, Mr. CHAMBLISS, Mr. COOLEY, Mr. BREWSTER, Mr. FRELINGHUYSEN, Mr. CHABOT, Mr. TRAFICANT, Mr. SOLOMON, Mr. OXLEY, Mrs. CHENOWETH, and Mr. RAMSTAD):

H.R. 1300. A bill to amend the Federal Food, Drug, and Cosmetic Act to authorize the export of new drugs, and for other purposes; to the Committee on Commerce.

By Mr. VENTO (for himself, Mr. REGULA, Mr. RAHALL, Mr. NEAL of Massachusetts, Mr. TORKILDSEN, Mr. HINCHEY, Mr. BLUTE, Mr. COYNE, Mr. SAWYER, Mr. TRAFICANT, Mr. HALL of Ohio, Mr. MEEHAN, Mr. REED, Mr. BOEHLERT, Mr. BOUCHER, Mr. MOLLOHAN, and Mr. HOKE):

H.R. 1301. A bill to establish the American Heritage Areas Partnership Program, and for other purposes; to the Committee on Resources.

By Mr. WISE (for himself, Mr. ACKERMAN, Mr. MASCARA, Mr. OWENS, Ms. PELOSI, Mr. STUDDS, Mr. YATES, and Mr. CLINGER):

H.R. 1302. A bill to establish the Capital Budget Commission; to the Committee on Government Reform and Oversight.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. MONTGOMERY (by request) introduced a bill (H.R. 1303) for the relief of John T. Monk; which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 10: Mr. HEFLEY and Mr. LUCAS.
 H.R. 29: Mr. KNOLLENBERG.
 H.R. 65: Ms. DANNER and Mr. COX.
 H.R. 103: Mr. RAHALL, Mr. FOX, Mr. WILSON, Mr. STUPAK, Mr. WELDON of Pennsylvania, Mr. CLEMENT, Mr. WALSH, Mr. FOGLETTA, and Mr. CANADY.
 H.R. 104: Mr. ENGLISH of Pennsylvania.
 H.R. 107: Mr. CALVERT.
 H.R. 116: Ms. HARMAN, Mr. HUNTER, Mr. PACKARD, Mr. FILNER, Mr. CUNNINGHAM, Mr. HORN, Mr. CALVERT, Mr. KIM, Mr. LEWIS of California, Mr. RIGGS, and Mr. GALLEGLY.
 H.R. 125: Mr. DINGELL, Mr. LEWIS of Kentucky, and Mr. PACKARD.
 H.R. 218: Mr. BONO.
 H.R. 248: Mr. EHLERS and Mr. HUTCHINSON.
 H.R. 303: Ms. DANNER.
 H.R. 329: Mr. FUNDERBURK.
 H.R. 359: Mr. THORNBERRY and Mr. YATES.
 H.R. 467: Mr. CALVERT and Mr. DOYLE.
 H.R. 497: Mr. GUTKNECHT, Mr. PETE GEREN of Texas, and Mrs. WALDHOLTZ.
 H.R. 528: Mr. RAMSTAD.
 H.R. 580: Mr. FILNER, Mr. STEARNS, Mr. ROHRABACHER, Mr. HANCOCK, Mr. GENE GREEN of Texas, Mr. HEFNER, Mr. UNDERWOOD, and Mr. MONTGOMERY.
 H.R. 592: Mr. BONO and Mr. HANCOCK.
 H.R. 605: Mr. BAKER of Louisiana.
 H.R. 661: Mr. TORKILDSEN.
 H.R. 682: Mr. LAHOOD and Mrs. VUCANOVICH.
 H.R. 698: Mr. LEWIS of Kentucky.
 H.R. 743: Mr. NORWOOD, Mr. HALL of Texas, Mr. ZIMMER, Mr. FATTAH, and Mr. QUILLEN.
 H.R. 769: Mr. SHAYS, Mr. FIELDS of Texas, Mr. FALCOMA, Mr. BAKER of California, Mr. DIAZ-BALART, Mr. PETRI, Mrs. CUBIN, Mr. EHLERS, Mr. GREENWOOD, Mr. NORWOOD, Mr. MARTINEZ, and Mr. WELLER.
 H.R. 777: Mr. ABERCOMBIE, Mr. CARDIN, Mr. CLEMENT, Mr. COLEMAN, Mr. DEUTSCH, Ms. DUNN of Washington, Mr. GALLEGLY, Mr. HALL of Ohio, Mr. HOLDEN, Mr. HYDE, Mr. JOHNSON of South Dakota, Mr. MCHUGH, Mrs. MALONEY, Mr. MEEHAN, Mr. MOAKLEY, Mr. OBERSTAR, Mr. OWENS, Mr. ROGERS, Ms. ROSLEHTINEN, Mr. SANDERS, Mr. SCOTT, Mr. SERRANO, Mr. TORKILDSEN, Mr. UNDERWOOD, Mr. FILNER, Mr. COOLEY, Ms. NORTON, and Mr. FOGLETTA.

H.R. 778: Mr. ABERCOMBIE, Mr. CARDIN, Mr. CLEMENT, Mr. COLEMAN, Mr. DEFazio, Mr. DEUTSCH, Ms. DUNN of Washington, Mr. GALLEGLY, Mr. HALL of Ohio, Mr. HOLDEN, Mr. HYDE, Mr. JOHNSON of South Dakota, Mr. MCHUGH, Mrs. MALONEY, Mr. MEEHAN, Mr. MOAKLEY, Mr. OBERSTAR, Mr. OWENS, Mr. ROGERS, Ms. ROSLEHTINEN, Mr. SANDERS, Mr. SCOTT, Mr. SERRANO, Mr. TORKILDSEN, Mr. UNDERWOOD, Mr. WELLER, Mr. FILNER, Mr. COOLEY, Ms. NORTON, and Mr. FOGLETTA.

H.R. 779: Mr. FOGLETTA and Mr. SERRANO.
 H.R. 780: Mr. FOGLETTA and Mr. SERRANO.
 H.R. 782: Mr. JOACBS and Mr. LEWIS of California.

H.R. 789: Mr. GILCHREST.

H.R. 820: Mr. BACHUS, Mr. DOOLEY, and Mr. EHLERS.

H.R. 842: Mr. JACOBS, Mr. DOYLE, Mr. KLINK, Ms. ESHOO, Mr. UPTON, Mr. BEREUTER, Mr. CHAPMAN, Mr. BONO, Mr. SCARBOROUGH, Mr. McNULTY, Mr. NADLER, Mr. CREMEANS, Mr. CRAPO, Mr. LONGLEY, Mr. DOOLITTLE, Mr. VOLKMER, Mr. GEJDENSON, Mr. STUPAK, Mr. ROBERTS, Mr. GILLMOR, Mr. LEWIS of California, Mr. DAVIS, Mr. BAESLER, Mr. NEY, Mr. RIGGS, Mr. HOUGHTON, Mr. DEAL of Georgia, Mr. WELDON of Pennsylvania, Mr. COOLEY, Mr. MONTGOMERY, Ms. DUNN of Washington, Mr. MYERS of Indiana, Mr. NEUMANN, Mr. HEINEMAN, Mr. WATTS of Oklahoma, Mr. LEWIS of Kentucky, Mrs. LOWEY, Mr. MCHUGH, Mr. PAYNE of New Jersey, Mr. SISKY, Mr. DORNAN, Mrs. CHENOWETH, Mr. CHRYSLER, Mr. FUNDERBURK, Mr. HINCHEY, Mrs. LINCOLN, Mr. MATSUI, Mr. GALLEGLY, Mr. ENSIGN, Mr. HILLIARD, Mrs. CUBIN, Mr. ROSE, Mr. METCALF, Mr. CAMP, Mr. CALVERT, Mr. SCHIFF, Mr. POSHARD, Mr. RICHARDSON, Mr. SMITH of Texas, and Mrs. WALDHOLTZ.

H.R. 893: Mr. PAYNE of New Jersey, Mr. PALLONE, Mr. DINGELL, Mr. GOSS, and Mr. OXLEY.

H.R. 896: Ms. DELAURO, Ms. LOWEY, and Mr. OBEY.

H.R. 914: Mr. THOMPSON and Mr. GENE GREEN of Texas.

H.R. 934: Mrs. CHENOWETH.

H.R. 935: Mrs. CHENOWETH.

H.R. 990: Mr. BRYANT of Texas, Mr. NEY, Mr. SABO, Mr. GENE GREEN of Texas, Mr. RAHALL, Mr. MONTGOMERY, Mr. EMERSON, and Mr. FROST.

H.R. 995: Mr. ALLARD, Mr. PICKETT, and Mr. GALLEGLY.

H.R. 996: Mr. ALLARD and Mr. PICKETT.

H.R. 1010: Mr. JACOBS, Ms. LOWEY, Mr. PAYNE of New Jersey, Mr. BARTON of Texas, and Ms. PELOSI.

H.R. 1020: Mr. STUPAK, Mrs. FOWLER, Mr. GUNDERSON, Mr. ROHRABACHER, Mr. KNOLLENBERG, Mr. CRAPO, Mr. BALLENGER, Mr. FRELINGHUYSEN, Mr. JEFFERSON, Mr. MINGE, Mr. HUTCHINSON, Mr. SCARBOROUGH, Mr. BACHUS, and Mr. CHRYSLER.

H.R. 1023: Mr. BAKER of Louisiana and Mr. YATES.

H.R. 1033: Mr. WAXMAN, Mr. KNOLLENBERG, Mrs. MALONEY, Mr. FORBES, Mr. McNULTY, Mr. FRISA, and Mr. TORRICELLI.

H.R. 1044: Mr. FOGLETTA and Mr. ENGLISH of Pennsylvania.

H.R. 1056: Ms. ROYBAL-ALLARD.

H.R. 1085: Mrs. LINCOLN.

H.R. 1103: Mr. CHAMBLISS.

H.R. 1114: Mr. ROSE, Mr. EHRlich, Mr. PAXON, Mr. KNOLLENBERG, and Mrs. CHENOWETH.

H.R. 1143: Mr. KIM, Mr. DOYLE, Mr. EVANS, Mr. OXLEY, Mr. LATOURETTE, Mr. BONO, Mr. BAKER of Louisiana, and Mr. LIPINSKI.

H.R. 1144: Mr. KIM, Mr. DOYLE, Mr. EVANS, Mr. OXLEY, Mr. LATOURETTE, Mr. BONO, Mr. BAKER of Louisiana, and Mr. LIPINSKI.

H.R. 1145: Mr. KIM, Mr. EVANS, Ms. RIVERS, Mr. OXLEY, Mr. BONO, Mr. BAKER of Louisiana, and Mr. LIPINSKI.

H.R. 1187: Mr. BREWSTER.

H.R. 1233: Mr. ABERCROMBIE, Mr. ACKERMAN, Mr. BOUCHER, Mr. CLYBURN, Mr. FROST, Mr. LAFALCE, Mr. MASCARA, Mr. OWENS, Ms. PELOSI, Mr. STUDDS, and Mr. YATES.

H.R. 1244: Mr. CONYERS.

H.R. 1250: Mr. NADLER.

H.J. Res. 79: Mr. MCINTOSH.

H. Con. Res. 12: Mr. BONO.

H. Con. Res. 21: Mr. MANTON, Mr. SERRANO, Mr. UNDERWOOD, Ms. FURSE, Mrs. MORELLA,

Mr. WAXMAN, Mr. FAZIO of California, and Mr. REED.

H. Con. Res. 45: Mr. HEFNER, Mr. SANDERS, and Mr. JOHNSON of South Dakota.

H. Res. 21: Mr. ROHRABACHER.

H. Res. 39: Mr. JACOBS and Mr. WATT of North Carolina.

H. Res. 97: Mrs. CHENOWETH.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 390: Mr. STARK.