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The House met at 10 a.m. and was called to order by the Speaker pro tempore [Mr. LAZIO of New York].

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
June 12, 1996.

I hereby designate the Honorable RICK LAZIO to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

May words of gratitude ring from our hearts, O God, and may the spirit of thanksgiving ever lift our souls. When we look for remedies for the ills of the world and when we wonder why we have often forgotten our spiritual roots, may we meditate on the wonders of Your creation and the glories of the favor You have given to us. When we contemplate Your grace, O God, and the wonderful gifts that fill our days, our very beings are filled to overflowing with thanksgiving, with gratitude and with praise. For these good gifts and for the opportunities of this new day, we offer these words of prayer. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. RIGGS. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER pro tempore. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker pro tempore announced that the ''noes'' appeared to have it.

Mr. RIGGS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to the provisions of clause 5 of rule I, further proceedings on this question will be postponed.

The point of no quorum is considered withdrawn.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Texas, Mr. PETE GEREN, come forward and lead the House in the Pledge of Allegiance.

Mr. PETE GEREN of Texas led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a resolution of the House of the following title:

H. Con. Res. 172. Concurrent resolution authorizing the 1996 Summer Olympic Torch Relay to be run through the Capitol Grounds, and for other purposes.

The message further announced that pursuant to Public Law 104–127, the Chair, on behalf of the majority leader, appoints Sheri L. Chapman, of Idaho, and Richard K. Golb, of California, to the Water Rights Task Force.

The message also announced that pursuant to Public Law 104–127, the Chair, on behalf of the Democratic leader, appoints Elizabeth Ann Ricke, of Colorado, to the Water Rights Task Force.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will entertain fifteen 1-minutes on each side.

FBI FILES

(Mr. BOEHNER asked and was given permission to address the House for 1 minute.)

Mr. BOEHNER. Mr. Speaker, in 1992, candidate Bill Clinton refused to sign a waiver that would allow the FBI to release requested information from his FBI file. The candidate's, in 1992, press secretary said and I quote, ''It is a personal file and he is not going to do it.''

It just so happens that I have a staffer who works in my office whose name happens to be on that list of FBI files that happens to be at the White House. Nobody knows how. Nobody knows why. I wonder how she feels about her name and her file being displayed at the White House. Who saw it? What did they do with the information?

Mr. Speaker, as the chaplain said, today is a new day. In 1992, Bill Clinton promised the most ethical administration in the history of this country, the most ethical. Today is a new day. I think it is time for the President and the White House to work fully with the FBI and to work openly and fully with this Congress to determine who knew what, when they knew it and what they are going to do to correct the problem.

FLAG DAY PRAYER CONCERT

(Mr. PETE GEREN of Texas asked and was given permission to address the House for 1 minute.)

Printed on recycled paper.

Mr. PETE GEREN of Texas. Mr. Speaker, from 12:30 to 2 in the Canon Caucus Room, Members of the Congress will gather with the VA-National Medical Musical Group for the first Congressional Flag Day Prayer Concert.

VA–NMMG will be joined by singers Judy Collins, Wintley Phipps, Detra Battle, and Naoko Okada, and by various Members of Congress who will narrate the program with patriotic and inspirational readings. NBC's Tim Russert and Adrian Cronauer, the military broadcaster who inspired ''Good Morning, Vietnam,'' will act as masters of ceremony.

The program, which will focus on prayer for our troops in Bosnia and for peace in the Balkans, was developed by the VA–NMMG, a highly-acclaimed chorale and symphony group made up of doctors, nurses, scientists, veterans, and students. These individuals come from veterans' and other medical centers and medical schools across the United States. VA–NMMG, which formed in 1983, has performed at the Reagan, Bush, and Clinton White Houses and for such dignitaries as Pope John Paul II and members of the United Nations.

Mr. Speaker, I urge my colleagues to join us today, join us in this occasion of prayer, join us in this celebration of Flag Day.

FBI FILES IN WHITE HOUSE

(Mr. HEFLEY asked and was given permission to address the House for 1 minute.)

Mr. HEFLEY. Mr. Speaker, this morning's New York Times features an editorial that is highly critical of the Clinton administration in it's involvement in raiding the FBI files of former Republican White House employees.

Let me just quote some of the questions raised by the New York Times, ''There are deeper questions here. What, for example, were the Attorney General and the F.B.I. Director doing while their control of their agency was being usurped? If Bernard Nussbaum * * * was out of the loop, why was his letterhead weighty enough to unlock hundreds of confidential files at an agency not under his supervision? * * * The FBI and the Secret Service have always been at the center of the review and documentation process. Why suddenly was a temporary employee from the Department of Defense given the task of security vetting of White House staff and visitors?''

The Times concludes by saying, ''These are executive questions of a historically important nature. We would think the current Chief Executive would be first in line demanding answers.''

MARGE SCHOTT AND THE CINCINNATI REDS

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

Mr. TRAFICANT. Mr. Speaker, most Americans agree that the statements of Marge Schott, owner of the Cincinnati Reds, were crude, rude, repugnant, ignorant, and disgusting, to say the least.

Mr. Speaker, was Marge Schott wrong? Yes. Do baseball owners have the right to be upset? Yes. Do baseball owners have the right to sanction Marge Schott? Yes.

Do baseball owners have the right to strip Marge Schott of the ownership of the Cincinnati Reds? I say absolutely not. The baseball owners can fine her; they can sanction her; but, by God, they cannot take her ownership of the Reds away.

We may disagree with what she says, but she has the right to say it. The fact is, I believe that Marge Schott is more of a threat to sobriety than she is a threat to our society. Think about that one.

I yield back the balance of any ownership. There is still a Constitution around here.

PATENT PROTECTION

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

Mr. ROHRABACHER. Mr. Speaker, next week this House will have a chance to vote on H.R. 3460, the Moorhead–Schroeder Patent Act, which I believe should be entitled the ''Steal American Technologies Act.''

Members of the Committee on the Judiciary yesterday were given inaccurate answers to questions, and this bill passed right through that committee and will be heading toward this floor next week.

The bill mandates, mandates that every patent application that is made to the United States Patent Office be published after 18 months, whether or not the patent has been issued. Do my colleagues understand what that means? That means every new idea our people come up with, whether or not they have been issued the patents, it will be published for the entire world to see. It is an invitation to steal every new American technological idea. It is an insane mandate, and it is in this bill.

The bill also obliterates the Patent Office and resurrects it as a quasi-independent corporation, like the post office. Only with that, congressional oversight is limited and patent examiners are stripped of their right of civil service protection.

It is an invitation to steal American technology. H.R. 3460 must be defeated.

FAILURE ON BUDGET RESOLUTION

(Mr. DOGGETT asked and was given permission to address the House for 1 minute.)

Mr. DOGGETT. Mr. Speaker, yesterday this failed Congress failed to act on the national budget resolution. Apparently the budget resolution advanced by the Gingrich leadership was so bad that even some of our Republican colleagues could not stomach it.

In fact, I quote from a leaflet that one of them sent out, Do we want the deficit to go back up, the budget resolution conference report shows the budget deficit going back up again, reversing the gains made in the past 3 years.

He could have added, under President Clinton. And he is exactly right. Their resolution increases the budget deficit, and he urges the House to reject the conference report.

These are the same Republicans who in the name of deficit reduction said they were willing to cut Medicare, the same Republicans who in the name of deficit reduction shut down the Government with their antics of last year. Yet now that we have an election coming along, they are willing to let the budget deficit soar.

Those of us who backed the conservative coalition budget have a better way. Balance the budget now without unbalancing the budgets of American working families and without wrecking Medicare.

ROBERT J. DOLE

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

Mr. TIAHRT. Mr. Speaker, yesterday Senate majority leader Robert J. Dole became a private citizen. He left us in Congress a legacy of integrity, honesty and character. Character is something that you develop when no one is around, as Senator Dole did in his service to his country during World War II and the 39 months that followed as he struggled to regain his ability to walk. Honesty is something that he has provided to the American public even when it was unpopular. Integrity is something Senator Dole has undergone with three decades of public scrutiny and three presidential campaigns. He has worked hard throughout that time to do the right thing.

Mr. Speaker, we will miss Senator Dole on the Hill, but we will welcome him with open arms as he moves into 1600 Pennsylvania Avenue.

HEALTH CARE REFORM

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

Mr. GENE GREEN of Texas. Mr. Speaker, yesterday this House sent to conference committee a health care reform bill and hopefully we will see a bill come out. But the one that was in conference committee now allows for what is called MSA's, for most folks medical savings accounts.

It would be a Federal tax deduction for someone who can afford to buy a high deductible insurance policy, $4,000 or $5,000 deductible a year.

This Congress removed the deductibility for health insurance premiums, for the average working stiffs in the 1980's. The average working stiff who pays it by the month will not be able to deduct their premiums. Yet we are going to give it to the wealthiest who can afford $5,000 a year.

As my colleague from Ohio says, beam me up. We are going to let the wealthy, are helping the wealthy more by the $5,000 deductible buy MSA's, but we are not letting the average person who pays their health insurance by the month deduct it. We ought to do both in this Congress.

MORE ON FBI FILES

(Mr. STOCKMAN asked and was given permission to address the House for 1 minute.)

Mr. STOCKMAN. Mr. Speaker, I have a confidential file here that somehow ended up on my desk. I do not know where it came from or how it got here.

The President came to Houston a little over a year ago and he had the courage to admit he raised the taxes too much. Mr. Speaker, he is coming again to Texas and Houston, June 21. It is my hope that he will have the courage to apologize for taking these files on individuals and bringing them back to his office.

My fear, Mr. Speaker, is that there will be a lot less courage but maybe one day we will see some convictions.

POLITICS OF INSENSITIVITY

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

Mr. MILLER of California. Mr. Speaker, all Members of this House should be saddened today by the remarks yesterday of majority leader DICK ARMEY in his criticism and his remarks about the President's visit to South Carolina today to dedicate the new chapel at Mount Zion A.M.E. Church, a church that was firebombed and burned to the ground, 1 of 49 black churches burned to the ground in this country.

For the majority leader to turn this into politics is exactly the kind of politics that we do not need in this country: the politics of insensitivity, of extremism and of race.

The President is doing what any President of this country must do, and that is to bring us together to heal this Nation and to get us to face this national horror.

□ 1015

The President is doing what any President must do to bring the full force and effect of law enforcement against these crimes, against these bombings. The President is doing what any President of this nation must do, and that is to get this Nation to challenge, to challenge us against these horrible crimes. The gentleman from Texas [Mr. ARMEY] is doing what no majority leader should do, and that is to make politics out of a national terror.

ABUSE OF POWER AND INVASION OF PRIVACY UNCOVERED IN THE WHITE HOUSE

(Mr. WATTS of Oklahoma asked and was given permission to address the House for 1 minute.)

Mr. WATTS of Oklahoma. Mr. Speaker, potential abuse of power and invasion of privacy have been uncovered in the Clinton White House. The White House requested, and received, highly confidential FBI files and records of former Reagan and Bush appointees, suggesting the formation of an enemies list.

Mr. Speaker, there are a lot of unanswered questions in this latest Clinton administration blunder. The American public, especially those citizens whose privacy rights were violated by having their personal files searched, deserve an honest explanation, not more excuses and coverups.

It is time for the President to come clean on his administration's activities. Tell us the truth about the FBI file search.

TRUST FUND SCARE ONE OF BIGGEST SCAMS EVER PERPETRATED ON AMERICANS

(Ms. VELÁZQUEZ asked and was given permission to address the House for 1 minute.)

Ms. VELÁZQUEZ. Mr. Speaker, we have heard a lot of rhetoric from Republicans this year. However, the current trust fund scare is one of the biggest scams ever perpetrated on the American people.

Republicans in Congress are using the Medicare trust fund report to justify their extreme proposal to slash Medicare. The trust fund report is simply a smokescreen for the real reason they want to cut Medicare: tax breaks.

If Republicans were truly interested in saving Medicare, they would reduce their huge tax breaks to the rich, not by slashing this vital program with cuts that will devastate seniors, close public hospitals, and burden working-class families.

Medicare is a program that should provide health care services for seniors, not a piggy bank for wealthy corporations and the privileged few.

300 FILES A BUREAUCRATIC MISTAKE?

(Mrs. SEASTRAND asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SEASTRAND. Mr. Speaker, they say that nothing ever stays the same, and I suppose that applies even to Bill Clinton's beliefs about how personal FBI personnel records are.

When the American public was concerned in 1992 about Governor Clinton's military record, or lack thereof, the Washington Times filed a Freedom of Information request to check on discrepancies between Clinton campaign statements and his letters to ROTC officials.

At that time, the Clinton campaign said ''It's a personal file. He's not going to [release the records]. [Clinton] just doesn't have to disclose every shred of his personal life, and the American people don't expect him to.''

Apparently, Clinton did not expect that same sort of privacy for other citizens. He has raided the personal files of Reagan and Bush political appointees, yet it was only a bureaucratic mistake. A misplaced paper or misfiled form may be a bureaucratic mistake, but the personal files of over 300 people?

Clinton once thought those 300 files were personal. The American people, and the people whose privacy were violated by this administration deserve an explanation.

MEDICAID REFORM

(Mr. STUPAK asked and was given permission to address the House for 1 minute.)

Mr. STUPAK. Mr. Speaker, after U.S. Governors earlier this year announced a plan to reform Medicaid, I looked forward to working in a bipartisan fashion to create a quality piece of legislation.

However, there have never been any bipartisan negotiations on the current bill. The result is a new blueprint for block-granting that may be ideologically perfect, but is socially destructive.

The proposed legislation removes the guarantee of health care for the elderly and disabled. It allows each State to define the scope, amount, and duration of any Medicaid payment.

It will require impoverished seniors to pay high deductibles or copays that they cannot afford. It will force spouses and children around the country to contribute a disproportionate amount for nursing home care for their parents or grandparents.

This bill would be devastating to rural health care, because it does not require benefits provided by each State's program to be provided equally to all parts of a State.

Medicaid was created in the first place because States did not provide for those who needed care. Let us not turn back the clock and create 50 new federally funded experiments that use our grandparents and children as guinea pigs.

HYPOCRISY IN THE WHITE HOUSE

(Mrs. CHENOWETH asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. CHENOWETH. Mr. Speaker, 2 weeks ago Bill Clinton and his liberal partners held a stand for children.

Now, this march was to demonstrate their commitment to instilling values in America's children and to focus the Nation's attention on the need to raise moral children in this country.

Mr. Speaker, how can Bill Clinton and his liberal buddies preach about morality to our children and then turn around and deliberately mislead the American people about the White House's search of the FBI files? This hypocrisy must stop, Mr. Speaker.

The White House had FBI files for possible political use stored in one of their security vaults. Mr. Speaker, I ask, does this sound like an innocent bureaucratic mistake as the White House says? Oh, of course out.

Mr. Speaker, if Bill Clinton wants to instill honesty in our children, should be not first look at the mirror and look at himself?

HOUSE REPUBLICANS DIVIDED ON THE BUDGET

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

Mr. WARD. Mr. Speaker, the secret is out. This may not be England, but there is dissension in the family, and the Queen is not happy. The House Republicans are divided, and the gentleman from Texas [Mr. ARMEY] cannot as easily as usual whip them into shape. Yesterday the vote on the final passage of the 1997 fiscal year budget was yanked, taken off the floor, because the Republican freshmen and the more conservative members of the majority party were not in line.

It seems that the budget deficit will increase over the next 2 years under Speaker GINGRICH's plan, not decrease. As my colleague, the gentleman from Texas [Mr. BARTON], so appropriately said, we are backing away from what they started out to do in this Congress, something that may not be too smart in an election year: To try and cut the deficit. However, the crown jewel of the tax cut for the wealthy may be threatened.

So let us see where the gentleman from Texas, Mr. ARMEY's, priorities are and those of his royal family.

REPUBLICANS BALANCE THE BUDGET FOR OUR CHILDREN'S FUTURE

(Mr. RIGGS asked and was given permission to address the House for 1 minute.)

Mr. RIGGS. Mr. Speaker, to listen to the rhetoric from some of my good Democratic friends and colleagues this morning, one would think that they were prepared to vote for less spending and lower deficits, when nothing could be further from the truth. We are going to get a budget agreement, and let me tell my colleagues why. The budget agreement that we have reached between House and Senate Republicans achieves a $5 billion Federal budget surplus in the year 2002. It calls for reforming Medicaid and welfare, saving Medicare from bankruptcy and providing middle-class families much needed tax relief. It reforms Medicaid and welfare by giving more power and more revenue to the States in line with the recommendations, the bipartisan recommendations, of the Nation's Governors. It preserves and protects Medicare for our Nation's elderly, a goal which is even more important because of the report last week from the Medicare trustees which says Medicare is going broke earlier than expected; in fact, their worst-case scenario is that Medicare could be broke in 1999, just 3 years from now. And it calls for permanent tax relief for American families through a $500-per-child tax credit that is $1,000 for a family of four.

Mr. Speaker, it is a good budget, and it balances the budget for the sake of our children's future.

REPUBLICAN BUDGET BAD FOR SENIORS AND FOR THE DEFICIT

(Ms. DELAURO asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. DELAURO. Mr. Speaker, the House was scheduled to vote on the 1997 budget yesterday but the vote was delayed at the last minute. It seems that the Republican budget, by their own admission, actually increases the Federal deficit.

And freshman Republicans, many of whom campaigned back home for a balanced budget and many of whom voted for the balanced budget amendment, balked at voting for a budget that is not balanced.

But today the Republican leadership has twisted enough arms and many of these same freshmen will support a budget that does exactly what they promised they would not do when they came to Washington: increase the deficit. What hypocrisy.

And yet these same Republicans want the American people to trust them when they say their budget does not cut the Medicare program by $168 billion over a 6-year period to pay for tax breaks for the wealthy. Do not be fooled. This budget is bad for seniors and bad for the deficit.

REPUBLICANS SHOULD SUPPORT THE CONTRACT CALLED MEDICARE

(Mr. HILLIARD asked and was given permission to address the House for 1 minute.)

Mr. HILLIARD. Mr. Speaker, the Republicans are not cooperating or attempting to work out a compromise to protect Medicare for seniors. I hope all voters remember these facts in November. The Republicans have repeatedly voted for deep cuts in the Medicare Program which will affect the quality of service which our seniors depend on to stay healthy and, in fact, to stay alive.

The Republicans in Congress seem to be big supporters of contracts. If this is true, then they should stand by the contract which America has made with our senior citizens. This contract is called Medicare. The Republicans should support Medicare, should defend Medicare, but the Republicans should not cut Medicare.

WE NEED TO PASS A RESPONSIBLE BUDGET

(Mr. LINDER asked and was given permission to address the House for 1 minute.)

Mr. LINDER. Mr. Speaker, it is interesting that the people who are complaining about cuts to Medicare are offering no program to save it. The President's own trustees on the Medicare trust fund said it will go bankrupt a year ago by the year 2002, and I will say it will be bankrupt in 5 years, and no program from this side is trying to protect it.

This budget we are about to vote on is going to give us a $5 billion surplus in the year 2002 to begin the downpayment on our grandchildren's debt, an immoral debt, I might add, that we left them after 30 years voting ourselves wonderful government programs and just choosing not to pay for them. This budget is going to preserve and protect Medicare for our Nation's elderly for many years, but not enough yet until the baby-boomers come, and we are going to have to still deal with that. It is also going to give some tax relief for families with children up to $100,000 in income $500-per-child tax credit. These are for middle-class American families. All this baloney about the wealthy, but there are not capital gains cuts in this budget. These are for middle-class families, $500 per child tax relief.

It is time to pass a responsible budget that comes to balance.

BATTLE OVER BUDGET

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

Mr. SCHUMER. Mr. Speaker, why is the row of Republicans there so empty in giving speeches this morning? They are all busy fighting with each other over the budget. They do not have time to put together a coherent program. And the reason is simple: The Republican Party has drifted over to the extreme. Bob Dole is a voice of moderation, I guess, with TRENT LOTT taking over the Senate, and then the extremists will even be given a greater hand. So look at the budget they cannot even get the extremists to pass on: fewer toxic waste cleanups, welfare reform that cuts——

POINT OF ORDER

Mr. LINDER. Mr. Speaker, I have a point of order.

The SPEAKER pro tempore (Mr. LAZIO of New York). The gentleman will state his point of order.

Mr. LINDER. Mr. Speaker, is it appropriate to deal specifically with Members of the other body by name in making or casting aspersions on the motives?

Mr. VOLKMER. He is not a Member of the other body.

Mr. LINDER. TRENT LOTT is.

The SPEAKER pro tempore. Members should not so refer to specific Members of the other body by name. The gentleman will proceed in order.

Mr. SCHUMER. Mr. Speaker, I will strike the name and say the junior senator from Mississippi. Everyone knows it is the same person.

□ 1030

Everyone knows it is the same person. What I would say is, very simply, if we look at this budget with regard to toxic waste cleanups, welfare reform, weak on work but tough on kids, bigger deficits, not smaller, raising the deficit, limiting direct student loans, tax increases on working families, limiting guarantees for health care for low-income women and children and seniors in nursing homes, hundreds of rural hospitals cut, doctors to overcharge seniors for Medicare, and the list goes on and on, it is an extreme budget. It is a wrong budget. We will defeat it.

ONLY WAY TO BALANCED BUDGET IS DECREASED FEDERAL SPENDING

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

Mr. CHAMBLISS. Mr. Speaker, it is the same old story, same old line. We have heard about cuts, cuts, cuts, for so long. Only in this town does an increase in spending come to a cut.

Never before in the history of Webster's Dictionary has the term ''cut'' been defined as an increase. The Republican plan, a budget to protect and preserve Medicare, provides for an increase in spending. I challenge any one of my colleagues to stand up and say that is not true. If they do, they are entitled to the $1 million that we promised a year ago. But they will not do that.

Mr. Speaker, our budget that we are going to be talking about in the next couple of days does get to balance in the year 2002. Our budget has lower deficits than the President's budget in every single year. That is extremely important, because what that does is get it to balance. That is the only way we are going to get there is to decrease Federal spending.

MEDICARE TOO IMPORTANT TO BE TREATED LIKE AN UGLY STEPCHILD

(Ms. MCKINNEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. MCKINNEY. Mr. Speaker, tampering with Medicare not only impacts our seniors, it also affects our entire health care system. When we boast about having the greatest health care system in the world, it is due in no small measure to the research and financial infrastructure that Medicare provides.

For this reason, Mr. Speaker, any reductions in Medicare should be carefully considered and put back into the system, not used to pay for tax cuts and star wars.

Desperate, however, to provide tax breaks to their wealthy campaign contributors, Republican leaders have cooked up a plan to cut $168 billion from Medicare, although only $90 billion is needed to extend the Medicare trust fund. The GOP insists on cutting an extra $78 billion that will eventually end up in the pockets of junk-bond dealers, corporate CEO's and insurance companies.

Mr. Speaker, Medicare is too important to be treated like an ugly stepchild by Uncle NEWT.

REPUBLICANS SHOULD WORK WITH DEMOCRATS TO PROTECT MEDICARE FOR AMERICA'S SENIOR CITIZENS

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

Mr. VOLKMER. Mr. Speaker, it is budget time again. Once again, I hear my extreme radical Republican colleagues, under the gentleman from Georgia, NEWT GINGRICH, and Bob Dole telling the American public they are going to save Medicare. How are they going to do that? They are going to do that by cutting it by $168 billion, by forcing senior citizens to pay more for health care, by gutting rural health care, and by closing hospitals. This budget cuts funding for hospitals by 19 percent. How are my radical Republican colleagues going to save Medicare if they close hundreds of hospitals?

Mr. Speaker, according to the Missouri Hospital Association, this would not be a mere reduction in the rate of increase, but a dangerous and devastating cut in payment. Rather than receiving an increased level of payment for services that are more intensive and increasingly costly to deliver, hospitals will be paid less in each of the next 6 years than they are paid this year. Many of the rural hospitals in my district will be devastated by these cuts and forced to close their doors. How does this improve health care for American senior citizens?

REPUBLICAN CUTS IN MEDICARE AND MEDICAID AND TAX BREAKS INCREASE THE DEFICIT

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

Mr. PALLONE. Mr. Speaker, it is the same old thing that we went through last year: Here comes the budget again, and the Republicans are slashing Medicare and Medicaid to pay for tax breaks for the wealthy. The amazing thing about it is that they are doing it this year and actually increasing the deficit. The deficit goes up from a current projection of $130 billion for fiscal year 1996 to $153 billion for fiscal year 1997, so not only are they trying to destroy the Medicare and Medicaid Program, they are also going against their alleged promise that they are going to reduce the deficit in order to do it.

Do Members know where this money is going? All these cuts are going into a giant slush fund. One of my colleagues said before, they are not using the Medicare and Medicaid money in order to pay for tax breaks. In fact, they are, because the cuts go into a slush fund. That slush fund will be used later during the budget process in order to provide those tax breaks for the wealthy. It is the same old story again. The Republicans do not care about the average person. They are just trying to help their rich friends.

SUPPORT URGED FOR RESOLUTION AGAINST CHURCH BURNINGS

(Mrs. CLAYTON asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. CLAYTON. Mr. Speaker, it is time for this body to speak with the voice of reason. It is time for this body to speak with the voice of leadership. It is time for people of reason to speak out against the church bombings, and certainly this House should make it abundantly clear that it is unacceptable, in a Nation of civil liberties, that we would find a house of worship to be a target for arson. It is certainly unacceptable in this House that we would not speak out to say that civilized people do not find that places of worship, places of sacred faith, should be desecrated.

I urge my colleagues, all who are persons of reason, persons who respect faith, to sign my resolution condemning the violent acts and the burning of churches in the African-American communities, or churches of any races, churches of any faiths. Speak out against that. Be resolved in knowing what America is about.

PERMISSION FOR SUNDRY COMMITTEES AND THEIR SUBCOMMITTEES TO SIT TODAY DURING 5-MINUTE RULE

Mr. RIGGS. Mr. Speaker, I ask unanimous consent that the following committees and their subcommittees be permitted to sit today while the House is meeting in the Committee of the Whole House under the 5-minute rule: The Committee on Banking and Financial Services; the Committee on Commerce; the Committee on Economic

and Educational Opportunities; the Committee on Government Reform and Oversight; the Committee on International Relations; the Committee on the Judiciary; the Committee on National Security; the Committee on Resources; the Committee on Science; the Committee on Transportation and Infrastructure; the Committee on Veterans' Affairs; and the Permanent Select Committee on Intelligence.

It is my understanding that the minority has been consulted and that there is no objection to this request.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

THE JOURNAL

The SPEAKER pro tempore. Pursuant to clause 5 of rule I, the pending business is the question of the Speaker's approval of the Journal.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. RIGGS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 332, nays 76, answered ''present'' 1, not voting 25, as follows:

[Roll No. 229]

YEAS—332

Ackerman
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Beilenson
Bentsen
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bliley
Blumenauer
Blute
Boehlert
Boehner
Bonilla
Bono
Boucher
Brewster
Browder
Brown (OH)
Brownback
Bryant (TN)
Bryant (TX)
Bunning
Burr
Burton
Buyer
Callahan
Camp
Campbell
Canady
Cardin
Castle
Chabot
Chambliss
Chenoweth
Christensen
Clayton
Clement
Clinger
Coble
Coburn
Collins (GA)
Combest
Condit
Cooley
Cox
Coyne
Cramer
Crapo
Cremeans
Cubin
Cummings
Cunningham
Danner
Davis
Deal
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Eshoo
Evans
Ewing
Farr
Fattah
Fawell
Fields (LA)
Fields (TX)
Flake
Foglietta
Foley
Forbes
Ford
Fowler
Frank (MA)
Franks (CT)
Franks (NJ)
Frisa
Frost
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gilchrest
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green (TX)
Greene (UT)
Greenwood
Gunderson
Hall (OH)
Hamilton
Hancock
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefner
Herger
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hyde
Istook
Jackson (IL)
Johnson (CT)
Johnson (SD)
Johnson, Sam
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaHood
Largent
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
LoBiondo
Lofgren
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Markey
Martinez
Mascara
Matsui
McCollum
McCrery
McHale
McHugh
McInnis
McIntosh
McKeon
McNulty
Meehan
Metcalf
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Obey
Ortiz
Orton
Owens
Oxley
Packard
Parker
Pastor
Paxon
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Petri
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Ramstad
Rangel
Reed
Regula
Richardson
Riggs
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roukema
Roybal-Allard
Salmon
Sanders
Sanford
Sawyer
Saxton
Scarborough
Schaefer
Schumer
Seastrand
Sensenbrenner
Serrano
Shadegg
Shaw
Shays
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stark
Stearns
Stokes
Studds
Stump
Stupak
Talent
Tanner
Tate
Tauzin
Taylor (NC)
Tejeda
Thomas
Thornberry
Thornton
Thurman
Tiahrt
Torres
Torricelli
Traficant
Upton
Vento
Vucanovich
Walker
Walsh
Wamp
Ward
Watt (NC)
Waxman
Weldon (FL)
Weldon (PA)
White
Whitfield
Williams
Wise
Wolf
Woolsey
Wynn
Young (FL)
Zeliff

NAYS—76

Abercrombie
Becerra
Bishop
Bonior
Borski
Brown (CA)
Brown (FL)
Bunn
Chrysler
Clay
Coleman
Collins (IL)
Collins (MI)
Costello
Crane
DeFazio
Durbin
Engel
English
Ensign
Fazio
Filner
Flanagan
Fox
Funderburk
Gephardt
Geren
Gibbons
Gutierrez
Gutknecht
Hastings (FL)
Hefley
Heineman
Hilleary
Hilliard
Hinchey
Hutchinson
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson, E.B.
LaFalce
Latham
Levin
Lewis (GA)
Lipinski
McCarthy
McDermott
McKinney
Meek
Menendez
Meyers
Oberstar
Olver
Pallone
Pickett
Pombo
Rush
Sabo
Schroeder
Scott
Smith (MI)
Stenholm
Stockman
Taylor (MS)
Thompson
Torkildsen
Towns
Visclosky
Volkmer
Waters
Watts (OK)
Weller
Wicker
Yates
Zimmer

ANSWERED ''PRESENT''—1

Harman

NOT VOTING—25

Bass
Bateman
Calvert
Chapman
Clyburn
Conyers
de la Garza
Dornan
Emerson
Everett
Frelinghuysen
Gillmor
Hall (TX)
Inglis
Lantos
Lincoln
Longley
Martini
McDade
Payne (NJ)
Royce
Schiff
Velazquez
Wilson
Young (AK)

□ 1057

So the Journal was approved.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Ms. HARMAN. Mr. Speaker, because my flight from California was delayed yesterday, I was unable to be present to vote on several rollcall votes.

Had I been present, I would have voted ''present'' on rollcall 225, approval of the journal.

I would have voted ''yes'' on rollcall vote 226, the motion to instruct House conferees to H.R. 3103, the bill to improve the portability and continuity of health insurance coverage.

I would have voted ''yes'' on rollcall vote 227, Mr. FRANK's amendment to prohibit IMET funds for Indonesia.

And I would have voted ''yes'' on rollcall vote 228, final passage of the foreign operations appropriations bill for fiscal 1997.

SENSE OF CONGRESS THAT SECRETARY OF AGRICULTURE DISPOSE OF REMAINING COMMODITIES IN DISASTER RESERVE

Mr. BARRETT of Nebraska. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture be discharged from further consideration of the Senate concurrent resolution (S. Con. Res. 63) to express the sense of Congress that the Secretary of Agriculture should dispose of all remaining commodities in the disaster reserve maintained under the Agricultural Act of 1970 to relieve the distress of livestock producers whose ability to maintain livestock is adversely affected by disaster conditions existing in certain areas of the United States, such as prolonged drought or flooding, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate concurrent resolution.

The SPEAKER pro tempore (Mr. LAZIO of New York). Is there objection to the request of the gentleman from Nebraska?

□ 1100

Mr. STENHOLM. Mr. Speaker, reserving the right to object, I will not object, and I yield to the gentleman from Nebraska [Mr. BARRETT] for an explanation of the Senate concurrent resolution.

Mr. BARRETT of Nebraska. Mr. Speaker, this is more or less a housekeeping chore, albeit a very important one. Senate Concurrent Resolution 63 is the Senate version of House Concurrent Resolution 181, which passed the

House by voice vote on June 4. The Senate unanimously passed Senate Concurrent Resolution 63 on June 5. The Senate resolution is identical to the House resolution, as amended.

With this action today, we will officially send to Agriculture Secretary Dan Glickman our desire for him to immediately release the 45 million bushels of feed grains held in reserve. The release of this grain will not solve the current crisis for cattlefeeders, but it will help and possibly be enough to get some through an extremely severe drought and save their operations.

Farmers who own livestock are being severely hard hit with the drought conditions, when coupled with a low point in the cattle cycle, and record high grain prices.

The grain in this disaster reserve, nearly 45 million bushels, is worth an estimated $200 million and would provide for all the cattle on feed in the affected States enough feed grain for over 2 weeks.

Passage of the resolution not only makes sense, it saves money. The Federal Government is currently spending $10 million a year to store this grain.

The Government should not be paying huge storage fees and holding grain from the marketplace when the United States is experiencing record low grain supplies.

This is an important concurrent resolution and I thank the leadership for providing for its swift consideration.

Mr. STENHOLM. Mr. Speaker, I thank the gentleman for his explanation.

(Mr. STENHOLM asked and was given permission to revise and extend his remarks.)

Mr. STENHOLM. Mr. Speaker, I rise in support of Senate Concurrent Resolution 63, which is nearly identical to the legislation passed by this body last week, House Concurrent Resolution 181, introduced by my colleagues on the Agriculture Committee, Mr. BARRETT and Mr. EMERSON, and cosponsored by a number of other Members.

As was noted last week, the Clinton administration has been working on a similar effort to make Government-owned feed grain stocks available to hard-pressed livestock producers. Secretary Glickman transmitted to the President a request last week for the declaration of a state of emergency to allow the Department of Agriculture to dispose of the feed grain stocks under USDA's control.

There is no doubt that there is a need to alleviate the stress facing producers in many parts of this country due to the severe drought in the Southern Plains and flooding and excessive rainfall in the Northern Plains and eastern Corn Belt. These natural disasters come at a time when grain stocks are at their lowest levels in decades causing record market prices and cattle producers are receiving even less for their animals than during the Great Depression based on inflation-adjusted dollars.

The release of this grain would be in addition to the actions already taken by the Clinton administration to help alleviate the stress in the livestock sector. These actions include: Release of Conservation Reserve Program acres for haying and grazing, extension of noninsured crop disaster assistance program coverage, extension of the Livestock Feed Program, the release of additional funds for emergency loans, advance purchases of beef for the school lunch program, and export credit guarantees for meat.

In my own State of Texas we are facing losses in the livestock and crop sectors in the billions of dollars. Sixty-two percent of our rangeland is rated as being in poor to very poor condition and dairy producers in Texas are facing a possible doubling of their normal feed costs due to the increases in the cost of feed and hay they must utilize to produce milk each day.

I would encourage my colleagues to support this resolution. The livestock sector in our country contributes billions of dollars to our economy and if we do not take actions to help stem the liquidation of herds now, we will pay the price later for rebuilding that infrastructure.

Mr. STENHOLM. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. LAZIO of New York). Is there objection to the request of the gentleman from Nebraska?

There was no objection.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 63

Resolved by the Senate (the House of Representatives concurring),

SECTION 1. USE OF DISASTER RESERVE FOR ASSISTANCE TO LIVESTOCK PRODUCERS.

In light of the prolonged drought and other adverse weather conditions existing in certain areas of the United States, the Secretary of Agriculture should promptly dispose of all commodities in the disaster reserve maintained under section 813 of the Agricultural Act of 1970 (7 U.S.C. 1427a) to relieve the distress of livestock producers whose ability to maintain livestock is adversely affected by disaster conditions, such as prolonged drought of flooding.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BARRETT of Nebraska. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on Senate Concurrent Resolution 63.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

GENERAL LEAVE

Mr. SKEEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on further consideration of H.R. 3603, and that I may include tabular and extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1997

The SPEAKER pro tempore. Pursuant to House Resolution 451 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 3603.

□ 1105

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 3603) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1997, and for other purposes, with Mr. LINDER, Chairman pro tempore, in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. When the Committee of the Whole House rose on Tuesday, June 11, 1996, the amendment offered by the gentleman from New Mexico [Mr. SKEEN] had been disposed of and page 58, line 1 though page 68 line 22 was open for amendment at any point.

Are there further amendments to this portion of the bill?

Mr. LUCAS of Oklahoma. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I want to enter into a brief colloquy with the gentlewoman from Ohio, if that would be possible.

Being a farmer-rancher by trade back in Oklahoma, I am particularly sensitive about the nature of the farm bill and appropriation bills or any other pieces of legislation that might have an impact on rural American production in agriculture. If I could, I would ask of the gentlewoman, it is my understanding that her provision in this appropriation bill does not impose any new requirements or provisions beyond those in the farm bill; is that correct?

Ms. KAPTUR. Mr. Chairman, will the gentleman yield?

Mr. LUCAS of Oklahoma. I yield to the gentlewoman from Ohio.

Ms. KAPTUR. Mr. Chairman, I would simply state to the gentleman that that is correct. The amount that was included in our bill was passed unanimously by our subcommittee. It was also passed in full committee and its intention is that the transition subsidy payments would require that farmers be engaged in the production of commodities or conserving purposes in order to receive assistance.

So the answer to the gentleman's question is yes.

Mr. LUCAS of Oklahoma. Mr. Chairman, I thank the gentlewoman for her reassurance that her language or provision does not impose any new requirement on producers beyond those in the farm bill.

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

Mr. LUCAS of Oklahoma. I yield to the gentleman from Iowa.

Mr. LATHAM. Mr. Chairman, I thank the gentleman from Oklahoma for yielding to me. As a farmer myself, I have some real concerns also with this provision in the appropriations bill and I would like to ask the gentlewoman, if a farmer maintains his land in agricultural use or conserving use, he will maintain his eligibility for production flexibility contract without any additional reporting or other requirement; is that correct?

Ms. KAPTUR. Mr. Chairman, if the gentleman will continue to yield, that is correct. The Secretary of Agriculture will administer the program under the requirements of the production flexibility contracts as contained in the act.

Mr. LATHAM. So there will not be any additional reporting or other requirements?

Ms. KAPTUR. No. The farmers have to go into the local farm service agencies anyway to sign these contracts, and that is the procedure that will be used in this.

I think maybe it is important also just to place on the record, so Members understand what is going on here, there was somewhat of an omission in the original bill when it passed the House originally in that the conference report stated that farmers were really not required to plant a crop to qualify for a farm payment. The intention of this is not to reward investors but to reward farmers and ranchers who are actually doing the work of agriculture in this country.

We also recognized the need for conservation and conserving uses, and we do make exceptions in the bill for weather. We cannot control drought or flooding or serious weather situations. So we are not after changing the requirements when they go into the farm service agency. We are just wanting to make sure these transition payments are going to farmers who are actually doing the work.

Mr. LATHAM. Mr. Chairman, I thank the gentlewoman, and I assume conserving use means if land were to lay fallow, as is often used for resting land and things like that.

Ms. KAPTUR. It has to have a crop cover. In other words, there is a lot of land out there that needs to replentify itself with additional moisture and so forth. We have severe problems in many parts of our country, we understand those needs, but we want the land ultimately to be used for livestock. We want it to be used for cash crops, vegetable crops, whatever. We just do not want to reward investors.

We have gotten some letters from the gentleman's part of the country, for example, from tenant farmers who have had their contracts cut off for this next fiscal year because the investors who own the land can actually make more money by getting the payments from USDA than if, in fact, they had raised a herd or grown a crop. We want to prevent any abuse like that and really reward the people who are doing the work. That is the purpose of the language.

I think both gentlemen, being respected ranchers and farmers in their own States, understand those who may try to cash in on a program like this, and I know that is not his intention in any way.

Mr. LATHAM. And I appreciate the gentlewoman's response. She is aware that like a corn farmer in Ohio would get about $30 an acre and they probably would not even cover the property taxes, and farmers are farmers because they want to produce. I really do not know if the economics bear out the gentlewoman's concern here because I do not think anyone is going to let their land sit without production, but I appreciate the gentlewoman's response.

Ms. KAPTUR. Mr. Chairman, I thank the gentleman.

The CHAIRMAN pro tempore. Are there further amendments to this portion of the bill which are not limitation amendments?

If not, the Clerk will read the last paragraph.

The Clerk read as follows:

SEC. 733. Funds appropriated to the Department of Agriculture may be used for incidental expenses such as transportation, uniforms, lodging, and subsistence for volunteers serving under the authority of 7 U.S.C. 2272, when such volunteers are engaged in the work of the U.S. Department of Agriculture; and for promotional items of nominal value relating to the U.S. Department of Agriculture Volunteer Programs.

AMENDMENT OFFERED BY MR. DEFAZIO

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

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. DEFAZIO: At the end of the bill (page 69, after line 5), insert the following new section:

SEC. . (a) LIMITATION ON USE OF FUNDS.—None of the funds made available in this Act may be used for predator control efforts under the Animal Damage Control Program in the western region of the United States, except when it is made known to the Federal official having authority to obligate or expend such funds that the control efforts protect human health or safety or endangered or threatened species.

(b) CORRESPONDING REDUCTION IN FUNDS.—The amount otherwise provided by this Act for salaries and expenses with respect to the Animal Damage Control Program under the heading ''ANIMAL AND PLANT HEALTH INSPECTION SERVICE'' is hereby reduced by $13,400,000.

Mr. SKEEN. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto be limited to 30 minutes and that the time be equally divided.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

The CHAIRMAN pro tempore. Does the gentleman from New Mexico [Mr. SKEEN] seek time in opposition?

Mr. SKEEN. Yes, Mr. Chairman, I do.

The CHAIRMAN pro tempore. The gentleman from Oregon [Mr. DEFAZIO] and the gentleman from New Mexico [Mr. SKEEN] will each be recognized for 15 minutes.

The Chair recognizes the gentleman from Oregon [Mr. DEFAZIO].

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

This is a simple amendment before the House. It is to eliminate an anachronistic, expensive, ineffective subsidy to a selected few livestock producers in the western United States. It does not prevent, and I want people to listen up, because there is some misinformation out there, it does not prevent the animal damage control from acting in cases that would affect human health or safety. That would be rabid animals or animals that are encroaching upon human habitation, problem animals or rogue animals.

It does not eliminate controls that would deal with the safety of endangered or threatened species. It does not prevent any private individual, any private livestock producer or any other private individual, any county, or any State from expending their own funds under Federal law to control predators and other problem creatures. It does not prevent control of birds, insects for crop damage or safety at airports.

What it does is eliminate $13.4 million from the budget that is now spent on an indiscriminate and ineffective predator control program, a subsidy provided by Federal taxpayers to some, a few, private livestock producers in the western United States.

□ 1115

If the issue were the real problems affecting the livestock industry in this country, the money would be better spent. The statistics for 1995, national statistics gathered by the Agriculture Department, 3 percent of the livestock losses in the United States were due to predators, 11 percent due to weather, 17 percent due to calving problems, 27 percent due to respiratory problems, and 25 percent due to digestive problems.

Mr. Chairman, if we want to subsidize this industry, we would be better put to spend the Federal dollars solving the digestive problems of livestock or the respiratory problems, the calving problems, or solving the weather problem. But that would involve a government program, which of course we would not want to have.

So, what we are suggesting here is we need to eliminate the subsidy, cut back this ineffective and indiscriminate problem, and to restore some natural order to the ecosystem of the Western United States.

Mr. Chairman, in many cases when they go in and attempt to control coyotes, there are more now than when this program started in 1931. It actually increases the birth rate of the coyotes and spreads them over a larger area. So inadvertently, this program over time has wrought devastation in

terms of killing a whole lot of nontarget species, and even target species, but it has not been effective as a predator control program.

Mr. Chairman, I reserve the balance of my time.

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

Mr. Chairman, I rise in opposition to the gentleman's amendment. This amendment would have a far more devastating effect than I believe the gentleman intends it to have.

The amendment would not only prohibit predator control efforts in the western region of the United States, but because of the 50-percent funding reduction to the program, it would also negatively impact work related to protecting the health and safety of the people of this country.

The total funding for the program is $26.8 million nationwide. Approximately 30 percent of this funding or about $8 million, is spent on predator control to protect livestock across the country. Less than $8 million is spent in the western region. Reducing the program by $13.4 million will mean significant reductions to work conducted at airports to prevent wildlife-aircraft strikes; disease control work such as rabies in south Texas; brown tree snake management; and blackbird control.

This reduction would also impact the cooperative agreements for ADC activities USDA has with all 50 States. States contribute over $22 million of State funds for ADC related work.

I do not think the gentleman from Oregon's intention is to impact the assistance provided to the Eugene Airport to reduce the threat of bird strikes to aircraft or the cooperative agreement ADC has with private timber companies to reduce black bear damage to timber resources in his own State, which is what this amendment would do if it passed.

I strongly urge all Members to vote no on this amendment. This amendment has a far more devastating impact on ADC activities across the country. It is not limited to the predator control activities in the western region alone.

Mr. Chairman, I reserve the balance of my time.

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

Mr. Chairman, I was a county commissioner when we were in tough budget times, and despite the Federal share, we eliminated the Animal Damage Control Program in a county as large as the State of Connecticut with an extensive livestock industry, and we heard that there was going to be cataclysm, all of these deaths were going to occur of the livestock.

Mr. Chairman, know what happened? Nothing. Nothing. There were no additional deaths in the livestock, the sheep, or the cattle industry, in a county the size of Connecticut, when we did away with this program with its indiscriminate killing of predators. In fact, it reduced other pest species such as rodents and things which the coyotes primarily prey upon.

The gentleman talked about human health and safety. There is a line item in the ADC budget for human health and safety. If that line item at $3,197,040 is inadequate, then I would certainly join with the gentleman in a unanimous-consent request to shift some of the funds into that line item. But it has its own line item. This is only the livestock line item that is affected here.

Ms. FURSE. Mr. Chairman, will the gentleman yield?

Mr. DEFAZIO. I yield to the gentlewoman from Oregon.

Ms. FURSE. Mr. Chairman, I would like to ask the gentleman from Oregon [Mr. DEFAZIO] a couple of questions. I heard his opening statement. Am I to understand that only 3 percent of the animal damage is predator and so 97 percent is nonpredator-related, and that we are, in fact, doing a government subsidy for just this 3 percent?

It seems to me we might be able to put that money to better use in doing some other research. The gentleman pointed out that it is animal disease that is generally what kills the creatures.

Mr. DEFAZIO. Mr. Chairman, reclaiming my time, yes, the Department of Agriculture's own statistics for 1995 show that 97 percent of the mortality was due to causes other than predation, the largest being respiratory problems, 27 percent; second largest, digestive; third largest, calving problems.

Perhaps if we applied more money to research in these areas there would be greater gains. But we have had this animal predator control program since 1931, and we have today more coyotes in the United States than when they started the program but they are more dispersed, and there are other problems that have been a consequence, particularly inadvertent kills of nontarget species.

Mr. Chairman, I had a constituent whose dog was killed, and when she ran to rescue the dog who had gotten into one of those M44 explosive devices, she also had a cyanide poisoning.

Ms. FURSE. Mr. Chairman, if the gentleman would continue to yield, could I ask a couple of other questions? Would the gentleman's amendment affect bird damage for small fruits or berries or that sort of thing? Would it have an effect on that?

Mr. DEFAZIO. Mr. Chairman, no, I do not touch the $3,463,460 for crop control.

Ms. FURSE. Mr. Chairman, I thank the gentleman from Oregon [Mr. DEFAZIO]. It seems to be that at a time when we are cutting back very much on agricultural support and our farmers are in deep need, that this may be one of those places where we could perhaps save and put it into other areas where our farmers are certainly being strapped financially.

Mr. Chairman, I know there are huge cuts in this agricultural bill, and maybe this would be a place we could save some money for farmers across the country; not just a small subsidy for some western farmers.

Mr. DEFAZIO. Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN pro tempore (Mr. LINDER). The Committee will rise informally.

The SPEAKER pro tempore (Mr. BONILLA) assumed the chair.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Edwin Thomas, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House and Senate of the following titles:

HOUSE

March 7, 1996:

H.R. 2196. An act to amend the Stevenson-Wydler Technology Innovation Act of 1980 with respect to inventions made under cooperative research and development agreements, and for other purposes.

March 12, 1996:

H.R. 927. An act to seek international sanctions against the Castro government in Cuba, to plan for support of a transition government leading to a democratically elected government in Cuba, and for other purposes.

H.R. 3021. An act to guarantee the continuing full investment of Social Security and other Federal funds in obligations of the United States.

March 15, 1996:

H.J. Res. 163. Joint resolution making further continuing appropriations for the fiscal year 1996, and for other purposes.

March 16, 1996:

H.R. 2778. An act to provide that members of the Armed Forces performing services for the peacekeeping efforts in Bosnia and Herzegovina, Croatia, and Macedonia shall be entitled to tax benefits in the same manner as if such services were performed in a combat zone, and for other purposes.

March 22, 1996:

H.J. Res. 165. Joint resolution making further continuing appropriations for the fiscal year 1996, and for other purposes.

March 26, 1996:

H.R. 2036. An act to amend the Solid Waste Disposal Act to make certain adjustments in the land disposal program to provide needed flexibility, and for other purposes.

March 29, 1996:

H.J. Res. 170. Joint resolution making further continuing appropriations for the fiscal year 1996, and for other purposes.

H.R. 3136. An act to provide for enactment for the Senior Citizens' Right to work Act of 1996, the Line Item Veto Act, and the Small Business Growth and Fairness Act of 1996, and to provide for a permanent increase in the public debt limit.

April 1, 1996:

H.J. Res. 78. Joint resolution to grant the consent of the Congress to certain additional powers conferred upon the Bi-State Development Agency by the States of Missouri and Illinois.

H.R. 1266. An act to provide for the exchange of lands within Admiralty Island National Monument, and for other purposes.

H.R. 1787. An act to amend the Federal Food, Drug, and Cosmetic Act to repeal the saccharin notice requirement.

April 4, 1996:

H.R. 2854. An act to modify the operation of certain agricultural programs.

April 9, 1996:

H.J. Res. 168. Joint resolution waiving certain enrollment requirements with respect to two bills of the One Hundred Fourth Congress.

H.R. 2969. An act to eliminate the Board of Tea Experts by repealing the Tea Importation Act of 1897.

April 24, 1996:

H.J. Res. 175. Joint resolution making further continuing appropriations for the fiscal year 1996, and for other purposes.

April 25, 1996:

H.R. 3034. An act to amend the Indian Self-Determination and Education Assistance Act to extend to 2 months the authority for promulgating regulations under the act.

April 26, 1996:

H.R. 3019. An act making appropriations for fiscal year 1996 to make further downpayment toward a balanced budget, and for other purposes.

April 30, 1996:

H.R. 255. An act to designate the Federal Justice Building in Miami, Florida, as the ''James Lawrence King Federal Justice Building.''

H.R. 869. An act to designate the Federal Building and United States courthouse located at 125 Market Street in Youngstown, Ohio, as the ''Thomas D. Lambros Federal Building and United States Courthouse.''

H.R. 1804. An act to designate the United States Post Office-Courthouse located at South 6th and Rogers Avenue, Fort Smith, Arkansas, as the ''Judge Isaac C. Parker Federal Building.''

H.R. 2415. An act to designate the United States Customs Administrative Building at the Ysleta/Zaragosa Port of Entry located at 797 South Zaragosa Road in El Paso, Texas, as the ''Timothy C. McCaghren Customs Administrative Building.''

H.R. 2556. An act to redesignate the Federal building located at 345 Middlefield Road in Menlo Park, California, and known as the Earth Sciences and Library Building, as the ''Vincent E. McKelvey Federal Building.''

May 6, 1996:

H.R. 3055. An act to amend section 326 of the Higher Education Act of 1965 to permit continued participation in Historically Black Graduate Professional Schools in the grant program authorized by that section.

SENATE

June 5, 1996:

The President has approved the following:

March 28, 1996:

S. 1494. An act to provide an extension for fiscal year 1996 for certain programs administered by the Secretary of Housing and Urban Development and the Secretary of Agriculture, and for other purposes.

April 1, 1996:

S.J. Res. 38. Joint resolution granting the consent of Congress to the Vermont-New Hampshire Interstate Public Water Supply Compact.

April 9, 1996:

S. 4. An act to give the President line item veto authority with respect to appropriations, new direct spending, and limited tax benefits.

April 24, 1996:

S. 735. An act to deter terrorism, provide justice for victims, provide for an effective death penalty, and for other purposes.

May 2, 1996:

S.J. Res. 53. Joint resolution making corrections to Public Law 104–134.

May 20, 1996:

S. 641. An act to amend the Public Health Service Act to revise and extend programs established pursuant to the Ryan White Comprehensive AIDS Resources Emergency Act of 1990.

May 13, 1996:

H.R. 2024. An act to phase out the use of mercury in batteries and provide for the efficient and cost-effective collection and recycling or proper disposal of used nickel cadmium batteries, small sealed lead-acid batteries, and certain other batteries, and for other purposes.

May 15, 1996:

H.R. 2243. An act to amend the Trinity River Basin Fish and Wildlife Management Act of 1984, to extend for 3 years the availability of Moneys for the restoration of fish and wildlife in the Trinity River, and for other purposes.

May 16, 1996:

H.R. 2064. An act to grant the consent of Congress to an amendment of the Historic Chattahoochee Compact between the States of Alabama and Georgia.

May 17, 1996:

H.R. 2137. An act to amend the Violent Crime Control and Law Enforcement Act of 1994 to require the release of relevant information to protect the public from sexually violent offenders.

May 24, 1996:

H.R. 1743. An act to amend the Water Resources Research Act of 1984 to extend the authorizations of appropriations through fiscal year 2000, and for other purposes.

H.R. 1836. An act to authorize the Secretary of the Interior to acquire property in the town of East Hampton, Suffolk County, New York, for inclusion in the Amagansett National Wildlife Refuge.

May 29, 1996:

H.R. 2066. An act to amend the National School Lunch Act to provide greater flexibility to schools to meet the Dietary Guidelines for Americans under the school lunch and school breakfast programs.

June 3, 1996:

H.R. 1965. An act to reauthorize the Coastal Zone Management Act of 1972, and for other purposes.

The SPEAKER pro tempore. The Committee will resume its sitting.

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1997

The Committee resumed its sitting.

Mr. SKEEN. Mr. Chairman, I yield 1½ minutes to the gentleman from Oregon [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, the Animal Damage Control Program represents one of the most efficient and cost-effective programs within the U.S. Department of Agriculture. It benefits the general public as well as the agricultural industry. Without animal damage control, studies have indicated that agriculture's annual losses would total in excess of $1 billion. In 1994 in Oregon alone, the National Agricultural Statistics Service estimated that 4,275 sheep and 15,200 lambs were lost to predators.

What kind of signal are we sending to these ranchers? When urban residents are robbed of their private property, they rely on publicly financed services to regain their property. It this a subsidy to private property owners? Is the taking of private property in the East worthy of publicly financed services, while in the West it is not?

Mr. Chairman, ranchers are hard-working, tax-paying citizens who contribute mightily to their communities. And the Animal Damage Control Program is a tool they rely on to maintain a successful operation. It should be protected.

Oppose the DeFazio amendment.

Mr. Chairman, I oppose the DeFazio amendment, and I want to state that predator control is not only a western issue; it is an issue throughout the entire country. I think that we need to retain this program because we retained other predator control programs that pertain to our police protection. This is just another form of that, and we need it.

Mr. DEFAZIO. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. BROWN].

(Mr. BROWN of California asked and was given permission to revise and extend his remarks.)

Mr. BROWN of California. Mr. Chairman, I rise in strong support of the DeFazio amendment that would cut $13.4 million from the fiscal year 1997 budget for animal damage control.

Mr. Chairman, I ask the indulgence of my good friend, the chairman of the committee, to understand my position because I hope I understand his. I have a small spread in California. I engage in predator control. I believe in predator control. I will not describe the type of predator control that I use, but I think it is reasonably effective.

What I am suggesting here in this effort to cut the budget for animal damage control is that we can do this job more effectively and in a more principled fashion than we do. I believe in strong cooperation on the part of the Government, the Department of Agriculture in this case, to help the farmers, ranchers, and other people of this country. I have demonstrated that time after time.

On the other hand, I do not believe in an unnecessary and less than beneficial subsidy that is being used to support this program.

As I think we all know, the Department of Agriculture is authorized to levy fees to support this program, but have never used that authority. We move in that direction in almost every other area in which we are providing services to a segment of the business community, and it is my view that we should be moving in this direction as far as the Animal Damage Control Program is concerned.

In previous legislation the Congress has indicated that there are preferred ways to carry out this operation and they do not require the extensive use of the kinds of traps, snares, poisons, aerial hunting, and other things that are going on today under the name of controlling animal damage. There are more effective ways, and the Congress has directed that these be used.

We have GAO reports that the ADC has been using these methods that I

have described in essentially all instances, despite the Department's written policies and procedures which call for preference to be given to nonlethal methods. Now I confess that I am an unabashed animal lover and like to protect their lives where possible, and I think in this case we can achieve the control of predator damage by the use of nonlethal technologies, and that we can do it cheaper and we can distribute the costs of doing this in a more equitable fashion by levying fees which would be levied on the people who get the benefit from the program.

Mr. SKEEN. Mr. Chairman, I yield 3 minutes to the gentlewoman from Wyoming [Mrs. CUBIN].

Mrs. CUBIN. Mr. Chairman, I rise in opposition to the pending amendment which would reduce funding to the Animal Damage Control Program.

Mr. Chairman, I think that this amendment is at the very best uninformed, and possibly at the worst, mean-spirited. When we talk about predators, we are not talking only about coyotes, we are talking about the wolf which has been introduced into Wyoming, into my State, which is an endangered species. The grizzly bear is an endangered species. Eagles and hawks, many of them are endangered species.

We do not have any right or any will to kill these predators, and we cannot legally do that to protect our livestock. I believe in predator control, but when an endangered animal, an endangered species kills some livestock, the only way that the owner of that livestock can get compensated is through the Animal Damage Control Program.

□ 1130

I would suggest that, if the gentleman who offered the amendment had a dog that was worth $10,000 and this dog was in his very own yard, and there are bulls that are worth that much, much more than $10,000, but this dog was in its very own yard and my dog went over and killed his dog, then he would say that I ought to be responsible to pay him back for the value of his dog. This is all this predator control program does.

If a species or if a predator, including an endangered species, kills a cow, a bull, a sheep, whatever, all we are asking is that a portion, a very small portion of the value of that livestock be given back to the owner of the livestock. That is what we are asking. This is not a subsidy. It is merely paying someone for a small portion of what is rightfully theirs.

The animal loss in the livestock industry is enormous, as the gentleman from Oregon [Mr. COOLEY] stated earlier. Aside from the livestock issues, there have also been wildlife losses, not just in Wyoming but in Oregon and across the western United States, due to predation. It is the livestock producers who, by controlling predators, who keep the burgeoning numbers of coyotes, foxes, mountain lions, and brown bears down, who have provided the most protection for wildlife, which are preyed upon by these same destructive animals. The Animal Defense Control Program is the last line of defense for the wildlife that we enjoy and that everyone wants to preserve in our State.

If Members have any real interest in protecting wildlife, they will vote against this amendment, because the ranchers and the livestock growers are the ones who are helping control the predators, and they need the animal control money to enable them to do that.

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

The issue here is a subsidy, subsidy. That side of the aisle is consistently against government programs and subsidies except when it goes to their own parochial interests. This bill does nothing, nothing to prevent predator control by individuals, by counties, by States. As I said previously, when I was a county commissioner, we canceled the predator control program, walked away from the Federal match. They engaged in private predator control, and the losses did not go up. But that is the issue here.

Will we continue a $13.4 million subsidy to a selected few of the livestock producers in the Western United States?

As I stated earlier, yes, the losses are largely due to predation. Almost 3 percent of the losses last year were due to predation. The other 97 percent were due to a number of causes, some of which are not preventable, like weather, but others which could be preventable with research, like respiratory problems, 27 percent; digestive problems, 25 percent. Fifty-two percent of the losses in this industry were due to respiratory and digestive problems.

Maybe we should invest this money in our veterinary schools. Maybe we should invest it in a vaccination program for livestock. I do not know. But there would be a heck of a lot better return than the 3 percent that was due to predation.

Mr. Chairman, I reserve the balance of my time.

Mr. SKEEN. Mr. Chairman, I yield 4 minutes to the gentleman from Texas [Mr. BONILLA].

Mr. BONILLA. Mr. Chairman, I thank my friend from New Mexico for yielding time to me.

Mr. Chairman, I rise in strong opposition to the DeFazio amendment. It is bad news, it is bad news for agriculture. It is bad news for consumers. It is bad news for the environment. And it is bad news for America's children.

Here is the bad news the DeFazio amendment has for agriculture. In 1994, 520,000 sheep and lamb were killed by predators, direct losses to agriculture from wildlife damage totaled $461 million. The DeFazio amendment says too bad, so sad, let us increase these losses.

The DeFazio amendment would cut animal damage control that is essential for the continued viability for many American ranches already battered by the drought. Let us not forget about the drought. The DeFazio amendment would punish these ranchers with increased losses. My friends, that is wrong, it is just plain wrong.

Here is the bad news the DeFazio amendment has for consumers. Higher grocery bills are on the way for millions of American families struggling to make ends meet. These higher costs are courtesy of the DeFazio amendment which will increase predator damage and reduce supply.

At the same time, ADC plays a vital role in the safety of millions of air travelers. By 1991, 635 airports participated in the ADC program. The importance was illuminated when a bird strike at Kennedy Airport in New York caused severe damage to a plane and, more importantly, threatened the lives of 300 passengers. The DeFazio amendment says so sad, too bad, we should accept this level of risk.

That is wrong. It is plain wrong. We should reject this amendment for that reason as well.

Here is bad news the DeFazio amendment has for the environment. ADC activities protect threatened and endangered species from predators. The black footed ferret, the San Joaquin kit fox, the desert tortoise, the Aleutian Canadian goose might well be extinct were it not for ADC protection from predators. The DeFazio amendment says too bad, so sad, we may as well terminate these species. That is wrong, plain wrong, another reason to reject this amendment.

Finally, and most troubling, the DeFazio amendment delivers bad news to America's children. Rabies is rearing its horrifying face across America. Between 1988 and 1992, rabies cases have doubled. New York reported 1,761 new cases, while 640 of my fellow Texans were treated for rabies. Predators also directly threaten our youth. In Los Angeles, a 3-year-old girl was killed in her front yard by a coyote. ADC fights these threats. The DeFazio amendment tells us not to worry about the predator threat. It is not important, too bad, so sad.

This is wrong. We should reject the DeFazio amendment. If we care about either agriculture, consumers, the environment or children, we should stand strong and reject the DeFazio amendment.

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

The gentleman should read the amendment before he rises with such extraordinary charges that the amendment will be responsible for the collapse of American democracy and the final victory of the totalitarian Soviet state, which I think was part of the statement there.

It has exceptions for human health and safety. It has exceptions for endangered or threatened species. The endangered, threatened species are often dealt with in a better manner by fish

and wildlife, who has a line item in their budget. All this does is eliminate a subsidy for a ridiculous anachronistic program first implemented in 1931 that has no discernible impact.

It has had an impact, and it is inadvertent, against nontarget species, poisoning of nontarget species, the destruction of predators which, like coyotes, in many cases prey on rodents or on groundhogs and gophers and things which cause problems with pastures and with horses breaking their legs. So the gentleman, by killing coyotes, is responsible for people whose horses have put their legs in gopher holes, broken them, fallen and then been killed.

I will not make that charge, but his charges were equally irresponsible.

This is an absurd subsidy to a selected few, a very small percentage of privileged western livestock producers. It is something that if they need, they can contract for themselves without a subsidy from the U.S. taxpayers to continue this ineffective and indiscriminate program.

Mr. Chairman, I reserve the balance of my time.

Mr. SKEEN. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. STENHOLM].

Mr. STENHOLM. Mr. Chairman, I rise in opposition to this amendment. I have listened attentively to much of the debate. I think that the proponent of this amendment is completely overlooking the reason why some of us believe that it is a good program.

If you have ever talked to a rancher that has lost 200, 300, 400, or 500 kid goats, baby goats just born, if you have talked to ranchers that have lost 200 or 300 or 400 baby lambs that have just been born, then the 3-percent figure in the Nation makes no sense whatsoever to that individual.

This program is designed to take care of a problem. When there is no problem, when you do not have an undue number of coyotes or other predator animals in an area, you do not have a program. But when you do have one, and it becomes a problem, then you have a need for a program, and it does not just benefit the rancher.

Living in my part of the country today, as my friend and neighbor from San Antonio just pointed out, rabies, we have a serious problem that we are trying to contain and control. It is spread by coyotes and bobcats. And it is a problem that is now coming within the city limits of some of our towns in the southern part of Texas.

This program, as it is designed, is designed to be a responsible way to deal with problems like this. So I would hope that my colleagues, both sides of the aisle, would not support this amendment. It does nothing other than create some tremendous economic problems for certain ranchers, and it is not just in the far west, it is in Texas, it is in Oklahoma, it is in New Mexico, in all areas in which you have for whatever reason a problem with predatory animals.

I would hope that Members would not support this amendment. I think the committee has done a very responsible job. They have had a difficult time with the amount of moneys available. They have put the moneys where they believe is in the best and highest priority. I believe that it is something that almost every one of us can find a way to justify and support.

The CHAIRMAN pro tempore (Mr. LINDER). The gentleman from New Mexico [Mr. SKEEN] has 3½ minutes remaining and has the right to close, and the gentleman from Oregon [Mr. DEFAZIO] has 2 minutes remaining.

Mr. DEFAZIO. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, we have had a lot of red herrings drug across the floor here. Rabies is not affected by this amendment. Human health and safety activities are totally exempt. Whether it is rabid animals or problem animals, those things can still be taken care of by ADC.

We have heard about environmental concerns from the other side. I am pleased to finally hear environmental concerns from the other side from the gentleman from Texas, maybe not a first but definitely somewhat unprecedented.

We accommodate endangered and threatened species in this amendment. It does not affect control efforts that deal with the preservation or safety of endangered or threatened species.

Quite simply, the amendment goes to the heart of this issue, which is, should the U.S. taxpayers subsidize a program of poisoning, baiting, killing, shooting from airplanes and others of predator species that may or may not be a particular problem, should they continue to avoid their mandate that they use other controls, should we spend $14 million doing this? Maybe we should go out and have a Federal program to acquire dogs. We could buy Great Pyrenees, kuvasz, Komondors, Bouvier des Flandres. You can get a heck of a lot of them for $14 million, and if they live 10 years, we would not have to spend any more money.

The issue is, many ranchers have become dependent upon practices that are not the most prudent practices, to have calving or birthing of lambs in areas that are problem areas without any herders present, without themselves being present.

As we saw earlier, actually more of the livestock die with calving problems, 17 percent, than with the predation problems, 3 percent. But in any case, they are saying we need this program. If they need the program, they should pay for it themselves. They should go to their county or State, have the county or State pay for it.

It is time to put this Federal anachronism to bed. At a time when we are cutting back on every other program here in order to get to a balanced budget, we should no longer subsidize the indiscriminate killing by the animal disease control people and we should continue in the areas of health, safety, airports, and endangered species.

Mr. SKEEN. Mr. Chairman, I yield myself the balance of my time.

Let me say to the gentleman, who is existing in oblivious and euphoric unawareness, that is the closest I can come to being real kind about this issue, I understand his problem. He feels so good that he is cutting money.

Let me say to the gentleman, by cutting funding for the program there will not be any personnel available to take care of the health and safety issues that he is espousing because that is built into the program.

□ 1145

I ask the Members to vote ''no'' on this issue. Let us go back a little bit in history. We had the perfect answer to the kind of predatory control in the United States at one time with the formula known as 1080. It did not cost near as much as it does for the program that we have today because it took care of the problem. It was benign and it was species-specific. But, no, the animal rights people decided that this was a lethal method that was objectionable to them, and we did away with it, we banned, the use of 1080 in Western ranges.

So they came up with this program, and it is a participation program in which ranchers, farmers, and others put up money, that is to some degree, matching the Federal funding that is involved.

Yes, we want to cut the budget, and how, but we need to take care of a problem that is so onerous and so critical to those people who are livestock raisers and grazers. The are not being subsidized. They are paying their part because they have to spend enormous amounts of time checking traps and doing whatever they do to keep their predator control situation under absolute control.

So I say to the gentleman, ''Get out of the county courthouse that you were sitting in so comfortable; get out there and live with a family for a little while that has a predator problem so that you actually understand what predator control means.''

This program also assists those who have trouble going in and out of airports with huge flocks of birds that fly through jet engines and things of that kind. We are using a mental approach and a research approach to solving that problem; lethal means, are used as a last resort.

I agree with the gentleman that there ought to be a better system. We had a better system at one time, but it was not looked upon with great favor. In our great wisdom we banned it by executive decree, and I think that was a horrible mistake.

So I say to the gentleman and to those who are interested in this particular thing that I sure would appreciate a ''no'' vote because I think it has a devastating effect, and the gentleman, giving him all due credit, does not know what he is talking about.

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

Mr. PORTER. Mr. Chairman, I rise in strong support of this amendment. Currently, the Federal Government spends $27 million on the Animal Damage Control Program. Various activities covered under this program include prevention of the spread of rabies and control of bird flocks near airports. I strongly support these programs because they protect human health and safety. However, there are other activities within the ADC program which serve as an unnecessary subsidy to livestock producers. By the Federal Government paying for predator control, livestock owners are not encouraged to deter predators and improve the protection of their herds. By leaving newborn calves and lambs in fields far from the protection of the barn, livstock producers are enticing animals such as wolves, mountain lions, and foxes to prey on this young stock. In addition, the Department of Agriculture is already authorized to levy fees for predator control services but will not do so while the Federal government continues to pay the bills.

By cutting this program in half, we will focus the remaining money on the more beneficial programs that protect human health and safety. In these times of budgetary constraints, supporting this amendment will save taxpayer money and provide an incentive for livestock producers to take responsibility for protecting their herds.

Mr. FAZIO of California. Mr. Chairman, I rise in opposition to the DeFazio amendment, which would reduce funds for the Animal Damage Control Program of the Animal and Plant Health Inspection Service.

This is not a well-known program, but it is an important program for California and the United States.

ADC's activities range from preventing bird strikes to aircraft at JFK International Airport in New York, to seeking solutions to the severe problem of canine rabies in Texas, to protecting threatened and endangered species in California.

In California, ADC has worked with the U.S. Fish and Wildlife Service to protect the western snowy plover, the California clapper rail, the desert tortoise, and the California least tern.

In addition, ADC works with ranchers and grazers to prevent losses due to predation.

Losses of sheep and goats due to predation averages approximately $24 million a year. Cattle losses due to predation average approximately $40 million annually. In the absence of an operational ADC program, these losses will increase dramatically.

The effect of the DeFazio amendment would be significant and devastating. Seven ADC States offices would be closed, including the gentleman's home State and six other Western States. Twenty ADC district offices will close from Wisconsin to my home State of California. Approximately 200 field positions would be subject to reduction-in-force. Matching cooperative would decrease by 50 percent—amounting to a $10 million loss in cooperative funding.

In short, this is an effective program throughout the United States, and this amendment would severely reduce its effectiveness.

I urge my colleagues to oppose the DeFazio amendment.

The CHAIRMAN pro tempore (Mr. LINDER). The question is on the amendment offered by the gentleman from Oregon [Mr. DEFAZIO].

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

RECORDED VOTE

Mr. DEFAZIO. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 139, noes 279, not voting 16, as follows:

[Roll No. 230]

AYES—139

Abercrombie
Ackerman
Andrews
Barrett (WI)
Becerra
Beilenson
Berman
Bilbray
Bilirakis
Blumenauer
Blute
Bonior
Borski
Brown (CA)
Brown (OH)
Bryant (TX)
Cardin
Castle
Chabot
Chrysler
Coburn
Cox
Coyne
Cummings
DeFazio
DeLauro
Dellums
Deutsch
Dingell
Dixon
Doggett
Doyle
Duncan
Ehlers
Engel
English
Eshoo
Farr
Fawell
Filner
Flanagan
Foglietta
Fox
Frank (MA)
Furse
Gejdenson
Gephardt
Gilchrest
Goss
Gutierrez
Gutknecht
Hall (OH)
Harman
Hinchey
Hoekstra
Jackson (IL)
Johnston
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kleczka
Klink
Klug
LaFalce
Lantos
Levin
Lewis (GA)
Lipinski
Lowey
Luther
Maloney
Manzullo
Markey
Matsui
McCarthy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Meyers
Millender-McDonald
Miller (CA)
Miller (FL)
Mink
Moakley
Morella
Nadler
Neal
Neumann
Obey
Olver
Owens
Payne (NJ)
Pelosi
Petri
Porter
Rahall
Ramstad
Rangel
Reed
Rivers
Roemer
Rohrabacher
Roth
Roukema
Roybal-Allard
Royce
Sabo
Sanders
Sanford
Scarborough
Schroeder
Schumer
Sensenbrenner
Serrano
Shays
Slaughter
Smith (NJ)
Stark
Stearns
Stockman
Studds
Stupak
Taylor (MS)
Torres
Towns
Upton
Velazquez
Vento
Wamp
Waters
Waxman
Woolsey
Yates
Zimmer

NOES—279

Allard
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bateman
Bentsen
Bereuter
Bevill
Bishop
Bliley
Boehlert
Boehner
Bonilla
Bono
Boucher
Brewster
Browder
Brown (FL)
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Camp
Campbell
Canady
Chambliss
Chenoweth
Christensen
Clay
Clayton
Clement
Clinger
Coble
Coleman
Collins (GA)
Collins (IL)
Collins (MI)
Combest
Condit
Cooley
Costello
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
de la Garza
Deal
DeLay
Diaz-Balart
Dickey
Dicks
Dooley
Doolittle
Dornan
Dreier
Dunn
Durbin
Edwards
Ehrlich
Ensign
Evans
Everett
Ewing
Fattah
Fazio
Fields (LA)
Fields (TX)
Flake
Foley
Forbes
Ford
Fowler
Franks (CT)
Franks (NJ)
Frisa
Frost
Funderburk
Gallegly
Ganske
Gekas
Geren
Gibbons
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Graham
Green (TX)
Greene (UT)
Greenwood
Gunderson
Hall (TX)
Hamilton
Hancock
Hansen
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hilliard
Hobson
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Istook
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Jones
Kanjorski
Kaptur
Kasich
Kildee
Kim
King
Kingston
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (KY)
Lightfoot
Linder
Livingston
LoBiondo
Lofgren
Longley
Lucas
Manton
Martinez
Mascara
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Minge
Molinari
Mollohan
Montgomery
Moorhead
Murtha
Myers
Myrick
Nethercutt
Ney
Norwood
Nussle
Oberstar
Ortiz
Orton
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (VA)
Peterson (FL)
Peterson (MN)
Pickett
Pombo
Pomeroy
Portman
Poshard
Quillen
Quinn
Radanovich
Regula
Richardson
Riggs
Roberts
Rogers
Ros-Lehtinen
Rose
Rush
Salmon
Sawyer
Saxton
Schaefer
Scott
Seastrand
Shadegg
Shaw
Shuster
Sisisky
Skaggs
Skeen
Skelton
Smith (MI)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stenholm
Stokes
Stump
Talent
Tanner
Tate
Tauzin
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thornton
Thurman
Tiahrt
Torkildsen
Torricelli
Traficant
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Ward
Watt (NC)
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Williams
Wilson
Wise
Wolf
Wynn
Young (AK)
Young (FL)
Zeliff

NOT VOTING—16

Bass
Calvert
Chapman
Clyburn
Conyers
Emerson
Frelinghuysen
Gillmor
Inglis
Lewis (CA)
Lincoln
Martini
McDade
Moran
Pryce
Schiff

□ 1207

Messrs. KILDEE, FATTAH, and ROSE changed their vote from ''aye'' to ''no.''

Mrs. KENNELLY, Mrs. MEEK of Florida, and Messrs. COX of California, BILBRAY, SCHUMER, LEWIS of Georgia, and NEUMANN changed their vote from ''no'' to ''aye.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. MORAN. Mr. Chairman, during rollcall vote No. 230 on H.R. 3603 I was unavoidably detained. Had I been present, I would have voted "aye."

PERSONAL EXPLANATION

Mr. MARTINI. Mr. Chairman, this morning during rollcall votes 229 and 230 I was unavoidably detained. Had I been present, I

would have voted "aye" on rollcall vote No. 229, and "nay" on rollcall vote No. 230.

AMENDMENT OFFERED BY MR. KENNEDY OF MASSACHUSETTS

Mr. KENNEDY of Massachusetts. Mr. Chairman, I offer amendment No. 1.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1 offered by Mr. KENNEDY of Massachusetts:

At the end of the bill (page 69, after line 5), insert the following new section:

SEC. . None of the funds appropriated or otherwise made available by this Act for market access activities under section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623), or made available for the salaries of employees of the Department of Agriculture who provide assistance under such section, may be used to provide assistance to eligible trade organizations (as defined in such section) to promote the sale or export of alcohol or alcoholic beverages.

Mr. SKEEN. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes, and that the time be equally divided.

The CHAIRMAN pro temprore. Is there objection to the request of the gentleman from New Mexico?

Mr. KENNEDY of Massachusetts. Mr. Chairman, reserving the right to object, I would ask the gentleman, did he request 10 minutes?

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

Mr. KENNEDY of Massachusetts. I yield to the gentleman from New Mexico.

Mr. SKEEN. Yes, 10 minutes.

Mr. KENNEDY of Massachusetts. Five and five?

Mr. SKEEN. Five and five, yes.

Mr. KENNEDY of Massachusetts. Mr. Chairman, that is fine with me, and I withdraw my reservation of objection.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

The CHAIRMAN pro tempore. The gentleman from Massachusetts [Mr. KENNEDY] and the gentleman from New Mexico [Mr. SKEEN] will each be recognized for 5 minutes.

The Chair recognizes the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I think many people that saw the news yesterday that Seagrams Liquor Co. is now going to begin advertising directly hard liquor on television, were shocked at that development.

In a country that currently is involved in a situation in the United States of America where the No. 1 killer of people under the age of 24 in this country is alcohol and alcohol-related deaths, when we spend $15 billion a year of taxpayer funds to fight the war on drugs, and yet we have the singly most abused drug in this country, alcohol, now killing many, many more Americans than all other drugs combined, we have a tragedy on our hands.

We have spent time and time again debating on this floor the need to cut back programs that provide for the education of our children, that provide for the research and development of our country, that provide for the health care of our senior citizens. But in this bill is a hidden subsidy worth millions and millions of dollars to advertise some of the most profitable alcoholic beverages abroad. It is a shame and it is a scam. It ought to come to a stop.

In this Market Access Program, we will be spending millions of dollars to advertise Ernest and Julio Gallo, the richest winemakers in the world, who receive $25 million worth of United States taxpayer money to advertise its wine and brandy in Thailand, the Philippines, Canada, and England. Jim Beam got over $2.5 million to push its whiskey abroad. Other whiskey giants like Hiram Walker and Brown-Forman profited from the Market Access Program.

The MAP program adds insult to injury by asking the taxpayers to foot the bill of the world's largest foreign alcohol giants. We actually spend money subsidizing Seagrams, the very company that has gone on television yesterday to advertise its hard liquor, we are now subsidizing that Canadian company with United States taxpayer dollars to advertise their products abroad.

This is a scandal that ought to come to an end. Mr. Chairman, I would just suggest to the Congress of the United States that it is about time that if we are going to stand up to the senior citizens and tell them we spend too much money on their health care, if we are going to stand up to kids and tell them we spend too much money on their education, if we are going to stand up to the poor and vulnerable and tell them we spend too much money on poverty programs, then we can stand up to the biggest alcohol producers, the biggest winemakers in the world and tell them we are sick and tired of using taxpayers' money to subsidize their profits.

□ 1215

If they want to advertise their alcohol products abroad, let them do it with their own money. Let them stay out of the taxpayer's back pocket.

Mr. Chairman, I reserve the balance of my time.

Mr. SKEEN. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. FAZIO].

Mr. FAZIO of California. I thank the gentleman for yielding time.

Mr. Chairman, let me see if I can shed some light on this subject. We are talking about helping export American agricultural products under this program. I am specifically talking about small wine grape growers, most of whom market their products through several large wineries. This is an amendment to help small agriculture.

Remember, the European Union spends more on the export promotion of wine than the United States spends promoting all of our agricultural products. They do a great deal to help their growers promote their foreign sales. The European Community wine industries are heavily subsidized to the tune of $1.5 billion, which includes $90 million alone for export promotion. That is the total amount provided for all of agriculture in this bill, if it is not reduced or eliminated.

Other countries do even more than the European Union. The Italian Government through its trade commission is funding an additional $25 million for Italian wines alone. So when it comes to the wine industry, the MAP program that we are now debating is a program that helps small business, not visit the giant wineries, not only the names that we have heard bandied about here on the floor.

In fact in 1994, for example, 101 wineries participated and 89 of them were small wineries. So there is no question that this is not a subsidy simply to big agriculture or big vintners.

We are not talking about people who are purveying distilled spirits. This is wine, a product that we lead not only this hemisphere but this world in the production of a quality product. MAP promotes independent businesses. It is important that 90 percent of the small wine grape growers in this country be given an opportunity to be part of an export promotion program. This amendment would put an end to it.

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. FAZIO of California. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I would just like to suggest to the gentleman that if he reads the fine print of this legislation, what he will find is there is a big gap. The gap says that they can put money through the association. It is through those associations that then launder the taxpayers' dollars that then go into the pockets of the biggest wineries in the United States. Ernest and Julio, et cetera.

Mr. FAZIO of California. If I could reclaim my time, the people who are involved in this program are putting up half the money. This is not all Government money. Half the money comes from the private sector, both from the wine grape growers through their association and those who make wine and help market the product.

This is a program that works for all elements of one of our most successful agricultural industries. If we want to be successful in getting down our trade imbalance, if we want to help small growers, we ought to continue to support this very modest program, which is all we can afford at the present time.

Mr. SKEEN. Mr. Chairman, I yield 1 minute to the gentleman from Washington [Mr. NETHERCUTT].

Mr. NETHERCUTT. I thank the chairman of the subcommittee for yielding time.

Mr. Chairman, I think we have to keep in mind in this debate with respect to the Kennedy amendment that this program helps small farmers. This helps small farmers out in Washington State who, I might say to my friend from California, make the best wine in the world.

But also I want the gentleman from Massachusetts to understand that the USDA directs the Market Access Program to small businesses, small farms, small wineries. I do not think we want to cede our industry to the European winemakers.

That is what we are really doing here. We are developing a program that allows our Government to contribute some money to competition, unfair competition in my judgment, from foreign governments who assist their winemakers for shelf space. That is really what we are doing. What we are doing is developing a program that allows our products in this country to have some shelf space in foreign markets. That means jobs to Americans. That means jobs to people in my district, small wineries. I urge the rejection of this amendment.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I think it is interesting to note that people are talking about how this program assists small vintners. I would anticipate after a vote on this amendment, Mr. Chairman, offering a follow-up amendment that would simply limit the subsidy program to go only to small vintners.

As long as the gentlemen that talked so heartily about the need to assist those small vintners would put their vote where their mouth is, I think we might be able to work out a compromise on the underlying issue about whether or not the program should go directly to those small businesses.

My true feeling, and I know that the gentleman from Utah [Mr. HANSEN] has offered this amendment with me in the past, I wish he was here—I do not think he expected the amendment to come up quite so quickly—is that we do not believe that the U.S. Government ought to be involved in subsidizing alcohol products abroad. That is the fundamental question that is involved with this debate. It is fundamentally, I think, wrong for us to tell people that we do not have money in the coffers of the Federal Government to provide for the health care and the education of our people, but we do have money in the coffers to be able to subsidize alcohol advertising for some of the richest companies in America abroad.

Mr. Chairman, I reserve the balance of my time.

Mr. SKEEN. Mr. Chairman, I yield 30 seconds to the gentleman from California [Mr. FARR].

Mr. FARR of California Mr. Chairman, I say to the last speaker, Wake up.

We turn on the television set, we see Colombia's Juan Valdez selling us coffee. We see Mexico selling us Corona beer. This is a global market. If we want people to buy American, then we have to tell them what is American.

This is a program that requires that the Government match by private funds to advertise and to promote these products abroad. If we are indeed going to sell our products grown in America abroad, we are going to have to maintain this program. I urge a ''no'' vote on the amendment.

Mr. KENNEDY of Massachusetts. Mr. Chairman, how much time remains on each side?

The CHAIRMAN pro tempore (Mr. LINDER). The gentleman from Massachusetts and the gentleman from New Mexico each have 30 seconds remaining, and the gentleman from New Mexico [Mr. SKEEN] has the right to close.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, I cannot believe that we are hearing Members of Congress that normally speak out so strongly against corporate subsidies and say that is how we ought to balance the budget, all of a sudden switching when it comes to a corporate subsidy that happens to go to the wine industry.

Let us listen to Edward Nervo of the Famiglia Nervo Vines and Wines in Sonoma County, CA, who has written to me and said, ''With corporate welfare programs like these, no wonder the biggies get bigger and the small fry end up in the frying pan.''

Mr. SKEEN. Mr. Chairman, I yield the balance of my time to the gentleman from California [Mr. RIGGS].

Mr. RIGGS. I thank my distinguished chairman for yielding time.

Mr. Chairman, let me just say, first of all, the 5 largest recipients of market access promotion funds purchase over 90 percent of their grapes from small independent grape growers. This is a program that is working. It is a public-private partnership that has been improved by the Congress over the last few years. I just want to remind my colleagues that this same amendment went down to defeat in this House last year on a vote of 268 to 130. The American wine industry and the farmers who depend on that industry need our help to again defeat the Kennedy amendment.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Massachusetts [Mr. KENNEDY].

The amendment was rejected.

AMENDMENT OFFERED BY MR. KENNEDY OF MASSACHUSETTS

Mr. KENNEDY of Massachusetts. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KENNEDY of Massachusetts: At the end of the bill (page 69, after line 5), insert the following new section:

SEC. . None of the funds appropriated or otherwise made available by this Act for market access activities under section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623), or made available for the salaries of employees of the Department of Agriculture who provide assistance under such section, may be used to provide assistance to eligible trade organizations (as defined in such section) to promote the sale or export of alcohol or alcoholic beverages unless it is made known to the Federal official having authority to obligate or expend such funds the the promotion activities benefit a small-business concern.

Mr. SKEEN. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes and that the time be equally divided.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

The CHAIRMAN pro tempore. The gentleman from Massachusetts [Mr. KENNEDY] and the gentleman from New Mexico [Mr. SKEEN] will each control 5 minutes.

The Chair recognizes the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to commend the chairman of the committee along with my good friend from Illinois, Mr. DURBIN, for some language that they inserted in the ag bill last year as a result of the same debate that just took place on the House floor. I shall read what those changes are:

The funds shall not be used to provide direct assistance to any nonprofit corporation that is not recognized as a small business concern described in section A of the Small Business Act. Secondly, a cooperative; or, third, an association described in the first section of the Act.

Essentially what that is attempting to do is to reform this act so that the big subsidies do not go to the big companies, Seagrams, Ernest and Julio Gallo and the other major vintners and major producers of alcohol that have, I think, very unfairly skimmed money from the American taxpayer while they are making millions and millions of dollars in their exports.

The language of this amendment very simply suggests that while what is really occurring is through this trade association loophole, the money is now being funneled through to trade associations and then the trade associations redistribute it to the very big companies.

I had a long talk last evening with the Department of Agriculture about this loophole that is contained in the law. All that this amendment would do would be to extend the small business criteria to any funds that get funneled through the trade association to make sure that the concerns of my good friend from California, who is so very worried about those small vintners, will actually make sure the money goes to those small vintners.

Mr. Chairman, I reserve the balance of my time.

Mr. SKEEN. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. DOOLEY].

Mr. DOOLEY. Mr. Chairman, I rise in strong opposition to this amendment.

What the market Assistance Program is all about is trying to ensure that U.S. farmers get their fair share of expanding export markets. What the gentleman from Massachusetts [Mr. KENNEDY] is trying to do now is define a different criteria and that we try to say that only small businesses are going to be involved in achieving those expanded markets.

As a farmer and as any grape farmer or wine grape grower out there will say, what is important is to increase the sales of wine. What is important is to assure that U.S. wineries have a fair playing field when they take on the European Union and the 6-to-1 advantage that they have in export promotion over U.S. wineries.

What we would be doing in this case if we limit the money on where it goes, we would be saying to that small grower who is growing grapes that is selling them to a larger winery that they are not ever going to benefit from the Market Assistance Program. We would be saying to that winery out there and that winery who might be owned by an individual that might be farming 10,000 acres but has his own winery that he is going to benefit from the Market Assistance Program. That is not fair.

What we are trying to do is to ensure that that average wine grape grower in California, or other parts of the country, that grows less than 100 acres of wine that they will have a tool that will ensure that U.S. wine will be at a competitive advantage or have a fair playing field when we take on the winemakers and the wine grape growers of the European Union.

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. DOOLEY. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Does the gentleman really believe that we should be providing Government tax subsidies to the richest companies in the U.S. regardless of what their profit lines are?

Mr. DOOLEY. Reclaiming my time, what the issue is is that the U.S. farmer have fair access. In a perfect world if the European Union were not spending six times the amount that the U.S. Government was to provide exports, then we would not need this program. But if we want to ensure that the U.S. farmer has a level playing field, this Government needs to stand behind them, and that is what the Market Assistance Program does.

Mr. KENNEDY of Massachusetts. May I inquire of the Chair how much time remains on each side?

The CHAIRMAN pro tempore. The gentleman from Massachusetts [Mr. KENNEDY] has 3 minutes remaining and the gentleman from New Mexico [Mr. SKEEN] has 2 minutes remaining.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would just like to suggest that I do think that we ought to have some kind of test in this program as to whether or not companies who are making tens of millions of dollars worth of profit and then coming in and reaching into the back pocket of the taxpayer and asking us to subsidize them when they are already making all these dollars.

□ 1230

The real question is whether we should be promoting alcohol products abroad to begin with, but if we are to do it and we have to do it because the Europeans are subsidizing their industry, I say fine, but let us not go out and needlessly line the pockets of companies that are already making tens of millions of dollars' worth of profits.

Come on, Congress of the United States, stand up to the wine lobby. That is what this is all about. Just for once say to the wine lobby, look, we will accept that we are going to help out the little guy, but let us not go out there and line the pockets of the richest wine companies.

These are people that for all the time have gone out and gotten all the farm workers picking the grapes and all the rest of it. They make plenty of profits. Let us stand up to them, for crying out loud. Have a little heart, have a little soul, and stand up to the big boys every once in a while. It is good for the soul.

Mr. Chairman, I reserve the balance of my time.

Mr. SKEEN. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. FAZIO].

Mr. FAZIO of California. Mr. Chairman, first of all, I would say to the gentleman from Massachusetts that the Department of Agriculture and the Department of Health and Human Services say that a little wine in each individuals' daily diet is healthy for them. So exporting wine is something we should not be ashamed of. We should be proud of it, and we should be out there competing with the rest of the world.

But the point the gentleman does not get is that we are talking about small growers who own 30, 40, or 50 acres. They are not the ones who make wine and send it overseas. They have to have a winery buy their product. We are trying to help, as the gentleman from California [Mr. RIGGS] said, 90 percent of the small grape growers in this country to find a home for their product. They will find it in many cases domestically but we are expanding our international markets, and we are doing it with a cooperative program that is shared between those who profit and the taxpayer who profits even more by a modest investment in terms of income producing tax paying jobs.

And I can tell the gentleman, in this MAP Program we get back $16 in agricultural exports for every dollar that we spend. So please understand we are talking about small farmers here and a benefit for taxpayers as well.

Mr. KENNEDY of Massachusetts. Mr. Chairman, how much time do I have remaining?

The CHAIRMAN pro tempore (Mr. LINDER). The gentleman from Massachusetts [Mr. KENNEDY] has 2 minutes remaining and the gentleman from new Mexico [Mr. SKEEN] has 2 minutes remaining.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I want to address my comments to my good friend from California, Mr. FAZIO. The truth is that all this amendment does is limit it to small businesses. All we are saying is if the gentleman is truly concerned about small businesses and the small vendor, then he should be supportive of this amendment.

This amendment simply says that the trade association funding can only go to businesses that will qualify under the Small Business Act as small business. Instead of the big boys, the little guy.

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

Mr. KENNEDY of Massachusetts. I yield to the gentleman from California.

Mr. FAZIO of California. Mr. Chairman, I would note, as the gentleman from California [Mr. DOOLEY] said, a winery may be called a small business but 90 percent of the grapes grown by farmers move through the five largest wineries. So the gentleman is not helping the grower if he makes this distinction. He is trying to do something that is a worthy cause, but he is missing by a mile.

Mr. KENNEDY of Massachusetts. Mr. Chairman, reclaiming my time, the truth of the matter is, if these people are part of a trade association they still have access. What this bill does is limit the ability of the trade associations to go about providing big subsidies to the biggest wine companies. It does not, in fact, stop us from providing small businesses with the ability to gain access to the program.

I think the whole program is crazy, but I think it is even crazier to suggest that what we will do is continue to skip a loophole open that provides all this money to go to the biggest companies in the country.

Mr. FAZIO of California. Mr. Chairman, if the gentleman will continue to yield, the craziest thing we could do would be to eliminate 90 percent of the wine grape growers, who are small farmers. They do not make wine and do not export it. They need private sector help to do it. and this program provides the partnership to do it.

Mr. KENNEDY of Massachusetts. Mr. Chairman, the truth of the matter is, this will have absolutely no impact. And if the gentleman talks to people seriously about the impact of this whole MAP program, it will not have a penny's worth of difference in terms of what the actual sales are.

The gentleman and I both know we can produce wine. People want to buy the wine and will produce the wine, and it has nothing to do with the small amount of subsidies that end up going into this program. It is the principle of the fact that we are providing taxpayer

dollars, millions and millions of dollars worth of taxpayer funds, that go into the back pocket of the biggest companies. That is a scam and a scandal that ought to be dealt with.

Mr. SKEEN. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. RIGGS], the remainder of my time.

Mr. RIGGS. Mr. Chairman, I wish the gentleman from Massachusetts could devote so much time and energy to helping us address the competitive and trade disadvantage that our wine exports have against Chilean and European wines.

But the gentleman was correct when he said last year in conference we restructured the MPP, now known as the Market Access Program, to restrict direct participation of for-profit corporations that are not small businesses while requiring a direct match from any small business that participates in this program. These reforms should silence this unwarranted criticism of the Market Access Program.

The accusations that corporations are advertising products at taxpayers expense are simply not true. The primary emphasis of this program, as has been pointed out repeatedly over the last few minutes of debate, is toward the small family farmer. Historically, 60 percent of market access promotion funds have gone to generic advertising; the remaining 40 percent is allocated to brand promotion, with priority again given to small entities.

I quote from the act: In addition, a sizable number of large corporations receiving market access promotion moneys are actually grower cooperatives. All benefits those organizations derive from brand assistance under this program are directly returned to their grower members, who themselves tend to be small and medium sized operations.

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

Mr. RIGGS. I yield to the gentleman from Kentucky.

(Mr. WARD asked and was given permission to revise and extend his remarks.)

Mr. WARD. Mr. Chairman, I rise in opposition to the amendment.

Mr. RIGGS. Mr. Chairman, I wanted to conclude by saying the Market Access Program is not corporate welfare; it is a valuable resource for America's small farmers to compete in highly restrictive foreign markets. In fact, this program is pro-trade, pro-growth, and pro-jobs.

Ms. WOOLSEY. Mr. Chairman, although I have the utmost respect for the gentleman from Massachusetts, unfortunately, I must rise in strong opposition to this amendment.

I must do so because this amendment directly and unfairly targets my constituents in Sonoma and Marin Counties, CA, who produce some of the world's finest wine. If this amendment passes, however, their world-famous wine would no longer be able to compete in the world market.

This amendment would devastate the small wine producers in my district, who rely upon Federal export assistance to enter and compete in the global marketplace.

Unlike Europe and South America, U.S. wine producers receive no production subsidies whatsoever. Furthermore, our competitors outspend the United States in export subsidies by more than 6 to 1!

Mr. Chairman, small California wineries cannot compete in such a lopsided marketplace without some assistance. And let there be no mistake, this amendment targets small, family-owned businesses—89 out of 101 wineries that participate in the Market Access Program are small wineries.

The Kennedy amendment takes this critical assistance away from small wine producers and, in doing so, It takes away jobs; it takes away trade; and, it takes away fairness.

Mr. Chairman, we should be working today to help export California wine, Not California's jobs. Vote "no" on the Kennedy amendment.

The CHAIRMAN pro tempore. All time for debate has expired.

The question is on the amendment offered by the gentleman from Massachusetts [Mr. KENNEDY].

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

Mr. KENNEDY of Massachusetts. Mr. Chairman, I demand a recorded vote, and pending that, I make a point of order that a quorum is not present.

The CHAIRMAN pro tempore. Pursuant to the rule, further proceedings on the amendment offered by the gentleman from Massachusetts [Mr. KENNEDY] will be postponed.

The point of no quorum is considered withdrawn.

The Chairman pro tempore. Are there further amendments?

AMENDMENT OFFERED BY MR. KOLBE

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

The Clerk read as follows:

Amendment offered by Mr. KOLBE: At the appropriate place in the bill, insert the following new section:

SEC. . None of the funds made available in this Act may be used to administer a peanut program that maintains a season average farmers stock price for the 1997 crop of quota peanuts in excess of $640 per ton.

Mr. SKEEN. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 20 minutes with the time being equally divided and to roll the vote.

Mrs. CLAYTON. Mr. Chairman, I object.

The CHAIRMAN pro tempore. Objection is heard.

The gentleman from Arizona [Mr. KOLBE] is recognized for 5 minutes.

Mr. KOLBE. Mr. Chairman, I rise to offer this amendment with the gentlewoman from New York [Mrs. LOWEY]. It is an amendment that simply carries out the intent of Congress on the peanut program. The farm bill, the Freedom to Farm Act, made some extremely modest changes to the peanut program. The change that was supposed to benefit consumers was a 10 percent reduction in support prices from $678 to $610. This amendment would ensure that the price of quota peanuts would actually be $610 per ton, as approved in the recently passed farm bill.

Now, why is this amendment necessary, if all we are doing is seeking to implement what the farm bill said we were going to do? It is necessary because the Secretary of Agriculture, not without reason, since he represents agricultural interests, has chosen to administer this program in a way that makes sure that peanut prices will continue to stay at previous, much higher levels.

The Secretary was able to do this, to keep the peanut pries high, by announcing a national peanut quota production level that is going to be at least 100,000 tons less than the projected domestic demand. In other words, the Government is creating an artificial shortage.

Mr. Chairman, what we have is a Government-created artificial shortage of peanuts and, thus, a consequent higher price for peanuts. That is contrary clearly to what we intended to do in the farm bill.

At a time when we have a peanut industry that is certainly in a serious state of decline, with peanut consumption dramatically declining over the last 5 years, it does not seem to me that we can afford to let bad government policy excessively inflate the prices for domestic consumers. Inflate the prices, I might add, to what is now double, double, the export price. The domestic price of peanuts is double what our producers get when they sell it into the export markets. In other words, we have this artificially created price.

Even at $610 a ton, which we are not going to get to because of this reduction in the quota, U.S. peanuts are 33 percent above the world price of $350 per ton.

So this amendment only ensures that the administration will carry out the will of Congress to reduce the price of quota peanuts by 10 percent, which is what we though we were getting when we voted for the Freedom to Farm Act.

If some would question whether or not there is a precedent in this, I would point out that the Committee on Appropriations has already adopted an amendment which places a price cap on the price of raw cane sugar at 117.5 percent of the loan rate. It was done for the exact same reason we are talking about here today. This cap was necessary in order to ensure that the price of sugar did not rise too far.

In both cases, the Department of Agriculture has created this false shortage of a very basic commodity that we use.

Mr. Chairman, the bottom line here is very simple. We thought, we intended, and we wanted to get market reform when we voted for the Freedom to Farm Act. We got the least in the commodity programs, but we thought we were getting something with a 10-percent reduction in the target price.

However because of the other aspects of this, the quota, the Secretary of Agriculture has been able to undermine any kind of a price reduction by setting a quota that is below what the market can consume.

So all we are seeking to do is to make sure that the market works; that the Freedom to Farm Act works exactly the way it is intended. We are making no basic change to the program.

And I might to also add, Mr. Chairman, that this is a fix that can only be good for 1 year. This is an appropriation bill for 1 year. It can only work for 1 year, that is we can try to make the farm program work they way we intended in the Freedom to Farm Act for 1 year any one year only. If everybody really want to find a way to make this work over the course of the next 7 years of the freedom to farm legislation, then we can find a way to do that. But this is only to be sure that in the calendar year 1997 it is already too late for 1996—that we can have a price for peanuts that does not mean that consumers will pay more for their peanut butter, more for their candy bars, more for everything that they buy that has peanuts in them.

Mr. Chairman, I strongly urge my colleagues to support this amendment.

Mr. ROSE. Mr. Chairman, I rise to speak in opposition to the amendment.

Mr. Chairman, I am not sure, and I would like to engage my colleague in a colloquy. I do not believe he understands how the peanut program works. In the first place, $610 was not a ceiling. It is a floor. In other words, the Department of Agriculture price support level for peanuts is $610. The gentleman is trying to fix the price of peanuts at $610.

The ''Dear Colleague'' letter that when out from about 15 institutions in this town is a flagrant violation of the Federal antitrust laws against price fixing. I have never seen anything to beat it.

Does the gentleman actually believe that if the price of peanuts is $610 a ton that the people who buy those peanuts are going to pass the savings on to the American housewife?

□ 1245

Mr. Chairman, I would ask the gentleman if he really thinks that?

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

Mr. ROSE. I yield to the gentleman from Arizona.

Mr. KOLBE. Mr. Chairman, the answer is ''yes.'' I guess I have a naive belief in market systems that there will be some passing on of that price. And if the gentleman is correct about this being the floor, then why do we have to lower the quota 100,000 below the level of consumption?

Mr. ROSE. Mr. Chairman, reclaiming my time, the purpose of the program is to provide a safety net for the thousands and thousands of farm families across this country who raise peanuts. Mr. Chairman, $610 is way below the marketplace price, and the program is probably not even going to click into effect. And if it was, has the gentleman not raised the number in his amendment about four times and is it not now, what is it, $645?

Mr. KOLBE. Mr. Chairman, if the gentleman would yield, to respond to the gentleman it is $640 per ton in the amendment.

Mr. ROSE. Six hundred forty. Mr. Chairman, I, for the life of me, cannot understand why the gentleman would want to introduce an amendment like this. It is not going to save any money. The Department of Agriculture is perfectly content with operating the program at $610 a ton. That is a floor, it is not a ceiling.

Mr. Chairman, I would say to my colleagues I think this is a very mischievous amendment. It actually probably will not have any legal effect if it passes because of the way it is written.

But it is a hoax to tell the American housewife that if we vote for this amendment, that they are going to save anything on the price of peanuts at the grocery store. This will go into the pockets of the companies that manufacture candy.

Candy manufacturers are worried about only two things: the cheap sugar and cheap peanuts. We could give peanuts to candy manufacturers, and do you think they would drop a nickel or a dime off the cost of a candy bar? Absolutely not.

This amendment does not relate to the peanut program because it does not even understand how the peanuts program works. I urge my colleagues in the House, vote ''no'' on this amendment. Let us get on to letting the Department do what we agreed to in the farm bill, and that is that the price support floor is $610 for peanuts. Let us do not even attempt to fix the price of the peanuts in this bill.

Mrs. LOWEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, the gentleman from Arizona [Mr. KOLBE] and I are offering this amendment today to ensure that the minor reforms, and I say minor reforms, to the peanut program that were included in the farm bill are actually implemented. I do not think that is too much ask. The peanut program epitomizes wasteful, inefficient Government spending and it supports peanut quota holders at the expense of 250 million American consumers and taxpayers.

This is an outdated program. It is based on a system reminiscent of feudal society. Quotas to sell peanuts are handed down from generation to generation. And let us remember that two-thirds of the people who own these quotas do not even farm. They do not even live on the farm. They probably do not remember what a farm looks like.

Mr. Chairman, the GAO has estimated that this program passes on $500 million per year in higher peanut prices to consumers. To my good friend from North Carolina I would like to say I know that there are a lot of studies, but there is a study done by Public Voice for Food and Health Policy, between 1988 and 1993, that showed that as the Government-set price of peanuts went up, the retail price went up and as the Government-set price went down, the retail price went down. I know that there are a lot of studies, but this was on study that testified to that fact.

Mr. Chairman, the Kolbe-Lowey amendment is a reasonable approach to ensuring that the reforms that were actually passed in the farm bill are implemented. The amendment ensures that the average price of peanuts is no greater than $640 per ton, which is $38 lower than last year's price, and $30 higher than the price support rate included in the farm bill.

As many of my colleagues know, I was not satisfied with the reforms to the peanut program included in the farm bill, but the very least we can do is to ensure that these reforms are implemented and executed.

Lowering the price of peanuts is also good for American jobs because the price of peanuts in the United States is so high, peanut butter and candy bar manufacturers are actually leaving the United States to open up plants in Canada and Mexico because the peanuts can be purchased there are at the world market price, which is half the United States price, and the finished product can be brought into the United States and sold here.

Seems to me that what we have to do is artificially lower the high price of domestic peanuts to save these manufacturing jobs. I urge my colleagues to stand up for American consumers, pass the amendment. It is good policy, and it is only asking that the reforms passed as part of the farm bill are implemented.

Mr. KOLBE. Mr. Chairman, will the gentlewoman yield?

Mrs. LOWEY. I yield to the gentleman from Arizona.

Mr. KOLBE. Mr. Chairman, I thank the gentlewoman for yielding, and I commend her for the statement she made.

Mr. Chairman, I want to respond to a couple of things said by the gentleman from North Carolina [Mr. ROSE] when he is talking about this being a floor. He is right. But he forgets to talk about the other aspect of this program, which is the quota that the Secretary can manipulate.

The Secretary has toyed with the quota, which, as far as I know, has never in recent times ever been set below the level of consumption. By lowering it below the level of consumption, he has assured that that price will not drop to that floor of $610 a ton. So we know that we will not have a 10-percent reduction.

And if we are talking about a safety net for growers, where is the safety net for those who do not have quotas, that

sell only in exports? There is no safety net for them. Why do not we have a price that reflects the world market price?

Mrs. LOWEY. Mr. Chairman, reclaiming my time, I want to respond to one other point that was mentioned by my good friend from North Carolina. We have heard a lot about fixing the price, but maybe I am missing something. It seems that that is just what this feudal system is about, fixing the price.

Mr. Chairman, if we do not want to fix the price and mess with the market, then let us let it go free on the market. What we are doing here is actually price-fixing by keeping this in place.

Mr. ROSE. Mr. Chairman, will the gentlewoman yield?

Mrs. LOWEY. I yield to the gentleman from North Carolina.

Mr. ROSE. Mr. Chairman, the gentlewoman was responsible, she and her colleagues were responsible, for reducing the price support level for peanuts from $678 dollars a ton to $610 a ton. That is a substantial, tremendous financial hit on the peanut farmers of America. The gentlewoman has characterized it as not a very substantive reform. We think it was too much reform, but she has that to her credit.

It is a floor under which the Government support program buys the peanuts. The gentlewoman and her colleagues are trying to say that if the average price of peanuts——

The CHAIRMAN pro tempore (Mr. LINDER). The time of the gentlewoman from New York [Mrs. LOWEY] has expired.

(On request of Mr. ROSE, and by unanimous consent, Mrs. LOWEY was allowed to proceed for 2 additional minutes.)

Mrs. LOWEY. I yield to the gentleman from North Carolina.

Mr. ROSE. Mr. Chairman, what the gentlewoman from New York is saying is that if the price of peanuts goes over $245, that the program disappears. Well, who is going to tell the Department of Agriculture what peanuts sell for when they do not monitor that, if they are not within the program?

In other words, the gentlewoman has come up with something that will not work. Will Rogers used to say, ''It ain't what people do not know that bothers me; it is what they think they know that is just dead, damn wrong that bothers me.''

The gentlewoman from New York and her colleagues all have wandered into that area here rather beautifully. There is no way the Department of Agriculture can go out and see every peanut farmers in America and say, ''Did you sell your peanuts for more than $654 a ton? If so, we want you to sign a paper.'' How you are going to monitor this monster that you all have created? I beg to offer to you that it will not work, and I urge my colleagues to vote against it.

Mrs. LOWEY. Mr. Chairman, reclaiming my time, I just want to say to my distinguished colleague I am very respectful of his knowledge on this program, but many of us as consumers do face the impact of these programs. And all we are saying is we are not changing by this amendment any of the improvements, any of the modifications that were put in place that the gentleman supported, or many of my colleagues supported, in the freedom to farm bill.

All we are saying is let us not be able to squeeze the market, squeeze the quota so we push the price higher. CBO has estimated that this amendment will be zero cost. The growers will not have to pay anything. It is my understanding that that is all the amendment does. My distinguished colleague is actually making sure that the reforms, as modest as they were, be implemented.

Mr. ZIMMER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the gentleman from North Carolina referred to a monster that he said we would be creating by passing this amendment. The real monster and the real offense against the market system is the current peanut quota system. It locks up the market tighter than a drum. It is a Government-sanctioned cartel, and it is offensive to everything that we as Americans believe in with respect to free enterprise.

Mr. Chairman, as for the gentleman's contention that none of the cost savings to the manufacturers would be passed on to the consumers, if that is the case, then let us set the price at $1,000 a ton or $2,000 or $5,000 a ton.

Of course, if we completely lose sight of rational economics and we decide that there will be one corner of Stalinistic economics in our economy, then anything should go, and why do not we go for $5,000 a ton?

The fact is that the lower the price of the raw material, the lower the price of the product. And it is adding 33 cents to the cost of a jar of peanut butter to implement the current program. This is a cost that is borne disproportionately by the working poor and by the middle class. It is paid every day by that working mother who makes the peanut butter and jelly sandwich for her children to take to lunch at school. And that is the true impact.

It is time that we stop treating the peanut industry as a special, privileged sector of the agricultural economy. The Freedom to Farm Act made some important reforms in many commodities, but in order to get the votes to enact those reforms, it went very light on sugar and very light on peanuts.

Mr. Chairman, I believe it is time for us to get serious about this. This is a very modest step to make sure that we do not pay even more than the Freedom to Farm Act contemplated.

So, it is absolutely essential that we pass this amendment, and I strongly urge a ''yes'' vote.

Mr. STENHOLM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, that last exchange was truly amazing. If my colleagues would only stop for a moment; when we talk about the consumer, and I want my colleague from New York to listen very carefully, look at what has been happening in the marketplace for cereal in the last 2, 3, 4 weeks. The price of cereal has dropped from $4 a box to $3 a box while the price of grain has doubled to the farmer. Why? Because the manufacturing interests that the two sponsors of this amendment are carrying the water on today have decided that they do not need to take $2 from the consumer for advertising in order to sell more of their product, that by lowering the price they can sell more.

That is what is happening in the marketplace, and the same is true for peanuts. You can find and document the exact same facts in the manufacturing side. There is more cost in the container of a jar of peanut butter than the value of the peanuts within the peanut butter. So the argument that was just made by the gentleman from New Jersey, better go back and check the facts.

Let us review what the Committee on Agriculture did in the farm bill this year. We, much to the chagrin of the small producers that many of us represent, agreed to cut the price to the producer from $678 down to $610. Pretty good cut, folks, by anybody's definition of cut. And this is not cut from rate of increase. This is a cut in net farm income that does not seem to satisfy some folks around here today because they want to do more.

Now, what is truly amazing to me about this amendment and this argument, which I do not believe the proponents of the amendment truly understand the peanut program or what they are proposing.

Mr. Chairman, if, in fact, we want the market to work, by cutting the quota from 1.3 million tons to 1.1, we are allowing the market to work. We are reducing the amount of subsidized peanuts and allowing the probability of farmers who have no quota to produce peanuts for the market.

Now, lo and behold, what the complaints are today is what? You cannot find a seller for $650 for peanuts. Farmers want more. If the marketplace says they should get more, then they will get more. If this says they will get less, they will get less. Because who now has an opportunity to sell peanuts? Anybody in the United States today can raise peanuts.

□ 1300

There is no prohibition on who can raise peanuts. If you choose to raise them for this market that everybody is concerned about, you take a guarantee of $138 a ton. That is all you are guaranteed. You can produce for the international marketplace, get a contract perhaps for $400, but if you want to go for the market in the belief that there will be increased consumption, you

may do so. But you also take a chance on losing. That is what the market is all about.

Listening to this debate today, I am saying, am I living in a different world? All of the arguments being made are being made in direct opposition to the market. That is why I believe that those offering the amendment truly do not understand the intricacies of the peanut program.

In conclusion, let me say this, please, to my colleagues: Understand what we have already done to the peanut program. We are doing it because we, too, recognize the market needs to work. We have moved the program in that direction. We have reduced the support price from $678 to $610. We are allowing people to produce peanuts.

Yet we hear now those who are concerned that the consumer is being hurt, take a look at cereal. Take a look at the argument. Ask those people that are giving you the information of why you ought to come in here and do to the peanut farmer what you are doing, ask them what and why they are doing in the marketplace to the consumer other than trying to take it out of the farmer's pocket.

Mrs. LOWEY. Mr. Chairman, will the gentleman yield?

Mr. STENHOLM. I yield to the gentlewoman from New York.

Mrs. LOWEY. Mr. Chairman, I would just like to ask my distinguished colleague a question. The gentleman is saying that the committee and the freedom to farm bill passed some very important reforms, and I would agree that there have been some reforms made. It is my understanding, and I am trying to understand why he objects, that this amendment, which we are proposing, is just making sure that these reforms, which are an important step in the right direction, are implemented.

The question that I have, with these reforms, the prices continuing higher than the $610. My colleague is saying that it is the market. There may be a case to be made that, because the quota is squeezed and the quota is reduced, that continues to push the price up. Maybe there is a faulty administration of the quota system.

The CHAIRMAN. The time of the gentleman from Texas [Mr. STENHOLM] has expired.

(By unanimous consent, Mr. STENHOLM was allowed to proceed for 3 additional minutes.)

Mrs. LOWEY. Mr. Chairman, if the gentleman will continue to yield, if, in fact, this amendment is implemented, and I hope it is today, then what it is trying to do is just to be sure that the reforms which my colleague states were made, and they were in the freedom to farm bill, are implemented correctly.

Mr. STENHOLM. Mr. Chairman, I thank the gentlewoman for her question, but follow this very carefully. There is no prohibition on anyone raising any number of peanuts. Last year, I believe the domestic market for peanuts was 937,010 tons. That was the domestic market last year. The administration has reduced from 1.3 to 1.1; 1.1, the last time, I checked, was more than 937. So really, you cannot make an argument that even the reduced quota is going to short the market.

But the important thing to understand is that anybody can raise any number of peanuts. If there is a shorting of the market because there are not enough peanuts to go around, anybody can go into the pools that we have, pools in which peanut farmers sell their peanuts into a joint pool. If the market price is greater, they share in the benefits and, if it is not greater, they lose.

So the argument that we, by reducing from 1.3 to 1.1 is unduly influencing the market, it might be right now when some folks are trying to contract. And if I were a buyer right now, I would be doing everything in my power to do, to get somebody to come on the floor and to put a cap on what farmers can receive. That is good business. I understand that. That makes eminent good sense, put a cap on, which is what this amendment would do. No farmer may ever get more than $640 a ton for their peanuts.

Mrs. LOWEY. But my colleague agreed to $610 already.

Mr. STENHOLM. As floor, as a floor. But it is the same in corn. I suppose the next thing we will have an amendment to put a cap on is corn. Put a cap on wheat, put a cap on cotton. Control the price. Control. Let us have price fixing, which is what you are proposing right here with this amendment. Let us fix the price on the up side.

As we all know, what we have tried to do with farm programs is to put some bottom-side protection to growers; bottom-side protection, because we are in the international marketplace in all of agriculture. And in peanuts it is a unique program, I concede that. It is very unique. But I wish my colleague would give credit to the Committee on Agriculture for doing that which we recognize we had to do, and that is move the program more into the market orientation side. And we did that. But it is never enough for those that want to kill the program. Those that want to go in and eliminate the total program and would love to pay $400 a ton for peanuts and buy all the peanuts for 1 year until you break the farmers, I understand that. It makes good sense.

The CHAIRMAN. The time of the gentleman from Texas [Mr. STENHOLM] has again expired.

(By unanimous consent, Mr. STENHOLM was allowed to proceed for 1 additional minute.)

Mr. STENHOLM. Mr. Chairman, I only want to point out again, which I think is the most relevant counter-argument to the amendment being offered: There is no restraint on production of peanuts. The market is the one that has to react. If the market chooses to pay $800 a ton, peanut farmers will be happy. If they choose to pay $610, they will not be so happy. Some will be very happy with $610. I have got growers that make good money at $500, $400 a ton. I have got others that struggle to make it at $610. We tried to balance that constituent interest because I happen to represent both quota and nonquota. I happen to represent some of the theory that the gentleman from Arizona [Mr. KOLBE] is trying to put forward here.

Mrs. LOWEY. Mr. Chairman, if the gentleman will continue to yield, I just want to say again that, respectfully to my good friend, the only difference in our view is, you are calling price fixing our amendment which attempts to put in place the change in the freedom to farm program where we are saying that this feudal program is price fixing all along.

Mr. HEFNER. Mr. Chairman, I move to strike the requisite number of words.

I will not take the full 5 minutes. Let us just put this in perspective. What is going to happen if this amendment passes, the small farmers is going to get hurt. We have practiced this in other areas. He is going to get hurt. We talk so much about the consumer. Everybody is a consumer, even the small peanut farmer. He buys peanut butter, he buys candy bars. He buys all the stuff that is made with peanut products. What is going to happen is the small farmer is going to be hurt, it is going to cost him money. But if you think for 1 minute that, if you pass this bill, the savings are going to be passed on to the consumer, then we have got some good property over in North Carolina on the coast that fluctuates with the tides, we like to sell you over there.

You are not going to pass along the so-called savings to this. The people that make the Baby Ruths and the Pay Days and the Hershey bars, they are not going to pass along the savings to the consumer. So what it is going to boil down to is the small farmer, who is a consumer, he has to go out and buy; but the masses of the consumer that go every week to the Safeways and to the Giants and the places and buy the snack bars, what have you, he is not going to see any savings on this.

It is going to be a tremendous profit to the people, the big manufacturers that make the, that use peanuts to go into their profits. So we can talk a lot about the consumer, but let us just keep in mind, we have had it in the past when we had sugar programs that said, if you pass a sugar program, hey, soft drinks will come down. We have the same situation. They do not come down. They do not pass on to the consumer. You are not doing anything in this amendment but doing harm to the small farmer and giving exorbitant profits to the people that use the peanuts in their products. The consumer, bless his heart, he is mentioned a lot, but he is not going to receive one penny's worth of benefits if you pass this

amendment. I strongly urge you to look at the reality of it and vote this amendment down.

Mr. CHAMBLISS. Mr. Chairman, I move to strike the requisite number of words.

As a member of Committee on Agriculture and one who comes from a heavy peanut-producing area, we began work on reform of the peanut program on November 9, 1994. We began talking to folks in the industry. We began talk to go growers. We began talking to shellers, everybody that is involved in it, because there was a continual attack on the peanut program. Within the Committee on Agriculture, in a bipartisan way, we made real reforms to the peanut program that ensured three things. We talked an awful lot about this: One was that we secure a no-net-cost program to the American taxpayer. We did that.

The second thing was that we make the program more market oriented. We did that. We allowed the transfer of peanut quota across county lines, we did a number of things that would make it more market oriented.

The last thing we did was to provide a safety net for our farmers. We did that with the program that we came up with in the Committee on Agriculture.

Now, there has been some conversation about the domestic demand versus domestic quota. It is true that domestic quota under the previous farm bill was set at 1,350,000 tons. In order to make the program more market oriented, we removed that floor. That was not at the request of the manufacturer, the people who you are talking in favor of right now. They did not want a floor on it. By doing that, we ensured a no net cost, but it also eliminated a floor for domestic demand.

Now, once we did that, the Secretary had the authority to come in and to set that floor at whatever domestic quota, whatever he thought domestic demand would be. It is true that the Secretary set it at 1,100,000 tons, and domestic demand had been 1,200,000 tons. That is a 100,000-ton difference.

Does the gentleman understand the buy-back provisions in the peanut bill? Does the gentleman understand the buy-back provision?

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

Mr. CHAMBLISS. I yield to the gentleman from Arizona.

Mr. KOLBE. Mr. Chairman, yes, I do understand. I confess that I am certainly not the expert on the buy-back provisions that my colleague would be.

Mr. CHAMBLISS. Does my colleague understand that under the buy-back provision that that 100,000-ton gap can be filled with additional peanuts by the Secretary?

Mr. KOLBE. In theory.

Mr. CHAMBLISS. Not in theory, in actuality, that is the way the program works?

Mr. KOLBE. Mr. Chairman, if the gentleman will continue to yield, my understanding of the way the program works in actuality, this is not the case. I would just point out the difference between the domestic price and the export price of peanuts. It is clear that the reduction of the quota is designed to keep the domestic price at an artificially high level.

Mr. CHAMBLISS. Mr. Chairman, let us move on to talk about domestic price. the amendment establishes the fact that no grower of peanuts anywhere in the United States, of quota peanuts, can achieve a price in excess of $640 per ton. No grower of additional peanuts can receive a price in excess of $640 a ton; is that correct?

Mr. KOLBE. Mr. Chairman, if the gentleman will continue to yield, no one who would be under the quota program would get a price in excess of $640 a ton.

Mr. CHAMBLISS. So we have set a maximum price on peanuts irrespective of the market oriented provisions of this bill, set a maximum of $640 a ton. Is that or is that not price fixing?

Mr. KOLBE. Mr. Chairman, the price fixing that is going on has been going on in this program, as we know, since the 1930s when we created this program. The reason for this amendment is because the Secretary has chosen to use the other provision of the law, the quota provision, by reducing that below the level of consumption. The result is a dramatic increase in the price, the actual domestic price consumers pay for peanuts. I would be happy, if the gentleman would agree to an amendment, to do away with this entire program in one fell swoop.

Mr. CHAMBLISS. I will be happy to go back to my friend from New Jersey's recommendation that we go to $1,000 or $5,000 a ton limit.

But the gentleman is correct in saying that his amendment does fix the price. If I am wrong about that, please correct me.

That flies in the face of everything we have tried to do from a reform of agriculture programs and in particular the peanut program, which is now market oriented. The growers of peanuts took a significant reduction of $678 a ton to $610 a ton in anticipation of selling their peanuts more in the world market. That is the whole idea behind it.

What this amendment does is to come in and slap those folks in the face and say, irrespective of how much it costs you to grow it, how much it increases the cost of growing your peanuts next year, throw those facts out the door. The maximum you can get for a ton of peanuts is $640. That is wrong. It is un-American. It is price fixing. I urge my colleagues to vote against this amendment.

□ 1315

Mrs. CLAYTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I urge a ''no'' vote on the Kolbe-Lowey amendment because it is indeed unfair. It is unfair because the peanut industry and agriculture has made an honest attempt, notwithstanding those who are not satisfied that we have not gone far enough in $678 to $610, a substantial reduction in what that forwards.

Further, the Government's program is supposed to be a safety net, only used as a bottom line, not the ceiling. Now we are imposing a ceiling, and I also think this is now antimarket. I would think, I say to the gentleman from Arizona [Mr. KOLBE], this was certainly in contradiction to what the Republican Party said they were all about.

This is unfair because, I want to say to the gentlewoman from New York [Mrs. LOWEY], ''You may not know who those farmers are, but I do know, and many of them are minority farms, many of them are low-income farms, because you can have a small lot of land and still farm.'' So this will have a disproportionate hardship on smaller farmers and minority farmers.

By the way, to those who may not know, more minorities participate in farming of peanuts because it is relatively cheap to get into. They do not need as much land. So there is an opportunity here. This opportunity will be removed from those who have had that opportunity.

I would urge a ''No'' vote on that.

Mr. Chairman, I yield to my colleague, the gentleman from Virginia [Mr. SISISKY].

(Mr. SISISKY asked and was given permission to revise and extend his remarks.)

Mr. SISISKY. Mr. Chairman, I thank the gentlewoman for yielding. Many of the arguments I was going to give have already been expressed.

Let me just explain something. I went to peanut hearings, and we had a Senate hearing in my district, and one of the manufacturers who has peanuts in the can said about the program that he could reduce the price, I think, about a dollar a can. And I asked him, ''Do you have 50 cents worth of peanuts in that can?'' He said, ''No, as a matter of fact, 48 cents.''

I said, ''You must be a genius.''

Six or seven years ago I was in a hearing in the ag room in the Longworth Building, and it was a candy manufacturer from the Midwest who said he can save 30 percent on a candy bar, and I asked the chairman, and it was the gentleman from North Carolina [Mr. ROSE], and I said, ''May I interrupt for a minute?'' I said, ''Thirty percent.'' I said, ''Retail or wholesale?'' He said, ''Retail.''

I said, ''That's 15 cents. Do you have 2 cents worth of peanuts in there?'' He said, ''No, got about a penny and a quarter, and that is what the problem is.''

The gentleman from Texas [Mr. STENHOLM] mentioned something which was basically true. I have been in a consumer product business, so I know what I am talking about. The container is more expensive than the

ingredients by a large margin. It is not just the ingredients that are in there. And if my colleagues think for a minute that the gentlewoman from New York [Mrs. LOWEY] mentioned that we would open plants in Canada. Why? They send peanut paste down here already. They send peanut paste from China through Canada to come in at a discount. But we have not seen the price of peanut butter drop, I guarantee.

So with that I would ask this House, and I thank the gentlewoman for giving me the time to oppose vehemently the Kolbe-Lowey amendment.

Mr. Chairman, I want to express my very strong opposition to the Hobson/Lowey amendment, which would gut the peanut program.

Only a few months ago Congress passed a farm bill that included a series of reforms to the peanut program. Congress made sure this would be a no-cost program that would not add to the deficit.

But for peanut farmers, there was a price to pay. Farmers had to accept a cut in the support price from $678 to $610. As a result of that cut, planting of peanuts has already gone down 5 percent this year because it just does not pay to plant peanuts.

Now just a few months later, with the ink barely dry on the farm bill, here we are debating whether to go back on that package of reforms.

The Hobson/Lowey amendment was drafted to correct a problem that does not exist. Its supporters claim that peanut prices are too high because there is a shortage of supply. They claim the national poundage quota is set too low. But what is their evidence for this? Every indication is that there will be no shortage of peanuts in 1996 or 1997.

Supporters of this amendment point to prices in some parts of the Southeast that are higher than the support price. But this has nothing to do with the national quota being set too low. It is not unusual for prices in the Southeast to be higher than they are elsewhere. In the Virginia-Carolina area and the Southwest, prices are lower. The price that's been offered in my district, for example, is $610. That is the support price exactly.

The real problem that some of the manufacturers have is that peanut prices are not as low as they would like. They did not succeed in eliminating the peanut program in the farm bill, and they would prefer a support price that would make the program worthless to farmers.

What supporters of this amendment would like to do is slash the price paid to farmers below the cost of production. But that is simply not fair to peanut farmers.

The support price is meant to be a safety net to keep farmers from going out of business. This amendment sets up a cap on the price that can be paid to the farmer. Nowhere in the farm bill did it place a limit on the prices farmers could receive.

The truth is that this amendment does not carry out the intent of the farm bill, as its supporters would have you believe. In fact, it reneges on the compromise that was made in that legislation.

I urge you to stand by the reforms we agreed to in the farm bill and give them a chance to work. Vote "no" on the Hobson-Lowey amendment.

Mrs. MORELLA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Kolbe-Lowey amendment to establish a maximum market price for peanut sales of $625 per ton.

As my colleagues know, we all remember when the 1996 farm bill was passed, one of the reform measures that passed in that legislation was a 10-percent reduction in the price of peanuts. This amendment merely insures that the peanut program will be administered as we intended in the 1996 farm bill.

The peanut program comes up every year. It is an antiquated program; there is no doubt about it. Peanuts cannot be sold for fresh use in this country unless they are grown on land that has a quota for peanut production. This system prevents new farmers from growing peanuts. Only so many U.S. producers are permitted to produce peanuts for the U.S. market. Their production is limited to estimated domestic demand or just below to guarantee them a congressionally set support price.

So by producing the peanut support price to an effective rate of $610 per ton, the U.S. support price would still be $200 per ton above the world price of $350 per ton. The price of domestically produced peanuts would still be 43 percent above the world price.

The Kolbe-Lowey amendment would insure that some measure of reform is carried out by encouraging the Secretary of Agriculture to set the national peanut quota system production at a realistic level.

So, Mr. Chairman, the existing quota and price support program for peanuts is anticonsumer, anticompetitive, inefficient. It needs to be changed, and I urge my colleagues to support the Kolbe-Lowey amendment.

Mr. Chairman, I yield to the gentleman from Arizona [Mr. KOLBE], the amendment introducer.

Mr. KOLBE. Mr. Chairman, I thank the gentlewoman for yielding, and I will not take the full time, but I just want to emphasize a couple of points that have been made here and to reiterate that this has been a controversial program; I think we all acknowledge that, a controversial program since its very inception, and frankly growers, manufacturers, and consumers have been constantly at odds on this program.

But I think the freedom to farm bill clearly had a philosophical direction, and that was to make commodities, to market commodities, consistent with a market-oriented approach, to move us in that direction.

There is a huge difference, a huge gap it seems to me, when we are talking about peanuts. It is being treated in a very different fashion, particularly with regard to this gigantic loophole that the Secretary has used. When we talk about setting prices, we are setting prices at $610 a ton, we are setting prices at $640 a ton, whichever one we are using. But the fact of the matter is the Secretary has used a huge gap in the law which allows him to put the quota below, below where the actual level of domestic consumption is to force prices back up. One does not have to be an economics major to figure out that that is going to have a effect on the demand, and it is going to have a effect on the price. If we artificially set the amount of peanuts that can be sold in the United States and one cannot sell any peanuts in the United States without that, it is going to drive that price up. That is what we are trying to correct here.

I have talked to numerous Members here who represent peanut growing interests and they have said, "Look, we did not do it; it was the Secretary that did this." OK, if that is the case, all we are trying to do is correct what we thought we were getting in the farm bill, which was some very modest reduction in the price, and that is why I think this is so essential.

Mr. BISHOP. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am appalled. I believe that this amendment is clearly nothing more than a fraud. Proponents would have us to believe that it will lower the cost of peanuts, peanut products to the consumer. That could not be farther from the truth, as has already been stated. Not one single manufacturer anywhere in this country has agreed to lower the cost of a candy bar, a jar of peanut butter or a bag of salted peanuts one red cent if this amendment passes. Instead the amendment would put a ceiling on what a farmer who has weathered the storms, the droughts and all of the other risks of growing to what that farmer can get for his product after he has worked so hard.

It seems to me what we are doing here is artificially, as the gentlewoman from New York pointed out, artificially fixing the price. If this is not a violation of antitrust laws, what is? No matter what the market price might be, this amendment limits the amount of profit that a poor farmer in Georgia could make on his peanuts. This is price-fixing, pure and simple.

Now, the gentleman from Georgia [Mr. CHAMBLISS] and I offered earlier last year the national peanut reform bill because the gentlewoman from New York and the gentleman from Texas and many other places have pointed out that they had some problems with the way that the peanut program was structured. As a consequence, we passed a reform bill which was folded into the new farm bill, a reformed peanut program. As a consequence, as the gentleman from Georgia pointed out, we achieved a program that has no net cost to the Government, that is market oriented, but at the same time provides a safety net for our farmers. That is all that it does.

What this amendment will do is take away that safety net, and the minimum profit that a farmer might get because the market has driven the price up will be taken away, and that windfall will be placed in the hands of those people who manufacture that candy bar, who manufacture that jar of peanut butter and who manufacture that bag of salted peanuts. Those are the ones that will get the benefit of that. The poor farmer is going to suffer, and we will see fewer and fewer family farms.

Now, the attack has been made on the Secretary. The Secretary is accused of setting the national pound quotage too low; as a result, artificially driving up the price because of a reduction in supply. But I want to point out, as someone has already said, that in 1995, last year, the national poundage quota was 937,010 tons. This year it is almost 200,000 tons more. That does not sound like anything that is going to reduce the supply. The supply is going to increase. And what is consumption? Consumption is what the market will bear.

This amendment is a fraud, it should be defeated, it is an attack on family farmers, and particularly peanut farmers. I represent the largest peanut farming district in the country. Our farmers work hard, and they suffer great risk to try to turn a profit. We, at great sacrifice, passed a bill, the farm bill, that would address some of the concerns that the critics have had although we felt that they were not well taken. Nevertheless, we compromised, and we have taken a great deal of profit away from our farmers already, reducing the price from $678 a ton to $610 per ton. That is a significant decrease in what our farmers can make on their hard labor and the risk they take.

I ask my colleagues to defeat this amendment, protect family farms, protect all of what we have tried to do in farming, our commodity programs and our farm programs, in this 1996 farm bill. This peanut program has been reformed, we have fixed it, and we do not need to break it as this amendment would do. It is clearly a fraud, and I urge my colleagues to defeat it.

Mr. EWING. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to make it plain that we do not grow peanuts in my district. We have had some of the large peanut growing districts get up here and speak, but I did have the responsibility of chairing the subcommittee that produced the peanut program for the farm bill and other speciality crops. And I want to say that I believe that the peanut program was in need of reform, and I believe that we reformed the peanut program, and I believe that it is in the continuing process of being reformed, not with amendments like this, but because of the world market situation of the NAFTA and GATT treaties that we have approved in this House. It will happen and is going to happen. And I think that some of the reforms should be pointed out to this House if my colleagues forget that we eliminated price support escalators, we eliminated undermarketing, we eliminated the quota floor, and we reduced and modified and reformed the quota provisions, and people are going to lose their quota eligibility. And it was designed to put quota with the farmers of the South, where peanuts are grown. Sale, lease, and transfer of quota is freely made between the peanut growing areas.

□ 1330

The loan rate was reduced considerably. We did all of this, and now those who oppose this program are back here wanting to reform it before it has ever had a chance to work.

Mr. Chairman, I kind of resent, or I think it is unfair, that the peanut farmers of America are not in the halls, the manufacturers are in the halls seeking somebody to carry this amendment. Where and who is representing the farmers of America, the people that grow our food and fiber? I gladly say I do represent them. It is time to let this program work. Yes, if we need more reforms we can come back and do it later. Let us get the Department of Agriculture to do their job down there. Then we will not have this.

The one thing we tried to put in the farm bill was not shackles on American agriculture. If we can get more for our products, we should have this, we should have it in the free market, and this is a floor for the peanut industry and not a ceiling. I suggest that this amendment is ill-timed and should be defeated.

Mr. PETERSON of Florida. Mr. Speaker, I move to strike the requisite number of words.

Mr. Chairman, I want to compliment the chairman of the subcommittee on our Committee on Agriculture for his previous remarks. He was right on target. I probably just will not take 5 minutes to reiterate what he has already said. But I do want to say, first of all, that this is a consumer-oriented program. We are taking care of the consumers, because we are giving them quality and we are giving them guaranteed quantity. Yes, we are helping the farmers, too, because we are helping assess some of the risk that they are taking. These are incredible risk-takers that we have, Mr. Chairman, these small farmers, who are not in the halls, incidentally. They are out there planting crops and tending to the crops now, they are not out there with the manufacturers up here, asking that this amendment pass.

In fact, Mr. Chairman, I ask that this amendment be pulled. This is a very bad, un-American amendment. It is not well thought out. It does not do the things that we tried to do in the reform process of this program. This is price-fixing at its worst. I think everybody agrees that this is price-fixing.

In fact, Mr. Chairman, not only does it price-fix, but it has this absolute line drawn that says if you go above that, then the program is dead. What kind of Congress is that, that is going to take all of these small farmers in America and just cut their throats in one fell swoop because they are participating in the free market? Is that not un-American? That, to me, is un-American.

The program that was reformed in the Committee on Agriculture last year was real reform. This took from $678 to $610 on the quota price. It did a number of things on the quota transfer. The biggest issue is that it is now, for the first time ever, a no net-cost program. This is not a program that is costing the Federal Government millions and millions of dollars. We need to defeat this amendment. This amendment is as bad as any amendment that has ever come across anybody's desk, and for whatever reason we are doing this, I cannot find a good one.

I ask my colleagues to seriously look at this, look at the fact that we are, in fact, injuring not only peanuts in this regard, because what we are going to do if we take this to its final conclusion, we are going to destroy all of the other programs that are out there.

I will tell the Members, if we do this, the American public is going to have sticker shock in the supermarket. Not only are they going to have sticker shock, but they are going to be a Third World country when they go to the supermarket and try to find these products at the quality levels with which we are producing them now. This is a very poorly thought out amendment. Anybody can look at the fact that it is un-American from the standpoint that it is price-fixing and taking people out of the free market. We need to defeat this amendment today, without delay.

Mr. QUINN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to rise in support of the Kolbe and Lowey amendment, a fellow New Yorker, a colleague of mine. I ask Members to support the amendment and ask my colleagues to continue to listen to this debate. I also want to take a minute to congratulate the subcommittee chairman, the gentleman from Illinois, on the work that he has done and the reform he has put forward in the full bill.

I also believe that while he is a representative and a great representative of the farmers, that we need to make certain that the consumers are also represented here in this discussion and in the amendment and in the bill. I believe that the one small farm bill change of moving the price support from 678 to 610 has been negated by the fact that the USDA has set the quota on the amount of peanuts that can be grown at such a low level as to basically short the market and to drive up the actual price.

Mr. Chairman, I believe that this reform, the amendment, the Lowey-Kolbe amendment, is one that is a moderate reform in the peanut program for consumers and it represents

exactly that kind of information, exactly the kind of modification. I do not think it is as drastic as we could offer here today. I urge its support.

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

Mr. QUINN. I yield to the gentleman from Connecticut.

Mr. SHAYS. Mr. Chairman, I do not know how any opponent of this amendment can say with a straight face ''un-American'' or use the word ''world market'' and talk about ''consumer-oriented'' and talk about the free market. Give me a break. Un-American? Yes, it is un-American not to let Americans grow peanuts, but you can go to jail if you grow peanuts and sell in the market. You can certainly get arrested and you can be fined. The point is, you cannot grow peanuts and sell at the $6 price.

Mr. Chairman, I just would say, the bottom line is I would be embarrassed to be opponents of this amendment and talk about un-American, consumer-oriented program, world market, free market. The bottom line is the world market cannot compete. They are not allowed to sell peanuts unless they come and they crush them and they do not get the price. There is no free market, because people from outside this country cannot sell and people in this country, Americans, cannot sell peanuts unless it is to be crushed.

Talking about consumer-oriented, what is consumer-oriented about fixing supply? They fix supply. They are told it is going to be about 900-and-some tons, 1,000 tons. That is fixing the price. What is American about that? What is free market about that?

The problem is we only allow a few people to farm peanuts, only a few. We fix the price by limiting the supply. We attempted to reform that system and we failed. We then said the price should not be $610, not lower than that, the Government will buy it. What has happened by what the Department of Agriculture has done, they have fixed supplies so the price will be well above the $610 price. We may end up having to be more than $678. I think this is an outrage that you can say with a straight face that it is un-American, that it is against the consumer, that it is the free market. How can Members do it? How can they in a straight face use those words?

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

Mr. QUINN. I yield to the gentleman from North Carolina.

Mr. ROSE. Mr. Chairman, I wanted to humbly say to my good friend, who I admired for his support of the minimum wage, we have a little modest minimum wage here for peanut farmers at 610. I just want to chide the gentleman a little, because I have great respect for the gentleman and have read about him in the paper very well the other day, and I was very proud of that. This is a modest minimum wage program. It puts a floor under the peanut farmer.

Mr. SHAYS. If the gentleman will continue to yield, Mr. Chairman, the bottom line is the price is double in this country what the world market price is.

Mr. ROSE. If the gentleman will continue to yield, Members should go up to Canada, where this so-called free market works, and see if peanut butter does not cost more than it does in this country. It is cheaper in this country. We keep it that way and we want it to stay that way.

Mr. EVERETT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this is so ridiculous. We have sponsors of amendments up here that have no idea about the program, do not serve on either the authorizing or the appropriating committees, the Committee on Agriculture, or its subcommittees. Frankly, this is an ill-conceived amendment, as my colleague, the gentleman from Florida, said. It really ought to be pulled. This is an embarrassment to the House.

First of all, it is price fixing. it is kind of odd that these folks want to fix the price to a farmer who goes out there and puts his capital out there, who sweats and earns his living by his brow, but they do not want to fix the price to the sheller or the manufacturer. They can charge as much as they want to.

Another definition that needs to be explained here is when these folks get up and talk about consumers and quote the GAO report, guess who they are talking about? They are talking about the first buyer of that peanut, which is the sheller and manufacturer. They are not talking about the housewife. We have congressional testimony in committees where these manufacturers say they will not pass one thin dime on to the housewife, not one thin dime.

Mr. HEFNER. Mr. Chairman, will be the gentleman yield?

Mr. EVERETT. I yield to the gentleman from North Carolina.

Mr. HEFNER. Mr. Chairman, is the gentleman telling this House and the people watching this debate that he does not believe that the manufacturers would pass this savings on to the consumer? That is what the argument is about, the consumer. The consumer is not going to benefit from this amendment one iota. Am I correct on that?

Mr. EVERETT. Not one iota, Mr. Chairman. Anybody that believes that has driftwood where their brains ought to be. There is no question about that. There is no evidence whatsoever that one dime of this, and anybody that would say anything like it was going to reduce the cost of peanut butter by 35 cents a jar has no idea where he is coming from, has nothing to support that with, absolutely nothing. Mr. Chairman, this is price fixing without question. It is price fixing without question. Next week I guess we should expect a price-fixing amendment on corn, wheat. After all, they are in short supply this year. We have a terrible situation with corn and wheat.

Let me tell the Members what this is all about, pure and simple. This is about corporate greed. This is about people who are carrying the water for these major corporations who are lining the halls out here, carrying the water for them, and as my colleague pointed out, we do not see any farmers out there lobbying. Every dime of this will go to these corporations' pockets. Not a penny would be passed on to the consumer. This is the most ill-conceived, crazy amendment I think I have seen come on this House floor since I have been here.

For the first time ever, the peanut program is a no cost program. We were asked to do that and we did that. The CBO estimates savings, it says, of $400 million in the next 7 years. It has already been pointed out the price support escalator is gone, the national pound quota floor has been eliminated. That makes the program market-oriented. Institutional and out-of-State quota holders are stripped of their peanut poundage quota. No more Sam Donaldsons getting checks, from the Government. That has been taken care of. Sale and lease across country lines, that has been taken care of. My growers bitterly opposed that, but we compromised and passed it.

The growers who abused the program and refused to sell the peanuts on the commercial market will be kicked out of the program. No other commodity program in this country has such a severe penalty, not one, none. The price support has been reduced. Overall, the farmers are going to get about 30 percent less in income now because of this new program that has been passed.

For the benefit of the House, I would like to remind the membership that these reforms were made at the expense of the farmer. When we had a hearing in Georgia with both gentleman, my colleagues from Georgia were there, and the gentlewoman from Florida was there, I asked the manufacturers, come work with us. Help us reform this program. But do Members know what? It was their way or no way. They would not move one inch and never moved one inch. Every reform that has been made has been made at the expense of the farmer. As a matter of fact, there are multinational manufacturers, and six or seven of them control 83 percent of the peanut crop, and they just want to line their pockets even more.

Mr. Chairman, this is corporate greed, this is price fixing. Why do we not fix the price, as I said, on peanut butter, candy bars? Let us just fix the price on everything around here, I say to all the free market folks. I ask my colleagues to vote against this amendment. It is absolutely ridiculous.

□ 1345

Mr. FUNDERBURK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the peanut program which was debated on and passed by the full House earlier this year has already been extensively reformed. It is now a no-cost program representing a $434 million savings. The support price has been cut by 10 percent, reducing grower income.

These changes already made will reduce farmer income by over 20 percent, $200 billion annually. Further reductions to the price support level or elimination of the peanut program altogether will only cause the economic ruin of America's 15,000 family peanut farmers and the thousands of rural communities they support without benefiting consumers or taxpayers.

Mr. Chairman, the small family farmers in my district have taken substantial cuts and they have done their part to reduce Government spending and help balance the budget. We do not need a price-fixing amendment. For once let us look out for the concerns of the small family farmers and let us vote ''no'' to this Kolbe-Lowey amendment.

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

Mr. FUNDERBURK. I yield to the gentleman from Georgia.

Mr. CHAMBLISS. Mr. Chairman, I would like to ask our friend from Arizona, Mr. KOLBE, the sponsor of this amendment, the gentleman from North Carolina has just reiterated the fact that in our peanut title of the 1996 farm bill there was a reduction in the price from $678 to $610, in excess of 10 percent. Would the gentleman accept an amendment to his amendment which would reduce the price of a candy bar by 10 percent? And would the gentleman also accept an amendment that would put a cap on the price of all candy bars in this country?

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

Mr. FUNDERBURK. I yield to the gentleman from Arizona.

Mr. KOLBE. Mr. Chairman, I would say to the gentleman from North Carolina and the gentleman from Georgia that the last I checked, there is no Government price program for candy bars as there is for peanuts, so I do not think that the question is a relevant question.

Mr. CHAMBLISS. Mr. Chairman, that is exactly the point. There should not be a price-fixing cap by the Federal Government on any product in this country.

My friend from Texas made a classic point. I think he struck at the heart of this amendment. We have the highest prices for corn and wheat in this country today that we have ever seen in the history of anybody that sits in this House. Yet this week the manufacturers of cereal, the manufacturers who process corn and wheat, have reduced their prices at the retail level.

That shows us that a reduction in price is not going to translate into a reduction at the retail level. An increase in the price in that instance translated into a reduction at the retail level. I again say this amendment is deplorable, it is un-American, it is price fixing, and it ought to be defeated.

Mr. SHAYS. Mr. Chairman, I move to strike the requisite number of words.

First off I would like to apologize to my colleagues on both sides of the aisle who feel very strongly about this issue because I know they are speaking from their heart. I would never want to give the impression that I doubt their sincerity. I guess we have a sincere disagreement about what different words mean. But I also apologize, I guess, to my own Republicans because I thought Republicans believed in the concept of supply and demand. I thought that was one of the things that my party believed in, and I thought my party believed in competition, and so that is why I get so exercised, because I really believe in some of these things that we have said we want and why we got elected.

I also believe that when we went after social welfare that we were also going to go after corporate welfare and after agricultural welfare. I define welfare as a very simple thing, when you start doing things and giving to people that basically become handouts and protections that just promulgate an inefficient system. I see it in this agricultural program.

The program to me, as I see it, is quite simple. We say only some Americans in this country have the right to farm peanuts. I view that as un-American, to say that only some can farm peanuts. I think it is immoral to say that only some in this country.

If we have someone who wants to farm peanuts and sell it at the U.S. price of $678 or $610 or whatever, they cannot do that, because they do not have a quota. In this country, unbelievable to me, you need a quota to farm peanuts and sell at that inflated price.

We lost that debate—and I did not introduce this amendment—we lost it by a few votes. We wanted to get rid of the program. But we at least thought that $610 number was a real number in which a farmer, it would go from $678 to $610. We thought that was a real number that meant something and that if a farmer sold at the $610 price to the Government and the Government bought it at $610 but could not sell it at $610, we were told that the farmers would make up the difference in the next year.

But what we learned is we are now going to limit supply to 935,000 tons. My basic Republican tenet told me that when you limit supply, and you have a certain amount of demand, the price starts to go up. And so what you have done effectively or what the Commissioner has done, what the Secretary has effectively done, we went from $678 with a support price to $610, and you say it is a 10-percent reduction, but it is never going to be at that $610 price because we have limited production. So it may be even more than $678.

What the gentleman from Arizona [Mr. KOLBE] wanted to do was at least say it would be at $640 and not higher. That is price-fixing. It is price-fixing in a system that is fraught with fixing. It is a system where only some Americans in this country can farm.

I have gone after social welfare in my urban areas, I want to go after corporate welfare and I want to go after agricultural welfare. That is what this program is. We need to get people out of it gradually, I agree. That $640 price is a fair price. They are going to go from $678 to $640. That is fair. We did not eliminate the program. We are just asking for some protection because we did not think the Secretary would manipulate price by limiting supply of the product so much.

Mrs. CLAYTON. Mr. Chairman, will the gentleman yield?

Mr. SHAYS. I yield to the gentlewoman from North Carolina.

Mrs. CLAYTON. Mr. Chairman, did I understand the gentleman to say that the $610 was a ceiling or the floor?

Mr. SHAYS. It is the price at which a farmer can sell to the Government.

Mrs. CLAYTON. It is a price below which the Government will have a safety net to help.

Mr. SHAYS. That is the safety net. When the Government buys it and has to sell it if it does not get $610.

Mrs. CLAYTON. What does the Government buy it for?

Mr. SHAYS. It is the floor.

Mrs. CLAYTON. It is the floor for which the Government will make it eligible for a farmer to buy.

Now the gentleman wants to fix the price at $640.

Mr. SHAYS. No, no. We want to put a ceiling on that price, because by limiting supply, the supply may even go over $678. That is the irony. We talk about the manufacturer and we talk about the farmer. Who is talking for the consumer?

Mrs. CLAYTON. I would like to think that I am.

Mr. SHAYS. No, I think the gentlewoman is talking for the farmer, because the consumer is getting screwed in this system. The consumer is getting screwed.

Mrs. CLAYTON. They are not getting screwed by the farmers.

Mr. SHAYS. If they were paying the market price, it would be $350.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Arizona [Mr. KOLBE].

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

RECORDED VOTE

Mr. HOBSON. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

ANNOUNCEMENT BY THE CHAIRMAN PRO TEMPORE

The CHAIRMAN pro tempore. If no intervening business occurs after this vote, there will be a 5-minute vote on the Kennedy amendment.

The vote was taken by electronic device, and there were—ayes 189, noes 234, not voting 11, as follows:

[Roll No. 231]

AYES—189

Andrews
Archer
Armey
Baldacci
Barr
Barrett (WI)
Barton
Bass
Becerra
Beilenson
Bereuter
Berman
Bilbray
Blumenauer
Blute
Boehlert
Boehner
Bono
Borski
Brown (OH)
Brownback
Bunn
Burton
Camp
Campbell
Cardin
Castle
Chabot
Christensen
Chrysler
Clay
Clement
Collins (IL)
Conyers
Cox
Coyne
Crane
Cremeans
Cunningham
DeLauro
DeLay
Deutsch
Doggett
Doyle
Dreier
Duncan
Dunn
Ehlers
English
Ensign
Eshoo
Fawell
Flanagan
Foglietta
Forbes
Ford
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frisa
Furse
Gallegly
Gejdenson
Gekas
Gibbons
Gilchrest
Gilman
Goodling
Goss
Greene (UT)
Greenwood
Gunderson
Gutierrez
Hall (OH)
Hancock
Harman
Hayworth
Hinchey
Hobson
Hoekstra
Hoke
Holden
Hostettler
Hutchinson
Jacobs
Johnston
Kanjorski
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kim
King
Klink
Klug
Knollenberg
Kolbe
LaFalce
Lantos
LaTourette
Lazio
Leach
Levin
Lipinski
LoBiondo
Lofgren
Longley
Lowey
Luther
Maloney
Manzullo
Markey
Martini
Mascara
McCarthy
McDermott
McHale
McHugh
McIntosh
McNulty
Meehan
Menendez
Meyers
Mica
Miller (CA)
Miller (FL)
Minge
Moakley
Molinari
Moran
Morella
Nadler
Neal
Neumann
Oberstar
Obey
Olver
Packard
Pallone
Pelosi
Petri
Porter
Portman
Pryce
Quinn
Ramstad
Reed
Regula
Rivers
Roemer
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Rush
Sabo
Salmon
Sanford
Sawyer
Schumer
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Slaughter
Smith (NJ)
Smith (WA)
Stark
Stokes
Studds
Talent
Tate
Torkildsen
Upton
Velazquez
Vento
Visclosky
Walker
Wamp
Waxman
Weldon (PA)
White
Wolf
Yates
Zeliff
Zimmer

NOES—234

Abercrombie
Ackerman
Allard
Bachus
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barrett (NE)
Bartlett
Bateman
Bentsen
Bevill
Bilirakis
Bishop
Bliley
Bonilla
Bonior
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Bryant (TN)
Bryant (TX)
Bunning
Burr
Buyer
Callahan
Canady
Chambliss
Chapman
Chenoweth
Clayton
Clinger
Clyburn
Coble
Coburn
Coleman
Collins (GA)
Collins (MI)
Combest
Condit
Cooley
Costello
Cramer
Crapo
Cubin
Cummings
Danner
Davis
de la Garza
Deal
DeFazio
Dellums
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Dooley
Doolittle
Dornan
Durbin
Edwards
Ehrlich
Engel
Evans
Everett
Ewing
Farr
Fattah
Fazio
Fields (LA)
Fields (TX)
Filner
Flake
Foley
Fowler
Frost
Funderburk
Ganske
Gephardt
Geren
Gonzalez
Goodlatte
Gordon
Graham
Green (TX)
Gutknecht
Hall (TX)
Hamilton
Hansen
Hastert
Hastings (FL)
Hastings (WA)
Hefley
Hefner
Heineman
Herger
Hilleary
Hilliard
Horn
Houghton
Hoyer
Hunter
Hyde
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E.B.
Johnson, Sam
Jones
Kaptur
Kildee
Kingston
Kleczka
LaHood
Largent
Latham
Laughlin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Linder
Livingston
Lucas
Manton
Martinez
Matsui
McCollum
McCrery
McInnis
McKeon
McKinney
Meek
Metcalf
Millender-McDonald
Mink
Mollohan
Montgomery
Moorhead
Murtha
Myers
Myrick
Nethercutt
Ney
Norwood
Nussle
Ortiz
Orton
Owens
Oxley
Parker
Pastor
Paxon
Payne (NJ)
Peterson (FL)
Peterson (MN)
Pickett
Pombo
Pomeroy
Poshard
Quillen
Radanovich
Rahall
Rangel
Richardson
Riggs
Roberts
Rogers
Rose
Roth
Roybal-Allard
Sanders
Saxton
Scarborough
Schaefer
Schroeder
Scott
Serrano
Shuster
Sisisky
Skaggs
Skeen
Skelton
Smith (MI)
Smith (TX)
Solomon
Spence
Spratt
Stearns
Stenholm
Stockman
Stump
Stupak
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thornton
Thurman
Tiahrt
Torres
Torricelli
Towns
Traficant
Volkmer
Vucanovich
Walsh
Ward
Waters
Watt (NC)
Watts (OK)
Weldon (FL)
Weller
Whitfield
Wicker
Williams
Wilson
Wise
Woolsey
Wynn
Young (AK)
Young (FL)

NOT VOTING—11

Calvert
Emerson
Frelinghuysen
Gillmor
Hayes
Inglis
Lincoln
McDade
Payne (VA)
Schiff
Souder

□ 1415

The Clerk announced the following pair:

On this vote:

Mr. Frelinghuysen for, with Mr. Calvert against.

Messrs. WARD, DICKEY, MARTINEZ, SERRANO, and DELLUMS changed their vote from ''aye'' to ''no.''

Messrs. REED, DEUTSCH, KIM, PACKARD, BECERRA, Ms. PELOSI, and Messrs. SAWYER, BURTON of Indiana, WHITE, Ms. FURSE, Mrs. KENNELLY, and Mr. BROWNBACK changed their vote from ''no'' to ''aye.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

□ 1415

AMENDMENT OFFERED BY MR. KENNEDY OF MASSACHUSETTS

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

The Clerk will designate the amendment.

The Clerk designated 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 133, noes 288, not voting 13, as follows:

[Roll No. 232]

AYES—133

Archer
Armey
Barton
Bass
Beilenson
Bereuter
Blute
Borski
Brown (OH)
Brownback
Burton
Cardin
Castle
Chabot
Christensen
Chrysler
Coburn
Collins (IL)
Conyers
Cox
Coyne
Cunningham
Davis
Deal
Doyle
Duncan
Ehlers
Ensign
Fawell
Fields (LA)
Foglietta
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Furse
Gejdenson
Gibbons
Gilchrest
Goodlatte
Goss
Graham
Greene (UT)
Gunderson
Gutierrez
Gutknecht
Hall (OH)
Hancock
Hansen
Hayworth
Hoke
Hostettler
Hutchinson
Hyde
Jackson (IL)
Jacobs
Johnston
Kanjorski
Kennedy (MA)
Kennedy (RI)
Kildee
LaFalce
Lazio
Linder
Lipinski
LoBiondo
Lowey
Luther
Markey
Martini
McInnis
McKinney
McNulty
Meehan
Miller (FL)
Minge
Moakley
Moran
Morella
Myrick
Nadler
Neumann
Oberstar
Obey
Olver
Orton
Pallone
Payne (NJ)
Petri
Porter
Poshard
Ramstad
Reed
Regula
Rivers
Rohrabacher
Roukema
Royce
Rush
Salmon
Sanders
Sanford
Scarborough
Schumer
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Skaggs
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Souder
Spence
Spratt
Stearns
Stockman
Studds
Tate
Tiahrt
Torkildsen
Velazquez
Vento
Visclosky
Wamp
Weldon (FL)
Weldon (PA)
Wolf
Yates
Zeliff
Zimmer

NOES—288

Abercrombie
Ackerman
Allard
Andrews
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Bateman
Becerra
Bentsen
Berman
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blumenauer
Boehlert
Boehner
Bonilla
Bonior
Bono
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Buyer
Callahan
Camp
Campbell
Canady
Chambliss
Chapman
Chenoweth
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coleman
Collins (GA)
Collins (MI)
Combest
Condit
Cooley
Costello
Cramer
Crane
Crapo
Cremeans
Cubin
Cummings
Danner
de la Garza
DeFazio
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Dornan
Dreier
Dunn
Durbin
Edwards
Ehrlich
Engel
English
Eshoo
Evans
Everett
Ewing
Farr
Fattah
Fazio
Fields (TX)
Filner
Flake
Flanagan
Foley
Forbes
Ford
Fowler
Frisa
Frost
Funderburk
Gallegly
Ganske
Gekas
Gephardt
Geren
Gilman
Gonzalez
Goodling
Gordon
Green (TX)
Greenwood
Hall (TX)

Hamilton
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hefley
Hefner
Heineman
Herger
Hilleary
Hilliard
Hinchey
Hobson
Hoekstra
Holden
Horn
Houghton
Hoyer
Hunter
Istook
Jackson-Lee (TX)
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Jones
Kaptur
Kasich
Kelly
Kennelly
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaHood
Lantos
Largent
Latham
LaTourette
Laughlin
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Livingston
Lofgren
Longley
Lucas
Maloney
Manton
Manzullo
Martinez
Mascara
Matsui
McCarthy
McCollum
McCrery
McDermott
McHale
McHugh
McIntosh
McKeon
Meek
Menendez
Metcalf
Meyers
Mica
Millender-McDonald
Miller (CA)
Mink
Molinari
Mollohan
Montgomery
Moorhead
Murtha
Myers
Neal
Nethercutt
Ney
Norwood
Nussle
Ortiz
Owens
Oxley
Packard
Parker
Pastor
Paxon
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Pombo
Pomeroy
Portman
Pryce
Quillen
Quinn
Radanovich
Rahall
Rangel
Richardson
Riggs
Roberts
Roemer
Rogers
Ros-Lehtinen
Rose
Roth
Roybal-Allard
Sabo
Sawyer
Saxton
Schaefer
Schroeder
Scott
Seastrand
Serrano
Sisisky
Skeen
Skelton
Slaughter
Solomon
Stark
Stenholm
Stokes
Stump
Stupak
Talent
Tanner
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thornton
Thurman
Torres
Torricelli
Towns
Traficant
Upton
Volkmer
Vucanovich
Walker
Ward
Watt (NC)
Watts (OK)
Waxman
Weller
White
Whitfield
Wicker
Williams
Wilson
Wise
Woolsey
Wynn
Young (AK)
Young (FL)

NOT VOTING—13

Calvert
Emerson
Frelinghuysen
Gillmor
Hayes
Inglis
Lincoln
McDade
Payne (VA)
Schiff
Tauzin
Walsh
Waters

□ 1426

Mr. GENE GREEN of Texas, Mr. MCHALE, Mr. OWENS, and Ms. JACKSON-LEE of Texas changed their vote from ''aye'' to ''no.''

Mr. TIAHRT change his vote from ''no'' to ''aye.''

The amendment was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Ms. WATERS. Mr. Chairman, I was unavoidably detained during rollcall vote No. 232, the Kennedy of Massachusetts amendment to H.R. 3603, the fiscal year 1997 Agriculture appropriations bill. Had I been present, I would have voted ''aye.''

AMENDMENT OFFERED BY MR. BONO

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

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 9 Offered by Mr. BONO: Page 69, after line 5, insert the following new section:

Sec. . It is the sense of Congress that, not later than the date of the enactment of this Act, the Secretary of Agriculture should—

(1) release a detailed plan for compensating wheat farmers and handlers adversely affected by the karnal bunt quarantine in Riverside and Imperial Counties of California, which should include—

(A) an explanation of the factors to be used to determine the compensation amount for wheat farmers and handlers, including how contract and spot market prices will be handled; and

(B) compensation for farmers who have crops positive for karnal bunt and compensation for farmers who have crops which are negative for karnal bunt, but which cannot go to market due to the lack of Department action on matching restrictions on the negative wheat with the latest risk assessments; and

(2) review the risk assessments developed by the University of California at Riverside and submit a report to Congress describing how these risk assessments will impact the Department of Agriculture policy on the quarantine area for the 1997 wheat crop.

(Mr. BONO asked and was given permission to revise and extend his remarks.)

Mr. BONO. Mr. Chairman, as many of my colleagues may know, a wheat fungus called karnal bunt was found this spring in Texas, New Mexico, Arizona, and California. Many areas were placed under quarantine by USDA. This means that no wheat infected with karnal bunt can leave the quarantine area, and wheat free of karnal bunt can be sold only under specific conditions.

Karnal bunt is a staggering problem in a year when drought already has troubled the Nation's wheat supply.

The USDA has implemented compensation plans in Texas and New Mexico for farmers who suffered losses from the quarantine.

However, despite weekly promises for 2 months from the USDA, no compensation plan has been released to California farmers. The only thing the Department has told the farmers is, that some will be compensated, and a plan will be released next Tuesday. The USDA has been making this promise over and over for 2 months and has not delivered.

In other words, these farmers have been left in the dark—with no end in sight. These farmers do not know how they will be treated by the USDA, who will be compensated for losses from the quarantine, and what is the official policy.

The Department's inaction has caused our farmers more uncertainty and anxiety, when they already have to deal with the devastation of a quarantine on their best crop in 20 years.

Our farmers deserve better. They deserve timely and thorough information, not unfulfilled promises and uncertainty.

This amendment is simple. It expresses the sense of the Congress that the USDA should live up to its promises: It should end the delay and release a detailed compensation plan.

The amendment also requests that the USDA review a new study of karnal bunt in these counties, and report to Congress on how this study will affect the Department's policies for the 1997 wheat crop.

This study was recently performed by some of the most respected experts in agriculture at the University of California. Because it is more complete and updated than the USDA's last study, it should be seriously considered.

This amendment is the least we can do for the farmers.

Mr. Chairman, I urge my colleagues to vote for my amendment.

□ 1430

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

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

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

I want to commend the gentleman from California [Mr. BONO] for his leadership on this issue which is of great economic importance to not only California but all of the other States in which this disease is now showing up. Let me just say that this is a well-thought-out amendment. It requires that USDA give us a blueprint for the compensation package that we need now for our farmers as a result of the Government imposed quarantine.

Second, it requires the Government, USDA, to look at the new study, the University of California study that shows that in most of our areas, the possibility of having a karnal bunt outbreak as a result of the California wheat crop is less than 1 in 1 million years and taking that into consideration to give us a policy, a blueprint for farming our wheat, planting our wheat next year. So the gentleman has taken the leadership on this, and I want to applaud him and join with him on this amendment that not only helps California farmers but farmers across the United States to plant wheat.

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

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

Mr. DREIER. Mr. Chairman, I rise to join my friend from San Diego in strongly supporting the amendment of the gentleman from Palm Springs. The reason I do so is that there is tremendous uncertainty out there today. All that the gentleman from California [Mr. BONO] is asking is that we have some kind of decision come forward so that we can address what is obviously a very serious and important problem. As my friend from San Diego said, this is not simply a California issue. This is something that has an impact on the entire Nation.

Let us see a decision made so the uncertainty that exists will be able to shift to the past.

Mr. BROWN of California. Mr. Chairman, I rise in support of this amendment by my good friend, the gentleman from Palm Springs, CA [Mr. BONO], supported by my good friend from San Dimas and my good friend, the gentleman from San Diego, CA [Mr. HUNTER]. I know that they all have a serious interest in this. It is a problem

which does involve both of their districts.

I rise to indicate that this amendment has strong bipartisan support throughout the State.

There is no wheat in my own district, but I am very familiar with the problem that this is causing in California. I think that it is a very excellent piece of legislation which addresses the problem and, more than that, assures the farmers who sometimes feel neglected down in southern California that there is concern for their conditions here in Washington. I think that is very helpful.

I urge everyone to vote ''yes'' on this very good amendment.

Let me conclude by saying one other thing. I do not know which one of you instigated the investigation by the University of California at Riverside; possibly it was the gentleman from California [Mr. HUNTER]. I want to say that the universities reacted very promptly and very thoroughly to this request and have prepared a really excellent report. They are to be highly commended also.

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

Mr. BROWN of California. I yield to the gentleman from California.

Mr. HUNTER. Mr. Chairman, I thank the gentleman because this is a very important point for California. Actually, Mr. Birdsall, the agricultural commissioner for Imperial County, asked for that report early. The University of California has come up with this study validated by peer review to the effect that we only had about a 1 in 1 million chance of having a Karnal bunt outbreak, a disease outbreak as a result of the California wheat crop in most areas. To me that means one chance, a chance of it happening one time in 1 million years.

To me those numbers, which have been validated by the USDA, now, in their recent analysis, should compel us to lift the onerous quarantine requirements that USDA presently has on California wheat. I know the gentleman, my friend Mr. BONO, is working as I am. I know our good friend, Mr. BROWN, is working as are other Members to try to lift that quarantine requirement. I think the University of California analysis supports at least a modification of the quarantine to lift the heating requirement.

Mr. SKEEN. Mr. Chairman, we have no objection to this and accept the amendment of the gentleman from California [Mr. BONO].

Mr. DURBIN. Mr. Chairman, I move to strike the last word.

I would like to make sure having assurance from my colleague from California that our vote on the issue of Karnal bunt will not be used against us by the Family Values Coalition?

I ask the gentleman in all seriousness whether or not the wheat growers who were affected by this quarantine have any protection from crop insurance for these losses?

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

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

Mr. BONO. Mr. Chairman, it does not apply. So the answer to that is no, they do not have protection right now. That is the problem. They are stuck with this, cannot get a response from USDA. And they have a study, a more recent study than the USDA's that shows that the liability is not nearly to the degree that the USDA has placed on it, but they are just stuck. There is no response from the USDA.

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

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

Mr. HUNTER. Mr. Chairman, just to back up my friend, I am just talking to the committee staff, and I have talked to a number of our farmers. This did not prevent us from harvesting the crop. We are harvesting the crop. It is good wheat. It is high class wheat. But because it is harvested and it is simply selling restrictions that are a function of the quarantine, that is not covered, I understand, by most private insurance programs. So basically these farmers are out, at least in my county, in excess of some $70 million worth of wheat. I think Mr. BONO's county is pretty close to that. It is the Government-imposed quarantine which is the direct cause of the nonmarketability of the wheat at this point.

Let me say this: This study Mr. BONO has talked about that we have done at the University of California says that a chance of an outbreak is less than 1 in 1 million years. We think that that new evidence, that it has beeen analyzed now by USDA, should justify USDA lifting the heating requirement that presently makes the marketability of this wheat very onerous.

We can only ship this stuff to mills now that have a heating facility that they can heat the feed byproduct with this. It makes it very difficult. I would hope my friend would joint with us in talking with Secretary Glickman, who has been working with us here on this problem, and with Mr. BONO and with Mr. MILLER and the rest of the Californians in trying to lift that very onerous requirement which I do not think now is justified in view of the 1 in 1 million years risk factor.

Mr. DURBIN. Mr. Chairman, if I might reclaim my time and thank my colleagues for giving the additional information on this amendment.

I just say that, since this is not a question of whether or not the growers bought crop insurance, I have much more sympathy for the situation. Second, let me say I do not want Congress to put itself in a role of making scientific decisions, but I do believe that we want the very best and we want an objective decision which will, frankly, help all wheat growers.

Finally, let me say this should remind many of our colleagues, again, how critically important agriculture research is. We are looking at fungus problems with the corn crop. Here we have one with the wheat crop which literally may cripple some of our wheat growers in our home areas. So I hope my colleagues will stick with us in the future as we try to make sure that ag research receives adequate funding.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. BONO].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. SCHUMER

Mr. SCHUMER. 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 Mr. SCHUMER: Page 69, after line 5, insert the following new section:

SEC. 734. (a) LIMITATION ON USE OF FUNDS.—None of the funds made available in this Act may be used to provide assistance to, or to pay the salaries of personnel who carry out, a market access program pursuant to section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623).

(b) CORRESPONDING REDUCTION IN FUNDS.—The amount otherwise provided in this Act for ''Commodity Credit Corporation Fund—Reimbursement for the Net Realized Losses'' is hereby reduced by $90,000,000.

Mr. SKEEN. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 30 minutes and that the time be equally divided.

The CHAIRMAN. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

The CHAIRMAN. The gentleman from New York [Mr. SCHUMER] will be recognized for 15 minutes, and the gentleman from New Mexico [Mr. SKEEN] will be recognized for 15 minutes.

The Chair recognizes the gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. ROHRABACHER].

Mr. ROHRABACHER. Mr. Chairman, I rise in strong support of the Schumer-Royce amendment eliminating funds for market promotion programs. The 104th Congress has been constantly struggling to get corporate welfare out of the budget. Last year we missed a perfect opportunity to prove to the American people how serious we are about cutting spending by failing to get rid of the Market Promotion Program. Believe it or not, Mr. Chairman, the Market Promotion Program is worse than corporate welfare. At least most corporate welfare dollars are spent in the United States. The Market Promotion Program, on the other hand, takes precious tax dollars and spends them overseas to pay for advertising of American companies like Sunkist, Gallo Winery, and McDonald's.

The self-serving argument goes that scarce tax dollars are being spent to convince people in faraway lands to buy American products. Is it a legitimate role for the Federal Government

to act as an ad agency for a multimillion dollar corporation? I think not. The last thing we need to do is for the hard-working taxpayers of America to find themselves footing the bill for the promotion of wealthy companies' products. Let them promote their own products at their own expense. It is time to stop using scarce tax dollars to convince the French to buy Le Big Mac. Let us show the American people instead that we are truly serious about balancing the budget and, by getting the Federal deficit under control, we can get the Federal deficit under control by being responsible and eliminating programs like the market promotion program that are not necessary for the Federal Government to do, that should be left to those big corporations to pay for their own promotional and advertising costs.

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

Mr. Chairman, I strongly oppose this amendment as I have done many other times the gentleman has offered it or a similar version.

USDA predicts that American agricultural exports will earn a net of more than $30 billion for our trade balance this year. We are headed toward $60 billion a year in exports, an all-time record. The Market Access Program, as it is renamed in the new farm bill, has a lot to do with that success.

This program is responsible for tens of thousands of jobs in food production, processing, and transportation. It has been strongly supported by several administrations and by a solid bipartisan majority in Congress.

Under the new World Trade Organization rules, it is one of the few programs that are legal anymore so I fail to see the reason for unilaterally giving it up when other countries are doing the very same thing.

Finally, Mr. Chairman, I would refer the gentleman to the new farm bill where the authorizing committee has made major changes to reform the program and make sure funds are directed to small and not-for-profit organizations. The program level has also been reduced by almost 20 percent to $90 million.

I urge all my colleagues to vote ''no'' on the Schumer amendment.

□ 1445

Mr. Chairman, I yield to the gentleman from California [Mr. BROWN].

Mr. BROWN of California. Mr. Chairman, I thank the gentleman from New Mexico [Mr. SKEEN] for yielding, and I would rise in very strong support of the position which he has taken and for two reasons, one of which he has already dwelled on, and that is this country today is facing a situation of strong competition from around the world in every field, including agriculture, and if we do not do our very best to assist the farmers and, by extension, the business community in this entire country to deal with that competition around the world, we are going to end up with severe economic damage as a result of that.

Now, this is the general and national position that I take. I hate to be parochial, but this program is extremely important to California. We probably have a major part of our agriculture in California that goes into the export market, particularly into Asia, but also other parts of the world as well. That includes our citrus, our grapes, our fruits and vegetables, all other things of that sort, and I would be remiss if I did not point out at least to every Californian that a vote in favor of this amendment is very detrimental to the economic interests of California.

Mr. SCHUMER. Mr. Chairman, I yield myself 6 minutes.

Well, Mr. Chairman, it is deja vu all over again. Six years ago the 1990 farm bill took one of the most ludicrous Federal programs known as targeted export assistance, and instead of reforming it or eliminating it, we changed its name and hoped no one would notice. And this year, in our own congressional version of the Federal Witness Protection Program, we did it again. Behold, now we are going to call it the market access program.

Mr. Chairman, the hasty reformer who does not remember the past will find him or herself condemned to repeat it. In 1986 Congress created the Targeted Assistance Program, or TEA. This $300 million per year boondoggle passed during a time when ridiculous provisions were routinely added to farm legislation to win support. In this case, a lot of the California folks came over and said, ''We do not have a program. Wheat has a program, and soybeans has a program, and milk has a program, but what about our stuff? Wine and fruits and things like that? Almonds? Nuts?'' And so they created this program. But the TEA program was so bad it did not pass the laugh test. It became the poster child for corporate welfare by giving no strings attached grants to huge agribusinesses to advertise their products overseas.

In 1990 Congress responded to mounting criticism by, lo and behold, changing its name to the market promotion program, or MPP. But old habits are hard to break. USDA checks flowed in the millions of dollars to Sunkist and Dole, M&M Mars, Blue Diamond, Gallo Wine, Campbell Soup, Fruit of the Loom, and a tiny mom-and-pop business hamburger chain called McDonalds.

Over the course of the 4 years, GAO issued three reports on TEA and MPP, each one worse than the last. According to GAO, USDA rarely evaluated any of the 1.25 billion grants it made. There was no evidence the grants led to increased exports. Can my colleagues believe this? The whole name of this program is for exports; they did not find a single bit of evidence it lead to increased exports. USDA gave buckets of money to the same companies each year, and the companies treated the grants in a sloppy and haphazard manner.

My favorite, the California Raisin Board. They used their $3 million to air their famous Claymation dancing raisin ads in Japan. My colleagues remember the ads. They were a hit in the United States. I am sure my colleagues remember those dancing raisins singing ''I heard it through the grapevine.'' But the ads were a bomb in Japan because unfortunately these raisins were not bilingual. They sang in English to a baffled Japanese audience who, one, never heard of Marvin Gaye; two, never saw a raisin; and, three, did not understand English. They put these ads in English on Japanese television because they had free money. Why not?

Anyway, the Raisin Board conducted no market research because they were using taxpayer dollars, not their own. If they used their own money, they perhaps would have learned that the Japanese, having never seen an actual raisin, would not recognize a gargantuan singing raisin.

Now that brings us to this year, the freedom to farm act, renamed MPP again, this time as the market access program, or MAP. That is three farm bills and three names, for those of my colleagues keeping score. Call it MAP, call it MPP, call it TEA or any other name, it still spells W-A-S-T-E, waste. Funds are still going to profitable brand-name products. This year Pepperidge Farm, Entemann's Cakes, Ocean Spray, Tootsie Roll, Welch's, M&M Mars, Pillsbury, Campbell Soup, and Hershey all received grants.

Now, there is some good news. MAP is funded at $90 million, which is much less than the historical levels for MPP and TEA, and more of the funds are going to smaller companies in cooperatives. But this year, when we are struggling to cut the budget in so many worthwhile areas, better is far from good enough. The whole premise of the program is wrong. At a time of 12-digit deficits, we should ask our constituents should Congress award $14,000 to promote beef jerky?

Mr. Chairman, does beef jerky equal reform?

We do not need the Market Access Program, and we all know it. Pillsbury and Sunkist and Blue Diamond and Gallo will still advertise overseas. Dole, Sunsweet, and Fruit of the Loom will still make a profit. The makers of beef jerky did not need a subsidy to advertise Slim Jims in the United States, and they will not need it overseas.

Last year, we exported $54 billion of agriculture products; that is great. This year the projection is a record high $60 billion. USDA and proponents of MAP argue that corporate welfare subsidies are the reason for our record exports. That is clearly not the case. The program is not needed, and I urge that we support this amendment and put this program, once and for all, to its deserved kindly, but certain, death.

Mr. SKEEN. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. WALSH].

Mr. WALSH. Mr. Chairman, we have all afternoon heard about these terrible

corporate welfare programs. The reformers are out to knock off these corporate welfare programs and sugar and tobacco and peanuts, and now apples and grapes. Do my colleagues not understand that what we are doing is we are going after the American farmer?

My distinguished colleague from downstate New York, where all the people are, does he realize that upstate New York is where a lot of the food comes from, and he is well in the same State, and when he comes upstate to talk about whatever it is that he wants to talk about, we are going to remind him that the farmers in upstate New York benefit from these programs. These are small farmers.

We heard the gentlewoman from North Carolina [Mrs. CLAYTON] talk about the peanut farmer who is going to be hit when we went after these big corporations. American corporations are in a global market. When in a market place, there is need to advertise; if in a global market, advertise globally.

The apple farmers in New York State and Washington State and Oregon and Michigan have benefited from this program. Let me just cite one example. A couple of years ago the French apple crop failed. Many of those apples found their way to Israel. The New York State Commissioner of Agriculture, using market promotion funds, was able to go to the Israel marketplace, put our best foot forward, and we sold that market millions of dollars' worth of apples. That was a successful program.

There is nothing wrong with American corporations making money. That is what capitalism is all about. And if we are going to make money overseas in a global marketplace, let us advertise globally, and the gentleman paraphrased Santayana about learning from history. If the gentleman would learn from history, he would understand this amendment failed last year and the year before, and I expect it to fail again.

I urge a ''no'' vote.

Mr. SCHUMER. Mr. Chairman, I yield myself an additional minute.

I would just like to respond to the gentleman from upstate New York, a great place that, he is right, I have visited on occasion. I have the list of all the programs that New York State benefits from, not a single farmer, not a single small business person, although I will say this:

In my own district of Brooklyn they have Minkowitz Services, gets $5,000. I do not know who Minkowitz Services is, but I am sure he deserves a cut just as much as the upstate folks, the upstate businesses to get it.

Free enterprise, I would remind the gentleman, and then I will yield to him, means free enterprise, not Government subsidy, and I am sure his constituents in Onondaga County accept that premise, we should all accept it.

Mr. Chairman, I yield to the gentleman from New York [Mr. WALSH].

Mr. WALSH. We are not going nearly far enough to support American agriculture. We have 2 percent of the population of this country feeding the world, and we need to do all that we can to support this activity.

Mr. SCHUMER. Reclaiming my time, supporting agriculture by these kind of subsidies is a waste. It does not support it.

Mr. SKEEN. Mr. Chairman, I yield 4 minutes to the gentleman from North Dakota [Mr. POMEROY].

Mr. POMEROY. I thank the gentleman from New Mexico for yielding this time to me.

Listening to my good friend from Brooklyn give a history of agriculture export programs has got the same ring of authenticity that my analysis of the New York subway system might have. In fact, when he says in his comments, cites the song ''I Heard It Through The Grapevine,'' I think ''I Heard It Through The Grapevine'' must be the source of his information about what we are doing to this program.

We have heard the gentleman's speech before; in fact, I think the same speech before, but we have gone to the Committee on Agriculture and we have reworked this program. We have cut the funding by 20 percent. We have directed the funding provided be limited to ag co-ops and associations. We focused on high-value meats, vegetables, wines, and fruits because that is where the value-added jobs that increase the benefit of this program are.

Our trade competitors across the world must look at this debate in absolute amazement. United States of America, the largest trade imbalance in the world, and what do we want to do? We want to unilaterally disarm our own export enhancement efforts. Europe outspends us 5 to 1 today, and what do we want to do? The gentleman from New York wants to reduce our effort. That is crazy.

We have tried to fix the program and, I believe, have made a very meaningful attempt to address any criticism that could be launched on this. But let us just look at the track record of what we have already accomplished: $5.6 billion of exports attributed to this program, $16 in exports for every $1 invested, and because we are talking about value added, we are not just talking about raw ag product, we are talking about the men and women that go to those processing plants every single day, make a living, and there is a lot more of those jobs because the opportunity out there for U.S. agriculture is fantastic if we do not just throw in the towel and walk away.

Do not throw in the towel. Reject this amendment. Stand by the move to increase our ag exports.

Mr. SCHUMER. Mr. Chairman, I yield 4 minutes to the gentleman from California [Mr. ROYCE], cosponsor of this amendment.

□ 1500

Mr. ROYCE. Mr. Chairman, traditionally the battle cry for business in America has been ''Get government off our backs.'' However, some corporations have been publicly demanding less Government interference while quietly seeking millions of taxpayers' dollars to finance their business endeavors overseas. A wealthy corporate executive in a pin-striped suit is not exactly what most people would think of as a typical welfare recipient. However, some Fortune 500 companies are lining up at the public trough to get their share of the millions of dollars being given out through the Federal Government's market access program to subsidize their overseas advertising budget.

The numbers are not insignificant. I will share with the Members that since 1985, 1¼ billions of dollars of Federal money has been spent on this program. We are fighting a $5 trillion debt that has dragged our economy to a point where the economic growth is a crawl. Five trillion dollars, and here is 1¼ spent since 1985.

Mr. Chairman, we have offered this amendment to eliminate one of the most egregious corporate welfare programs, with the hope that a trend will develop which would further rid the private sector of an intrusive government. The Federal Government first began financing corporate advertising in 1985 with the targeted export assistance. It was established to encourage commercial export markets for U.S. farm products. Then, after a critical audit of the General Accounting Office, it was changed to the market promotion program. Then, after another critical audit, it was changed to the market access program in 1996.

The names may have changed after every audit, but the program has not. Not unlike most good-intentioned Federal programs, Federal funding of advertising turned out to be just another Government handout. Instead of promoting generic agricultural products like wheat and corn, a majority of the budget has gone to brand name corporate advertising of the most well-known American corporations.

Despite the amount of money that has gone into MPP, the General Accounting Office, in assessing the program, concluded that ''There is no clear relationship between the amount spent on MPP and the levels of exports.'' In a separate report, the GAO questioned whether MPP funds are actually supporting additional promotional activities or if they are simply replacing private industry funds.

MPP is typical of a bureaucratic program run amok. This should not come as a surprise to us. Whenever the Government attempts to help business, the inevitable result is reduced efficiency due to weakened market incentives. If overseas promotion is so critical to a particular product's market, then companies would, in considering their rate of return, invest their resources there.

Because MPP funds are, in essence, free money, corporations have no incentive to spend it wisely. We have already heard the example, and I doubt

that the raisin industry would have spent $3 million of their own money as carelessly in the Japanese market. That is not likely.

Mr. Chairman, Government has no business deciding which companies are worthy of advertising funds. That is precisely what the free market is there to do, to allocate resources in the most efficient way possible. The Government ought not to be taking tax money from companies to finance the advertising of their competition, which is the direct result of redistribution.

Our amendment to eliminate MAP enjoys support from across the philosophical spectrum. Everyone, from the Progressive Policy Institute and Friends of the Earth to the Cato Institute and Citizens Against Government Waste, agree corporate welfare must be eliminated, and the best place to start is by cutting funding of Government-subsidized advertising.

If we are truly committed to balancing the budget and downsizing the Federal Government, we must be willing to attack corporate welfare and take companies like Pillsbury and Tyson Foods off the public dole.

Mr. SKEEN. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. RIGGS].

Mr. RIGGS. Mr. Chairman, the gentleman from New York and my good friend, the gentleman from California, both suggested that the Market Access Program, as we now know it today, is somehow unnecessary or wasteful. But let me quote the Secretary of Agriculture and our former congressional colleague, Dan Glickman:

> Longstanding competitors like the European Union and Canada are using market promotion and credit programs as well as monopoly marketing boards to compete aggressively for international markets. Even less traditional exporters are becoming more aggressive. We cannot eliminate unilaterally our export assistance efforts at a time when the competition is increasing its investments in these areas. It would be pennywise and pound foolish, and just plain stupid.

His remarks are general in nature, Mr. Chairman, but they certainly apply to our U.S. wine industry, which I think most Members know produces an award-winning high value product that competes with the best in the world. The problem, Mr. Chairman, is that many wine-producing countries have established both tariff and nontariff barriers that prevent American wine from competing on a level playing field. In other words, they have access to our markets. We just do not have access to theirs.

According to the U.S. Department of Agriculture, in 1995 the European Union subsidized exports to the tune of $94 million. That figure is comparable, as other speakers have already pointed out on the floor today, to what the United States spends for all agricultural export promotion. In addition, the European Union supplements that $94 million where individual countries also contribute to wine promotion. So we are not talking about a level playing field here. If we were, those of us who believe strongly in this program would not be out here fighting this fight.

The Market Access Program is the only Government program that the American wine industry utilizes. It is a dollar-for-dollar matching partnership that works, with over 100 wineries participating. As I said earlier today, the five largest wine recipients of these funds purchase over 90 percent of their grapes from small, independent grape growers.

One other point I would like to add for my colleagues. Apparently Members are not familiar with the reforms we made to this program in conference last year, in the House-Senate conference on the agricultural appropriations bill, the 1997 bill. If Members would like to see these reforms, please come see me. I have the exact language here which limits these funds, and should address the legitimate criticism that has been made of this particular program.

We very carefully restructured this program last year, and yes, not only did we change the name, but we also included language prohibiting for-profit corporations from direct participation in this program and giving small businesses priorities, while requiring that those small businesses participating in the program match any Federal funding assistance on a dollar-for-dollar basis.

Mr. Chairman, this is not corporate welfare, it is a valuable resource for small farmers in highly restrictive foreign markets.

Mr. SCHUMER. Mr. Chairman, I yield 1 minute to the gentleman from Wisconsin [Mr. BARRETT].

Mr. BARRETT of Wisconsin. Mr. Chairman, this is not a difficult issue. For my friends on this side of the aisle who have been screaming for months that Uncle Sam should get off their back, this is the time for them to get their hands out of Uncle Sam's pockets. There is no reason for Uncle Sam and the people of this country to subsidize companies for marketing overseas. If they are going to be making money overseas, they are going to continue to advertise. There is no reason in the world for us to underwrite that advertising.

For my friends on this side of the aisle who are concerned about restructuring and downsizing, this is corporate welfare. This is exactly what we are saying we do not want to have happen in this country. We think that our country can compete. For those who say that there are tariff problems with industries like wine, then let us address those problems. Let us talk about the tariff problems. Let us address them head on. But let us not give one segment of our economy an advantage over another.

Mr. Chairman, I come from a district that does not benefit greatly from this program. Why should the producers in my district not benefit, while producers in other parts of the country benefit? I think we should have a level playing field and not have the U.S. Government subsidizing for-profit companies.

Mr. SKEEN. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. DOOLEY].

Mr. DOOLEY. Mr. Chairman, I rise in strong opposition to this amendment. Let us take a look at U.S. agriculture. Currently one out of every three acres that is cultivated in the United States is used for the production of crops which are exported. Last year agriculture exports hit $60 billion in the United States. When we look at the growth that we are seeing in exports, in China alone we saw a 175-percent increase in U.S. exports; in Korea, 74 percent; in the Pacific rim, 33 percent.

What we are talking about with the market assistance program is to ensure that the U.S. farmers have equal access to those markets. We have heard speaker after speaker talk about what our international competitors are doing. They are outspending us by six to one. If we are going to provide the farmers with the assistance they need to ensure they can take on these unfair practices by other countries, we have to provide the market assistance program.

When we look at it in terms of benefits, what it has provided, a recent USDA study has shown that every investment, every dollar invested in the market assistance program, has generated $16 in increased sales. For every $1 billion in agricultural exports, we have generated over 20,000 new jobs. I think it is clear that the Market Assistance Program is a good program for agriculture, it is a good program for farmers.

A gentleman earlier said there are no farmers listed as the primary beneficiaries. I can tell the Members, if you are a cotton farmer, you are not going to be making that sale to China. You are going to be working through a cooperative. You are going to be working through a major company. The same thing if you are a prune grower. You are going to be working through Sunsweet. If you are a raisin grower, you are going to be working through Sunmaid. If you are an almond grower you are going to be working through Blue Diamond. You are not going to have the ability and resources to enter into those international markets.

The market assistance program does this: It provides that financial assistance that ensures that the small farmers of this country, working in cooperation with the businesses of this country, can ensure that we will see the promotion of U.S. agricultural products.

Mr. SKEEN. Mr. Chairman, I yield 1 minute to the gentleman from Washington [Mr. NETHERCUTT].

Mr. NETHERCUTT. Mr. Chairman, I thank the chairman for yielding time to me.

Mr. Chairman, the elimination of the Market Access Program means the

elimination of jobs. It is just that simple. We have heard a lot of talk here this afternoon by proponents of this amendment who talk about corporate welfare. What this Market Access Program really does is help employ people in the United States as we export our agriculture products overseas. It is just that simple.

The gentleman from California who spoke in favor of this amendment, 137,000 people in his State depend on the Market Access Program and export-related jobs; the gentleman from New York, 8,300 jobs; the gentleman from Wisconsin, 27,500 jobs directly related to agriculture export jobs.

Let us be serious about this. We have again this year come to the same place we were last year trying to eliminate a program, a modest program that is going to help American jobs overseas and help us export our products overseas. That is what we ought to be doing. We ought to reject this amendment wholeheartedly.

Mr. SKEEN. Mr. Chairman, I yield 30 seconds to the gentleman from California [Mr. BROWN].

(Mr. BROWN of California asked and was given permission to revise and extend his remarks.)

Mr. BROWN of California. Mr. Chairman, I appreciate the gentleman yielding me the time.

Mr. Chairman, I take this time, although I have already spoken once, to point out that this morning I was on a panel looking at the problems of export promotion in another area, in the Department of Energy. We had eight leading businessmen from this country, each one of whom, and they are mostly Republicans, testified to the fact that the assistance that they were getting from the Department of Energy in terms of promoting their products overseas, was invaluable to them. They thought that we should have more of them, not less. That applies to agriculture as well as to energy and the environment.

Mr. SKEEN. Mr. Chairman, I yield 30 seconds to the gentleman from California [Mr. FAZIO].

Mr. FAZIO of California. Mr. Chairman, I stand in opposition to this amendment. We all know that agricultural exports are vital to this country, to the strengthening of farm income, providing jobs. They generate $100 billion in related economic activity for every dollar we spend, and what we spend on MAP is now down to $90 million. We get $16 back in additional agricultural exports for every one of those dollars.

We are backing out of the world market at a time when the rest of the world, in GATT-compatible fashion, is investing more money. This is a blind approach to cutting spending. Under the rubric of corporate welfare, we are shooting ourselves in the foot and putting American workers out of jobs. We ought to defeat this once again—once and for all.

Mr. Chairman, I rise in opposition to this amendment which would eliminate the Market Access Program, formerly known as the Market Promotion Program.

Every year, we see these shortsighted attempts to reduce or eliminate the Market Access Program.

This is a mandatory program established by the Agriculture Committee at $90 million. It has been reduced significantly from a funding level or $200 million just a few years ago and an authorized level of $350 million.

The so-called reformers of this program have sought to whittle away at this program until we can no longer recognize it.

Unfortunately, such a continued assault will render it less and less effective. Yet it is a program which works well to expand U.S. agricultural exports, garnering $16 in return for every $1 invested.

Since 1993, the House has acted to take into account concerns of critics of the program, and these reforms have now been embodied in the 1996 farm bill.

We have made sure the funds go to U.S. companies.

We have made sure the funds are not merely substituting for funds for market promotion that were already going to be spent.

And we have specified that only farmer-owned coops, trade associations, or small businesses can be the beneficiaries.

I believe these changes have satisfied most, if not all, of the reasonable complaints made against this program.

I am particularly pleased that the House has voted repeatedly over the last few years to keep this important program alive in the face of such opposition, and I hope we will be smart enough to do so again this year.

American agriculture leads the world in productivity and in total production. Agriculture accounts for our greatest export dollar. Agriculture and related food and fiber industries employ more Americans by far than any other industry.

However, one area in which we are falling short—and this has been analyzed by agriculture experts, the GAO and others—it promotion for our agricultural products overseas.

In particular, we need promotion for so-called "value-added" agricultural products. This is an area where our competitors in the European Union and Asia are making enormous promotion investments and reaping enormous returns. It is an area where we should be doing much more.

The Market Access Program is the program that fills this need.

Agriculture exports, projected to exceed $50 billion again this year—up from $43.5 billion for fiscal year 1994—are vital to the United States.

Agriculture exports strengthen farm income.

Agriculture exports provide jobs for nearly a million Americans.

Agriculture exports generate nearly $100 billion is related economic activity.

Agriculture exports produce a positive trade balance of nearly $20 billion.

If U.S. agriculture is to remain competitive under GATT, we must have policies and programs that remain competitive with those of our competitors abroad.

GATT did not eliminate exports subsidies, it only reduced them.

The European Union spent, over the last 5 years, an average of $10.6 billion in annual export subsidies—the U.S. spent less than $2 billion.

The EU spends more on wine exports—$89 million—than the U.S. currently spends for almost all commodities under the now-renamed Market Access Program.

MAP is critical to U.S. agriculture's ability to develop, maintain, and expand export markets in the new post-GATT environment, and MAP is a proven success.

Our experience with the Market Access Program in California is very instructive.

MAP has been tremendously successful in helping promote exports of California citrus, raisins, walnuts, almonds, peaches, and other specialty crops.

MAP permits small producers to pool the promotion efforts for particular commodity groups.

It may allow them to pursue new markets—markets they could not have pursued otherwise.

It may leverage their promotion efforts in a particular market that are already underway.

We have to remember that an increase in agriculture exports means jobs: a 10-percent increase in agricultural exports creates over 13,000 new jobs in agriculture and related industries like manufacturing, processing, marketing, and distribution.

The measure of any government program has got to be performance.

The Market Access Program performs.

For every $1 we invest in MAP, we reap a $16 return in additional agriculture exports.

MAP limits participation to 5 years—that means commodity groups will not grow dependent on MAP, but will use those funds wisely to put in place long-term, industry-wide promotion efforts.

MAP requires a cost-share—participants, including farmers and ranchers, must contribute as much as 50 percent of their own resources for branded advertising and cannot substitute MAP funds for investments they intended to make in the first place.

MAP is accountable—independent audits and ongoing reviews ensure that the program remains effective and remains true to the intent of Congress.

In short, MAP is an effective program. If anything, we should be bolstering our commitment to value-added market promotion overseas instead of constantly whittling back our efforts in the face of significant investments by our competitors.

I strongly urge my colleagues to support American agriculture, support smart marketing efforts to promote American exports, support American farmers and producers, and oppose this amendment.

Mr. SCHUMER. Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts [Mr. MEEHAN].

Mr. MEEHAN. Mr. Chairman, for over a year now, we have been debating in this Chamber how to balance the budget. Democrats and Republicans have been trapped in a stalemate, arguing how to cut Government programs without harming the poor, the elderly, without sacrificing the environment. The majority party has proposed cutting vital programs for education, child nutrition, all in the name of deficit reduction. Yet today, here we are again, fighting an uphill battle to end one of the greatest corporate boondoggles in our budget, the renamed but certainly not repealed Market Access Program.

There were 300 Members in this Chamber who voted for a balanced budget amendment. That did not take courage. They come in, vote for a balanced budget amendment. The challenge we face as a country is how to balance the budget. This Market Promotion Program is a flagrant misuse and misallocation of funds. Anyone who voted for a balanced budget should not come into this Chamber day in and day out to keep corporate subsidies in the budget. Let us stand up and take a stand. If Members voted for a balanced budget, have the courage to balance the budget.

□ 1515

Mr. SKEEN. Mr. Chairman, I yield the balance of my time to the gentleman from Illinois [Mr. DURBIN].

The CHAIRMAN. The gentleman from Illinois is recognized for 1½ minutes.

Mr. DURBIN. Mr. Chairman, let me say to my friend, the farmer from Flatbush, that he really should get out into the real world of agricultural competition. I know he stays close at home in Brooklyn and in New York. But had he joined me in a visit to Asia, he might have found that many countries such as France are outspending the United States 3-to-1 to win market share in Korea, in Japan, in China and in so many other places.

We have reformed this program dramatically. We have pushed for companies that are new to export, we have pushed for small companies, and the gentleman may make light of some of these companies, but frankly, by themselves they would never have a chance in the world market.

When we consider the fact that our ag exports are so important when it comes to our trade balance, and when we consider the fact that our consumer food products that we are exporting have increased so dramatically over the last several years, what the gentleman from New York, my big-time agronomist from the Big Apple, fails to realize is that to eliminate this Market Access Program would literally eliminate jobs and opportunities in the United States. I hope he will reconsider this ill-considered amendment, and I hope that the grower from Gotham next year will not be offering this amendment as he has in previous years.

Mr. BALDACCI. Mr. Chairman I rise today in opposition to the amendment offered by my colleagues, an amendment that would gut the market access program.

We revisit this issue annually.

I'd like to point out a few things about MAP, which used to go by the acronym MPP. Over the past several years, Congress has mandated several reforms. These changes help small businesses and co-ops, limit branded promotion activities and increase the cost share requirements for private firms. On top of that the authorized level of spending was cut $20 million in the 1996 farm bill.

But step back and look at the larger picture. The farm bill that was signed into law a little more than 2 months ago made sweeping changes in agriculture policy. An integral part of those reforms was increasing the focus on exports.

American farmers are competing for market share in countries around the world. They are competing against farmers in countries that provide far, far deeper subsidies.

In my home State of Maine, potato farmers are suffering at the hands of subsidized Canadian imports. One bright spot is the potential for overseas outlets for Maine potatoes. The industry is exploring options. They need assistance in gaining access to those markets.

I recently talked to a friend of mine, Rodney McCrum who farms 650 acres of potatoes in Aroostook County, ME. I asked him about MAP.

He said, and I quote, "That program really expands the world market to create jobs here in Maine. We just get so much bang for our buck."

In the past decade the value of U.S. potato exports has increased nearly six-fold, reaching more than half a billion dollars that has come about in large part as the result of the pooling of industry money and funds from the old MPP program.

We need to build on that success. We need to continue to ensure that U.S. agriculture continues to be competitive overseas, that our agriculture exports continue to exceed our imports, that our farmers remain the best in the world.

I urge you to oppose the amendment.

Mr. HASTINGS of Washington. Mr. Chairman, I rise in strong opposition to this amendment. The Market Access Program is critical to the continued expansion of U.S. agricultural exports, and is one of the few Government programs that really works. Virtually all funding is used to combat unfair trade practices, and the amount we are spending is almost nothing in comparison to the huge export subsidies of our foreign competitors. Our trading partners would love to see funding for this program reduced. In fact, it has already been reduced by over two-thirds since it was first enacted.

The fact is, the Market Access Program has proven to be an effective method of expanding our agricultural exports. It has sustained American jobs and contributed to the reduction of our trade imbalance.

For every $1 in MAP funding, sales of U.S. exports increase by $16. Ultimately, the increased economic activity created by the Market Access Program supports as many as 28,000 American jobs through expanded exports.

The argument has been made that the types of promotional activities implemented through the MAP will go on regardless of Government funding. However, my colleagues should understand that the participants match the Government funding on a one-to-one basis. The argument also ignores the fact that the program is targeted towards nations which utilize unfair trade barriers, such as Japan and the European community. To cite just a few examples, my colleagues may be interested in the following MAP success stories from my State of Washington alone:

In Mexico, MAP funds helped boost United States exports of apples from just 574,000 cartons to over 4 million cartons in just 1 year.

In Egypt, MAP funds helped convince potential buyers of the quality and value of United States wheat flour—leading to contracts for 427,000 metric tons of flour in 1993.

In Germany, MAP funds supported market development and awareness activities—leading to an increase of United States asparagus exports of 14 percent.

I urge my colleagues to support economic growth and jobs by opposing amendments to eliminate funding for the successful Market Access Program.

Mr. LOBIONDO. Mr. Chairman, I rise in strong support of the Schumer-Royce amendment to cut the $90 million appropriated from the Market Access Program, formerly the Market Promotion Program.

Last July, I cosponsored the Zimmer-Schumer amendment to defund this program, and although the program has a new name, it is still a misuse of taxpayer dollars.

The essence of the Market Promotion Program has not changed. In fact, this is the second name change this program has undergone—it began its life as the Targeted Export Assistance Program. It's still a giveaway, and it's still unfair to taxpayers and to other businesses trying to compete abroad.

Mr. Chairman, this is not a loan program. This program is a giveaway to U.S. businesses, which use public money to advertise their goods abroad. There are other export assistance programs available to U.S. businesses. This program is uniquely flawed.

Termination of this program is supported by the GAO, the CBO, the Grace Commission, Citizens Against Government Waste, and the National Taxpayers Union. As far as I'm aware, these organizations did not recommend simply renaming the program; they believe it is corporate welfare and support its elimination. Let's save $90 million.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. SCHUMER].

The amendment was rejected.

AMENDMENT OFFERED BY MR. DURBIN

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

The Clerk read as follows:

Amendment offered by Mr. DURBIN: Page 69, after line 5, insert the following new section:

SEC. 734. For an additional amount for the Department of Agriculture (consisting of an additional $22,500,000 and $2,500,000 for "Rural Utilities Assistance Program" and "Distance Learning and Medical Link Program", respectively), and none of the funds made available in this Act to such Department may be used to carry out or pay the salaries of personnel who carry out any extension service program for tobacco or to provide or pay the salaries of personnel who provide crop insurance for tobacco for the 1997 or later crop years, $25,000,000.

Mr. SKEEN. Mr. Chairman, I ask unanimous consent that debate on this amendment and all amendments thereto close in 90 minutes and that the time be equally divided.

The CHAIRMAN. Is there objection to the request of the gentleman from New Mexico?

Mr. MEEHAN. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. DURBIN. Mr. Chairman, some 1,500 different crops are grown in the United States of America. The Department of Agriculture gives 60 of those 1,500 crops special treatment. For those crops, those 60 crops, we have many

programs, including the Crop Insurance Program.

The purpose of my amendment today is to delete one crop from that list. The crop I am speaking of is tobacco. Why would I single out tobacco of all the things grown in America? Because tobacco is not like any other agricultural product. It is neither food nor fiber. It is in fact the only legal product sold in the United States which, when used according to manufacturers directions, will kill you. Tobacco is not just another agricultural crop.

My friends who will stand today in defense of tobacco and its programs will speak at great length about equity and fairness. Let me tell you about the equity and fairness of tobacco.

At this very moment there are young people who are listening to this debate. They have a vested interest in this debate.

Each year the tobacco companies, with this tobacco product, have to lure these children into a lifetime addiction that will kill 1 out of 3. Each day in the United States 3,000 children start smoking for the first time. Think about it, parents of America. Think about it. If your child came home tonight and said, ''Mom, Dad, I've got great news, I just started smoking,'' how many of us would stand up and say ''Congratulations, we were hoping that you would make that decision.'' My colleagues know better, and so do I.

Four hundred thousand Americans will die this year from tobacco-related diseases. It is the No. 1 preventable cause of death in America.

Also in the Chamber, sitting in the seats today, are the lobbyists for the tobacco companies and the tobacco growers. They are the heavy hitters in this town. They have more money than friends, but we will see a lot of their friends on the floor today. They will tell us in debate that the Federal Government does not subsidize tobacco. That is not true. Let me tell you specifically why it is not true.

We will spend this year $98 million on a variety of programs subsidizing tobacco. The single most expensive is crop insurance. Follow me. A tobacco grower plants his crop and buys crop insurance and pays a premium. Then if the crop fails, from drought, flood, pests, whatever it is, he will expect to collect on his insurance policy. But when we add up all the premiums paid by tobacco growers and then we add up all the money paid by the Government when the crop fails, guess what? They do not match. We taxpayers step into this situation and put $68 million on the table to subsidize tobacco and tobacco growth.

Some of my friends have passed around some ''Dear Colleagues'' about the Durbin amendment. One of the statements here is that tobacco growers would be the only farmers in the Nation without access to crop insurance. I am sorry. They should have checked the facts. One thousand five hundred different crops in this country and only sixty are covered by crop insurance.

The Durbin amendment, and I have many of my friends, the gentleman from Utah [Mr. HANSEN] on the Republican side, and others who have joined me in this amendment, says that the tobacco crop will no longer be covered by crop insurance. What does it mean to my colleagues?

When you go to your town meetings and the person stands up and says, ''Congressman, explain something to me, if you will. If tobacco is killing our children, if it is the No. 1 preventable cause of death in America, why does the Federal Government still subsidize to the tune of $90 million a year the growth and production of tobacco products?''

Most Congressmen will say, ''Oh, but we don't.''

They are wrong. We do.

Many of them will say, ''we should not.''

By voting for the Durbin amendment today, they will be able to put an end once and for all to this Federal subsidy of crop insurance for tobacco.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. DURBIN] has expired.

(By unanimous consent, Mr. DURBIN was allowed to proceed for 3 additional minutes.)

Mr. DURBIN. Mr. Chairman, behind me on this podium, you may not be able to see it, carved into the wood, are nothing short of tobacco leaves. The people who designed this Chamber 100 years ago thought that this was such an important part of the American political scene, they put it permanently in place. You will find it, too, as you tour this Capitol, at the top of the columns, tobacco leaves. Tobacco has always enjoyed, I guess, a special place in the politics of America. But I think the American consumers and taxpayers have had their fill of the tobacco growers and the tobacco companies. As we witness day in and day out our families and friends afflicted by diseases related to tobacco, we understand this is not just another agricultural product. As we see these tobacco companies openly deceive American consumers about their products, we understand this is not just another product. As we realize that over half of the smokers in this country started smoking before the age of 16, when we realize that the starting average age for a person to use spit tobacco, those little round cans, is 9 years old in America, we understand what we are up against. We are up against a product that has to be treated differently. It should not have a privileged place in this town or in this Government. If the tobacco growers want to continue their program at their own cost, God bless them. If they want to continue their crop insurance at their own cost, God bless them. If adults want to choose to smoke, and I hope they do not, but if they want to, God bless them. But, Mr. Chairman, the rest of us, the taxpayers of this country, should not be footing the bill to subsidize this deadly product. Today Members of Congress who have been preaching about balanced budgets and deficit reduction for months around this place have a chance to put up or shut up. This Durbin amendment gives them a chance to save at least $25 million a year and to say to the taxpayers once and for all when they ask the question, ''Why do you subsidize this deadly product?'' We did, until we passed the Durbin amendment, and we stopped.

Mr. ROGERS. Mr. Chairman I rise in opposition to the amendment.

Mr. Chairman, the Durbin amendment is the same amendment that this body rejected last year out of hand, it is the same amendment the committee just last week rejected out of hand, and it is the same amendment that today this body is going to reject again out of hand. I will tell you why. The Durbin amendment has nothing to do with smoking. It has nothing to do with the health hazards of smoking. It has nothing to do with whether or not you think you have the right to smoke or not. Smoking is not involved here. What is involved here is singling out by this sinister amendment small poor farmers who in the main have no other way to earn a living for their family. This amendment does not get at big tobacco companies. I will say that again. This amendment does not get at big tobacco companies as has been stated. In fact, it plays into their hands, because it would cripple the small growers in this country and favor the big companies who would love to grow the tobacco in this country and more importantly outside this country and ship it here and sell it for dirt cheap prices.

So the Durbin amendment, I would say to you, favors big tobacco companies. They have been wanting this a long time, to run these small farmers out of the business. Without this program, small farmers will not be able to grow tobacco. The Congress has protected that right ever since we have been here almost. So this amendment plays into the hands of big tobacco.

If you want to see cheap cigarettes, you bring in this imported tobacco, grown under no telling what kind of conditions, pesticides you would not dare let on crops in this country, you are going to bring in poisoned tobacco and you are going to bring in tobacco that is dirt cheap and you are going to drive down the price of cigarettes until everyone can say, even kids, ''Hey, I can afford to smoke now.''

So I say to the gentleman from Illinois [Mr. DURBIN], your amendment will promote smoking. It promotes big tobacco companies. We are standing here telling you that if you pass the Durbin amendment, you are singling out the very small, poor tobacco growers in this country to the favor of big tobacco companies and foreign growers all over the world.

This amendment does not save you money. The no-net-cost program—and

the gentleman from Illinois [Mr. DURBIN] knows this—passed through this Congress a few years ago that says the tobacco program will cost nothing to the American taxpayer.

The gentleman says that in his amendment we will not let ASCS employees talk to a tobacco farmer. That tobacco farmer may also grow corn or soybeans or wheat, and what have you but the ASCS employee cannot go out there and talk to him because he grows tobacco. We may have to send a policeman out there with him to be sure that they never mention tobacco. But the tobacco program does not cost you. The no-net-cost program prevents that. Tobacco does bring into the coffers of your city, your county, your State, and your Federal Government $14.8 billion a year, and it results in $6 billion in American exports.

This amendment discriminates against a legal crop. The gentleman from Illinois [Mr. DURBIN] should go ahead and do what he wants to do and offer an amendment to declare tobacco to be an illegal product. That is what you really want. Go ahead and do that. Let us vote on it. But, no, you are going through these back doors trying to eliminate the tobacco program without declaring the crop to be illegal.

□ 1530

What is next? I submit to the gentleman from Illinois that a lot of the corn grown in his district goes to fatten up beef. Beef has a lot of fattening in it. That is bad for hearts. Why, a lot of people say heart disease is the leading killer. That is caused by the fatty substances in the food that we eat, including beef. Let us get after corn, that is the problem in this country. That is the cause of the great health scare and the health problem in the country. It is corn that causes fat.

And what about wheat, I ask the gentleman? Does he know that wheat goes into the making of Twinkies? And we all know that Twinkies are bad for us. They can cause all sorts of problems. Let us outlaw wheat.

The CHAIRMAN. The time of the gentleman from Kentucky [Mr. ROGERS] has expired.

(By unanimous consent, Mr. ROGERS was allowed to proceed for 2 additional minutes.)

Mr. ROGERS. Mr. Chairman, I say to the gentleman that the ASCS advisers of the Agriculture Department help farmers, including tobacco farmers, with such things as preventing the use of illegal or dangerous pesticides, for example. If we take away that advice, these farmers are going to be on their own, and who knows what kind of dangerous health hazards that will cause.

The intent of this amendment is to eliminate American tobacco production, make no mistake about that. It would promote cheaper foreign tobacco grown by who knows what kind of pesticides or other poisons on their crops, bringing poisonous tobacco into the country at dirt cheap prices, promoting smoking. It would drive down the price of cigarettes to no telling what level. It would drive onto welfare rolls these small farmers, in the South primarily, in favor of big tobacco companies who would then buy that tobacco from offshore. The jobs would go offshore.

The prices of cigarettes in this country would go down, smoking would go up, and farmers would be on welfare. Is that what the gentleman wants?

I say to the gentleman that the Congress said last year on this very amendment ''no.'' The full Committee on Appropriations just last week said to answer that question ''no,'' and I say to my colleagues again today, to the Durbin amendment say ''no.''

Mr. MEEHAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I just heard the gentleman from Kentucky bring up Twinkies, and it is interesting because when the CEO's of the major tobacco companies of this country testified before the Congress of the United States, one of them said, ''Nicotine is no more addicting than Twinkies.'' It is ironic that Twinkies would come up again here today.

Mr. Chairman, I rise in strong support of the Durbin-Hansen-Meehan amendment to once and for all end the Federal Government's $25 million subsidization of tobacco. And by the way, the USDA says that it costs the taxpayers money, the Congressional Budget Office says it costs the taxpayers money. It is time to finally put an end to our agricultural policy that is not in line with our health policy.

Mr. Chairman, the tobacco crop insurance subsidies, these are products of a bygone era that have no interest other than the special interest of the big clout that is supporting them. No longer should the Federal Government be a willing and knowing partner in the addiction of America's youth. Now is the time to correct a serious disconnect in Federal policy.

It borders on hypocrisy, Mr. Chairman, that on the one hand we tell our young people do not smoke, do not chew tobacco, it is a nasty and ultimately deadly addiction. Be smart, do not cave in to the destructive advertising, the peer pressure, and on the other hand to the tobacco and extension services and crop insurance subsidies the Federal Government tells our young all across America, do as I say, not as I do.

A vote against this amendment is a vote against kids in America and a vote for big tobacco. Mr. Chairman, by voting for big tobacco Congress votes for an industry that manufactures a product that kills 420,000 Americans each year; an industry that has convinced through its cartoon character Joe Camel, by the way a multibillion dollar advertising campaign directed specifically to children in America, and through that specifically directed cartoon character there are 300,000 kids a day that pick up a cigarette and try it for the first time. One thousand of those children will eventually become addicted to this deadly product.

It is an industry that costs the American economy through health care costs and lost productivity $100 billion a year. Is this the type of vote we want to go back and explain to the mothers and fathers back in our district that we made?

Mr. Chairman, those on the other side of the issue will argue that this vote will only affect a small family-run tobacco farm. Mr. Chairman, tobacco farming is one of the most lucrative forms of agriculture. An acre of tobacco is 1,000 percent more lucrative than 1 acre of corn. The fact is this amendment does not affect the operation of the tobacco price support program; therefore, this amendment will not cost a single tobacco farmers his or her job.

No, this amendment is not directed against the small tobacco farmer, he will still have his customers, the Philip Morris, the R.J. Reynolds of the world. The amendment is about putting our agricultural policy in line with our health policy.

We have spent millions of dollars educating Americans about the diseases of this product, the dangers of this product. We are seeing historic Americans come out in a historic way to demand that the Congress regulate this product in the advertising to children. We have seen the President come forward and call for the FDA to regulate this product in its advertising to children. We have seen attorneys general all across this country begin to hold tobacco companies accountable for the millions and millions of dollars of damage to health care in every State in this country.

Now is not the time to move backward. Now is the time to make the move to move forward. Just because this amendment has been defeated in the past does not mean we shall not do the right thing here.

Mr. Chairman, I agree the tobacco company needs the help of Congress, but further subsidizes are not the answer. No, Mr. Chairman; big tobacco does not need further subsidization; big tobacco in this country needs regulation. I urge my colleagues to join with me in supporting the Durbin amendment.

Mr. BUNNING of Kentucky. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong opposition to the Durbin amendment. This is a mean-spirited attack on small farmers throughout the South. We all know that the gentleman from Illinois does not like smoking, but this amendment will not stop one person from smoking; it will only hurt the small tobacco farmers in my district and throughout the South.

The opponents of tobacco always imply that we should not pay farmers to grow tobacco. We do not. We do not pay farmers. Let me repeat that. The Federal Government does not pay

farmers subsidies to grow tobacco. Sure, our Government offers to tobacco farmers some of the same programs, like crop insurance and extension service, that are offered to other farmers. But we should offer them the same treatment other farmers receive.

Tobacco farmers grow a legal crop. These farmers are not outlaws. They should not be treated as such. They should be treated the same as those who grow corn or raise dairy cows or other commodities. Tobacco farmers should not be forced to pay for the same services every other farmer receives for free.

What this amendment does, Mr. Chairman, is single out the small tobacco farmers who are the backbone of the agricultural industry in my State and all over the South. Most of these farmers, including the 14,400 tobacco growers in my district, own their own family farms. They may have 2 acres, 5 acres, or 10 acres of tobacco that they use to offset their other costs in farming, or they may use the extra income to send their children to college so that their children may have it just a little bit better than they did. Where is the crime in that?

Tobacco is a legal product. We have no right to treat honest, taxpaying, hard working Americans like they are outlaws. They have committed no crime, yet this amendment singles them out and treats them like criminals.

Mr. Chairman, this amendment will not do one thing, as the gentleman from Kentucky has already said, to prevent smoking. It will not do one thing to the major tobacco companies in this country. It will not decrease the deficit. It will only treat small farmers like they are criminals. It is bad policy, it is unfair, it is wrong, and let us vote against the Durbin amendment.

Mr. ROSE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this amendment came up in the full Committee on Appropriations and the full Committee on Appropriations soundly defeated this amendment. Just as an old timer around here, I would say stick with the Committee on Appropriations. The Committee on Appropriations, the gentleman from Kentucky [Mr. ROGERS] has informed me, does not want this amendment to pass and he said it very eloquently on the floor himself.

This amendment does two things. It prohibits agricultural extension agents from giving advice to tobacco farmers. It does not stop the tobacco farmer from growing tobacco, but if the agricultural extension agent is called on by the farmer for advice about pesticide spraying for certain insects or fungicides, they will not be able to give that advice to the farmer.

I do not believe that is the result that we want. We are not going to stop the growing of tobacco, but we will stop USDA from giving good horticultural advice on how to grow the crop using the proper insecticides, fungicides, and pesticides. That is not good for either the farmer or the farmer's neighbors.

That is one good reason to vote against this. The second reason is it prohibits small farmers from getting Federal crop insurance. Now, the Federal crop insurance is important mainly to the small farmer. Larger farmers buy it privately. In my part of the world a small farm that has 5 acres of tobacco can be grown by the small family. A husband and a wife and children can take 5 acres of tobacco and put 10, 15, $20,000 extra a year into their pockets.

No, this is not about smoking. My colleague from Massachusetts [Mr. MEEHAN] and my colleague from Illinois [Mr. DURBIN] know this has nothing to do with whether or not people smoke, and they really made that clear in their arguments. But do my colleagues know that if these small farmers cannot get crop insurance, they cannot grow tobacco, that the companies will import more foreign tobacco and, in my opinion, will smile all the way to the bank because they will bring it in cheaper than they can buy it here in America?

If we want to hurt the tobacco companies a little bit, keep the price of tobacco high to them. Make them pay a good price. Take away crop insurance from the small farmer, we will put him out of business, and we will make it impossible for him to bring income in to his small family. It is not good policy to do it that way.

Now, I am not in favor of any advertising or anything being directed at underage smokers. I will support, as my colleague who is now in the other body, Mr. WYDEN, and I proposed, an extensive program of efforts by private industry and the government to stop young people from smoking.

□ 1545

This is not about smoking. It happens, though, that because of the way budgeting is done and accounting is done, crop insurance does show up as a cost to the Department of Agriculture. But other than that, the tobacco program is a no-net-cost program. The farmer pays an assessment into the Treasury to cover any potential losses from the tobacco price support program.

CBO, our own Congressional Budget Office, estimates that the current tobacco program will result in a $1.4 billion gain for the Federal Government over the next 7 years. Let me repeat that. The current tobacco program will produce a positive cash flow of $1.4 billion over the next 7 years. How is that? Because when the Government loans money to the cooperative to pay for the price support program, the money has to be paid back with interest. A $1.4 billion gain.

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. ROSE] has expired.

(By unanimous consent, Mr. ROSE was allowed to proceed for 3 additional minutes.)

Mr. ROSE. Mr. Chairman, I wish that there was an accounting mechanism that would allow us to lump all of this together, but there is not. So my colleague from Illinois has a fair shot here at a cost of extension service and a cost of crop insurance. But when we back away from the tobacco price support program and look at the big picture, it way overpays for what it costs the U.S. Government.

Mr. Chairman, I will join with anybody in this House to find a sensible way to stop young people from smoking, to make it illegal, tougher, to give more strength to the States, to outlaw vending machines, to outlaw free cigarettes and many, many other things. That is what we should do.

But, Mr. Chairman, I say to my colleagues they should not kill crop insurance for small farmers and go back home to their urban districts and tell their constituents that they saved them from the horrors of tobacco. They have not done anything. They have hurt some little people and they have, in my opinion, not accomplished what they really would like to accomplish.

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

Mr. ROSE. I yield to the gentleman from Virginia.

(Mr. SISISKY asked and was given permission to revise and extend his remarks.)

Mr. SISISKY. Mr. Chairman, I rise in opposition to the Durbin amendment, which I believe, the gentleman from Kentucky was very kind, this is a mean-spirited, in my opinion—and I have known the gentleman from Illinois since we got here together 14 years ago—this is a mean-spirited amendment and I wish that the House would defeat it.

Mr. Chairman, I very strongly oppose the Durbin amendment, a mean-spirited amendment that is grossly unfair to tobacco farmers.

I understand that there are many Members in this House who would like to make a political statement against smoking. But this is surely not the right way to go about it. This amendment will do nothing to stop smoking, but it will cause a lot of harm to tobacco farmers and the farming communities that depend on them. Many of these communities are located in my district.

The Durbin amendment would treat tobacco farmers worse than other farmers. It would deny them the benefit of extension services that are available to every other farmer. And it would prohibit them from buying Government-backed crop insurance that is available to every other farmer.

This is not only discrimination against tobacco farmers. It's also discrimination against tobacco farming communities. These communities are the ones who will pay the price for the mistakes made because extension services are not available, from the misuse of pesticides, and from the erosion of their economic base.

Mr. Chairman, this is nothing but scapegoating. The backers of this amendment are upset with tobacco companies. So they are taking out their frustrations on farmers, many of them small family farmers struggling just to make a living.

I would suggest that they pick on someone their own size. Small farmers have enough troubles. They don't need mean-spirited efforts like this one to treat them like pariahs. They deserve better than that from us. They deserve some fairness, and at the very least some consideration.

I urge you to soundly reject this terrible amendment.

Mr. ROSE. Mr. Chairman, reclaiming my time, I too want my colleagues to think twice before they vote for this amendment. We have got so many battles to fight around here. Mr. Chairman, I say to the gentleman from Illinois [Mr. DURBIN] we have whiskey ads back on TV again. Whiskey ads back on television. Seagrams is down in Texas showing television ads of Crown Royal whiskey.

Now all of my good health friends who are going to speak about the problems of smoking, which this amendment has nothing to do with, for the Lord's sake, over the night and over the weekend go back and get busy on demon rum and whiskey that is going to be shown to the children of this country.

Please vote against this amendment.

Mr. COBLE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, here we are again. Tobacco has surfaced as the perennial convenient whipping boy. Tobacco, the ''golden weed'' we used to affectionately call it in the Tobacco Belt. Whipping up on tobacco again.

Mr. Chairman, I was not even going to get into this until the gentleman from North Carolina [Mr. ROSE] mentioned about teenage smoking. Some days ago a fellow in my district came up to me and said, ''I have a cure for teenage consumption of tobacco. Why do you all in Congress not enact legislation requiring teenagers to consume tobacco?'' He said, ''Given the ingenuity of American teenagers, they will manage to violate that law some way, and the problem is cured.''

He said that, of course, Mr. Chairman, with tongue in cheek, but it makes about as much sense as what we are about today. The Durbin amendment, and the gentleman from North Carolina [Mr. ROSE] said it, the gentleman from Kentucky [Mr. ROGERS] said it very adeptly, it will do nothing to discourage smoking or reduce tobacco consumption.

Mr. Chairman, I will tell my colleagues what it will do. It will unfairly attack and penalize small farmers by denying them critical agricultural administrative services available to every other family farmer known to me producing agricultural commodities under a Federal program.

Mr. Chairman, I will tell my colleagues what it will do. It singles out tobacco farmers, particularly small ones, and tramples upon their right to earn a living in regions often inhospitable to growing alternative crops.

This amendment damages, emasculates the small tobacco farmer, not the industry at large. The amendment undermines a decades-old relationship between farmers and the U.S. Department of Agriculture, destroying the farmers' safety net and placing tobacco farmers at the mercy of the elements, the weather, diseases, pests.

The demise, Mr. Chairman, of the tobacco program would destroy, I repeat, destroy the nature and structure of agriculture in the southeast farm area, what we commonly know as the tobacco belt.

Tobacco, my friends, is a crop that is lawfully grown, lawfully cured, lawfully marketed, lawfully processed, lawfully sold in the marketplace, lawfully consumed. And Americans benefit, Lord only knows how much, from this product.

Mr. Chairman, I say to my colleagues, do not permit this antitobacco propaganda to damage innocent farmers who are trying their best to keep their heads above water, to provide for their families by growing a legal and marketable commodity. I urge defeat of this amendment.

Mr. FOGLIETTA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Durbin-Hansen amendment. At a time when critical funding for children, for health care, for education is being slashed to the bone, how can we even think of providing even another cent to the tobacco industry? Smoking and its impact on health costs billions of dollars every year, and it costs thousands of lives in the United States of America.

The prior speaker said that it is lawfully grown, it is lawfully sold, it is lawfully consumed. I agree to that, and that is one of the sad problems that we have in this Nation today, because it is lawfully grown, lawfully sold, and lawfully consumed.

Just ask one of the members of the thousands of families, many of whom we know very well, who have lost a parent, a daughter, a son, or a wife to smoking-related cancer, and they will give you the straight answer. No more money for tobacco. Simply, no more money for tobacco.

Yet, in vote after vote on the House floor and in committee, aid to the tobacco industry stays alive. This is wrong. Let us make some smart choices on how we spend our Federal dollars. This amendment gives us a choice. We can vote for tobacco and smoking, or we can invest in health.

This amendment takes the money the bill would spend on tobacco and invests these dollars in linking rural underserved educational and medical facilities to more advanced urban centers. Moreover, it would make significant investment in the rural water and sewer grant and loan programs.

The choice is clear. Vote for the Durbin amendment and end the subsidies to this killing industry.

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

Mr. FOGLIETTA. I yield to the gentleman from Illinois.

Mr. DURBIN. Mr. Chairman, I thank the gentleman for his support of this amendment, and say to earlier speakers that someone has noted the fact that the Committee on Appropriations voted against this amendment, and that is true. The Committee on Appropriations also voted against an amendment which I had several years ago to ban smoking on airplanes. Fortunately, this House of Representatives came together in a bipartisan fashion overruling the decision by the Committee on Appropriations.

Mr. Chairman, I would defy all my friends on the side of tobacco today to stand up and say that was the wrong decision. It was the right decision. No one, no one would consider turning back the hands of the clock to the day when people could smoke on an airplane and pass along secondhand smoke to innocent people. The fact of the matter is, this has been accepted conduct now across the United States and we are now applying it to international flights.

I might also thank the gentleman for noting that the money saved from the Durbin amendment will be reinvested in the same rural communities that we have talked about here during the course of this debate, providing in the southeastern United States and across the country, opportunities for medical telecommunications links so that community hospitals can have professional medical care, providing rural water and sewer grants so that a lot of small town America will be able to modernize its infrastructure.

Mr. Chairman, the final point I would like to make is, my friends on the other side of this debate continue to ignore the reality that we subsidize tobacco growers in this country. The gentleman shakes his head, but I would like to tell the gentleman the exact dollars. Ninety-eight million dollars will be put in Federal subsidies to tobacco growers this year; $68 million for crop insurance losses beyond premiums paid; $10 million overhead costs of administering the program. If this is not a Federal subsidy, I tell the gentleman, nothing is. It is $78 million for those two items and $700,000 for extension agents.

Mr. Chairman, I thank the gentleman for his forbearance, and say that any farmer who grows other crops will not be prohibited from speaking to extension agents. We just do not want the Federal Government encouraging the growth of tobacco in this country, a deadly product which is killing so many innocent people.

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

Mr. FOGLIETTA. I yield to the gentleman from Illinois.

Mr. EWING. Mr. Chairman, I think we ought to make it absolutely plain, at least unless my memory is totally gone, that smoking on airplanes was legislation that came through the Public Works Committee. It was not done

on an appropriation bill. We may have had it as an amendment, but I know it came through Public Works.

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

Mr. FOGLIETTA. I yield to the gentleman from Illinois.

Mr. DURBIN. Mr. Chairman, it was before the gentleman from Illinois [Mr. EWING] arrived here, and the amendment came through the Committee on Appropriations.

Mr. JONES. Madam Chairman, I move to strike the requisite number of words.

Madam Chairman, I rise today in strong opposition to the Durbin amendment. The denial of Federal crop insurance will destroy the tobacco farmer and the economy of rural America. Besides being excluded from common USDA services provided to all other farmers, this will be an economic nightmare. It is no way of doing business.

The denial of crop insurance does not seem like much. However, most farmers have entered into loan agreements requiring them, the farmers, to obtain crop insurance. This amendment will place the farmer in violation with their current and future lenders. Who will help the family farmers then?

Let me repeat that. Most farmers have entered into loan agreements requiring them, meaning the farmer, to obtain crop insurance. This amendment will place the farmer in violation with their current and future lenders. Who, again, will help the family farmer?

Most importantly I believe this amendment is aimed at the cigarette industry. However, the victim will not be the industry, it will be the small tobacco farmer. In my State of North Carolina the production of tobacco employs approximately 260,000 people. More specifically, 1 in 12 people have a tobacco-related job. A ''yes'' vote will be a vote to destroy the North Carolina economy.

Madam Chairman, in closing I want to make two points that the gentleman from North Carolina [Mr. ROSE] and others have made on the floor of this House.

Since 1982, the tobacco program has been a voluntary farmer-run program that is operated through farmer-paid assessment and fees. I am going to repeat that again, Madam Chairman. Since 1982, the tobacco program has been a voluntary farmer-run program that is operated through farmer-paid assessment and fees.

The second point I would like to make, CBO estimates the concurrent tobacco program will result in a $1.4 billion gain for the Federal Government over the next 7 years. I am going to repeat that again. CBO estimates the current tobacco program will result in a $1.4 billion gain for the Federal Government over the next 7 years.

□ 1600

I ask the House to vote against the Durbin amendment.

Mr. HEFNER. Mr. Chairman, I move to strike the requisite number of words.

(Mr. HEFNER asked and was given permission to revise and extend his remarks.)

Mr. HEFNER. Mr. Chairman, I rise in strong opposition to this amendment, but I do congratulate the gentleman for trying to do something to put some money back into an area that should never have been taken out to start with, it is sorely needed, into the Rural Utilities Assistance Program. I commend him for that. But I do not commend him for where he would like to get it.

This, I do not think there is anybody in this body that would encourage young people to smoke. It would make the health argument as far as tobacco goes, but to me this is a punitive amendment. It does harm to small farmers. Make no doubt about this. It is not going to cause one person not to smoke. It is not going to spend any money for the health care for people that do smoke, if that be the cause. It is not going to do anything to keep people from smoking cigarettes.

What it is going to do is to those small farmers, it is going to say to them, you are not going to have the same privileges that everybody else that is engaged in agriculture has, whether you are soybeans, whatever, peanuts, sugar, whatever, you are not going to have the same privileges these other folks have. You are going to be a second-class farmer. If you happen to be a small tobacco farmer that maybe grows some other crops and you use tobacco, that is going to be something that you have done that you are going to put my kids through college. You are going to say, we are going to cut off, this is going to take away a part of your income.

It is not going to affect the big picture. It is not going to convince anybody not to smoke. It is just an attack on the small tobacco farmers all across the South that raise tobacco and count on it for their livelihood. So make no mistake about it. The only people that are going to be harmed are going to be the small tobacco farmers. We have thousands of them in the great State of North Carolina and Kentucky and Georgia and Alabama, all across the South.

I might add, there is no place that these folks say: Hey, what we are going to do; we are going to diversify. There is no crop that they can say in the short run next year they will not plant tobacco, we will plant blueberries or we will plant something else. They cannot diversify. This is something that is going to have an impact on the small farmers in North Carolina and all over the South. Make no mistake about it.

I would not call this a mean-spirited amendment. I have known the gentleman from Illinois [Mr. DURBIN] ever since he came here. He is a fine gentleman. But he is just misdirected in his avenue that he has taken as far as the Tobacco Program. We are talking about a legal product that the tobacco farmer has just as much right to grow tobacco as people have to grow soybeans, cotton, corn, wheat, any other crop in these great United States.

This is a punitive amendment, and I would urge the Members of this great body to vote this amendment down and get on with their business.

As far as the Rural Assistance Program, that should be put back in the bill. This is something that should be funded. It should not have been taken out. It is a disgrace that it was, but this is not the way to address something that is bad in the bill to make it even worse by adopting the Durbin amendment.

Mr. LEWIS of Kentucky. Mr. Chairman, I move to strike the requisite number of words.

I am here today in strong opposition to the Durbin antitobacco farmer amendment, which was already soundly defeated in committee and last year on this floor.

Let me tell you about the family farmer in Kentucky's Second District. He grows several crops—soybeans, corn, wheat, whatever—but most often, he grows tobacco.

In fact, for thousands of families back home, it's tobacco that puts food on the table and clothes on the kids' backs.

Sometimes, that farmer needs advice on crop production, diseases, or fertilizer. The extension services across rural America are often the only source of this type of information. This amendment denies tobacco farmers that advice.

Now I would assume supporters of this antitobacco farmer amendment would say they care about the environment. They should consider this question: What if a tobacco farmer misuses pesticides because the expert at his local extension office wasn't allowed to talk to him?

This amendment also prevents hardworking tobacco farmers from buying the same crop insurance that farmers in, say, Illinois have.

Think about it: Tobacco is a legal crop. And we are saying to the farmers, when they need assistance, that they are second-class citizens.

The Durbin amendment does away with a critical part of the Federal safety net for farmers who grow tobacco. It is a discriminatory amendment.

Each year, tobacco contributes nearly $15 billion to Federal, State, and local government in taxes. It adds another $6 billion in exports. That's $21 billion.

The gentleman from Illinois should consider what liberal social programs he'd do away with without those $21 billion. Tobacco farmers also pay an additional 33 million for various assessments to allow the Tobacco Program to operate at no net-cost to the taxpayer.

Mr. Chairman, we shouldn't single out the farmers who grow tobacco. We

shouldn't hurt the many families who are just barely getting by with a few acres of this legal product. And we shouldn't pretend that this amendment will stop one person from smoking, because it won't.

The health risks associated with tobacco are well known, and not the issue today. The issue is the thousands of independent decisions made by farm families.

The Durbin amendment would be a disaster for tens of thousands of small family farmers. Vote against this anti-tobacco farmer amendment.

Mr. BAESLER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I probably have a little more unique position or consideration of this amendment than most Members because I am the only tobacco farmer in this House.

Let me tell you what this amendment does. I am not going to get into all the money everybody else has talked about. It is telling every tobacco farmer in Kentucky today, we have had rain for the last 4 or 5 weeks, we now have the possibility of a blue mold coming in on our plants, which could very well devastate our crop as we move along from June, July, and August. We want to tell that farmer, with the Durbin amendment, we want to tell him, Mr. Farmer, you do not have any protection for that.

We might be devastated. If the blue mold does not get us later in the summer, we have a disease called black shank which could.

Why do I mention these two diseases? First of all, it is the extension services which go to the farmer who does not have to go to anybody else and say, Mr. Farmer, here is what you put on your tobacco plant to try to prevent blue mold, try to prevent black shank. What do they do? They wither up the plants. They give you absolutely no production at the end of the year. But guess what, you have already put in several thousand dollars per acre. You have already put in the fertilizer cost. You have already put in, in some cases right before a harvest, you have put in most of your labor, a great deal of your labor.

Under the Durbin amendment, he wants to tell this farmer, this farmer, you cannot have a safety net. You go on and go broke. We do not care.

Just two or three amendments ago, I heard Mr. DURBIN himself talking about the disaster we had in the wheat. Why didn't those people go get insurance? I would be more interested in hearing them, if they go insurance.

We are telling my farmers they cannot have insurance. It has nothing to do with smoking. You are basically telling the farmers in Kentucky and North Carolina, we cannot have the safety net that we need to make sure we do not go broke. We are not talking just about landowners here. Do not think you are talking about farmowners who just have a lot of land. We are talking about young tenant farmers who maybe do not have any land but have over $100,000, $200,000 invested in equipment. We are going to tell him and her, a lot of women, going right on that farm, do not worry about it, folks, you do not need a safety net, you are going to go broke. Andy by the way, you cannot go talk to the extension service about how to make your crop better. Are you going to use Clorox? That is illegal. You cannot do that. The extension service cannot tell you that. You have got to know it.

This is mean spirited. It is hypocrisy at the highest level. Two or three votes ago, two of the sponsors of these amendments voted to keep on paying the funds necessary to market alcohol. They voted against the Kennedy amendment. I voted against it, too. But now is not that something, we are saying here to the tobacco farmer, somehow you cause health problems, Mr. Farmer. We are not even asking for money to help us market. We are going to tell the alcohol folks, fine. I voted for it and think it is the right thing to do, we are going to help our market, yours and nobody is going to deny that alcohol has some problems with health.

What disappoints me about this is it has nothing to do with smoking. It has nothing to do with what is going to happen. The gentleman from Kentucky [Mr. ROGERS] and others have said it. The Mexicans are going to love it. The Brazilians are going to love it. The Africans are going to love it because they are going to be able to market their products.

Who is not going to love it? Farmers in Kentucky and throughout the South, because we are telling them today, if this amendment passes, we do not care about you. We do not care if you go broke. We do not care if you cannot get insurance. We pay our taxes; you pay. The university has got an extension service; Federal Government has extension services. You cannot go see them.

This is a mean-spirited amendment. It is the most hypocrisy that I have ever seen, over two or three votes ago. I am disappointed by the fact that we do not care about these people.

What is the next small farmer we are going to kick in the shins? What is the next small farmer we are going to hurt? Who are we going to pick on next? Tobacco is an easy target for you folks. Tobacco is an easy target for the urban areas because they do not care about it. Tobacco is an easy target because they do not think about the billions of dollars they get.

I am disappointed. Vote no because this is very mean spirited and the height of hypocrisy.

Mrs. MORELLA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Durbin-Hansen amendment. This amendment prohibits the use of Federal funds for tobacco-related extension services and crop insurance. It is needed because the current so-called no net cost tobacco price support program does not eliminate Federal spending related to tobacco.

Tobacco products, as the medical profession has repeatedly emphasized, kill. Tobacco is frequently used as a pesticide, thus it is no wonder that almost one half million Americans die each year from tobacco use. This, along with tobacco-related illnesses, costs Medicare and Medicaid approximately $15.3 billion each year.

The Durbin proposal would not cause tobacco farmers to lose their jobs. It does not affect the tobacco price support program; debate on that issue is deferred to the farm bill. Rather, the Durbin proposal continues to align our agricultural policies with our health policies.

As part of this sensible undertaking, the proposal would reallocate funds from the tobacco industry to more health conscious interests. One part of Mr. DURBIN's proposal would help to provide safe and affordable drinking water to the 400,000 rural households currently without it. Mr. DURBIN also proposes to reallocate money to the Distance Learning/Medical Link program. This is another important program which offers valuable opportunities to rural residents though increased educational venues and better access to health care.

It is time for governmental policies to work together, and for us to get out of the tobacco business. I urge my colleagues to seize the opportunity to move one more step toward that goal by supporting the Durbin-Hansen amendment.

Mr. WAXMAN. Mr. Chairman, I move to strike the requisite number of words.

(Mr. WAXMAN asked and was given permission to revise and extend his remarks.)

Mr. WAXMAN. Mr. Chairman, I have a chart that I want to display so that Members can see the full consequences of this tobacco issue.

This chart indicates the causes of death in the United States. Deaths related to tobacco come close to 20 percent. It is higher than the combination of deaths due to illicit drugs, motor vehicle accidents, sexual behavior, guns and firearms, toxic agents, microbial agents, and alcohol; all of them combined.

This is a major health problem in this country. We need to address it. The Centers for Disease Control came out with a report a couple of weeks ago. They have indicated to us that we are losing this war against smoking in America.

□ 1615

Forty percent of white teenaged girls are smoking. Three thousand new kids are taking up smoking each day.

What are we are going to do about it? What is a commonsense rational policy for this Nation to avoid the consequences of 400,000 people dying each

year? How do we stop our kids from taking up smoking?

Now, the Durbin amendment is not a solution. We need some commonsense solutions, but it is a reasonable step that we ought to take.

I have listened to the discussions of the representatives from the tobacco growing areas. They say that we are treating their farmers like second-class citizens, we are saying that they are criminals. No one is saying that. They have a legal right to grow those crops and to sell them.

But the fact of the matter is, why should taxpayers help them when we face this kind of consequence from this product? We ought to be talking about, if we really care about those farmers, how to make a transition to other crops as we, as a nation, try to discourage people from smoking. That is what we ought to be doing, and if the gentleman wanted to deal with the problem, we would try to come to terms with it.

We have enormous pressures to keep the status quo. Do not touch the subsidies going to tobacco farmers. People say, ''Well, let's deal with alcohol.'' Well, let us deal with alcohol, but let us recognize the disproportionate deaths from tobacco. They say, ''Well, let's do something about kids smoking,'' but those same people that said that on the House floor object to the Food and Drug Administration promulgating regulations. They are in favor of some voluntary effort by the tobacco industry which, as an industry, has a conflict of interest. The industry does not want to discourage kids from smoking because those kids that take up smoking as 13-, 14-year-olds are their customers when they are adults. They are the ones who get hooked on nicotine.

I urge that we support this amendment. It is a good first step. We ought to do it. There is no reason not to do it.

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

Mr. WAXMAN. I yield to the gentleman from Texas.

Mr. DOGGETT. Now, the gentleman from California mentioned that there are other measures besides this amendment which only keeps us from wasting a certain amount of public moneys in support of death that ought to be taken. Are there going to be any of those measures coming out of the subcommittee that the gentleman from California has served on and focused so much attention in prior Congresses to this tremendous tobacco epidemic in the country?

Mr. WAXMAN. Mr. Chairman, as the gentleman from Texas well knows, the most powerful special interest in this country is the tobacco industry. They have invariably gotten their way in the Congress of the United States. The inquiry that our subcommittee conducted about tobacco industry practices was stopped. The tobacco industry is a major campaign contributor.

Mr. DOGGETT. How does the gentleman from California mean it was stopped?

Mr. WAXMAN. The new leadership of the committee decided that there was no reason for this country and this Congress to look into tobacco industry practices.

Mr. DOGGETT. So even though tobacco is the No. 1 cause of preventable death in the United States, this Congress, this House under the Gingrich leadership, is not doing anything about it?

Mr. WAXMAN. The gentleman is absolutely correct. This Congress and the leadership of this Congress has done exactly what the tobacco industry has wanted it to do. It has stopped any investigation of the tobacco industry. It has condemned the Food and Drug Administration as it attempts to deal with the problems of children being seduced into smoking. It has supported the continued subsidies of the tobacco industry and its farmers. We are losing the war, and the people who have been elected to be responsible for the Nation are turning their backs on that whole effort.

The CHAIRMAN. The time of the gentleman from California [Mr. WAXMAN] has expired.

Mr. DOGGETT. Mr. Chairman, I ask unanimous consent that the gentleman from California [Mr. WAXMAN] be granted 3 additional minutes to respond.

Mr. ROGERS. Mr. Chairman, I object.

Mr. DOGGETT. Mr. Chairman, there have been no objections to anyone else getting unanimous-consent extensions on this.

The CHAIRMAN. Objection is heard.

Mr. DOGGETT. Mr. Chairman, I would like the gentleman identified under the rules because they may want to speak again and I may want to object.

The CHAIRMAN. The gentleman from Kentucky [Mr. ROGERS] has objected.

Mr. WHITFIELD. Mr. Chairman, I move to strike the requisite number of words.

It is impossible today in today's climate to discuss anything relating to tobacco without discussing the political correctness of the issue, and I think that all of us would agree with that, and I do not think there is anybody in this Chamber, or anybody that I know of, that wants young people to smoke any tobacco product, and every tobacco product today has on the package that it may be dangerous to one's health to smoke the product or to chew the product, and we all know that, and all of us know that there are many things in our society that it is harmful for us to engage in. Many things: drinking alcoholic beverages, drinking and driving, dropping out of school. But we also know that individuals make individual choices about what they do, and the same thing takes place on this issue of tobacco.

We know historically that prohibition did not work in the alcohol business, we know that it is illegal to sell and buy cocaine and heroin on the streets of America, and yet we know that it is done all over the streets of America, and we know that organized crime is involved in the selling of those products. But one thing that we also know is that tobacco is a legal product, and it is a regulated product. It is not regulated by FDA, as the President and other Members of this body would like it to be, but it is regulated by the Department of Agriculture, the Federal Trade Commission, HHS and other agencies of the Government, and it is a legal crop.

Now, over the past 8 years two agencies of the Federal Government have taken real reductions in appropriations. That has been Agriculture and Defense. And the farmers throughout America stepped up to the plate on this Freedom to Farm bill and volunteered that over the next 5 years all of their price support systems would be eliminated. And in tobacco there is no price support system today that is paid for by the Government. The tobacco farmers and the tobacco industry, manufacturers, pay for that price support system.

And this amendment simply discriminates against over 140,000 small farmers in 23 States, many of whom only have 1 or 2 acres of land to grow this legal product, and this amendment basically says that if someone grows this product, this crop, they cannot use the facilities of the U.S. Department of Agriculture to advise them on the pesticides or the insecticides that they should use on this product, and all of us recognize that there are some dangers in the chemicals being used today, and we need advice from the Department of Agriculture on those types of issues, and so this amendment would prohibit that.

And in addition, this amendment would also prohibit farmers from buying crop insurance. Now, up until this freedom to farm bill, it was required that farmers buy catastrophic crop insurance. Most of them really did not want to. And the gentleman from Illinois [Mr. DURBIN] mentioned awhile ago, he said that the Government will spend $97 million this year, but the estimate is that it will be $97 million, and most of that is on crop insurance that farmers themselves paid the premium, they paid the premium for it, and if anything happened to the crop, they will be reimbursed. And some things did happen. As the gentleman from Kentucky mentioned earlier, blue mold hit, and it about destroyed the crop this year, and so they paid for a premium to be covered. Blue mold hit the crop, and now they are going to be compensated. And this amendment would prohibit that from taking place in the future.

And so I would just say it is an amendment that discriminates against 140,000 small farmers in 23 States around this country.

Now, if my colleagues want to make tobacco illegal, then let us bring it up for a vote. Let us not try to harm these small farmers and let the big manufacturers get off. And furthermore, I would challenge my colleagues that Government cannot control the actions of people on everything that they do. We cannot control that somebody is going to smoke. We cannot control if somebody is going to contact AIDS through illicit sexual contact or kill themselves while driving intoxicated.

So that is what this amendment is all about, and I would urge all of us to vote against the Durbin amendment.

Mr. BISHOP. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the Durbin amendment. I feel that this amendment is unfair, it is discriminatory, and it will create a bureaucratic nightmare.

I represent tobacco growers. I represent tobacco warehouses, and I represent the largest cigarette manufacturing plant in the country. What I see this debate about is not whether to outlaw tobacco, which perhaps would be more of an appropriate debate, not whether to smoke or not to smoke, which perhaps would be an appropriate debate, but here we are talking about taking away crop insurance and the advice of extension agents from people who are scratching out a living from the soil in the hardest of possible ways to just to make ends meet.

It is not right, it is not fair, and I just think that we ought not be doing that.

What we are talking about here are jobs. What we are talking about are families. We are talking about college tuition. We are talking about hospital bills, doctor bills. We are talking about health insurance even, derived from the hard work that these families scratch out from the soil.

I had the good fortune to marry a young lady who grew up on a tobacco farm, and we spent hours and hours talking about what it was like growing up on that tobacco farm when her father would have to go and mortgage the land to plant his crop and how when the crop came in and after they got through curing it and they got through selling it, how he would go back to the bank, if they had a good year, and pay off the mortgage. And she talked about how many years they would have to go back and renew that mortgage and hope that they could make a better crop the next year, and in the meantime the land did not get foreclosed on.

Her father always said, ''I hope that life for our children won't be as bad on this tobacco farm as it has been for me.''

The advent of crop insurance improved that lot for that tobacco farm in North Carolina. I believe that we ought not to, as long as this product is legal, discriminate, be unfair and create a nightmare, as this amendment would do.

Mr. Chairman, I yield to the gentlewoman from North Carolina [Mrs. CLAYTON].

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

Mr. Chairman, I rise in opposition to the Durbin amendment and say this really is not about whether one smokes or not. I am not in denial that smoking harms. I am not one who says that smoking should not be for children. I do not advocate. So it is difficult to follow Mr. WAXMAN's startling statistic.

But this is not about smoking. This is about discriminating against the poorest of the poor of that industry. Our colleagues are not attacking the big boy. They really are attacking the small farmer.

This is a vested interest. I represent the largest amount of farmers who grow flue-cured tobacco in the country.

□ 1630

Obviously, I feel for them. I also feel for those who may see this as a moral issue. I commend the gentleman from Illinois, who has consistently been about this.

However, Mr. Chairman, I want to tell the Members, this is not the way to go about it. We should not discriminate against farmers who happen to be growing tobacco, soybeans, cotton, and to say that they should not have the assistance of our Government, or we should not find a way where they cannot insure their crops. Go after it as a moral issue. This is not the way to do it.

Mr. Chairman, I urge our colleagues to understand, they are not making the decision around smoking or not smoking, they are really making the decision about whether they want to be fair to farmers, regardless of what legal crop they are growing. I urge the defeat of the Durbin amendment.

Mr. SKEEN. Mr. Chairman, I have a unanimous consent request. I would ask the gentleman from Illinois, we have been at this for about an hour and 15 minutes. I do not want to cut anybody off, but I think at least we ought to have some parameters. How about 80 minutes?

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

Mr. SKEEN. I yield to the gentleman from Illinois.

Mr. DURBIN. Mr. Chairman, I agree with the gentleman. If the gentleman would agree to 90 minutes, I think we might be able to wrap it up.

Mr. SKEEN. We will go 90 minutes.

Mr. DURBIN. Forty-five minutes on each side. Will the gentleman control those in opposition to the amendment?

Mr. SKEEN. Yes.

Mr. DURBIN. I will control those in favor of it.

Mr. SKEEN. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 90 minutes and that the time be equally divided.

The CHAIRMAN. The Chair understands that the time will be divided, 45 minutes to be managed by the gentleman from Illinois [Mr. DURBIN] and 45 minutes to be managed by the gentleman from New Mexico [Mr. SKEEN].

Is there objection to the request of the gentleman from New Mexico?

There was no objection.

Mr. SKEEN. Mr. Chairman, I yield 4 minutes to the gentleman from North Carolina [Mr. FUNDERBURK].

Mr. FUNDERBURK. Mr. Chairman, here we go again with the constant attack on tobacco in the form of another Durbin amendment. This amendment is being sold as an attempt to change smoking habits. As usual the label is misleading. It won't change smoking habits one bit. This legislation breaks a complex and time-honored agreement between the farmer, the Government, and the manufacturer. If this amendment passes, tobacco farmers would be the only farmers in America denied access to Government-funded research, education, and extension services for their crop. This amendment even denies tobacco farmers Federal crop insurance and sets up the taxpayers to absorb millions of dollars in defaulted farm loans. It imposes a politically correct gag rule on USDA officials by preventing southern farmers from accessing information which they paid for with their own tax dollars.

If the authors also intend to wound multinational corporations they are off the mark. The big companies won't be hurt by this amendment. They will simply pack their bags, move off shore, and sell us foreign tobacco. So, the people this amendment really hurts, live in the small towns in my State and across the country. These law-abiding citizens don't sit on corporate boards or drive big cars, they merely ask the Congress to treat them fairly and on that count the Durbin amendment fails miserably.

It is time for DURBIN, WAXMAN, Kessler, and Clinton to stop picking on small tobacco farmers. Where is their substitute for $15 billion to the Federal, State, and local governments in the form of sales and excise taxes? Six billion dollars in exports—that's a lot of jobs.

Over $30 million to the U.S. Treasury for deficit reduction.

Prohibition, crop diversification—it's simple to say but not to do.

This amendment is bad legislation. It does nothing the authors claim and punishes no one the authors want to punish. So, Mr. Chairman, the next time a Member of Congress, on either side of the aisle, talks about protecting the little man and small businesses take a look at how he voted on the Durbin amendment and see how his claim stands up.

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

Mr. FUNDERBURK. I yield to the gentleman from Georgia.

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

Mr. Chairman, none of us disagree with the gentleman from Illinois [Mr. DURBIN] that we ought not to encourage children from smoking. We ought to. This amendment will do nothing about that. All of us agree that smoking presents hazards to one's health. This amendment does nothing about that. This amendment is, pure and simple, about corporate America versus little farm family America.

Mr. Chairman, I have very few big farmers in my district. Most of my farmers are small farmers. The big farmers, the corporate farmers, do not depend on the county agent for advice. They depend on the experts, the high-priced experts from Lexington, from Raleigh, from Athens. They can afford that. The small family farmer depends on that extension service agent, the Gary Gloes, the Scott Browns, to come out and examine their fields, be it corn, be it peanuts, be it cotton, be it tobacco.

What you are doing is saying it is all right for you to look at your corn patch but I cannot look at your tobacco patch and tell you what is wrong or what you need to do. The gentleman and I know that the management of that will never work. It simply cannot work. I urge the defeat of this amendment.

Mr. DURBIN. Mr. Chairman, I yield 5 minutes to the gentlewoman from Washington [Mrs. SMITH].

Mrs. SMITH of Washington. Mr. Chairman, I rise in support of the Durbin amendment to cut the tobacco subsidy and transfer the money saved into the rural development programs.

This is just one of the many steps this body needs to take to balance the budget. Members have a clear choice today. They can choose to subsidize tobacco growing or they can vote to give rural areas safe drinking water. We need to spend the taxpayers' money very, very carefully. I think if we took a poll of America today, we would find that 99 percent would not choose to subsidize tobacco.

Do not think for a minute this is about the small farmer. Last year when we took this vote, the three major tobacco lobbies cut 135 checks, half of them on top of the markup and the other half within 48 hours of the vote. The time for the vote came and it went down. These are business people. They had every intention of affecting the vote. I do not question each Member's vote, but a good businessman or woman does not give money to anything that they do not expect a return on.

Mr. Chairman, the big tobacco industries are a $45 billion industry. They are fighting this vote and they are fighting it because they do not want to lose one toehold they have on this place, or at least they believe they have on this place, because they are major, major contributors to campaigns, and mostly right around the votes.

Last year, we even had tobacco checks, as we read in the news a couple of weeks ago, passed out on the floor of this Chamber. This is serious, Mr. Chairman. Tobacco companies know that they are in trouble. Why not give the $23 million to clean water? Does that not make more sense? I think it makes more sense. I think the American people think it makes more sense.

We have had conflicting stories on the floor today about how lucrative it is or not, and how in jeopardy the small farmers are. I have looked. You can grow a little tobacco, for a lot of money, practically in your backyard. I understand that that is a good way for some families to make their living, but it also costs America very dearly.

Mr. Chairman, the argument of corn, let us talk about the argument of corn. Why do we continue with crop insurance for corn? By the way, I am for getting rid of all agriculture and all corporate subsidies eventually. If we Republicans believe in getting rid of the debt, we have to stop subsidizing a lot of things we have been subsidizing over the years; by the way, started by the Democrats.

But I believe that starting with tobacco makes a whale of a lot of sense, whether it is $20, $21, or $90 million, because the difference between corn and tobacco is very simple. My grandkids need corn to eat. Tobacco is going to kill them. It killed my mother. It has killed my relatives. It could kill my grandchildren. That is a lot of difference there—400,000 deaths each year. Corn does not cause emphysema or lung cancer. It might make you fat, but in general you can only eat so much of it, and 3,000 children a day do not become addicted to corn.

Mr. Chairman, I certainly do not want to be in a position with my constituents of going home and saying ''I subsidized tobacco, but I did not have any money for clean water for your communities.'' I have 27 pending applications for water and sewer grants. We need that money. That is good, healthy money. It could be used for that. Mr. Chairman, let us vote today to free up that money for clean water. This is just one of several farm and corporate subsidies we need to get rid of to balance the budget.

The main cry we came in with, in fact, I waved a flag at the Contract With America that said ''I am going to balance the budget. I am going to clean up the corruption.'' We stood there together and we said that. We have to do it even to things that are in our backyard, folks. I have done them to things in my backyard. You have to, too.

The argument that tobacco is legal makes little sense to me. There are a lot of legal things, but we do not subsidize them. Especially we do not subsidize those things that are destroying Americans and costing the Medicare system enough to bankrupt it. Today, I ask Members to think very carefully about where they have their priorities in this body. We all have to have their priorities, but this one has a lot of problems. I ask today that Members support the Durbin amendment.

Mr. SKEEN. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. EWING].

Mr. EWING. Mr. Chairman, I will try not to use all that time so others can.

First of all, Mr. Chairman, this amendment, I would say to my colleague, the gentleman from Illinois [Mr. DURBIN], is somewhat confusing. If we were to adopt it, I am not sure exactly how it would be administered or what would be carried out. I am somewhat confused between crop insurance and rural utilities. I would have thought, and I have many of these same co-ops in my district that the gentleman has, but I would have thought if the gentleman really wanted to fund this, he would have cut crop insurance for corn and soybeans, corn and soybeans in the gentleman's district. Then we would have probably all come to the floor and discussed that. I do not see the connection between taking crop insurance from one crop and not from another.

It is about small farmers. The debate here is totally off what we are talking about, what this amendment does. This amendment takes from the Crop Insurance Program and puts it into another area; maybe a very deserving area, but one the Committee on Appropriations has already decided has been adequately funded. Now we are going to take it away.

Mr. Chairman, I believe that a lot of this is very self-serving and political. The debate is not about tobacco. Yes, it is about small farmers that will be hurt, in this case, tobacco farmers; not corn and soybean farmers, tobacco farmers, because that is who the amendment is aimed at. Yet, we continue just to ignore the fact that these same farmers are paying their way, paying their way, and then we are going to take away what little government is left for them, and we are not going to take away the assessment that they pay, it is going to continue to be there, that tax on them.

Mr. Chairman, let me just, in closing, say that this amendment is confusing. I do not think it is easy to enforce. I think it is time to vote it down. But the issue of smoking, not one person has gotten up and said, ''I like to smoke.'' I am not going to, either. I am a reformed smoker. I do not think we should smoke. My children do not smoke. I did not want them to smoke. But the point is, if you want to legislate on that issue, the appropriation process is not the place for the debate and not the place to decide that. We should do that in the substantive committee. That is where it ought to go.

We ought to decide what we can do to address this problem in America. We ought to remember that we only should put into law what we can do and what we can afford to do, because we put into law an awful lot of things that we do an awful poor job of enforcing, and then we wonder why.

Mr. Chairman, I suggest that this amendment is ill-advised, terribly hard

to follow, unable to be enforced, and should be voted down. If we want to debate this issue, do it in the proper form.

Mr. DURBIN. Mr. Chairman, I yield 5½ minutes to the gentleman from Texas [Mr. DOGGETT].

Mr. DOGGETT. Mr. Chairman, I thank the gentleman for his leadership. I join him today in offering this amendment, because it is time for our Government to stop subsidizing death. That is really what this is all about. A government subsidy to promote the growth of tobacco makes as little sense as a government subsidy to promote the production of the plants and the seeds from which strychnine is derived. In either case, it uses public money to deliver poison to the American people.

□ 1645

The only difference is that the tobacco kills a little more slowly and a little more painfully than the strychnine. And tobacco ultimately costs our American taxpayers literally billions of dollars in additional health and disability claims that we end up having to pay rather than a swift strychnine death.

Tobacco is the leading cause of preventable death in this country. Yet there are people on this floor today opposing this amendment who are at this moment expending public money to promote the production of even more tobacco.

Some 80 percent of adult smokers begin as children in their smoking habits. That is why it has been described as a pediatric disease by the American Academy of Pediatrics. Every day more than 3,000 young people take up smoking. The average age, according to one study in Texas, was a little under 13 years old to begin this terrible situation that ultimately leads to death for so many. But the opponents of this amendment say, ''Keep the Government in the driver's seat. That's the only way to make it fair.''

Well, the Government is in the driver's seat all right. It is in the driver's seat of a hearse. That hearse is carrying and transporting 400,000 Americans directly who are smokers and about another 50,000 every year who die from the indirect consequences of secondhand smoke.

This amendment eliminates the public funding of tobacco-related extension services and it eliminates Federal funding for tobacco crop insurance subsidies.

But this amendment is more than just one of fiscal responsibility. It is more than just one of saving lives. It is about breaking the stranglehold that one of the most powerful lobbies in the country has on this Congress.

As always, the purveyors of poison are hiding behind the small farmer. They picture some fellow with a big plug of chewing tobacco in his cheek in an old beat-up pickup truck rumbling down some back road.

This is not about that guy. This is about the most pernicious lobby in this country today. If our citizens could vote directly on this issue, they would see right through this sham. They recognize that the tobacco companies are going to continue to peddle this poison as long as they can pay for the right to do so.

And my how they have been paying. For while I recognize that they have exerted tremendous influence over both parties in the past and while I applaud my Republican colleagues like the last gentlewoman who rose to support this amendment, I think we have got to be clear that the Republican National Committee these days is like a giant cigarette vending machine. The tobacco companies put in their money and they pull out the influence they want.

In the first 6 months of 1995 alone, the tobacco companies poured more than $1.5 million into the national treasury of the Republican Party in so-called soft money. By the end of the year they had gotten up to almost $2.5 million. Who knows, now that we are finally in an election year, how much money they have been able to dump over there.

With those kinds of dollars, you can bet that when a tobacco lobbyist calls the National Republican Party that they do not get put on hold or get forwarded to voice mail.

No, they get Haley to pick up the phone as he did and call the Governor of Texas. They get him to call all over. As far as the soft money is concerned, then there is the hard money. Of course the tobacco lobby does not make it too hard on Members of Congress to get their largesse. Indeed, they had the head of the Republican conference running around here on the floor of this body, on this very floor, acting as an errand boy for them so that the Members of Congress that want that tobacco money will not even have to walk across the street to get it.

All during 1995, tobacco interests gave a total to people of all parties associated with Congress in soft money and PAC money over $4 million. That is a pretty good harvest. I would say it is a very bountiful harvest.

It was Mark Twain who said, ''It's easy to give up smoking. I know so because I have done it a hundred times.'' Well, we only need to give up this public largesse in return for the favors from the tobacco lobby one time.

Let us do it today. Let us get out of the hearse and get this program revised and the public out of the business of promoting death.

Mr. SKEEN. Mr. Chairman, I yield 7 minutes to the gentleman from North Carolina [Mr. BURR].

(Mr. BURR asked and was given permission to revise and extend his remarks.)

Mr. BURR. I thank the gentleman from New Mexico for yielding time.

Mr. Chairman, I have sat here for an hour and a half, maybe a little bit longer. Thank goodness we have a time frame on it. I have waited for the merits of why this bill, a bill that puts a gag order on extension agents in this country, is good. I have heard about smoking and I have heard about this and I have heard about that, and now we have heard about PAC money and we have heard about influence. We still have not heard any merits on why extension agent gag is an appropriate method.

In fact, tobacco is an attractive target these days. The administration is on it. We have got the Durbin-Waxman two shoe again. It is consistent. In due respect to them, they are consistent. They continue to do it. Why do they do it? For the same reason my colleague from Texas was just up here. Because it is profitable for them. Because they do not talk about the money they raise from the people that fight this industry day in and day out.

Congress has the jurisdiction on what the legal status of it is. If the American people want it changed, I will assure my colleagues they are a much more powerful lobby than is any single interest group here in Washington or the whole interest groups here in Washington combined. We give the American people the wrong impression when we say that they do not have a voice here.

Well, they do have a voice in the Fifth District of North Carolina and they elected me to be here. They elected me to protect their livelihood. The fact is that this amendment is not about tobacco and it is not about smoking. This is about killing the livelihoods of families. It is about destroying communities throughout the South because we will drive farmers out of business.

My colleagues are offering to kill programs from which tobacco farmers in my district benefit, while they are proposing to maintain, as my other colleagues have mentioned, their own programs.

I would say this to the gentlewoman from Maryland [Mrs. MORELLA], and I am sorry she is not here, if she believes that doing away with the extension agents for tobacco is in fact that profitable, then why does she not propose that we do away with extension agents, period?

It is very simple. It is because the assault here is tobacco. It is under assault under the auspices of Federal spending. There is not a crop in this country that has done more to be self-sufficient than has tobacco. They have reached out every time that this body has suggested that in fact the Federal Government had too great a share and they have cleaned it up. They have a no net cost program for the stabilization side of it.

And yes, there is some Federal money that is there for extension agents to talk to farmers, to help them move from a one-crop farm to a multi-crop farm. As a matter of fact, North Carolina used to be a one-crop State. Today we are the third most diverse State in this country behind California

and Texas. Why? Because extension agents have helped us to make that transition. Without them, our farmers are dead, and you can bet on it.

It is unbelievable to think that we would in fact sit here and pass a law that would say to extension agents, ''You can talk to a farmer about the azalea bushes and when to clip them, about the grass and how to make it green, you can talk about cotton and pigs and everything else, but you can't talk about tobacco.'' How insane we would be to even consider something like this.

As a matter of fact, if I were a farmer in Illinois today, as my deal colleague Mr. EWING said, I would be scared to death of what the gentleman from Illinois, Mr. DURBIN may do.

The reality is that, as in the past, this amendment amounts to plain discrimination against our farmers who depend on tobacco to put food on their tables. In fact, earlier, the gentleman from Illinois [Mr. DURBIN] said, look at the kids visiting us today. My only regret at that time, I was sorry that the children of tobacco farmers were not here today, because they are just as important. Are their lives not as important for us to protect as everybody's in this country?

We will solve the smoking issue. We will do it responsibly. We will debate the issue. But we do not do it by disguising an attack on the industry and by destroying people who in fact are just plain farmers.

Mr. Chairman, if Congress were to say today that tobacco could not be grown anymore, it would take at least 3 growing seasons to prime soil for new crops, notwithstanding the fact that most tobacco farmers have neither the acreage or the proper soil to prosper with different crops.

As a matter of fact, the average tobacco farm in my district is 3 acres. Three acres is not enough to even take a good-sized tractor and get it going before you have got to turn it around. Needless to say, they do not have the up-front capital to start raising chickens or hogs. Given the same circumstances, I am sure that most other farmers would face a similar situation.

But Congressman DURBIN would eliminate crop insurance for tobacco. He may not like tobacco, but it is downright cruel to pull the rug out from under farmers whose crops fall victim to such plagues as blue mold which has wiped out hundreds of acres of burley tobacco.

Will we not cause a nightmare for extension agents when they cannot control disease in one crop and all of a sudden it begins to affect others? Will we not do a terrible thing to our environment in this country if we do not have agricultural agents who are working with farmers as it relates to pesticides and to other things that they use on their crops, and farmers do it out of ignorance versus out of education? Do we not do an injustice by not allowing the latest in research and technology to drive what they do? How can it be good policy to put agricultural extension agents under a gag order?

Good policy would be to control disease, to monitor pesticide usage, to protect workers and the environment. The Durbin amendment is bad legislation. It threatens the environment, it threatens the livelihood of thousands of families, and it threatens American jobs.

Mr. Chairman, I am here today to defeat the Durbin amendment. I am here to defeat the Durbin amendment for one primary reason, because it is what is right.

Mr. DURBIN. Mr. Chairman, I yield 3 minutes to the gentlewoman from Utah [Ms. GREENE], who is in support of this bipartisan amendment.

Ms. GREENE of Utah. Mr. Chairman, I rise in strong support of the Durbin-Hansen amendment. This amendment would prohibit the use of funds for tobacco-related extension services and for tobacco crop insurance.

Mr. Chairman, we have had to make many difficult choices in the appropriations process in this Congress, but this amendment should be offering us an easy choice. We simply have to ask ourselves the following question: Why is the Federal Government subsidizing the tobacco industry?

We now have incontrovertible evidence regarding the catastrophic damage tobacco use does to our citizens, to our economy, and to our Federal budget. More than 400,000 Americans die every year because of cancer, heart disease, and other smoking-related illnesses. Smoking costs our economy approximately $50 billion a year in direct health care costs and another $50 billion in indirect costs such as lost productivity through sickness and premature deaths. It is estimated that Medicare will be forced to spend approximately 800 billion taxpayer dollars over the next 20 years to care for people with smoking-related illnesses. Given these profoundly troubling facts, how can we ask this House to appropriate another dime for the tobacco industry?

Setting aside the individual health concerns for a moment, let us look at this issue from a purely economic perspective. How can this House ever justify subsidizing a product that directly increases our Federal health expenditures so dramatically, let alone during such challenging budgetary times?

Mr. Chairman, this amendment takes another critical step toward bringing our budget priorities in line with the realities of the danger and the expense of tobacco. Previous Congresses have already prohibited USDA funding for tobacco-related research and export assistance. This amendment is the overdue next step.

The $25 million that the Durbin-Hansen amendment will save will be used to restore cuts in funding for rural development and health programs. For example, this amendment will increase rural water and sewer assistance by $22.5 million. Mr. Chairman, the USDA has estimated that over 400,000 rural households are still without safe and affordable water. Addressing that problem should take priority over subsidizing one of America's most lucrative industries.

□ 1700

This year the Federal Government is spending $98 million on a variety of taxpayer-supported programs for the tobacco industry. We have heard that this is discrimination, that this should be treated like any other crop, but unlike other crops, tobacco has no safe level of use, and of all the crops grown in this great country only tobacco has a body count. This crop should not enjoy the same Federal assistance and protection that other crops do.

Mr. Chairman, I urge my colleagues in the House to support the Durbin-Hansen amendment.

Mr. SKEEN. Mr. Chairman, I yield 2 minutes to the gentleman from Kentucky [Mr. WARD].

Mr. WARD. Mr. Chairman, I rise in opposition to the Durbin amendment, and I do so reluctantly because I admire the gentleman and have worked with him and have enjoyed getting to know him since I got here, but I think this amendment is really not aimed at the right folks, and I mean this sincerely.

This amendment is going to be aimed at the people who produce tobacco on farms, and those are not the people who are getting rich on tobacco; those are not the people who we hear about when we hear about the tobacco issue being discussed; rather; these are the people who are able to stay on their family farms because of the income they derive from their tobacco allotment, and these are not large farmers.

As we heard from the gentleman from Georgia [Mr. BURR], these are people who are farming, 2, 3, and 4 acres. The size of their acreage is comparable to home sites in some parts of this country. These are not big agribusiness folks, these are regular people, and it is these tobacco crops that are allowing them to keep these farms in the family.

The reason that I know that, Mr. Chairman, is that I know these people from my community. Mostly they do not live in Louisville, KY, but they work in Louisville, KY. And Members might say to me how do they work in Louisville if they farm tobacco? Well, the reason they work in Louisville is that the tobacco income is what keeps them on the farm, but what keeps their families going is their factory job income. They work in Louisville at United Parcel Service or General Electric or one of the other manufacturers in Louisville, one of the other large business enterprises, to keep their family farm and their way of life.

So as we have heard today, this amendment is not about attacking tobacco, this amendment is not about attacking the large tobacco companies;

the brunt of this amendment will land on the small farmers.

Mr. DURBIN. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. HINCHEY].

Mr. HINCHEY. Mr. Chairman, I am very much in support of the amendment of the gentleman from Illinois, and I commend him for offering before the House.

Over and over this afternoon we have heard the opponents of this amendment attempt to equate tobacco with other products, with corn, wheat, and soybeans, but there is no equation of tobacco with those products. Those products provide the food and fiber which sustains our health and our lives.

Tobacco is fundamentally different. Tobacco promotes dependency, addiction and death. There is hardly a family in America that has not been affected by this addictive drug and the health consequences that it causes. In my own family we have been robbed of the counsel and comfort of members who have been taken prematurely as a result of the addiction to tobacco. That affects everyone and that is what this amendment is all about.

Tobacco costs us. It costs us billions of dollars, several hundred billions of dollars a year in health care costs related to the effects of tobacco.

We send a contradictory message. We tell people they should not smoke, but we are here subsidizing the essence of that smoking. Cigarettes and smokeless tobacco, which is the basis of this amendment, causes addiction and causes death. We say to our kids, do not smoke. And they say to us: ''If smoking is so bad, why is the Government paying people to help them grow tobacco? Why is the Government paying people to go out and help them grow better crops and grow more tobacco? Why is the Government subsidizing insurance if it is so bad? I do not understand what is going on here,'' they say to us. ''You are telling me two different things.''

If we are sincere about dealing with the problems of tobacco in our society, which are costing us so much, robbing us of productive people, causing enormous expenditures in our health care delivery system, which affects our budget deficit on a daily and yearly basis, then we need to be consistent in the message we are sending and we need to support this amendment which will help us bring about that consistency.

Mr. DURBIN. Mr. Chairman, I yield 2 minutes to the gentleman from Delaware [Mr. CASTLE].

Mr. CASTLE. Mr. Chairman, I thank the gentleman for yielding me this time, and I rise in support of his amendment.

Mr. Chairman, the Federal Government, as has been stated earlier today, spends roughly $98 billion on a variety of subsidies for tobacco. Tobacco use is responsible for one out of every five deaths in America. Tobacco products are responsible for more than 400,000 deaths each year due to cancer, respiratory illness, heart disease, and other health problems.

Cigarettes kill more Americans each year than AIDS, alcohol, car accidents, murders, suicides, illegal drugs, and fires combined. Smokers who die as a result of smoking would have lived on average 12 to 15 years longer if they had not smoked. Smokers are 50 percent more likely to bear mentally retarded children, and on an economic basis smoking costs our economy over $50 billion a year in direct medical costs.

Then there are the young people. Smoking is also a major issue for our young people. An estimated one out of every six American teenagers are regular smokers. Every day approximately 3,000 people begin smoking and over half of them have become addicted. Over 70 percent, it has been said 80 percent on this floor, of adults who smoke started smoking daily before age 18. One quarter of these new smokers will eventually be among the more than 400,000 who die of tobacco-related illnesses each year.

One day in Delaware I was going through a pharmaceutical supply house and they had a room called the smokers room, and it was all liquid food, basically for people who had smoked and no longer could eat regular food as a result of that smoking.

Given these facts, the amendment we are considering today is a very modest one. It would simply reprogram $25 million of tobacco subsidies from tobacco-related extension services and tobacco crop insurance to rural development and health programs, a very good cause, by the way, giving rural areas safe drinking water.

Mr. Chairman, it is difficult to justify using scarce taxpayer dollars on a product which literally kills those who use it as directed. I strongly urge my colleagues to support the Durbin amendment.

Mr. SKEEN. Mr. Chairman, I yield 5 minutes to the gentleman from Georgia [Mr. KINGSTON].

Mr. KINGSTON. Mr. Chairman, I thank the gentleman for yielding me this time and I rise in opposition to the Durbin amendment.

Mr. Chairman, we have heard a number of good arguments today on both sides. I know the gentleman from Illinois [Mr. DURBIN] is very sincere in his beliefs, as are the other folks who have spoken with their various issues. We have heard debate, though, that I think should be categorized in two areas, one is philosophical and one is specific to the amendment.

Philosophically, we do have a debate of the U.S. role in the tobacco industry. What is the proper Government role? The Government, for example, spends millions of dollars on the ASSIST program and on the DARE program, which are, among other things, tobacco-oriented education programs that teach people, students, not to get involved with illegal drugs and then some of the legal, I do not know if they are drugs, but alcohol and tobacco and other habits that young people can, all people can fall into.

We spend lots of money on these programs and we do spend money in an indirect fashion on tobacco, yet we also have heard many times that that program brings in $1.4 billion in revenue. So it is certainly not a perfect program the way it is handled right now, and yet, as we look at farm programs in general, none of them are perfect and often we do have some inconsistencies in what we are trying to do in the big picture.

But if we get away from the philosophical debate, and I think we should have the philosophical debate, for example, one of the things that has not been brought up, in my opinion, is the freedom argument. I think that people in America do have a freedom to engage in smoking or not to engage in smoking, a freedom to overeat or not to overeat, a freedom to exercise or not to exercise. And I would also submit to my colleagues that the statistics that I read, which are often attributed to smoking in terms of illnesses, often the person who is that statistic is not eating right and is not exercising right as well, but it is the cigarette industry that always gets blamed for it.

But let us move away from the philosophical debate, because what we are arguing here is not philosophy, what we are debating here is the Durbin amendment. And the Durbin amendment says that farmers cannot participate in the Federal crop insurance program and they cannot have communication with the extension service folks.

Now, as long as tobacco is a legal crop, does it make sense to say the farmers in America cannot do what other farmers are doing who farm cotton, wheat, corn, soybeans, peanuts, sugar, and so forth; they cannot participate in a subsidized crop insurance program?

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

Mr. KINGSTON. I yield to the gentleman from Illinois.

Mr. DURBIN. Mr. Chairman, I would note one fact that was brought up early in the debate, there are 1,500 legal crops in the United States, only 60 of the 1,500 are covered by crop insurance. There are many things the gentleman and I could grow that would not even qualify for crop insurance, and that is the basis for this amendment.

Mr. KINGSTON. Mr. Chairman, reclaiming my time, that is correct, but I believe the ones that are subsidized are ones that have Federal Government programs, and so the ones I have named are the ones where there is a Federal Government program.

My point is, as long as it is legal, is it right to tell a farmer that he cannot participate in it? I am not sure that it is right. I think it is a tad punitive, although I certainly know that the gentleman's target is not the farmer.

The other thing is this communication with the extension service agents. These are the agents who tell folks how to apply pesticides and fertilizers and so forth, and often, as the gentleman knows, because he is a gentleman who likes to protect the environment, misuse of pesticides and fertilizers can lead to environmental impairment, and yet tobacco farmers would be unable to get the needed expertise from the extension service agents.

There are also ramifications on the loan program and so forth. So I would say that what the Durbin amendment does is, while philosophically this is not its intent, in reality it has the effect of hurting farmers and I think is somewhat punitive. I believe that a better approach would be the general philosophical debate on tobacco at the proper time and also continuation of programs like the DARE Program, the ASSIST Program, possibly looking into the outlawing of cigarette vending machines, because they are readily available to minors, and maybe having some tricky debate about first amendment rights in terms of advertising that entices young children to get involved in cigarette smoking, and so forth.

These things the gentleman and I have talked informally on. We are not really on the proper committee of authorization for it, but I think it is something this House should hold a debate on. But on the current amendment that is pending I believe the proper vote, Mr. Chairman, is ''no.''

Mr. DURBIN. Mr. Chairman, I yield 5 minutes to the gentlewoman from Connecticut [Ms. DELAURO].

Ms. DELAURO. Mr. Chairman, I thank the gentleman for his leadership, and I rise in support of the Durbin-Hansen amendment because it is time to stop spending the taxpayers' hard-earned money to subsidize a product that kills over 1,000 Americans every single day.

Each year more than 400,000 people die prematurely of tobacco use. As my colleague from Delaware pointed out, cigarettes kill more Americans each year than AIDS, alcohol, car accidents, murders, suicide, illegal drugs, and fires combined. Fifty billion dollars is spent on health care related to tobacco use.

Despite all that we know about the health hazards of tobacco, too many of our young people, especially the young ones, continue to light up. In my own State of Connecticut, one out of three 9th through 12th graders have smoked a cigarette in the past month. About one out of five 9th through 12th graders smoke regularly.

□ 1715

More preschoolers in this country recognize Joe Camel than they do Mickey Mouse. We have a problem in this country. And industry, like big tobacco, that can find the money to run ads so convincing to appeal especially to young people about the glamour of tobacco surely does not need taxpayers' money.

About 3,000 young people across the Nation under age 18 become regular smokers every day. On average, they start smoking at age 14. Tragically, one out of three of these teenagers will die of a tobacco-related illness. We must stop this killing of our family members and our friends.

I am doing all I can to prevent these tragic deaths. At home I started a campaign called Kick Butts Connecticut, targeted at middle and elementary school kids to prevent them from ever starting to smoke.

More than 80 percent of all adult tobacco smokers had tried smoking before their 18th birthday and more than half of them had already become regular smokers by that age. Studies show that if people do not begin smoking as teenagers or as children, it is very unlikely that they ever will do so.

I think public education campaigns are vital to the war that we are waging against cancer in this country. We truly do need to do more if we are to cut the number of tobacco-related deaths in this country.

And despite the deadly impact of tobacco, some have argued that we cannot simply abandon our Nation's tobacco farmers. This amendment does not abandon them. It takes the $25 million in savings from the elimination of the tobacco subsidy and puts it into productive uses in agricultural regions all over this country. The money saved would be used to improve water and wastewater for development purposes, expand the use of technology and advance education and medicine in rural areas.

These funds would create great alternatives for struggling areas of our country, without relying on taxpayer-funded subsidies to promote an industry that kills. This appropriations bill, like all appropriations bills, is really about out Nation's priorities, and I do not understand how we can support the tobacco subsidies in this bill and at the same time are proposing in other areas to gut and decimate Medicare.

Mr. Chairman, we have the opportunity today to send a very clear message to the cigarette industry and to the grim reaper, big tobacco. Let us stop wasting taxpayers' money to promote an industry that has been truly so costly to this Nation. It is time that big tobacco learned to get along in this business without the taxpayers' hard-earned dollars. It is time that we get the tobacco industry off of the Federal Treasury, and I urge my colleagues to vote ''yes'' on this amendment.

Mr. SKEEN. Mr. Chairman, I yield 5 minutes to the gentleman from West Virginia [Mr. WISE].

Mr. WISE. Mr. Chairman, I always hesitate to enter this debate, but I think it is an important one. I always put out my caveats to begin with. First of all, I do not smoke; I do not counsel anybody to smoke.

Second, I support the basic thrust of the FDA regulations that would prevent young people or seek to prevent young people from smoking or having accessibility to cigarettes.

And, third, so that this issue of who gets what campaign contributions is off the table, I have declined to accept tobacco contributions so that when I argue this no one can charge any kind of financial motivation.

But, Mr. Chairman, I rise in opposition to this amendment because this is not about big tobacco, No. 1. Big tobacco is the tobacco company that makes the product. This is about a lot of small farmers, of which there are hundreds in West Virginia. We are pale in comparison to the Kentuckys and North and South Carolinas of the world, but yet we do have a large number of small tobacco farmers that are making this as a part-time living.

But I simply do not understand what is gained by kicking a lot of small tobacco farmers in the teeth. I guess I resent the fact that this would say to them, ''You are not going to be able to derive the services of the agricultural extension service who can drive by your place, stop off and see this person raising this crop, and this one raising that one, but you, who also pay taxes, you who are trying to send your kids to school, you who are probably working some regular job in addition to trying to work nights to get this crop in, you do not get the benefit of that agricultural extension agent. You do not get to learn about the latest pesticides or fertilization or whatever it is. You do not get any of the assistance that everybody else that raises a crop does.''

If, indeed, as many of us predict, that we drive this production overseas, that is that now we are buying more and more foreign tobacco, tell me what assurance that we have got that the farmer in the developing nation is using the latest scientific techniques that we would want to have our farmer using?

Mr. Chairman, what concerns me most about this is that I do not see where this stops one cigarette from being produced. There are going to be the same number of cigarettes come rolling off the lines. There is going to be one difference: There is not going to be any American content in there. It is going to be foreign content. And so what that means is that we are supporting a whole host of foreign nations.

My understanding, and I have no reason to doubt it, is that if we pass this, this is actually in some way a big-tobacco amendment because what it does is it permits without any hesitation, it permits the large tobacco company to go buy what they would like to do, the cheaper foreign tobacco.

And so what we have done here is to not prevent one cigarette, not decreased one cigarette from being produced, but added greatly to the foreign balance-of-trade deficit.

Restore $25 million. Boy, I would love to have additional money for rural water and sewer. I would love to have that money. The reality is it has been

cut far too much; $25 million over the country is not going to go very far. But I have a question: Who is that rural water going to serve in a lot of areas if we, indeed, pass this amendment and make in many parts of our country the rural tobacco farmer and the small tobacco farmer that much poorer?

There is a final point. Here I got real conservative. At some point people choose. And we are not stopping the tobacco extension agent from visiting the person who raises grain or other products that might eventually find their way into the alcohol consumption chain? Perhaps we ought to require them to sign a certificate that it will not be used for any alcohol products so at some point people choose what it is they are going to do.

So by passing this, we perhaps go and get a bunch of small tobacco farmers but have not made it illegal, we have not reduced one cigarette, all we have done is to grant a large number of people who are eking out relatively small livings have that much more difficult time to do of it and we have not reduced cigarette consumption one bit. I do not understand it.

I appreciate the motivation that the gentleman and other supporters of it have. I support education, every kind of effort possible so that people, when they make choice, make it on an informed basis. But going after the small tobacco farmer and saying that we have done something, I just do not think that is what this amendment does, and I would urge defeat of it.

Mr. DURBIN. Mr. Chairman, I yield 4 minutes to the gentleman from California [Mr. RIGGS], who is a Republican cosponsor of this amendment, and I thank him for his patience.

Mr. RIGGS. Mr. Chairman, I thank the gentleman for yielding and for his very strong leadership on this particular issue.

Mr. Chairman, I feel this is a very important initiative, and at the outset of my remarks, in the spirit of full disclosure, I have an admission to make. I was born and raised in Louisville, KY, and I have never used these a day of my life. Yet, as I listen to this debate, I realize that there is a tremendous contradiction, a dissonance that surrounds this debate, because right on the side of this packet of cigarette it says: ''The Surgeon General's warning: Quitting smoking now greatly reduces serious risks to your health.''

So the Government already warns citizens of the harmful effects of tobacco, yet the Government, or more accurately the taxpayers, partially subsidize the production of tobacco. The Government gives a tacit acceptance to the production of this crop even though on the other hand it warns against its use.

Now, colleagues, we should be consistent here. This is not a discriminatory or hypocritical or mean-spirited amendment. This is about right and wrong.

Mr. Chairman, the other thing that I want to add to this debate, we have heard speaker after speaker come down to this well, on both sides of the aisle, and remind us of what we already know, which is that smoking is the leading cause of avoidable premature death in this country today. Using this product, which may well have been produced or made at least through partial subsidies from Federal taxpayers, is the leading cause of avoidable premature death in our country today.

And it is taking an enormous and growing and deadly toll each year. Tobacco products are responsible for more than 400,000 deaths each year in America due to cancer, respiratory illness, heart disease, and other health problems. Cigarette use and use of other tobacco products kill more Americans each year than AIDS, alcohol, car accidents, murders, suicides, illegal drugs, and fires combined.

Smokers who die as a result of smoking would have lived on an average 12 to 15 years longer if they had not smoked. And that results in a loss to society of roughly $40.3 billion in lost productivity.

Now, I mentioned the health care costs associated with the tobacco use are rising. Hence, good reason for the warning on this packet of cigarettes. The Centers for Disease Control estimate that the health care cost associated with smoking, and this is just for the year 1993, total $50 billion. $26.9, or $30 billion for hospital costs, $15.5 billion for doctors, $4.9 billion in nursing home costs, $1.8 billion for prescription drugs, and $900 million for home health care expenditures.

So, Mr. Chairman and colleagues, I think we should be concerned about helping tobacco farmers make a transition to other crops, but right now we have a fundamental choice that involves right or wrong and, I believe, a responsibility to be accountable to the people who elected us, the people we represent, and the American citizens who overwhelmingly favor elimination of Federal taxpayer subsidies for tobacco farmers.

So while I empathize with my colleagues who represent tobacco districts and tobacco States, let us work together, let us pass this amendment, then we can work perhaps to help the farmers that we represent make a transition to good alternative crops that do not require Government warnings and are not inherently injurious to the public health.

Mr. SKEEN. Mr. Chairman, I yield 3 minutes to the gentlewoman from Florida [Mrs. MEEK].

(Mrs. MEEK of Florida asked and was given permission to revise and extend her remarks.)

Mrs. MEEK of Florida. Mr. Chairman, this is an issue that whenever it comes to the floor, I always speak out. And my reasoning is quite a bit different from any of my colleagues. I have a tremendous respect for the gentleman from Illinois [Mr. DURBIN], and whatever he says is correct. I do not disagree with him, nor do I disagree with any of the others who spoke for this amendment. But I am against this amendment. Mr. Chairman, I must ask my colleagues not to support it, and I will tell them why.

First of all, if I thought the Durbin amendment would reduce or stop smoking, I would vote for it and get other people to vote for it. But the Durbin amendment will not stop smoking and it will not reduce smoking at all.

Philosophically or morally, it is excellent. I wish we could legislate morals and keep people from doing things that would kill them. I wish we had that power. If we had the power in this Congress to legislate initiatives that would stop people from doing things which kill them, we would do a marvelous job, and I appreciate anyone trying to do it.

Mr. Chairman, I remember when my father used to pull tobacco over there in Quincy in Monticello, FL. That is the only place my daddy could get a job. I am from Tallahassee, FL. During those days, black Americans could not get a job in north Florida doing anything, but he was able to go on to this farmer industry and get a job. They did not ask him if he came from Carroll's Quarters. They did not ask him anything. I will never forget that. These small farmers, I think many of us do not understand what it means to be economically viable by using the farm. And this country was built on the farming industry. It helps to keep us all going. I will vote against anything. If Members go against peanuts, I will vote against them there. If Members go against tobacco, I will vote against them there.

But, Mr. Chairman, if I thought this amendment were doing anything good, I would vote with my colleagues in favor of it. This Durbin amendment should be defeated because it discriminates against these small farmers and the small communities. If my colleagues think it is going to do anything with the big tobacco industry, then they are wrong. They may be thinking that we can legislate it, but we cannot. If we do not let them consult with their extension service people, we are leaving a big educational void out there. They can help prevent some of the things that we are talking about. Education is the key.

I heard my colleague, the gentlewoman from Connecticut [Ms. DELAURO] talk about what she has done in prevention programs in her community. That is it.

□ 1730

She did not need any legislation to do those things. She knows that what turns this country around is to turn the mindset around. The mindset has to be turned around. You cannot turn that mindset around through legislation. We think we can but we cannot.

Now, the program that we are talking about has its merit. It does not cost this Congress or this Nation anything.

We are watching the budget as much as we can. We all are watching our health, and we must continue to do that, Mr. Chairman. Government cannot do this for us. You can cut the subsidy if you want to. But it will make no changes in the people who smoke cigarettes. Vote against this amendment.

Mr. DURBIN. Mr. Chairman, I yield 4 minutes to the gentleman from Massachusetts [Mr. OLVER].

Mr. OLVER. Mr. Chairman, I thank the gentleman for yielding time to me. I certainly commend him for his leadership on this issue in all the years that we have served together.

Since so many Members here have given their own little personal disclosures, I will give one, too. I was born and brought up on a farm in Pennsylvania. At a particular time in my life, I found some cigarettes in the dairy barn. My father, I believe, had carefully soaked those in horse urine, and I did not find much further temptation in the matter. In any case, so much for the disclosure.

Mr. Chairman, the issue today is not a question of the number of dollars, the $15 billion of revenues that are lost by the Federal or State governments in relation to the tobacco industry, although it is easy to show that the health care costs to the public as a whole are at least $100 billion a year, taking the direct and the indirect costs. At least half of that comes directly out of the public treasuries of the same Federal Government and the State government. So it is many times the tax revenues that are gained in the process.

Nor is the question the one of political correctness. The question really is that we are using Federal dollars, Federal expenditures to assist in the production of tobacco, which is the product with the greatest threat to the public health. One other previous speaker pointed out that this is a legal product, tobacco is, that every farmer has a legal right to grow as well as they have the right to grow corn and wheat as soybeans. He was right. There is no question he was right.

The difference is that none of those, neither corn nor wheat nor soybeans has the effect that tobacco has. Only tobacco ends up representing the greatest threat to the public health in this country. The difference is that we are using Federal dollars to continue that assistance to the tobacco industry to continue this crop which represents the greatest threat to our public health.

I really wanted to dwell for a moment on what these funds would be used for it we switched the fund to a legitimate purpose. Within this last decade, all over this country, in at least 1000 communities in this decade alone, communities with fewer than 10,000 people have had public safe drinking water supplies and wastewater disposal facilities and solid waste disposal facilities subsidized with the help of moneys. Most of the money that would be saved from, if we passed this amendment as we should, most of that money would go to helping other small communities to build those public safe drinking water supplies and waste disposal supplies.

In my district alone, in my State alone, over $100 million has gone into those. We desperately need, there are hundreds of other communities that are looking for that sort of assistance, both in grants for the poorer communities and in loans at low interest for the less poor communities of small size to be able to build those public facilities for safe drinking water and for wastewater disposal.

What I am asking here is that we vote for this amendment and use these moneys for the public health in rural communities all over this country, rather than for the assistance to the production of the product which is so devastating the public health in this country.

Mr. SKEEN. Mr. Chairman, I yield 1 minute to the gentleman from Kentucky [Mr. LEWIS].

Mr. LEWIS of Kentucky. Mr. Chairman, I thank the chairman for yielding time to me.

I would just like to take a minute and talk about my colleague from California that spoke a little while ago on the floor. He held up a package of cigarettes and talked about the warning label. He asked why should the Government support the tobacco farmer with the fact that there is a warning, a health warning on the side of that cigarette package. I wish that he would have brought along a wine bottle also because on the side of the wine bottle there is a warning label concerning that person's health.

Since the gentleman represents a district where there are grape growers and he represents the wine industry, I wonder why it is different that there is support for the wine industry. I noticed he voted for the Kennedy amendment. Why should there be a difference in that and the tobacco farmer? I just thought that would be a good question to ask.

Mr. DURBIN. Mr. Chairman, I yield 4 minutes to the gentlewoman from Texas [Ms. JACKSON-LEE].

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Chairman, I want to address the gentleman, Mr. DURBIN, directly, because I would like to thank him for his leadership. Frankly, I think it is important that this debate be noted, that you have actually been very kind, fair minded, and balanced. I am somewhat dismayed as I listen to this debate, the accusations about those who would be put in harm's way because of this amendment. Maybe I need to just for a moment detail what we are talking about.

First of all, I think we have noted that this amendment dealing with this particular industry responds to just a small corner of the tobacco industry, which happens to be one of the fastest growing and most lucrative industries in the nation. Might I say that, in addition to being lucrative, it has a worldwide market. We can find in Asia and in India and Africa, in the European continent that tobacco is doing quite well. So this is really a kind amendment. It is a sensible amendment, and it is a fair-minded amendment.

What it does for those who are whining on the other side, it does nothing to deal with Federal price supports. The industry still has that. Being very lucrative, I would argue very vigorously for the amount of costs that it costs us in health care costs, we really should take away Federal price supports. But this amendment does not do that. It simply takes away from a very prosperous industry those Government subsidies that help in the administration of crop insurance, which by the way it does not hinder a farmer from going into the private sector for that. It also takes away certain extension services as well as certain promotion services. Do you not understand how kind we are being to an industry that promotes death and devastation in our community?

Again, this is a first step in saying that we recognize that we have a problem with tobacco. It is addictive. What it does do, it provides for us good results. I thank the gentleman from Illinois [Mr. DURBIN] for it because he comes from a State such as Illinois, like Texas, that combines rural and urban centers. Time after time I have heard from our rural communities coming from Texas how they are at a disadvantage for educational resources and health resources.

In fact, I have spent a number of years on an indigent health care task force in the State of Texas. We were trying to prevent hospitals in rural areas from closing. Unfortunately, we were not all that successful. This legislation will allow moneys to be used to help communities obtain the facilities and equipment to link rural education and medical facilities with more urban centers and other facilities. These telecommunications linkages provide rural residents access to increasing educational opportunities and to access better health care.

I hope that my colleagues will really look at what the gentleman from Illinois, [Mr. DURBIN] and his colleagues have done in this legislation, for they have given the tobacco industry a real break, unfortunately. They have allowed them to keep Federal support systems, price support systems, but in fact they have begun to make the statement in a fair and balanced way that enough is enough.

This is a lucrative industry. This is an industry that can support itself. Why should we promote the devastation that this creates? Why not help end the 400,000 deaths that we have every year from cancer and heart disease and other illnesses? Why not begin the diminishing of the promotion that already exists in this industry?

I would simply say, if all of us would be fair and balanced and, yes, a little kind today, we would support the Durbin amendment, for the Durbin amendment stands for where we need to go in this country. That is for good health. It does not in any way diminish the opportunities for those small farmers who insist on and must stay in this business. What it does say to America is that we believe that it is time now to end the promotion of something that causes 400,000 deaths every year in this Nation.

Mr. SKEEN. Mr. Chairman, I yield 4 minutes to the gentleman from Tennessee [Mr. GORDON].

Mr. GORDON. Mr. Chairman, today's debate is a classic example of the cliche that everything has been said, it is just everyone has not had a chance to say it. In that tradition, let me give my quick synopsis of how I view this debate, what it is about and what it is not about. It certainly is not about smoking. It certainly has nothing to do with reducing the size of Government. It has nothing to do with tobacco company products. What does it have to do with?

Well, if the Durbin amendment passes, it has to do a lot with American jobs, the loss of American jobs. If the Durbin amendment passes, then there is going to be a lot of small tobacco farmers that are going to go out of business. Now, how does this affect the tobacco companies; fine with them, foreign tobacco is cheaper anyway. So their profit goes up. As a matter of fact, it is cheaper to produce cigarettes offshore, so let us just go offshore and produce them and you save even more money. There are more American jobs that go offshore.

Let us make no mistake about this debate today. It has nothing to do with smoking. It has nothing to do with reducing the size of Government. It has to do with jobs, American jobs. A vote for the Durbin amendment means shipping American farming jobs overseas, American manufacturing jobs overseas. A vote against the amendment means keeping those jobs here in America. That is what this debate is all about.

Mr. DURBIN. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, let me thank my colleagues, particularly the gentleman from New Mexico, for his patience. I think this has been an important debate. It has gone on longer than any other debate on this bill, but, frankly, I think the issue at hand is one of the most important facing us today.

I wanted to acknowledge two people: one who is not here and one who is. The one I would like to acknowledge who is here is my staff assistant, Tom Faletti. Tom Faletti has been standing by my side on this tobacco issue for 10 years. He has covered me with glory in those rare moments when we have defied the tobacco lobby. He has stood by me loyally and forgiven me my defeats and my failings in the course of this experience, taking on the most powerful lobby in Washington.

I know the results of the vote last year. We were defeated with the same amendment. I sense today that it might be better, I hope it is. But let me just say this: One of the reasons I am involved in this debate is because another person I served with is not here today. His name was Mike Synar of Oklahoma.

Mike Synar was a tiger on this issue. He paid for it dearly in terms of losing his congressional seat when the tobacco companies turned on him and managed to defeat him. Mike gave up one of the most precious things to him, next to his family, his congressional career, because he believed so intensely in this issue. Those of us who come to this side of the table have that same passion.

□ 1745

I respect those on the other side, too, because they speak with conviction and passion as well.

I listened to this debate today and jotted down a few of the words that have been used to describe either me or my amendment. I say to my colleagues: You have to have a pretty tough mental hide to be in politics, to hear people get up on the floor and call you or your amendment, in full view of the C–SPAN audience and the people here, ''mean-spirited, punitive, misdirected, hypocrisy at the highest level, self serving, political and cruel,'' and I think they were warming up to some stronger words before they finally had to sit down. I understand that the emotions really run high on this issue. They certainly run high on this side of the issue, those of us who have fought the tobacco companies for so long.

First, let me say a word about tobacco farmers and growers. For as long as I have been involved in this debate, from the very beginning, I have made known to every congressman and congresswoman from a tobacco-producing State: ''I will join you at the table to find transitions for these tobacco growers to go into some other crop. I will work with you, I'll subsidize it.'' I do not have any battle with these poor men and women who are struggling to make a living, but I can tell my colleagues honestly no one ever takes me up on my invitation. The reason they do not take me up on the invitation: there is no crop that one can legally grow in America that is as profitable as tobacco; not one.

For example, the gross receipts per acre, on tobacco, are $4,000; the net receipts from $1,400 to $800. In my part of the world we grow a lot of corn and soybeans. Corn, gross receipts per acre will run $400 to $800. A farmer might take half of that away.

So look at the difference here. It is anywhere from 3 to 10 times as lucrative as growing some other crop. That is why the tobacco farmers do not want to leave it. They cannot make any kind of money close to that growing any another crop on their land. They just do not want to give it up.

But quite honestly, I think it is time for the Federal Government to say to them, ''You're on your own,'' and that is what this amendment starts to do. It takes away the subsidy for crop insurance and the subsidy for the extension service for these tobacco farmers.

Let me also mention this argument about jobs. The previous speaker, my friend from Tennessee, stood up and said the Durbin amendment will cost jobs. It will. It will. Because if we can diminish the use of tobacco in this country, we will have fewer respiratory therapists, we will have fewer cancer specialists, we will have fewer surgeons operating on people who are devastated by the diseases attached to tobacco. Make no mistake about it. The jobs associated with tobacco in this country, the best-paying jobs, are associated with the victims of tobacco in this country, and we have to be sensitive to that fact as well.

I feel sorry for those working in tobacco companies, but let me tell my colleagues: The product they are selling is killing people every single day.

The gentlewoman from Utah said earlier there are a lot of agricultural products. There is only one agricultural product in America that has a body count, and it is tobacco. That is why it is different, and that is why it should be treated differently.

Forty-seven of my colleagues from both parties have joined me in a task force taking on the tobacco industry. Let me say to my colleagues when I first got to Congress, that was unthinkable. No one came out publicly against the tobacco lobby. Now there are 47 of us, and occasionally we can put a majority together on the floor.

For those who argue, and one of my colleagues did, well, these folks who oppose tobacco, they get a lot of big political contributions too. Let me tell my colleagues I am still waiting in my office for my first PAC check from the American Cancer Society, the American Heart Association, the American Lung Association, the Coalition on Smoking and Health. These health groups give away a lot of psychic income, they do not write the checks like the tobacco lobby will for the people who vote against the Durbin amendment today. On the political ledger all the money is on the other side. We have to struggle and put this battle up because it is something we believe in.

Now let me close by saying this. I certainly hope that my colleagues will take this amendment very seriously. I do. This has been a 10-year battle that this Congressman has waged on this floor of the House. We started off with a victory banning smoking on airplanes. We extended it to flights all across the United States. The tobacco companies said it was the end of the world; try to stop smoking on airplanes, they are going to be beating up the flight attendants and smoking in the restrooms. It never happened. It never happened. People knew that sensible regulation of smoking is something that this country ought to be

doing, and now it is time for us to get out of the business of subsidizing tobacco.

Mr. Chairman, this Durbin amendment will give to my colleagues the right answer to the question: Congressman, if this product kills so many Americans, why in God's name does the Federal Treasury subsidize it?

By voting for the Durbin amendment, my colleagues who support me will be able to say to those colleagues we ended it, and we ended it in the right way, saying to tobacco growers; find another line of work, or at least support your production of tobacco on your own dollar, not on the dollar of taxpayers.

Mr. SKEEN. Mr. Chairman, I yield the balance of my time to the gentleman from Kentucky [Mr. ROGERS].

Mr. ROGERS. Mr. Chairman, I thank the gentleman for yielding this time to me and thank him for his work on the bill to which this amendment has been attached.

Mr. Chairman, I hope not to consume the entire time because I think we have had a good debate and we have heard practically every point that conceivably could be made on both sides of the issue.

Mr. Chairman, one could have thought by listening to this debate that there was an amendment on the floor to abolish smoking or an amendment that would have declared smoking to be the most dangerous thing one can do or an amendment that would have prohibited the big cigarette companies from deducting the advertising costs, or some such thing, because we have heard all of these arguments about whether or not smoking is good for us, which has nothing to do with the amendment.

We have heard all of the attacks on big tobacco as if it was one big monolithic thing, and if we attack one part of it, we are attacking the whole thing. The gentleman maybe does not understand, that offered the amendment, what tobacco is, the industry, if we want to call it that; there is big tobacco, the cigarette companies, perhaps big cigar companies, perhaps big chewing tobacco companies and the like. They are big worldwide. Philip Morris is a huge corporation.

Then there is little tobacco that is grown in the districts of these Members who have spoken. They are not big. It is a family. The average acreage is probably 2 acres on red clay on a 35-degree-angle farm, and they cannot grow anything else. They are trying; believe me they are trying. There are experiments on aquaculture, growing fish, and they are trying to grow other types of crops all over tobacco land. But right now these are poor dirt farmers.

My colleagues are not attacking Philip Morris here with your amendment. They are not attacking big tobacco. They are attacking little tobacco. These are the most vulnerable people that we could possibly talk about when we talk about tobacco.

I grew up on a hillside farm. We grew rocks on a very small farm. We also have a small patch of tobacco, and that was the only way that my father could raise this family, and send us to school, and buy the food on which we lived. That story is repeated 100,000 times around this country every year. We are not Philip Morris. We are not big tobacco. We are little. And we are poor. And we are scrapping, just trying to earn a living on 2 acres or 1 acre of tobacco. That is the average crop. We do not grow tobacco like they grow corn in Illinois, by the thousands of acres. There is no way to conceive of a scale when growing crops on that scale with a 2-acre patch of tobacco on a hillside in the hills of Kentucky or Tennessee or North Carolina or Georgia or wherever, 23 States.

Yet, Mr. Chairman, the gentleman's amendment does not try to outlaw smoking. Perhaps he should try that. It does not try to outlaw the Tobacco Price Support Program which protects big growers as well as small growers. No, the gentleman just singles out the most vulnerable people that we have, the little tobacco people, and, yes, we are emotional about it; yes, that is the reason for encountering people who are fighting fiercely because we are trying to defend people who are defenseless but for us.

Mr. Chairman, the gentleman from Illinois does away with this program for these small farmers, and ironically and paradoxically he is helping big tobacco. Only then will tobacco be grown by big tobacco, and they would love that. They have been trying to do that for years. But for us here, tobacco would be grown by the big companies, most of it imported, grown on patches or fields or plantations across the sea where they do not regulate what they can spray on the crop, and we will be bringing in poisoned tobacco for people to smoke here.

People are going to smoke, they are going to smoke something for the time being. Maybe it is not good for them; that is not the question here. They are going to smoke. Question is: Who is going to grow it; the small growers or Philip Morris? The gentleman's amendment says Philip Morris. He may not intend that, but that is exactly what he is doing, believe me.

The gentleman from North Carolina [Mr. ROSE] said it better than I do. Other speakers have said it better than I did. But that is precisely where the gentleman from Illinois [Mr. DURBIN] is headed with this amendment.

His amendment does not deny deductibility of advertising expenses to big tobacco, does not try to abolish the Tobacco Price Support Program which protects big growers as well as small, it does not deny crop insurance or agricultural advice to Philip Morris. No, it denies crop insurance to the poorest people, and the gentleman is allowing them to become the victims of the elements.

Does not hurt Philip Morris. In fact, it probably helps them because they would grow what we cannot if the gentleman from Illinois knocks us out of the business.

So I think the amendment is misdirected, Mr. DURBIN. The gentleman ignores all the questions I have just asked, and he picks out the least among us, he tackles the poorest. He would cripple those who cannot help themselves by this amendment. He jerks away the only safety net, the crop insurance, for families, kids, children, and leave them to the mercy of the elements.

The large corporate growers do not need crop insurance. The large corporate growers do not need expert agricultural advice which this amendment would deny. They do not need it. The only people that need it are the small growers, and those are the ones that would be impacted the most severely by the gentleman's amendment. By driving out small growers, as this amendment would do, putting them on welfare in the name of trying to harm big tobacco, ironically will help big tobacco because when the small growers are gone, big tobacco will do what they have long wanted to do, and that is grow and import tobacco.

Last year the House realized this very point. We argued these types of things just last year on the floor of the House, and our colleagues wisely said, ''No, we will not do the Durbin amendment, it harms the people who we do not want to harm. It is misdirected.''

Last week the full Committee on Appropriations denied the gentleman from Illinois [Mr. DURBIN] his amendment in full committee, voted it down 29 to 19 in committee.

I ask our colleagues again on the House floor, ''When you vote in a few minutes, think about who you are harming.''

□ 1800

Think about the question that is not being addressed by this amendment. This is not a smoking issue. It is not a health issue. It is not a question of whether we are harming big tobacco. We are not. We are harming little tobacco. We are harming the people that none of us, I think, want to hurt. I urge Members when they vote again in a few minutes, vote ''no,'' and help the people who cannot help themselves.

Mr. HEINEMAN. Mr. Chairman, I rise in strong opposition to the Durbin amendment. This is nothing more than a punitive attack on hard working farmers. North Carolina is the leading producer of tobacco, and if the Durbin amendment passes it will drastically hurt farmers in my State. This amendment is misguided and unfairly attacks small family tobacco farmers by denying them important services that are available to every other family farmer who produces agricultural commodities. I urge my colleagues to stand up for farmers and oppose this draconian amendment.

Mr. PAYNE of Virginia. Mr. Chairman, I rise in strong opposition to the Durbin amendment to H.R. 3603.

This amendment would eliminate all support services provided to tobacco farmers by the USDA and its county agents.

It would prohibit the USDA from using funds to provide extension services, market news, and analysis to tobacco farmers.

It would not allow farmers to call upon the guidance of their local USDA agent about how to distribute fertilizer without causing damage to the soil or water or how to apply insecticides safely or how to combat agricultural plagues such as blue mold.

It would also strip from the farmer his right to purchase Federal crop insurance.

Eliminating tobacco crop insurance is simply unfair.

In 1994, Congress mandated the purchase of crop insurance for farmers participating in the Tobacco Program.

Denying tobacco farmers is unfair because they, like other farmers, rely on this insurance when their crops fall victim to droughts, floods, hail, and winds.

Mr. Chairman, this amendment is simply a mean-spirited, direct assault on the hard working farmers and their families who grow tobacco in rural America.

Even worse, some would have you believe this amendment eliminates a Federal subsidy to tobacco farmers.

Let me set the record straight—there is no direct Government subsidy for tobacco.

Since 1982, when Congress passed the No Net Cost Tobacco Act, all costs, except USDA administrative costs, shifted from the Government and taxpayers directed to farmers and tobacco companies.

Since that time, the program has been one of the more efficient agricultural programs, especially compared to similar price support programs for other crops.

Not only does the Tobacco Program take care of itself—it is doing more than its fair share to reduce the Federal deficit. Each year, growers and companies pay assessments that goes directly to the U.S. Treasury for deficit reduction.

Annually, this deficit reduction assessment returns almost $30 million to the U.S. Treasury.

That's right, almost $30 million directly going to deficit reduction.

Tobacco's importance to our Federal, State, and local governments can be summed up in one impressive figure—$62,000; $62,000 is the amount of money per acre tobacco generates for the public sector.

It generates almost $15 billion to Federal, State, and local governments in the form of excise and sales taxes.

It contributes $6 billion in exports.

By any measure, tobacco makes a huge economic contribution to our Nation's economy.

I believe the numbers and facts speak for themselves.

The Federal Government does not subsidize farmers or the tobacco program.

And tobacco contributes very positively to the U.S. Treasury and that of State and localities.

However, this amendment would allow every farmer in America—except tobacco farmers—the right to use USDA extension service agents and guidance.

And this amendment would allow every farmer in America—except tobacco farmers—the right to purchase Federal crop insurance.

Do not be fooled by this amendment.

It is not about punishing the tobacco companies or stopping smoking.

It is about blatant discrimination against tobacco farmers.

Simply put, the amendment is not fair, it is punitive, and it should be defeated.

As a Member of Congress who is proud to represent almost 5,000 honest hard working tobacco farmers I urge my colleagues to defeat the Durbin amendment.

Ms. FURSE. Mr. Chairman, I rise today in support of the Durbin amendment. It defies common sense that our Government supports tobacco while simulatenously spending billions of dollars to combat the public health problems it creates. Tobacco use causes 400,000 deaths in America each year—and every single death is preventable.

Last year, a remarkable young woman in my district. Sarah Weller, got together with her friend Jessica Harding and created an action plan to spread the word about the dangers of smoking and tobacco use. Sarah knows that tobacco use causes massive health problems in America, and she has been working to create a healthier, more productive future. Sarah and her friends know what the entire Congress should know: we should stop supporting tobacco at taxpayer expense.

The Durbin amendment will take the savings from tobacco subsidies and increase funding for sorely needed rural water and sewer projects, as well as rural medical access programs. I strongly support this amendment, and urge my colleagues to support it.

JUNE 26, 1995.

Rep. ELIZABETH FURSE,
Cannon Office Building,
Washington, DC.

DEAR REPRESENTATIVE FURSE: Thank you for meeting with me recently about tobacco prevention issues. All 102 Smoke-Free Ambassadors worked at the Forum in Washington, DC to develop a national Smoke-Free Contract With America. I have enclosed a copy of this document. Most of what we believe in the Contract requires support from our Senators and Representatives. I realize the difficulty of passing these ideas into law.

Jessica Harding and I, the two Smoke Free ambassadors from Oregon, will be doing our best to alert other students and media about what happens to tobacco prevention bills in Congress. It is hard for students to understand why it is so difficult to pass law which would save tens of thousands of lives.

Jessica and I also have developed a state plan of action which is enclosed. Our main concern is with illegal sales of tobacco to children. We will be working hard locally to reduce sales of tobacco to kids.

Thanks again for meeting with us. Maybe when you are in Oregon we could meet to update each other on Congressional and local tobacco activities.

Sincerely,

SARAH WELLER.

STATE PLAN OF ACTION, SMOKE-FREE CLASS OF 2000, JUNE 1995

STATE OF OREGON

The Smoke-Free Class of 2000 are all 8th graders in the United States who will graduate in the year 2000 who have learned about the dangers of smoking and tobacco use since 1st grade. The students of the Smoke-Free Class OF 2000 have pledged their commitment to lead the younger graduating classes and future generations into a healthier, more productive and informed 21st century.

We, of the State of Oregon Smoke-Free Class of 2000, consider the most important tobacco issues in our state to be: accessibility to teens.

As advocates for all 8th graders and all students in the future graduating classes, we are asking: heavier fines and penalties to stores that sell tobacco to minors.

The way we plan to accomplish our goals is to: Start petitions, do sting operations, testimonies, letter writing.

Thank you for helping us make our state a healthier place for children!!

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. DURBIN].

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

RECORDED VOTE

Mr. DURBIN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 210, noes 212, not voting 12, as follows:

[Roll No. 233]

AYES—210

Ackerman
Andrews
Archer
Armey
Bachus
Baldacci
Barrett (WI)
Bartlett
Bass
Becerra
Beilenson
Bereuter
Berman
Bilbray
Blumenauer
Blute
Borski
Brownback
Bryant (TX)
Bunn
Burton
Campbell
Canady
Cardin
Castle
Christensen
Coburn
Coleman
Collins (IL)
Conyers
Costello
Cox
Coyne
Cummings
Davis
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Doggett
Dornan
Dunn
Durbin
Ehlers
Engel
Ensign
Eshoo
Evans
Farr
Fattah
Fawell
Fields (LA)
Foglietta
Ford
Fowler
Fox
Frank (MA)
Franks (NJ)
Furse
Gallegly
Ganske
Gejdenson
Gibbons
Gilchrest
Gilman
Goodling
Goss
Greene (UT)
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hansen
Harman
Hayworth
Hefley
Hinchey
Hobson
Hoekstra
Holden
Horn
Hutchinson
Hyde
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Johnson (CT)
Johnson (SD)
Johnston
Kanjorski
Kasich
Kelly
Kennedy (MA)
Kildee
King
Kleczka
Klug
Kolbe
LaFalce
Largent
Lazio
Leach
Levin
Lewis (GA)
Lipinski
LoBiondo
Lofgren
Lowey
Luther
Maloney
Manzullo
Markey
Martini
Mascara
McCarthy
McDermott
McHale
McHugh
McInnis
McKeon
McKinney
McNulty
Meehan
Menendez
Metcalf
Meyers
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Moakley
Molinari
Moran
Morella
Nadler
Neal
Neumann
Oberstar
Obey
Olver
Orton
Owens
Pallone
Payne (NJ)
Pelosi
Petri
Porter
Poshard
Pryce
Quinn
Ramstad
Rangel
Reed
Riggs
Rivers
Roemer
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Roybal-Allard
Royce
Rush
Sabo
Salmon
Sanders
Sawyer
Scarborough
Schiff
Schroeder
Schumer
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Smith (NJ)
Smith (TX)
Smith (WA)
Souder
Stark
Stokes
Studds
Stupak
Talent
Taylor (MS)
Tiahrt
Torkildsen
Torricelli
Traficant
Upton
Velazquez
Vento
Visclosky
Wamp
Waters
Waxman
Weldon (FL)
Weldon (PA)
White
Wilson
Wolf
Woolsey
Yates
Young (FL)
Zeliff
Zimmer

NOES—212

Abercrombie
Allard
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barr
Barrett (NE)
Barton
Bateman
Bentsen
Bevill
Bilirakis
Bishop
Bliley
Boehlert
Boehner
Bonilla
Bonior
Bono
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Bryant (TN)
Bunning
Burr
Buyer
Callahan
Camp
Chabot
Chambliss
Chapman
Chenoweth
Chrysler
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Collins (GA)
Collins (MI)
Combest
Condit
Cooley
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
de la Garza
Deal
DeLay
Diaz-Balart
Dickey
Dingell
Dixon
Dooley
Doolittle
Doyle
Dreier
Duncan
Edwards
Ehrlich
Emerson
English
Everett
Ewing
Fazio
Fields (TX)
Filner
Flake
Flanagan
Foley
Forbes
Franks (CT)
Frisa
Frost
Funderburk
Gekas
Gephardt
Geren
Gonzalez
Goodlatte
Gordon
Graham
Green (TX)
Gunderson
Hall (TX)
Hamilton
Hancock
Hastert
Hastings (FL)
Hastings (WA)
Hefner
Heineman
Herger
Hilleary
Hilliard
Hostettler
Houghton
Hoyer
Hunter
Inglis
Istook
Jefferson
Johnson, E.B.
Johnson, Sam
Jones
Kaptur
Kennedy (RI)
Kennelly
Kim
Kingston
Klink
Knollenberg
LaHood
Latham
LaTourette
Laughlin
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
Longley
Lucas
Manton
Martinez
Matsui
McCollum
McCrery
McIntosh
Meek
Mink
Mollohan
Montgomery
Moorhead
Murtha
Myers
Myrick
Nethercutt
Ney
Norwood
Nussle
Ortiz
Oxley
Packard
Parker
Pastor
Paxon
Peterson (FL)
Peterson (MN)
Pickett
Pombo
Pomeroy
Portman
Quillen
Radanovich
Rahall
Regula
Richardson
Roberts
Rogers
Rose
Sanford
Saxton
Schaefer
Scott
Serrano
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Solomon
Spence
Spratt
Stearns
Stenholm
Stockman
Stump
Tanner
Tauzin
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thornton
Thurman
Torres
Towns
Volkmer
Vucanovich
Walker
Walsh
Watt (NC)
Watts (OK)
Weller
Whitfield
Wicker
Williams
Wise
Wynn
Young (AK)

NOT VOTING—12

Brown (OH)
Calvert
Frelinghuysen
Gillmor
Hayes
Hoke
Lantos
Lincoln
McDade
Payne (VA)
Tate
Ward

□ 1819

The Clerk announced the following pairs:

On this vote:

Mr. Brown of Ohio for, with Mr. Payne of Virginia against.

Mr. Tate for, with Mr. Calvert against.

Mr. NEUMANN and Mr. HUTCHINSON changed their vote from ''no'' to ''aye.''

Mr. MATSUI changed his vote from ''aye'' to ''no.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. TATE. Mr. Chairman, on rollcall No. 233, I was inadvertently detained. Had I been present, I would have voted ''aye.''

PERSONAL EXPLANATION

Mr. WARD. Mr. Chairman, I would like the RECORD to reflect that while I was not recorded as voting on the Durbin amendment that was just considered, I would have voted ''no.'' I was in fact on the floor, working the door, to the extent that I neglected to vote.

Mr. PETERSON of Minnesota. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I call Members' attention to something that we just discovered this afternoon. Those of us that have been working on the Conservation Reserve Program, members of the Sportsmen's Caucus, the gentleman from Texas, Mr. PETE GEREN, the gentleman from Oklahoma, Mr. BREWSTER, and others are concerned about some language. I wanted to enter into a colloquy with the distinguished chairman.

Mr. Chairman, what we are concerned about is some report language that appeared in the bill that affects the conservation part of this bill, but it was not under that part of the report language. It was under the part that had to do with the farm service agencies. What it does is, it requires that they take a look at the criteria for the Conservation Reserve Program in a specific way.

The USDA is right at this time promulgating rules to extend this program. What this report language does is, it provides specific instructions to USDA as to how to proceed. What I am most concerned about is that it says in this report language that the committee directs that all acres are to be rebid and evaluated using the same criteria that was used during the 13th sign-up, a sign-up that was held last fall.

My district in northwestern Minnesota has the ninth most conservation reserve acres in the United States. Last year under the 13th sign-up, only 700 acres in my district qualified. If this language goes forward and if we reauthorize the program using this 13th sign-up, what we are going to do is we are going to eliminate all the big tracts of CRP, we are going to eliminate most of the wildlife benefits that we have seen in the Conservation Reserve Program, and I do not believe that that is what we want to do in this House.

Mr. Chairman, what I am asking is that the gentleman take another look at this and consider the possibility in conference committee of deleting this language. I do not think it makes any sense for us to be going in and prescribing to the Department what is going to be the criteria when they are in the middle of deciding that. They have not even at this point put forward the proposed rule. There has been no public comment. It just seems to me that we are jumping the gun. I would appreciate it if the gentleman would look at that.

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

Mr. PETERSON of Minnesota. I yield to the gentleman from New Mexico.

Mr. SKEEN. Mr. Chairman, I certainly understand the gentleman's concern and his consternation over finding this kind of language and what it will do. We will be happy to try to address the gentleman's concern when we get to conference with the Senate.

Mr. PETE GEREN of Texas. Mr. Chairman, will the gentleman yield?

Mr. PETERSON of Minnesota. I yield to the gentleman from Texas.

Mr. PETE GEREN of Texas. Mr. Chairman, if I could comment on this briefly as well, I just want to express appreciation as a cochair of the Sportsmen's Caucus for your looking into this matter.

The Conservation Reserve Program is a top priority for the Sportsmen's Caucus, something we have worked on for the last 2 years in this reauthorization. It is so important to the development for habitat for wildlife in our country. It has been tremendously successful as a habitat development program. It is an issue that the caucus has worked on very hard, and we appreciate very much your interest in working to assure that the concerns are addressed.

Mr. SKEEN. I share the gentleman's concern. Certainly those programs are of great value to both of us. We will do our best to get something worked out.

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

Mr. PETERSON of Minnesota. I yield to the gentleman from North Dakota.

Mr. POMEROY. I thank the gentleman for yielding. I would just also ask the chairman to address this in conference committee. This is an extraordinarily consequential policy change to try and be moved forward in report language. That just is not right. It ought to come back to the authorization committee if this is going to be tackled head-on.

I trust that, therefore, this record will establish that there is not clear legislative intent following the report language. I hope we finally get it worked out in a more appropriate way in the conference report.

Mr. SKEEN. Once again, we share the gentleman's concern. We are certainly going to work with him every way we can to come to some resolution of this problem. I will include a table that have the Committee's bill totals,

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS BILL, 1997 (H.R. 3603)

	FY 1996 Enacted	FY 1997 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
TITLE I - AGRICULTURAL PROGRAMS					
Production, Processing, and Marketing					
Office of the Secretary	10,227,000	10,336,000	2,836,000	-7,391,000	-7,500,000
Executive Operations:					
Chief Economist	3,948,000	4,292,000	4,231,000	+283,000	-61,000
National Appeals Division	11,846,000	13,363,000	11,718,000	-128,000	-1,645,000
Office of Budget and Program Analysis	5,899,000	5,986,000	5,986,000	+87,000	.....
Office of Small and Disadvantaged Business Utilization	.....	804,000	.....	.....	-804,000
Total, Executive Operations	21,693,000	24,445,000	21,935,000	+242,000	-2,510,000
Chief Financial Officer	4,133,000	4,437,000	4,283,000	+150,000	-154,000
Office of the Assistant Secretary for Administration	596,000	613,000	613,000	+17,000	.....
Agriculture buildings and facilities (USDA)	135,774,000	149,635,000	125,548,000	-10,226,000	-24,087,000
Payments to GSA	(89,971,000)	(103,754,000)	(103,754,000)	(+13,783,000)	.....
Building operations and maintenance	(20,216,000)	(20,294,000)	(16,794,000)	(-3,422,000)	(-3,500,000)
Repairs, renovations, and construction	(25,587,000)	(25,587,000)	(5,000,000)	(-20,587,000)	(-20,587,000)
Advisory committees (USDA)	650,000	856,000	.....	-650,000	-856,000
Hazardous waste management	15,700,000	15,700,000	15,700,000	.....	.....
Departmental administration	27,986,000	29,137,000	28,304,000	+318,000	-833,000
Office of the Assistant Secretary for Congressional Relations	3,797,000	3,842,000	3,728,000	-69,000	-114,000
Office of Communications	8,198,000	8,317,000	8,138,000	-60,000	-179,000
Office of the Inspector General	63,639,000	64,523,000	63,028,000	-611,000	-1,495,000
Office of the General Counsel	27,860,000	29,249,000	27,749,000	-111,000	-1,500,000
Office of the Under Secretary for Research, Education and Economics	520,000	540,000	540,000	+20,000	.....
Economic Research Service	53,131,000	54,947,000	54,176,000	+1,045,000	-771,000
National Agricultural Statistics Service	81,107,000	102,624,000	100,221,000	+19,114,000	-2,403,000
Agricultural Research Service	710,000,000	728,853,000	702,831,000	-7,169,000	-26,022,000
Buildings and facilities	30,200,000	80,100,000	59,600,000	+29,400,000	-20,500,000
Total, Agricultural Research Service	740,200,000	808,953,000	762,431,000	+22,231,000	-46,522,000
Cooperative State Research, Education, and Extension Service:					
Research and education activities	421,929,000	418,572,000	411,849,000	-10,080,000	-6,723,000
Native Americans Institutions Endowment Fund	(4,600,000)	(4,600,000)	(4,600,000)	.....	.....
Buildings and facilities	57,838,000	.....	30,449,000	-27,389,000	+30,449,000
Extension Activities	427,750,000	423,488,000	409,670,000	-18,080,000	-13,818,000
Total, Cooperative State Research, Education, and Extension Service	907,517,000	842,060,000	851,968,000	-55,549,000	+9,908,000
Office of the Assistant Secretary for Marketing and Regulatory Programs	605,000	618,000	618,000	+13,000	.....
Animal and Plant Health Inspection Service:					
Salaries and expenses	431,921,000	439,033,000	435,428,000	+3,507,000	-3,605,000
AQI user fees 1/	(100,254,000)	(100,000,000)	(98,000,000)	(-2,254,000)	(-2,000,000)
Buildings and facilities	8,757,000	3,200,000	3,200,000	-5,557,000	.....
Total, Animal and Plant Health Inspection Service	440,678,000	442,233,000	438,628,000	-2,050,000	-3,605,000
Agricultural Marketing Service:					
Marketing Services	46,517,000	48,311,000	37,592,000	-8,925,000	-10,719,000
New user fees	(3,887,000)	.....	(3,887,000)	.....	(+3,887,000)
(Limitation on administrative expenses, from fees collected)	(58,461,000)	(59,012,000)	(59,012,000)	(+551,000)	.....
Funds for strengthening markets, income, and supply (transfer from section 32)	10,451,000	10,576,000	10,576,000	+125,000	.....
Payments to states and possessions	1,200,000	1,200,000	1,200,000	.....	.....
Total, Agricultural Marketing Service	58,168,000	60,087,000	49,368,000	-8,800,000	-10,719,000
Grain Inspection, Packers and Stockyards Administration	23,058,000	24,595,000	22,728,000	-330,000	-1,867,000
Inspection and Weighing Services (limitation on administrative expenses, from fees collected)	(42,784,000)	(43,207,000)	(43,207,000)	(+423,000)	.....
Office of the Under Secretary for Food Safety	440,000	576,000	446,000	+6,000	-130,000
Food Safety and Inspection Service	544,906,000	574,000,000	574,000,000	+29,094,000	.....
Lab accreditation fees 2/	(1,000,000)	(1,000,000)	(1,000,000)	.....	.....
Total, Production, Processing, and Marketing	3,170,583,000	3,252,323,000	3,156,986,000	-13,597,000	-95,337,000
Farm Assistance Programs					
Office of the Under Secretary for Farm and Foreign Agricultural Services	549,000	572,000	572,000	+23,000	.....
Farm Service Agency:					
Salaries and expenses	795,000,000	820,495,000	746,440,000	-48,560,000	-74,055,000
(Transfer from export loans)	(589,000)	(623,000)	(589,000)	.....	(-34,000)
(Transfer from P.L. 480)	(745,000)	(783,000)	(745,000)	.....	(-38,000)
(Transfer from ACIF)	(208,446,000)	(209,485,000)	(208,446,000)	.....	(-1,039,000)
Total, salaries and expenses	(1,004,780,000)	(1,031,386,000)	(956,220,000)	(-48,560,000)	(-75,166,000)

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS BILL, 1997 (H.R. 3603)—Continued

	FY 1996 Enacted	FY 1997 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
State mediation grants	2,000,000	3,000,000	.....	-2,000,000	-3,000,000
Dairy indemnity program	100,000	100,000	100,000	.....	.....
Outreach for socially disadvantaged farmers and ranchers	1,000,000	3,000,000	1,000,000	.....	-2,000,000
Total, Farm Service Agency	798,100,000	826,595,000	747,540,000	-50,560,000	-79,055,000
Agricultural Credit Insurance Fund Program Account:					
Loan authorizations:					
Farm ownership loans:					
Direct	(60,000,000)	(50,000,000)	(50,000,000)	(-10,000,000)	.....
Guaranteed	(550,000,000)	(650,000,000)	(550,000,000)	.....	(-100,000,000)
Subtotal	(610,000,000)	(700,000,000)	(600,000,000)	(-10,000,000)	(-100,000,000)
Operating loans:					
Direct	(550,000,000)	(445,071,000)	(445,071,000)	(-104,929,000)	.....
Guaranteed unsubsidized	(1,700,000,000)	(1,750,000,000)	(1,700,000,000)	.....	(-50,000,000)
Guaranteed subsidized	(200,000,000)	(250,000,000)	(200,000,000)	.....	(-50,000,000)
Subtotal	(2,450,000,000)	(2,445,071,000)	(2,345,071,000)	(-104,929,000)	(-100,000,000)
Indian tribe land acquisition loans	(750,000)	(1,000,000)	(1,000,000)	(+250,000)	.....
Emergency disaster loans	(100,000,000)	.....	(25,000,000)	(-75,000,000)	(+25,000,000)
Credit sales of acquired property	.....	(50,000,000)	(25,000,000)	(+25,000,000)	(-25,000,000)
Total, Loan authorizations	(3,160,750,000)	(3,196,071,000)	(2,996,071,000)	(-164,679,000)	(-200,000,000)
Loan subsidies:					
Farm ownership:					
Direct	14,034,000	5,920,000	5,920,000	-8,114,000	.....
Guaranteed	20,019,000	26,065,000	22,055,000	+2,036,000	-4,010,000
Subtotal	34,053,000	31,985,000	27,975,000	-6,078,000	-4,010,000
Farm operating:					
Direct	75,185,000	59,150,000	59,150,000	-16,035,000	.....
Guaranteed unsubsidized	18,360,000	19,775,000	19,210,000	+850,000	-565,000
Guaranteed subsidized	17,960,000	23,100,000	18,480,000	+520,000	-4,620,000
Subtotal	111,505,000	102,025,000	96,840,000	-14,665,000	-5,185,000
Indian tribe land acquisition	206,000	54,000	54,000	-152,000	.....
Emergency disaster	32,080,000	.....	6,365,000	-25,715,000	+6,365,000
Credit sales of acquired property	.....	5,060,000	2,530,000	+2,530,000	-2,530,000
Total, Loan subsidies	177,844,000	139,124,000	133,764,000	-44,080,000	-5,360,000
ACIF expenses:					
Salaries and expenses	208,935,000	209,485,000	208,446,000	-489,000	-1,039,000
Administrative expenses	12,606,000	12,606,000	12,600,000	-6,000	-6,000
Total, ACIF expenses	221,541,000	222,091,000	221,046,000	-495,000	-1,045,000
Total, Agricultural Credit Insurance Fund	399,385,000	361,215,000	354,810,000	-44,575,000	-6,405,000
(Loan authorization)	(3,160,750,000)	(3,196,071,000)	(2,996,071,000)	(-164,679,000)	(-200,000,000)
Office of Risk Management	.....	.....	62,198,000	+62,198,000	+62,198,000
Total, Farm Assistance Programs	1,198,034,000	1,188,382,000	1,165,120,000	-32,914,000	-23,262,000
Corporations					
Federal Crop Insurance Corporation:					
Federal crop insurance corporation fund	1,263,708,000	1,591,000,000	1,591,000,000	+327,292,000	.....
Commodity Credit Corporation Fund:					
Reimbursement for net realized losses	10,400,000,000	1,500,000,000	1,500,000,000	-8,900,000,000	.....
Hazardous waste (limitation on administrative expenses)	(5,000,000)	(15,750,000)	(5,000,000)	.....	(-10,750,000)
Total, Corporations	11,663,708,000	3,091,000,000	3,091,000,000	-8,572,708,000	.....
Total, title I, Agricultural Programs	16,032,325,000	7,531,705,000	7,413,106,000	-8,619,219,000	-118,599,000
(By transfer)	(209,780,000)	(210,891,000)	(209,780,000)	.....	(-1,111,000)
(Loan authorization)	(3,160,750,000)	(3,196,071,000)	(2,996,071,000)	(-164,679,000)	(-200,000,000)
(Limitation on administrative expenses)	(106,245,000)	(117,969,000)	(107,219,000)	(+974,000)	(-10,750,000)
TITLE II - CONSERVATION PROGRAMS					
Office of the Under Secretary for Natural Resources and Environment	677,000	693,000	693,000	+16,000	.....
Natural Resources Conservation Service:					
Conservation operations	629,986,000	662,910,000	619,392,000	-10,594,000	-43,518,000
Watershed surveys and planning	14,000,000	19,188,000	10,762,000	-3,238,000	-8,426,000
Watershed and flood prevention operations	100,000,000	116,036,000	101,036,000	+1,036,000	-15,000,000
Emergency appropriations (P.L. 104-134)	80,514,000	.....	.....	-80,514,000	.....
Resource conservation and development	29,000,000	29,377,000	29,377,000	+377,000	.....
Forestry incentives program	6,325,000	6,325,000	6,325,000	.....	.....

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS BILL, 1997 (H.R. 3603)—Continued

	FY 1996 Enacted	FY 1997 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
Colorado River Basin salinity control program	2,681,000			-2,681,000	
Wetlands reserve program	77,000,000	188,000,000		-77,000,000	-188,000,000
National Natural Resources Conservation Service Foundation		500,000			-500,000
Total, Natural Resources Conservation Service	939,506,000	1,022,336,000	766,892,000	-172,614,000	-255,444,000
Farm Service Agency:					
Agricultural conservation program	75,000,000			-75,000,000	
Water quality incentives program	(11,000,000)	(15,000,000)		(-11,000,000)	(-15,000,000)
Conservation reserve program	1,781,785,000	1,924,850,000		-1,781,785,000	-1,924,850,000
Emergency appropriations (P.L. 104-134)	30,000,000			-30,000,000	
Total, Farm Service Agency	1,886,785,000	1,924,850,000		-1,886,785,000	-1,924,850,000
Total, title II, Conservation Programs	2,826,968,000	2,947,879,000	767,585,000	-2,059,383,000	-2,180,294,000
TITLE III - RURAL ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAMS					
Office of the Under Secretary for Rural Development	568,000	588,000	588,000	+20,000	
Rural Housing Service:					
Rural Housing Insurance Fund Program Account:					
Loan authorizations:					
Low-income housing (sec. 502)	(1,000,000,000)	(1,320,000,000)	(1,000,000,000)		(-320,000,000)
Unsubsidized guaranteed	(1,700,000,000)	(2,300,000,000)	(2,300,000,000)	(+600,000,000)	
Housing repair (sec. 504)	(35,000,000)	(35,000,000)	(35,000,000)		
Farm labor (sec. 514)	(15,000,000)	(16,482,000)	(15,000,000)		(-1,482,000)
Rental housing (sec. 515)	(150,000,000)	(58,654,000)	(58,654,000)	(-91,346,000)	
Site loans (sec. 524)	(600,000)	(600,000)	(600,000)		
Self-help housing land development fund	(603,000)	(600,000)	(600,000)	(-3,000)	
Credit sales of acquired property		(75,000,000)	(50,000,000)	(+50,000,000)	(-25,000,000)
Emergency appropriations (P.L. 104-134)	(38,960,000)			(-38,960,000)	
Total, Loan authorizations	(2,940,163,000)	(3,806,336,000)	(3,459,854,000)	(+519,691,000)	(-346,482,000)
Loan subsidies:					
Single family (sec. 502):					
Direct	145,833,000	109,560,000	83,000,000	-62,833,000	-26,560,000
Unsubsidized guaranteed	2,890,000	6,210,000	6,210,000	+3,320,000	
Housing repair (sec. 504)	14,193,000	11,081,000	11,081,000	-3,112,000	
Farm labor (sec. 514)	8,629,000	7,565,000	6,885,000	-1,744,000	-680,000
Rental housing (sec. 515):					
Direct	82,035,000	28,987,000	28,987,000	-53,048,000	
Unsubsidized guaranteed	(1,000,000)		(1,000,000)		(+1,000,000)
Self-help housing land development fund	31,000	17,000	17,000	-14,000	
Credit sales of acquired property		6,098,000	4,050,000	+4,050,000	-2,048,000
Emergency appropriations (P.L. 104-134)	6,500,000			-6,500,000	
Total, Loan subsidies	260,111,000	169,518,000	140,230,000	-119,881,000	-29,288,000
RHIF administrative expenses	385,889,000	366,205,000	366,205,000	-19,684,000	
Rental assistance program:					
(Sec. 521)	535,000,000	487,970,000	487,970,000	-47,030,000	
(Sec. 502(c)(5)(D))	5,900,000	5,900,000	5,900,000		
Total, Rental assistance program	540,900,000	493,870,000	493,870,000	-47,030,000	
Total, Rural Housing Insurance Fund	1,186,900,000	1,029,593,000	1,000,305,000	-186,595,000	-29,288,000
(Loan authorization)	(2,940,163,000)	(3,806,336,000)	(3,459,854,000)	(+519,691,000)	(-346,482,000)
Community Facility Loans Program Account:					
Loan authorizations:					
Direct	(200,000,000)			(-200,000,000)	
Guaranteed	(75,000,000)			(-75,000,000)	
Total, Loan authorizations	(275,000,000)			(-275,000,000)	
Loan subsidies:					
Direct	34,880,000			-34,880,000	
Guaranteed	3,555,000			-3,555,000	
Total, Loan subsidies	38,435,000			-38,435,000	
Administrative expenses	8,836,000			-8,836,000	
Very low-income housing repair grants	24,900,000	24,900,000		-24,900,000	-24,900,000
Emergency appropriations (P.L. 104-134)	1,100,000			-1,100,000	
Rural housing for domestic farm labor	10,000,000	10,000,000		-10,000,000	-10,000,000
Mutual and self-help housing grants	12,650,000	26,000,000	26,000,000	+13,350,000	
Rural community fire protection grants	2,000,000			-2,000,000	
Compensation for construction defects	495,000			-495,000	
Rural housing preservation grants	11,000,000	11,000,000		-11,000,000	-11,000,000
Rural housing assistance program 3/		136,435,000	73,190,000	+73,190,000	-63,245,000
Subtotal, grants and payments	62,145,000	208,335,000	99,190,000	+37,045,000	-109,145,000

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS BILL, 1997 (H.R. 3603)—Continued

	FY 1996 Enacted	FY 1997 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
RHS expenses:					
Administrative expenses	46,583,000	89,660,000	53,889,000	+7,306,000	-35,771,000
(Transfer from RHIF)	(377,074,000)	(366,205,000)	(366,205,000)	(-10,869,000)	.....
(Transfer from ACIF)	(171,000)	.....	.....	(-171,000)	.....
(Transfer from CFLP)	(8,731,000)	.....	.....	(-8,731,000)	.....
Total, RHS expenses	(432,559,000)	(455,865,000)	(420,094,000)	(-12,465,000)	(-35,771,000)
Total, Rural Housing Service	1,342,899,000	1,327,588,000	1,153,384,000	-189,515,000	-174,204,000
(Loan authorization)	(3,215,163,000)	(3,806,336,000)	(3,459,854,000)	(+244,691,000)	(-346,482,000)
Rural Business-Cooperative Service:					
Rural Business and Industry Loans Program Account:					
Loan authorization: Guaranteed	(500,000,000)	.....	.....	(-500,000,000)	.....
Loan subsidy: Guaranteed	6,437,000	.....	.....	-6,437,000	.....
Administrative expenses	14,868,000	.....	.....	-14,868,000	.....
Rural Development Loan Fund Program Account:					
(Loan authorization)	(37,544,000)	(80,000,000)	(40,000,000)	(+2,456,000)	(-40,000,000)
Loan subsidy	22,395,000	36,928,000	18,400,000	-3,995,000	-18,528,000
Administrative expenses	1,476,000	.....	.....	-1,476,000	.....
Rural Economic Development Loans Program Account:					
Direct loans (limitation on obligations)	(12,865,000)	(14,000,000)	(12,865,000)	.....	(-1,135,000)
Direct subsidy	3,729,000	3,095,000	2,830,000	-899,000	-265,000
Administrative expenses	654,000	699,000	654,000	.....	-45,000
Alternative Agricultural Research and Commercialization Revolving Fund	6,500,000	6,975,000	6,000,000	-500,000	-975,000
Rural business enterprise grants	45,000,000	.....	.....	-45,000,000	.....
Appropriate technology transfer for rural areas	2,300,000	1,300,000	.....	-2,300,000	-1,300,000
Rural business-cooperative assistance 3/	.....	53,750,000	51,400,000	+51,400,000	-2,350,000
RBCS expenses:					
Salaries and expenses	9,013,000	27,068,000	25,680,000	+16,667,000	-1,388,000
(Transfer from RBILP)	(14,747,000)	.....	.....	(-14,747,000)	.....
(Transfer from RDLFP)	(1,476,000)	.....	.....	(-1,476,000)	.....
(Transfer from REDLP)	(654,000)	(699,000)	(654,000)	.....	(-45,000)
Total, RBCS expenses	(25,890,000)	(27,767,000)	(26,334,000)	(+444,000)	(-1,433,000)
Total, Rural Business-Cooperative Service	112,372,000	129,815,000	104,964,000	-7,408,000	-24,851,000
(By transfer)	(16,877,000)	(699,000)	(654,000)	(-16,223,000)	(-45,000)
(Loan authorization)	(537,544,000)	(80,000,000)	(40,000,000)	(-497,544,000)	(-40,000,000)
Rural Utilities Service:					
Rural Electrification and Telecommunications Loans Program Account:					
Loan authorizations:					
Direct loans:					
Electric 5%	(90,000,000)	(125,000,000)	(125,000,000)	(+35,000,000)	.....
Telephone 5%	(70,000,000)	(75,000,000)	(75,000,000)	(+5,000,000)	.....
Subtotal	(160,000,000)	(200,000,000)	(200,000,000)	(+40,000,000)	.....
Treasury rate: Telephone	(300,000,000)	(300,000,000)	(300,000,000)	.....	.....
Muni-rate: Electric	(525,000,000)	(600,000,000)	(525,000,000)	.....	(-75,000,000)
FFB loans:					
Electric, regular	(300,000,000)	(400,000,000)	(300,000,000)	.....	(-100,000,000)
Telephone	(120,000,000)	(120,000,000)	(120,000,000)	.....	.....
Subtotal	(420,000,000)	(520,000,000)	(420,000,000)	.....	(-100,000,000)
Total, Loan authorizations	(1,405,000,000)	(1,620,000,000)	(1,445,000,000)	(+40,000,000)	(-175,000,000)
Loan subsidies:					
Direct loans:					
Electric 5%	21,168,000	3,625,000	3,625,000	-17,543,000	.....
Telephone 5%	13,958,000	1,193,000	1,193,000	-12,765,000	.....
Subtotal	35,126,000	4,818,000	4,818,000	-30,308,000	.....
Treasury rate: Telephone	60,000	60,000	60,000	.....	.....
Muni-rate, electric	56,858,000	32,280,000	28,245,000	-28,613,000	-4,035,000
FFB loans: Electric, regular	2,520,000	3,720,000	2,790,000	+270,000	-930,000
Total, Loan subsidies	94,564,000	40,878,000	35,913,000	-58,651,000	-4,965,000
RETLP administrative expenses	29,982,000	33,070,000	29,982,000	.....	-3,088,000
Total, Rural Electrification and Telecommunications Loans Program Account	124,546,000	73,948,000	65,895,000	-58,651,000	-8,053,000
(Loan authorization)	(1,405,000,000)	(1,620,000,000)	(1,445,000,000)	(+40,000,000)	(-175,000,000)

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS BILL, 1997 (H.R. 3603)—Continued

	FY 1996 Enacted	FY 1997 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
Rural Telephone Bank Program Account:					
Direct loans (limitation on obligations)	(175,000,000)	(175,000,000)	(175,000,000)		
Direct loan subsidy	5,023,000	2,328,000	2,328,000	-2,695,000	
RTB administrative expenses	3,541,000	3,500,000	3,500,000	-41,000	
Distance learning and medical link grants and loans	7,500,000	20,261,000	7,500,000		-12,761,000
Solid waste management grants, rural water and waste disposal grants, and water and waste disposal facility loans (administrative expenses)	12,740,000			-12,740,000	
Rural utilities assistance program 3/	487,868,000	661,560,000	496,868,000	+9,000,000	-164,692,000
Emergency appropriations (P.L. 104-134)	11,000,000			-11,000,000	
RUS expenses:					
Salaries and expenses	18,449,000	33,873,000	33,195,000	+14,746,000	-678,000
Electric and telephone loans (by transfer)	(29,982,000)	(33,070,000)	(29,982,000)		(-3,088,000)
Rural telephone bank (by transfer)	(3,541,000)	(3,500,000)	(3,500,000)	(-41,000)	
Agricultural Credit Insurance Fund Program Account (by transfer)	(318,000)			(-318,000)	
Rural partnership (by transfer)	(12,623,000)			(-12,623,000)	
Total, RUS expenses	(64,913,000)	(70,443,000)	(66,677,000)	(+1,764,000)	(-3,766,000)
Total, Rural Utilities Service	670,667,000	795,470,000	609,286,000	-61,381,000	-186,184,000
(By transfer)	(46,464,000)	(36,570,000)	(33,482,000)	(-12,982,000)	(-3,088,000)
(Loan authorization)	(1,405,000,000)	(1,620,000,000)	(1,445,000,000)	(+40,000,000)	(-175,000,000)
(Limitation on obligations)	(175,000,000)	(175,000,000)	(175,000,000)		
Total, title III, Rural Economic and Community Development Programs	2,126,506,000	2,253,461,000	1,868,222,000	-258,284,000	-385,239,000
(By transfer)	(449,317,000)	(403,474,000)	(400,341,000)	(-48,976,000)	(-3,133,000)
(Loan authorization)	(5,157,707,000)	(5,506,336,000)	(4,944,854,000)	(-212,853,000)	(-561,482,000)
(Limitation on obligations)	(187,865,000)	(189,000,000)	(187,865,000)		(-1,135,000)
TITLE IV - DOMESTIC FOOD PROGRAMS					
Office of the Under Secretary for Food, Nutrition and Consumer Services	440,000	554,000	454,000	+14,000	-100,000
Food and Consumer Service:					
Child nutrition programs	2,348,166,000	3,251,215,000	3,218,844,000	+870,678,000	-32,371,000
Discretionary spending		4,000,000			-4,000,000
Transfer from section 32	5,597,858,000	5,413,453,000	5,433,753,000	-164,105,000	+20,300,000
Total, Child nutrition programs	7,946,024,000	8,668,668,000	8,652,597,000	+706,573,000	-16,071,000
Special supplemental nutrition program for women, infants, and children (WIC)	3,729,807,000	3,780,000,000	3,729,807,000		-50,193,000
Reserve		100,000,000			-100,000,000
(By transfer)	(4,000,000)			(-4,000,000)	
Food stamp program:					
Expenses	25,954,828,000	26,353,555,000	26,341,029,000	+386,201,000	-12,526,000
Reserve	500,000,000	2,461,200,000	100,000,000	-400,000,000	-2,361,200,000
Nutrition assistance for Puerto Rico	1,143,000,000	1,174,000,000	1,174,000,000	+31,000,000	
Total, Food stamp program	27,597,828,000	29,988,755,000	27,615,029,000	+17,201,000	-2,373,726,000
Commodity assistance program	166,000,000	172,000,000	166,000,000		-6,000,000
Food donations programs for selected groups:					
Needy family program	65,000,000	65,000,000	65,000,000		
Elderly feeding program	150,000,000	150,000,000	140,000,000	-10,000,000	-10,000,000
Total, Food donations programs	215,000,000	215,000,000	205,000,000	-10,000,000	-10,000,000
Food program administration	107,769,000	110,982,000	104,487,000	-3,282,000	-6,495,000
The Center for Nutrition Policy and Promotion		4,470,000			-4,470,000
Total, Food and Consumer Service	39,762,428,000	43,039,875,000	40,472,920,000	+710,492,000	-2,566,955,000
Total, title IV, Domestic Food Programs	39,762,868,000	43,040,429,000	40,473,374,000	+710,506,000	-2,567,055,000
TITLE V - FOREIGN ASSISTANCE AND RELATED PROGRAMS					
Foreign Agricultural Service:					
Direct appropriation	115,802,000	132,875,000	124,208,000	+8,406,000	-8,667,000
(Transfer from Commodity Credit Corporation)	(5,176,000)			(-5,176,000)	
(Transfer from export loans)	(2,792,000)	(3,231,000)	(2,792,000)		(-439,000)
(Transfer from P.L. 480)	(1,005,000)	(1,035,000)	(1,005,000)		(-30,000)
Total, Program level	(124,775,000)	(137,141,000)	(128,005,000)	(+3,230,000)	(-9,136,000)
Public Law 480 Program Account:					
Title I - Credit sales:					
Program level	(316,342,000)	(232,849,000)	(230,305,000)	(-86,037,000)	(-2,544,000)
Direct loans	(291,342,000)	(218,944,000)	(216,400,000)	(-74,942,000)	(-2,544,000)
Ocean freight differential	25,000,000	13,905,000	13,905,000	-11,095,000	

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS BILL, 1997 (H.R. 3603)—Continued

	FY 1996 Enacted	FY 1997 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
Title II - Commodities for disposition abroad:					
Program level	(821,100,000)	(837,000,000)	(837,000,000)	(+15,900,000)	.....
Appropriation	821,100,000	837,000,000	837,000,000	+15,900,000	.....
Title III - Commodity grants:					
Program level	(50,000,000)	(40,000,000)	(29,500,000)	(-20,500,000)	(-10,500,000)
Appropriation	50,000,000	40,000,000	29,500,000	-20,500,000	-10,500,000
Loan subsidies	236,162,000	179,082,000	177,000,000	-59,162,000	-2,082,000
Salaries and expenses:					
General Sales Manager	1,005,000	1,035,000	1,005,000	.....	-30,000
Farm Service Agency	745,000	783,000	745,000	.....	-38,000
Subtotal	1,750,000	1,818,000	1,750,000	.....	-68,000
Total, Public Law 480:					
Program level	(1,187,442,000)	(1,109,849,000)	(1,096,805,000)	(-90,637,000)	(-13,044,000)
Appropriation	1,134,012,000	1,071,805,000	1,059,155,000	-74,857,000	-12,650,000
CCC Export Loans Program Account:					
Loan guarantees:					
Short-term export credit	(5,200,000,000)	(5,000,000,000)	(5,500,000,000)	(+300,000,000)	(+500,000,000)
Intermediate-term export credit	(500,000,000)	(500,000,000)	.....	(-500,000,000)	(-500,000,000)
Loan subsidy	374,347,000	390,000,000	390,000,000	+15,653,000	.....
Salaries and expenses (Export Loans):					
General Sales Manager	2,792,000	3,231,000	2,792,000	.....	-439,000
ASCS	589,000	623,000	589,000	.....	-34,000
Total, CCC Export Loans Program Account	377,728,000	393,854,000	393,381,000	+15,653,000	-473,000
Total, title V, Foreign assistance and related programs	1,627,542,000	1,598,534,000	1,576,744,000	-50,798,000	-21,790,000
(By transfer)	(8,973,000)	(4,266,000)	(3,797,000)	(-5,176,000)	(-469,000)
TITLE VI - RELATED AGENCIES AND FOOD AND DRUG ADMINISTRATION					
DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Food and Drug Administration					
Salaries and expenses, direct appropriation	819,971,000	823,771,000	819,971,000	.....	-3,800,000
Prescription drug user fee act	(84,723,000)	(87,528,000)	(87,528,000)	(+2,805,000)	.....
Mammography clinics user fee	(13,000,000)	(13,403,000)	(13,403,000)	(+403,000)	.....
Total, Program level	(917,694,000)	(924,702,000)	(920,902,000)	(+3,208,000)	(-3,800,000)
Buildings and facilities	12,150,000	8,350,000	21,350,000	+9,200,000	+13,000,000
Rental payments	46,294,000	46,294,000	46,294,000	.....	.....
Total, Food and Drug Administration	878,415,000	878,415,000	887,615,000	+9,200,000	+9,200,000
DEPARTMENT OF THE TREASURY					
Financial Management Service: Payments to the Farm Credit System Financial Assistance Corporation	15,453,000	10,290,000	10,290,000	-5,163,000	.....
INDEPENDENT AGENCIES					
Commodity Futures Trading Commission	53,601,000	56,601,000	55,101,000	+1,500,000	-1,500,000
Farm Credit Administration (limitation on administrative expenses)	.....	(37,478,000)	(37,478,000)	(+37,478,000)	.....
Total, title VI, Related Agencies and Food and Drug Administration	947,469,000	945,306,000	953,006,000	+5,537,000	+7,700,000
Scorekeeping adjustments	-235,780,000	127,050,000	-368,000,000	-132,220,000	-495,050,000
Grand total:					
New budget (obligational) authority	63,087,898,000	58,444,364,000	52,684,037,000	-10,403,861,000	-5,760,327,000
(By transfer)	(672,070,000)	(618,631,000)	(613,918,000)	(-58,152,000)	(-4,713,000)
(Loan authorization)	(14,018,457,000)	(14,202,407,000)	(13,440,925,000)	(-577,532,000)	(-761,482,000)
(Limitation on administrative expenses)	(106,245,000)	(155,447,000)	(144,697,000)	(+38,452,000)	(-10,750,000)
(Limitation on obligations)	(187,865,000)	(189,000,000)	(187,865,000)	.....	(-1,135,000)

1/ Such sums as available from AQI user fee account for FY 1996. In addition, $24,857,000 is anticipated from farm bill direct appropriations.
2/ In addition to appropriation.
3/ The Administration proposed funding for this account under the name "Rural performance partnership program".

(By unanimous consent, Mr. ARMEY was allowed to speak out of order.)

LEGISLATIVE PROGRAM

Mr. ARMEY. Mr. Chairman, it is our hope that we can complete this bill by 7 p.m. tonight, at which time we would intend to take up the budget. After the budget we would intend to take up the rule on the shipbuilding bill.

□ 1830

It is our hope and our belief that we could, under those circumstances, complete our work on shipbuilding and DOD tomorrow and avoid the need for us to be here in session on Friday.

In consideration of these opportunities that would make themselves available in the schedule, I am going to be asking the managers of the bill and those who have amendments to offer, if it would be possible, perhaps, for them to work out a time agreement to complete any consideration of amendments on this bill and move us to final passage by 7 o'clock.

Obviously, it is within their prerogatives to work out such an arrangement, but I would encourage them to do so. I would like to remind the Chairman and Members that I do have, under the rule, the option to rise and report. I would, of course, prefer not to exercise that option and, for that reason, would, to the maximum of my ability, encourage the bill managers and perhaps those with amendments, if at all possible, if they could work out this time arrangement so we can complete work on this bill and move on to the rest of the schedule.

Mr. Chairman, I yield back to the gentleman from New Mexico to see if perhaps he might want to explore that opportunity.

Mr. SKEEN. Mr. Chairman, certainly we would be willing to do that, and I assure the leader that we would get it done.

Mr. Chairman, I ask unanimous consent that debate on all amendments close at 7 p.m. and that the time from this point on be equally divided.

The CHAIRMAN. Is there objection to the request of the gentleman from New Mexico?

Mr. VOLKMER. Mr. Chairman, reserving the right to object, I want to discuss that. That is a problem. We have an amendment that is ready to be offered that, to me, is more important than the tobacco amendment that took up over an hour and a half or 2 hours, or the previous amendment that took a long time, because it has to do with rural America.

My district is rural. Rural water and sewer is very important to my district. The amendment is to be able to restore some of the money that we need in rural water and sewer, and to say to that we are not going to even get to speak on it unless we do it in, say, a half-hour, means 15 minutes on each side. There are any number of Members who wanted to speak on it because it is important to their district and we are being told we cannot do that.

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

Mr. VOLKMER. Further reserving the right to object, I yield to the gentleman from New Mexico.

Mr. SKEEN. Mr. Chairman, we are not saying the gentleman cannot do something. What we are telling him is something he can do, and what he can do is this: We want to give the other side every opportunity. How many amendments is the gentleman talking about?

Mr. VOLKMER. One amendment that I know of at the present time.

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

Mr. VOLKMER. Under my reservation, I yield to the gentleman from Michigan.

Mr. BONIOR. Mr. Chairman, I thank my colleague for yielding to me. There is one amendment left from the distinguished gentleman from South Carolina, and all we ask is that we have assurances from the other side of the aisle that we have a proper amount of time to debate that amendment.

If I am wrong, I would ask my colleague from Wisconsin to correct me, but as I understand it, that is the only pending amendment that remains for the evening.

Mr. SKEEN. Mr. Chairman, if the gentleman will continue to yield, we are talking 30 minutes. Can we do it in 30 minutes?

Mr. BONIOR. We would prefer to have a half-hour on each side.

Mr. SKEEN. Let us go 40 minutes.

Mr. VOLKMER. Would the gentleman give us 30 minutes and you take 10? That is 40 minutes.

Mr. SKEEN. Mr. Chairman, this is not a hog swap.

Mr. VOLKMER. That is 40 minutes.

Mr. SKEEN. How about 45 minutes:

Mr. BONIOR. Why do we not split 45 minutes?

Mr. VOLKMER. Make it 46.

Mr. SKEEN. Forty-five equally divided.

Mr. VOLKMER. Make it 46, 23 on each side.

Mr. Chairman, I ask the gentleman to repeat his unanimous-consent request.

Mr. Chairman, I withdraw my reservation of objection.

Mr. SKEEN. Mr. Chairman, I ask unanimous consent that all debate on this bill and all amendments thereto occur within 45 minutes and that the time be equally divided.

The CHAIRMAN. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

Mr. SPRATT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I have an amendment at the desk, but I have decided not to ask for the amendment to be considered. Mr. Chairman, I withdraw the amendment.

The CHAIRMAN. Are there other amendments to the bill?

Mr. VOLKMER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I think that it would be worthwhile for some of the Members to know why many of us on this side of the aisle are not going to vote for this bill. I know that the gentleman from New Mexico, who I very strongly support in all the work that he has tried to do, is working under constraints not of his own making. It is the budget, which we are going to take up next, or sometime this evening, that is causing all the problems, but that budget cuts back severely on agriculture programs that will impact adversely, severely, on many rural districts, including my own.

We need more money in here for rural water and sewer, for economic development in the rural areas. That all is possible and would have been possible under the coalition or the blue dog budget. But, no, we had to do the Republican budget, and it makes these severe cuts in agriculture. It is not only in the rural water and sewer areas, but it is also in rural housing that is cut back.

I do not know why the Republican majority wants to devastate rural America, but it seems that they are bound and determined to do so.

If we look at another area of that budget, at the Medicare area, we will find what the cuts in Medicare and Medicaid will mean. In my district, in rural areas, we are going to have hospitals close. So I am going to have hospitals closing down. I will not be able to provide housing for many of my people, and I am going to continue to have communities that do not have adequate sewer systems, do not have any sewer system at the present time, cannot afford it on their own, and yet they do not want to provide the funds that would be necessary.

I had hoped that the gentleman from South Carolina [Mr. SPRATT] would have offered his amendment to restore $27 million; $27 million is vitally needed in this program but we do not have it.

I do not have any alternative, Mr. Chairman, but to vote in protest against this bill. I recognize that the gentleman from New Mexico and the gentleman from Illinois have done their best within the framework of what the budget of the Republican majority has given them, but I say to them that that is not enough.

I do not blame the gentleman from New Mexico, I blame his leadership, not only for coming down on agriculture, but later on education and other programs as well. I do not plan to vote on those types of things either.

Mr. Chairman, I think it is ill-conceived that they are trying to devastate rural America rather than helping it to grow, at the same time they say what they are doing is good for the country. I tell my colleagues this bill is not good for rural America. I believe that we have no alternative but to defeat the bill. I wish we could, but I know we will not be able to because we do not have the votes, the votes are

over there to do it, but I want the people to know, the people of this House to know, that the gentleman from Missouri, HAROLD VOLKMER, is not going to vote for a bill that devastates rural America.

Mr. POMEROY. Mr. Chairman, I rise today in reluctant opposition to the fiscal year 1997 Agricultural Appropriations Act. I would like to commend the Agriculture Appropriations Subcommittee chairman, Mr. SKEEN, for doing a tremendous job in balancing the many demands for funds in this bill with a severe reduction in discretionary authority. I am especially pleased with the attention given to projects and programs which benefit producers in North Dakota and the upper Great Plains. The support given to all aspects of agricultural research and the funding of conservation programs certainly represent significant achievements in this bill. Finally I am relieved the committee restored funding to the market transitions payments the Agriculture Appropriations Subcommittee had cut.

In the final analysis, however, I find that I cannot support final passage for a few reasons. The main reason is the severe and unwarranted modifications made to the sugar program. Language inserted in the appropriations bill would cap the price of raw sugar at 21 cents per pound, a cent lower than the current domestic market price. Mandating what amounts to a price control on sugar at a time when in all other industries we continually call for free and open markets makes no sense. This provision will actually increase the amount of foreign sugar imported into the United States. Why we would want to increase sugar imports at the expense of our domestic sugar producers defies comprehension.

During the farm bill debate Congress passed a 7-year sugar reform program that raised import levels, removed marketing allotments, and assigned penalties for forfeiture of sugar. These reforms withstood tough votes on both the House and Senate floor. Now, less than 2 months after passage of those reforms, the Appropriations Committee has—at least in the language before us—decided to abandon the reform and make further modifications to the sugar program. If this action represents the commitment of Congress to the 7-year farm bill I truly fear for the rest of the guarantees in that law. Modification of complex and critical programs such as the sugar program in the closed rooms of the Appropriations Committee represents a dangerous precedent that should not be upheld. This attack on the sugar producers and sugar industry workers in the United States must not stand.

Additionally, the elimination of $2 million in funding for the agricultural mediation program is particularly troublesome. In North Dakota the mediation program has helped hundreds of farmers work through difficult credit problems, usually allowing them to service their loans without resorting to bankruptcy. With this elimination of the mediation grants these producers will have nowhere else to turn. This highly successful program certainly deserves continuing funding.

Finally, the Appropriations Committee, in report language, instructed the Secretary of Agriculture on how to conduct signups for the Conservation Reserve Program. The Secretary currently is preparing regulations for the next signup for CRP. To specify in this bill what the rule will be for the next signup could throw the process into a tailspin.

For these reasons I must oppose this bill. Despite the many good things in this bill, I cannot support such a brazen attack on the hard-working sugarbeet farmers in North Dakota and the thousands of North Dakotans employed in the sugar industry, and I cannot support the elimination of the highly successful North Dakota Ag Mediation Program. I hope these problems and the CRP provisions can be corrected in the Senate and in conference so I can support the necessary funding of the Nation's No. 1 industry—agriculture.

Mr. GOSS. Mr. Chairman, I ask that this summary of the U.S. AID's Inspector General's report be included in the RECORD. This summary deals exclusively with the Public Law 480 program and details some of the title III failures as well as title II successes.

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT, OFFICE OF THE INSPECTOR GENERAL, JUNE 11, 1996, TO DARREN WILLCOX, FROM PAUL ARMSTRONG, ACTING AIG/A

REQUESTED EXAMPLES OF PL-480 AUDITS

As requested, I'm sending you some write-ups on recent PL-480 audits which were included in our most recent Semiannual Reports to the Congress. The audits are listed below:

Report No.	Date issued	Report title
5–286–94–014	8–10–95	Audit of USAID/India's Monitoring of the PL–480 Title II Program
3–650–95–18	9–8–95	Audit of REDSO/ESA's PL–480 Title II Program in Southern Sudan
1–521–95–008	6–23–95	Survey Report on Losses of PL–480 Title II Commodities in Haiti During the Political Transition Period September 15, 1994 to January 13, 1995
3–656–96–003	2–9–96	Audit of USAID/Mozambique's Management of PL–480 Title III Program.

I hope this information is helpful.

P.L. 480 TITLE III PROGRAM IN MOZAMBIQUE

In an effort to help alleviate poverty and liberalize commodity markets in Mozambique, the United States donated over 458,000 metric tons of commodities under the P.L. 480 Title III Program. These commodities (mostly grain), valued at $88 million, were donated to the Government of Mozambique between 1991 and 1994 on the condition that the commodities be used to generate local currency for the purpose of funding various governmental ministries, as well as supporting private voluntary organization activities.

An audit of this program found that USAID had established a system to monitor the receipt, storage, and sale of commodities as required by Agency policies and procedures; however, the following problems were reported: poor quality commodities, subsequently determined by USAID management to be ''unfit for human consumption,'' arrived in Mozambique, resulting in a loss of $8 million for purchase, transport and disposal costs; and pilferage of $1,376,378 worth of commodities occurred at Mozambique ports during the unloading of shipments—often in plain view of port security guards.

USAID in Mozambique had complained about the poor quality of commodities being received and the U.S. Ambassador had reported that the shipments had 1) a higher moisture content than allowed under regulations and 2) insect infestation so bad that the entire cargo and ship had to be fumigated several times. A response from USAID and the U.S. Department of Agriculture in Washington stated that the cause for this problem as the floods of the Mississippi watershed and suggested that the Mission upgrade its standard specifications for corn transports to Mozambique. The Mission did so and the quality of commodities has since improved. The audit made no recommendations in this area.

Regarding the commodity thefts, the audit recommended that USAID condition future shipments of P.L. 480 Title III commodities on improvements in port security, warehouse facilities, and operating procedures for the handling of bulk grain commodities in order to minimize the opportunity to future thefts. The Mission agreed and has suspended a shipment of 18,000 tons of corn (and all future shipments) until such improvements are made. The Mission is also requesting that the Government of Mozambique compensate the U.S. government for the loss.

The audit could not assess whether local currency generated from the sale of commodities was used for its intended purposes because the Mission had not assessed the reliability of the Mozambique government's accounting systems, nor had audits been performed on local currency expenditures. The Mission stated that a previously scheduled assessment had been postponed due to the signing of Mozambique's UN–brokered peace accord in 1992 and the first multi-party elections in October 1994. In addition, the Government of Mozambique's principal audit agency was considered incapable of conducting the audits. The OIG recommended that the Mission conduct an accountability assessment and financial audits as required. If the local audit agency cannot be relied upon, the independent public accounting firms or other alternative means should be pursued. USAID concurred with all the recommendations and initiated corrective actions. *(Audit Report No. 3–656–96–003)*

MONITORING OF THE P.L. 480 TITLE II PROGRAM IN INDIA

A recent audit of the Food for Peace Program in India showed that USAID/India has corrected problems previously identified by a prior audit, and has taken additional steps to improve the program. The Agricultural Trade Development Assistance Act of 1990, Public Law 480 (P.L. 480), is the statutory authority for the Food for Peace Program. During fiscal years 1993 and 1994, $135 million in food aid was delivered to 8.3 million poverty-stricken people in India. This food was mainly administered through two private voluntary organizations (PVOs)—Cooperative for Assistance and Relief Everywhere (CARE) and Catholic Relief Services (CRS).

The audit found that USAID/India generally ensured that the objective of the P.L. 480 Title II program was being achieved, losses were being reported, that claims were submitted on time, and claims were eventually being resolved. (A prior audit had found problems with one of the PVOs failing to report food losses or resolving claims). Finally, the Mission ensured that losses were held to reasonable levels, although improvements could be made in monitoring the ordering and allocating of food by one of the two PVOs.

The audit report recognized USAID/India's efforts to correct problem areas previously reported and the Mission's ongoing efforts to improve the P.L. 480 Program. One recommendation was made for USAID/India to improve its monitoring over the PVO's ordering and allocation of food. Mission officials generally concurred with the report's conclusions and the recommendation was closed upon report issuance. *(Audit Report No. 5–386–95–014)*

REDSO/ESA'S P.L. 480 TITLE II PROGRAM IN SOUTHERN SUDAN

USAID's Title II Emergency Relief program in Sudan is an ongoing effort to alleviate the suffering of the southern Sudanese people following the war between the Christian South and the Islamic government in

Khartoum. An audit of this program found that USAID made a significant impact in its effort through the delivery of large amounts of food aid to the needy. Considering the war conditions, the Regional Economic Development Support Office (REDSO/ESA) had been successful in minimizing the food losses, although some food diversions did occur. For instance, financial difficulties forced a small non-governmental organization (NGO) to withdraw from the relief effort, putting war victims of two displacement camps at risk of starvation. The OIG brought this matter to the attention of REDSO/ESA and food aid was immediately delivered to the camps. In another instance, inadequate transport funding by the Bureau for Humanitarian Response had forced another NGO to suspend food aid distribution, putting 150,000 war victims at risk of hunger. Again, REDSO promptly resumed the delivery of emergency supplies. Finally, the audit found inaccuracies in recipient population estimates. Without accurate estimates, excess food aid deliveries to areas with over-stated populations would lead to the diversion of food to military personnel or market profiteers, while a shortage to areas with under-stated populations would deny starving people.

The audit recommended that REDSO/ESA take steps to ensure the NGOs obtain reasonable population estimates, recover claims for losses of food aid commodities, and improve on the system for reporting and recovering losses. REDSO/ESA management concurred with the audit findings and promptly took action to close the recommendations. All recommendations had been closed upon report issuance. (Audit Report No. 3–650–95–018)

LOSSES OF PUBLIC LAW 480 TITLE II COMMODITIES IN HAITI

The OIG conducted an audit survey of alleged losses of Public Law (P.L.) 480 Title II commodities in Haiti. The survey included a review of the physical security environment and control structure of the feeding program and a partial assessment of whether USAID/Haiti can provide reasonable assurances that program commodities are adequately safeguarded and used for intended purposes. The survey was conducted between September 1994 and January 1995, when Haiti was in transition from a military to a civilian government.

The survey found that the P.L. 480 Title II food program incurred substantial commodity losses due to theft during the political transition period. Three Title II cooperating sponsors reported 2,732 metric tons of commodity losses valued at $1.1 million or 16 percent of the total commodities while reporting 14,259 metric tons of commodities distributed during the first quarter of fiscal year 1995.

Although civil unrest has subsided and general stability has returned to Haiti, the situation remains somewhat volatile and uncertain. The OIG believes that a normal P.L. 480 Title II control structure is not designed to function under the absence of civil authority and the type of civil instability that occurred; therefore, the report recommended that USAID/Haiti establish procedures for determining the extent and causes of commodity losses in order to formalize alternatives for providing additional security measures to prevent future losses. USAID/Haiti generally agreed with our report findings. (Audit Report No. 1–521–95–008)

Mr. EMERSON. Mr. Chairman, I rise in support of this appropriations bill, which provides funding for many of the important agricultural programs that have helped to make our Nation's farming industry strong. While the funding that is provided in this bill is reduced from last year for many programs, I am also supportive of the effort to reign in Federal spending and balance the Federal budget. I urge my colleagues to join with me in support of the tough fiscal decisions the Appropriations Committee has made.

Particularly important for Missouri agriculture is the inclusion of funding for soybean cyst nematode research. This funding supports research which is conducted at the University of Missouri's Delta Area Agricultural Research Center in Portageville. Last year, American soybean farmers lost hundreds of millions of dollar of farm income because of soybean yield losses. Fortunately, the Delta Center has made significant advances in order to help the many U.S. soybean farmers fighting this profit destroying cyst nematode.

I am also particularly supportive of the aspects of this bill which will facilitate a growing export market for agricultural goods. Without a doubt, world trade is the key to the future of American Agriculture. Within our borders, U.S. consumers enjoy an abundant supply of food at a price lower than nearly anywhere else on earth. Therefore, in order to expand, American agriculture must look to foreign populations and consumers that are anxious to obtain a higher quality and a wider variety of foodstuffs.

Agricultural exports are expected to grow rapidly in the near future in certain markets, especially in the Pacific Rim. However, in other markets that are developing less rapidly, assistance through PL–480, or Food for Peace, will pave the way to greater U.S. exports in the long term. I have a longstanding interest in food aid and have observed many examples of countries that successfully have made the transition from a concessional to a cash buyer. And, as we help these countries meet their basic food needs, we also help U.S. farmers who grow the commodities and those who process, bag, can, rail, and ship the food to developing countries.

Accordingly, I am especially supportive of the funding that H.R. 3603 provides for the Food for Peace program and urge my colleagues to vote in favor of this bill.

Mr. BARRETT of Nebraska. Mr. Chairman, I rise in support of this bill. But, while I do support this bill, due to the full committee's correction of a major flaw in the measure originally reported by the subcommittee, I'm still very concerned that agriculture, year after year, is asked to do more than its fair share to help balance the budget.

Balancing the budget must remain a priority, and I'm a strong supporter of balancing the budget. However, the bill before us reduces spending for USDA, FDA, and related agencies by 16 percent—over $10 billion!

Unfortunately, not only are the spending reductions in this bill excessive, the appropriations subcommittee on agriculture attempted to revisit many of the issues we debated and voted on during the farm bill debate. For example, the House has spoken on the sugar program, which I remind you is mandated to operate at no net cost to the Government, and on granting farmers true freedom to manage their land. I'm afraid some in this urban-dominated Congress do not understand the nature of farming or agriculture programs.

The Federal Agricultural Improvement and Reform Act of 1996, the FAIR Act, was the first real reform of Federal farm programs in 60 years, and the only entitlement reform bill to be signed into law during the 104th Congress. I'm proud to have joined with Agriculture Chairman Roberts in this historic legislation that transitions farmers from dependence on Government subsidies to independent planting and marketing decisions. Enactment of the FAIR Act was a great accomplishment for this Congress, and the final vote reflected true bipartisan support.

However, it's time to move on. With the farm bill signed into law and with the passage of the fiscal year 1997 agriculture appropriations bill, I believe we must rebuild the partnership of all rural districts in support of agriculture—the largest single sector of the economy. I look forward to working with my colleagues as this Congress comes to an end and into the future to raise the voice of rural America.

The appropriations subcommittee on agriculture was put in a difficult position with its low budget allocation. I respect your work and thank you for making the best of a bad situation.

I urge my colleagues to support this bill.

Mr. FAZIO of California. Mr. Chairman, I rise in support of H.R. 3603, the Agriculture Appropriations bill for fiscal year 1997.

First, I need to thank my chairman, JOE SKEEN, and the ranking Democrat, DICK DURBIN, for their assistance during the last few weeks. I only recently became a member of this subcommittee, although it is one I have admired for many years. My admiration stems from the bipartisanship traditionally displayed by this subcommittee, and exemplified by the Skeen-Durbin team, and it is truly a model for the House, so I am proud to join the subcommittee's ranks.

H.R. 3603 is not a perfect bill. In fact, our bill continues an alarming trend in providing the absolute minimum resources to USDA to accomplish their important missions in the areas of agriculture research, animal and plant inspection, food safety and inspection, conservation programs, and rural housing and development.

The Agriculture Appropriations Subcommittee is a victim of our budget-balancing efforts, which, of course, we all support. But the implications of our balanced budget efforts have manifested themselves in several disagreeable ways:

First, we had perhaps an unnecessary confrontation with our brethren on the Agriculture Committee when our subcommittee acted in a manner which I thought appropriate under the circumstances, to ask farmers to share some of the burden demanded by our budget allocation—which was nearly $1 billion below last year.

Second, our budget allocation has been changed at least twice—the first in response to complaints abut our action which cut just 1.5 percent from the farm transition payments, and second, the result of a scoring problem pointed out by the Congressional Budget Office.

But these problems point to the overall difficulty with the Republican budget resolution, and the inadequate domestic budget allocations, and the real impact it has on our agriculture programs and other important functions of Government.

Despite some of these reservations, I support the bill and I think JOE SKEEN and DICK DURBIN have done a good job under demanding circumstances.

I have particular praise for several items of importance to California agriculture and to my district.

First, funds have been included for buildings and facilities construction within the Cooperative State Research Service, including funds for an important integrated pest management research facility at the University of California at Davis.

A new pest is introduced into California every 60 days, and it is imperative that we have the up-to-date facilities to develop effective methods to deal with them. This facility will support and accelerate research needed for environmentally compatible pest management strategies.

These institutions—such as the University of California at Davis—are required to provide a specific and verifiable cost-share. So this program represents a real commitment by State governments and the Federal Government to developing the successful agriculture strategies of the future.

Second, the bill provides funds mandated by the Agriculture Committee for the Market Access Program [MAP].

I anticipate that this program will come under attack again this year by an amendment seeking to eliminate it.

But there is probably no more important tool for export promotion than MAP. In California, where specialty crop agriculture is the rule, export promotion is extremely important.

Agriculture exports, projected to exceed $50 billion again this year—up from $43.5 billion fiscal year 1994—are vital to the United States.

Agriculture exports strengthen farm income.

Agriculture exports provide jobs for nearly a million Americans.

Agriculture exports generate nearly $100 billion in related economic activity.

Agriculture exports produce a positive trade balance of nearly $20 billion.

If U.S. agriculture is to remain competitive under GATT, we must have policies and programs that allow us to remain competitive with our competitors abroad.

GATT did not eliminate export subsidies, it only reduced them.

The European Union spent, over the last 5 years, an average of $10.6 billion in annual export susidies—the United States spent less than $2 billion.

The EU spends more on wine exports—$89 million—than the U.S. currently spends for almost all commodities under the Market Promotion Program.

MAP is critical to U.S. agriculture's ability to develop, maintain and expand export market in the new post-GATT environment, and MAP is a proven success.

In California, MAP has been tremendously successful in helping promote exports of California citrus, raisins, walnuts, almonds, peaches, and other specialty crops.

We have to remember that an increase in agriculture exports means jobs: a 10 percent increase in agricultural exports creates over 13,000 new jobs in agriculture and related industries like manufacturing, processing, marketing, and distribution.

For every $1 we invest in MAP, we reap a $16 return in additional agriculture exports. In short, the Market Promotion Program is a program that performs for American taxpayers.

Third, the committee has continued to provide the greatest possible funding for research in two main forms: through the agricultural research stations of the Agricultural Research Service, and through the special grants and competitive grants in the Cooperative State Research Education and Extension Service.

I am concerned that formula funding for our land-grant colleges and universities has been affected by our low budget allocation—requiring about a three-percent reduction from last year's levels. All of us who represent land-grant institutions know that State governments are having the same difficulties as the Federal Government in providing the resources these institutions deserve.

Our future success in agriculture, especially market-oriented agriculture as envisioned by the Farm Bill enacted just a few months ago, will require an on-going commitment to research if we are to maintain the U.S. lead.

Nevertheless, the committee has done a good job in keeping those resources as generous as possible under the circumstances. And I'm especially pleased that the committee was able to provide an increase for research into alternatives to methyl bromide and has initiated a special research grant to develop alternatives to rice-straw burning.

In summary, this is not a perfect bill, but it is a fair bill given the many needs and many issues within the committee's jurisdiction. I commend Chairman JOE SKEEN and ranking member DICK DURBIN for their efforts in support of American agriculture, and I urge my colleagues to support H.R. 3603, the Agriculture Appropriations bill for fiscal year 1997.

The CHAIRMAN. If there are no other amendments, under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. DREIER) having assumed the chair, Mr. GOODLATTE, 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. 3603) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1997, and for other purposes, pursuant to House Resolution 451, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

Pursuant to clause 7 of rule XV, the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 351, nays 74, not voting 9, as follows:

[Roll No. 234]

YEAS—351

Ackerman
Allard
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blumenauer
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Brownback
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Camp
Campbell
Canady
Cardin
Castle
Chambliss
Chapman
Christensen
Chrysler
Clayton
Clement
Clinger
Clyburn
Coble
Coburn
Coleman
Collins (GA)
Collins (MI)
Combest
Condit
Costello
Cox
Cramer
Crane
Cremeans
Cubin
Cummings
Cunningham
Danner
Davis
de la Garza
Deal
DeLauro
DeLay
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Ehrlich
Emerson
English
Ensign
Evans
Everett
Ewing
Farr
Fawell
Fazio
Fields (LA)
Fields (TX)
Filner
Flake
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Frisa
Frost
Funderburk
Furse
Gallegly
Ganske
Gejdenson
Gekas
Geren
Gilchrest
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Greene (UT)
Greenwood
Gunderson
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hilliard
Hinchey
Hobson
Hoekstra
Holden
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Lantos
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
Longley
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Martinez
Mascara
Matsui
McCarthy
McCollum
McCrery
McHale
McHugh
McInnis
McIntosh
McKeon
McKinney
McNulty
Meek
Metcalf
Meyers
Mica
Millender-McDonald
Miller (FL)
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Morella
Murtha
Myers
Myrick
Nadler
Neal
Nethercutt
Ney
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (VA)
Pelosi
Peterson (FL)
Pickett
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Ramstad
Rangel
Reed
Regula
Richardson
Riggs
Rivers
Roemer
Rogers
Ros-Lehtinen
Rose
Roth
Sabo
Salmon
Sanford
Sawyer
Saxton
Schaefer
Schiff
Schumer
Scott
Seastrand
Shadegg
Shaw
Shays
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon

Souder
Spence
Spratt
Stearns
Stenholm
Stokes
Stump
Stupak
Talent
Tanner
Tate
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thornton
Thurman
Tiahrt
Torres
Towns
Traficant
Upton
Vento
Visclosky
Vucanovich
Walker
Walsh
Wamp
Ward
Watt (NC)
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Williams
Wise
Wolf
Woolsey
Wynn
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—74

Abercrombie
Andrews
Barrett (WI)
Becerra
Beilenson
Berman
Blute
Chabot
Chenoweth
Clay
Collins (IL)
Conyers
Cooley
Coyne
Crapo
DeFazio
Dellums
Doggett
Engel
Eshoo
Fattah
Foglietta
Ford
Frank (MA)
Franks (NJ)
Gephardt
Gibbons
Green (TX)
Hancock
Hoke
Jacobs
Johnson (SD)
Johnston
Kleczka
LoBiondo
Lofgren
Markey
Martini
McDermott
Meehan
Menendez
Miller (CA)
Minge
Mink
Moran
Neumann
Owens
Payne (NJ)
Peterson (MN)
Petri
Pombo
Pomeroy
Roberts
Rohrabacher
Roybal-Allard
Royce
Rush
Sanders
Scarborough
Schroeder
Sensenbrenner
Serrano
Stark
Stockman
Studds
Tauzin
Taylor (MS)
Torkildsen
Torricelli
Velazquez
Volkmer
Waters
Waxman
Yates

NOT VOTING—9

Calvert
Frelinghuysen
Gillmor
Hayes
Horn
Lincoln
McDade
Roukema
Wilson

□ 1901

Messrs. COOLEY of Oregon, MINGE, and FATTAH changed their vote from ''yea'' to ''nay.''

Mr. BONILLA changed his vote from ''nay'' to ''yea.''

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. HORN. Mr. Speaker, on rollcall No. 234, I was unavoidably detained on official business and unable to vote for the agricultural appropriations bill. Had I been present, I would have voted ''aye.''

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 3610, DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, FISCAL YEAR 1997

Mr. SOLOMON, from the Committee on Rules, submitted a privileged report (Rept. No. 104–619) on the resolution (H. Res. 453) providing for consideration of the bill (H.R. 3610) making appropriations for the Department of Defense for the fiscal year ending September 30, 1997, and for other purposes, which was referred to the House Calendar and ordered to be printed.

AUTHORIZING RUNNING OF 1996 SUMMER OLYMPIC TORCH RELAY THROUGH CAPITOL GROUNDS

Mr. GILCHREST. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the concurrent resolution (H. Con. Res. 172) authorizing the 1996 Summer Olympic Torch Relay to be run through the Capitol Grounds, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the concurrent resolution.

The Clerk read the Senate amendment, as follows:

Senate amendment:

Page 2, line 8, strike out all after ''Grounds'' down to and including ''overnight,'' in line 9.

The SPEAKER (Mr. DREIER). Is there objection to the request of the gentleman from Maryland?

Mr. OBERSTAR. Mr. Speaker, reserving the right to object, I do so for the purpose of asking the gentleman for an explanation of the proceeding.

I yield to the gentleman from Maryland [Mr. GILCHREST].

Mr. GILCHREST. Mr. Speaker, we would like to expedite this bill. There is only a minor change between what we did in the House and what they did in the Senate. The torch is going to move on. It will not spend the night here so the Senate bill did not reflect the House bill in that way. So we would like to expedite the process and agree with the Senate version of the bill.

Mr. OBERSTAR. Mr. Speaker, I have no objection to the changes in the legislation.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Ms. JACKSON-LEE of Texas. Mr. Speaker, during rollcall vote No. 211 on H.R. 3540, the foreign operations appropriations bill, I was absent due to the death of my father.

Had I been present, I would have voted ''no.''

Mr. Speaker, during rollcall vote No. 212 on H.R. 3540, the foreign operations appropriations bill, I was absent, due to the death of my father. Had I been present, I would have voted ''no.''

Mr. Speaker, during rollcall vote No. 214 on H.R. 3540, the foreign operations appropriations bill, due to the death of my father, I was absent. If I had been present, I would have voted ''yes.''

Mr. Speaker, during rollcall vote No. 216 on H.R. 3540, the foreign operations appropriations bill, due to the death of my father, I was absent. Had I been present, I would have voted ''yes''.

Mr. Speaker, during rollcall vote No. 217 on H.R. 3540, the foreign operations appropriations bill, I was absent due to the death of my father. Had I been present, I would have voted ''yes''.

Mr. Speaker, during rollcall vote No. 218 on H.R. 3540, the foreign operations appropriations bill, I was absent due to the death of my father. Had I been present, I would have voted ''no''.

Mr. Speaker, during rollcall vote No. 219 on H.R. 3562, I was absent due to the death of my father. Had I been present, I would have voted ''yes''.

CONFERENCE REPORT ON HOUSE CONCURRENT RESOLUTION 178, CONCURRENT RESOLUTION ON THE BUDGET, FISCAL YEAR 1997

Mr. DREIER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 450 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 450

Resolved, That upon adoption of this resolution it shall be in order to consider the conference report to accompany the concurrent resolution (H. Con. Res. 178) establishing the congressional budget for the United States Government for fiscal year 1997 and setting forth appropriate budgetary levels for fiscal years 1998, 1999, 2000, 2001, and 2002. All points of order against the conference report and against its consideration are waived. The conference report shall be considered as read. The conference report shall be debatable for one hour equally divided and controlled by the chairman and ranking minority member of the Committee on the Budget.

The SPEAKER pro tempore (Mr. EWING). The gentleman from California [Mr. DREIER] is recognized for 1 hour.

Mr. DREIER. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to my very good friend, the gentleman from South Boston, MA [Mr. MOAKLEY], pending which I yield myself such time as I may consume. All time yielded is for the purposes of debate only.

(Mr. DREIER asked and was given permission to revise and extend his remarks and to include extraneous material.)

Mr. DREIER. Mr. Speaker, this rule provides for consideration of the conference report on House Concurrent Resolution 178, the concurrent resolution on the budget for fiscal year 1997, which sets out a fiscally sound and responsible path to a balanced budget in 6 years. The rule waives all points of order against the conference report and its consideration. The rule provides that the conference report will be considered as read and provides 1 hour of general debate divided equally between the chairman and ranking minority member of the Committee on the Budget.

Mr. Speaker, one of the most important things we can do for future generations of Americans is balance the Federal budget. Big government liberals controlled Congress for decades

leaving two legacies that plague America's children. One is a welfare state that impoverishes millions, trapping them in lives of despair, dependent on ineffective bureaucratic institutions. The second is a $5 trillion Federal debt that drags down our private sector economy and forces scarce resources—scarce Federal resources—to be used to pay interest on debt rather than to solve problems.

Last year, Congress passed the first balanced budget in a generation. It was designed to address these critical problems. That balanced budget let the President meet his two major campaign promises from 1992, providing a middle class tax cut and ending welfare as we know it.

Finally, it is worth noting that the balanced budget saved Medicare from the bankruptcy that the Medicare trustees now foresee as being just 5 years away, just 5 years away.

Mr. Speaker, the President lobbied to kill the balanced budget amendment to the Constitution over in the Senate. President Clinton vetoed the balanced budget that was passed last year by this Congress. He vetoed the middle class tax cut. He vetoed the welfare reform plan twice. He vetoed legislation to protect Medicare. In the words of our dear friends at the Washington Post, he encouraged Medagogues to ''scare America's senior citizens for political gain.''

Now, Mr. Speaker, some might say it is unfair to claim that this veto pattern reflects the President's views on these issues. He claims to support a balanced budget. At least two of the eight Clinton budgets released at assorted times over the last year and a half were balanced, at least in a technical sense.

The President claims to support tax cuts and has announced a dozen or so ideas for tax cuts over the past 2 years, even some of them in the past 2 weeks, as we have all seen. Of course, the only tax bill that the President has actually implemented and signed is the largest tax increase in American history.

He says he wants to reform the welfare system. The President spoke at length recently in support of the Wisconsin welfare reform plan. Regrettably, the administration has failed to approve the implementation of even that same Wisconsin reform plan.

Mr. Speaker, if nothing else, this budget process is showing the American people who is serious about the issues of balanced budgets, tax cuts, and welfare reform. While the President down there at 1600 Pennsylvania Avenue talks, the Congress delivers serious, thoughtful, responsible proposals.

This budget conference report sets out a 6-year budget plan that results in a balanced budget by the year 2002. It accomplishes this in a responsible manner that results in lower deficits each year than those proposed by the President.

The President's version of a balanced budget is just the opposite. It is a budget fiction that proposes to dramatically increase spending for 5 years and then slash spending in the last year to balance the budget.

That proposal is a joke that mocks the efforts of those who are serious about addressing our chronic budget deficits to save the future of our children.

Recent testimony before the House and Senate Appropriations Committees on discretionary spending illustrates the budget games being played by the Clinton administration. In short, the administration budget proposes to increase spending for 1 year in areas such as veterans and space programs, putting off all the cuts to the following years. The administration's own representatives claim that these budget numbers are not serious, that the President only cares about the first year's spending proposal and that cuts in the coming years will be abandoned each year as the time comes. In this way, the budget is scored as reaching balance in 6 years, but the administration's own officials say it will never come to pass.

Clearly, the balanced budget proposal offered in the conference report on House Concurrent Resolution 178 is the only serious balanced budget offered to the American people. Of course, the American people deserve more from the Federal Government than a balanced budget. We must address the fact that American families now pay a higher percentage of their income in taxes, 34.2 percent, than at any time in American history. This balanced budget cuts the tax burden on American families by $122.4 billion.

This budget also solves the problem of the impending bankruptcy of Medicare which, as I said, the administration has indicated is just 5 years away. It does this by updating a Federal health care program largely unchanged since its creation over three decades ago. By bringing Medicare into the 21st century, America's seniors will be offered increased choices and the potential to add new areas of coverage.

□ 1915

Medicare spending grows by 6.2 percent per year, increasing spending per beneficiary from $5,200 in 1996 to $7,000 in 2002. By addressing this problem in a serious manner, rather than following the Washington status quo band-aid method, Medicare will be healthy for at least 10 years.

Mr. Speaker, it is a cliche to say Talk is cheap. The President has proven time and again that talking about balancing the budget, cutting taxes and reforming welfare is easy to do. However, he has also proven that getting the job done is very hard. He has had both Democrat and Republican Congresses to work with, and he has failed miserably with both. There is no other option.

On the other hand, the failure to match talk of balanced budgets with action is very expensive; it is very difficult. We are passing a massive debt burden on to the children of this country, and we are not preparing them to pay the bill. Mr. Speaker, I urge my colleagues to support this rule and to support the conference report so that we can move forward and proceed with the concrete actions needed to match words with deeds.

Mr. Speaker, I submit for the RECORD the following:

[The Budget Conference Report for Fiscal Year 1997, June 12, 1996]

MAKING LIFE BETTR FOR ALL AMERICANS

(Prepared by the House Budget Committee, John R. Kasich, Chairman)

BALANCES THE BUDGET BY 2002

Reverses the trend of heaping debt on our children and grandchildren.

Will save the average family $2,200 on the cost of a student loan, $900 on an auto loan, and $37,000 on the mortgage of a small home.

PROVIDES MUCH-NEEDED TAX RELIEF

Provides desperately needed tax relief for middle-income, working families with children, who are paying more in Federal, State, and local taxes than they spend on food, clothing, and shelter combined.

Puts an extra $1,000 in the hands of a family of four.

Helps improve the standard of living and savings rate for American families, who for years have seen their real incomes decline.

MAINTAINS A STRONG NATIONAL DEFENSE

Stabilizes national security while reversing the administration's damaging defense cuts.

Makes funds available for a cost-effective and reliable missile defense to protect the American people.

Provides funding for a 3-percent military pay raise, increased construction of family housing and child development centers for dependent children of the military, and full funding of readiness objectives.

EXPANDS VETERANS' BENEFITS

Provides $10.6 billion more than the President over 6 years to provide veterans' medical care, to conduct prosthetic research, to run the National Cemetery system.

Improves other services for veterans: raising disabled veterans' auto allowance; improving compensation for surviving spouses; extending back benefit payment limits; providing scholarships for college seniors; converting certain education benefits to the GI Bill; making permanent the Alternative Teacher Certification Program; and funding the Pro Bono Program; at the Court of Veterans Appeals.

PRESERVES AND IMPROVES MEDICARE

Ensures that hospital care will be available to seniors and disabled beneficiaries by saving the Medicare Hospital Insurance Trust Fund from imminent bankruptcy, extending its life for 10 years.

Increases Medicare spending per beneficiary from an $5,200 in 1996 to $7,000 in 2002, without raising deductibles or copayments.

Keeps the Medicare Part B premium at the current 25 percent of program costs.

Expands the health care options Medicare beneficiaries can choose from: remaining in traditional Medicare or choosing HMOs, point of service plans, provider service organization, medical savings accounts, and fee-for-service plans.

Opens the potential for new benefits, such as preventive services, prescriptions or eyeglasses.

IMPROVES EDUCATION

Protects loans for college, allowing growth in total volume from $26 billion this year to $37 billion in 2002.

Saves taxpayers money by capping the government-run direct lending program and achieving modest savings from lenders in the guaranteed lending program—but no student will be denied access to a loan because of this.

Protects education for disadvantaged students (Title I), Special Education, Head Start, Pell Grants, and Impact Aid.

Delivers more job training with fewer dollars by consolidating 70 separate programs.

ENHANCES LAW ENFORCEMENT

Increases the Violent Crime Reduction Trust Fund in 1997 by almost $600 million compared with this year.

Fully funds the Antiterrorism and Effective Death Penalty Act of 1996, giving the Federal Government significant new resources to fight domestic and international terrorism.

Protects the Nation's borders by supporting the Immigration in the National Interest Act.

PROTECTING OUR PARKS AND NATURAL RESOURCES

Provides additional funds each year to improve the National Parks.

Recommends safe drinking water and strong clean water programs.

Calls for Superfund reforms and provides funding to facilitate hazardous waste cleanup.

REFORMS WELFARE AND MEDICAID

Encourages States to move families off of welfare and into the workforce.

Provides $4.5 billion more than current law to assist persons on welfare in obtaining child care so they can enter the workforce.

Allows States to consolidate 12 separate child protection programs to better address the problem of child abuse and neglect.

Improves the collection of delinquent child support by establishing uniform State tracking procedures to find and crack down on deadbeat non-custodial parents.

Improves the system for establishing paternity in cases of out-of-wedlock birth to increase the likelihood that fathers of illegitimate children will contribute to their children's well-being.

Allows States to offer health insurance to millions uninsured people.

Eliminates Federal micromanagement of Medicaid.

Allows States greater flexibility to tailor health programs to their needs while protecting vulnerable populations.

Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank my colleague and my dear friend, the gentleman from California [Mr. DREIER], for yielding me the customary half hour.

Mr. Speaker, I am very sorry to see that, for the second year in a row, the Republicans in this Congress are proposing Medicare cuts to pay for tax breaks for the very rich.

Although these cuts are much better disguised this year than they were last year, they nevertheless are still there.

And, make no mistake about it: this $168 billion Medicare cut is to pay for at least $122 billion in tax breaks for the very rich, just like last year, and that is too bad, Mr. Speaker. It is too bad that, after this country responded to last year's bad ideas with a resounding ''No,'' my Republican colleagues are still determined to cut billions from Medicare to help pay for billions in tax breaks for the richest Americans.

Mr. Speaker, this was a terrible idea last year, and it is an even worse idea this year.

This Republican budget plan will cut Medicare by $1,100 per senior by the year 2002, all to pay for those same tax breaks for that same very rich group. Seniors will get fewer services for their money; doctors will be allowed to overcharge; low-income children could be denied health care; and many hospitals could close.

Mr. Speaker, I, and the rest of the country, want to ask my Republican colleagues to stop this horrible budget. It will have very bad consequences for the most needy Americans, especially children and senior citizens, and no tax cut for the rich, Mr. Speaker, is worth that price.

I would also like to ask my Republican colleagues to please talk to Speaker GINGRICH and ask him not to rob Medicare for seniors and pass out tax breaks again to that very elite group, the very richest Americans, particularly when working Americans earning less than $28,000 are going to see their taxes rise under this bill.

For all their talk of reversing the deficit, Mr. Speaker, my Republican colleagues have come up with a budget that will actually raise the deficit — now listen very closely—the budget that we have before us now will actually raise the deficit $40 billion over the next 2 years. This budget will reverse the remarkable progress that President Clinton has made in lowering the deficit from $290 billion to $130 billion.

Mr. Speaker, it is irresponsible, it is shortsighted.

And that is not all this bill does, Mr. Speaker. The Republican budget will limit student loans. Now please listen to this figure: forcing 700,000 students out of the student loan program this year alone. It will freeze Superfund cleanups, leaving dangerous toxic waste in our land and our water. And I am disappointed to see that my Republican colleagues are including that same poison pill of Medicare cuts they did in last year's budget. They are going down the exact same road that they did last year, a road that ended up in unprecedented Government shutdowns and unprecedented wastes of taxpayer money. In fact, my Republican colleagues have even added a section to the budget just in case they cannot get their work done. They would actually add $1.3 billion to the deficit in this budget to govern themselves in case they decide to shut down the Government again.

So make no mistake about it, Mr. Speaker. Any Member who votes for this conference report is voting to increase the deficit by $40 billion over the next 2 years.

Now I want to repeat that so nobody has any false ideas. Any Member who votes for this conference report is voting to increase the deficit by $40 billion over the next 2 years.

Mr. Speaker, I urge my colleagues to oppose this budget. We should protect our Medicare. We should protect our student loans. We should not raid them for tax cuts for the rich.

Mr. Speaker, I reserve the balance of my time.

Mr. DREIER. Mr. Speaker, I yield myself such time as I may consume.

Let me just say it is very interesting that the term ''rich'' has been used, and I understand that momentarily we will be getting a report on the number of times it was used, but I would like to say that in looking at this budget proposal there is nothing in here for a tax cut for the rich. We have the family tax credit, per child tax credit, $500 in here, and I do not know that that is a great big windfall for the rich. It is for the working American out there.

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

Mr. DREIER. I yield to the gentleman from Massachusetts.

Mr. MOAKLEY. Mr. Speaker, I just want to read from the record before the Committee on Rules. The gentleman from Massachusetts [Mr. SOLOMON] says:

> Any other questions of the witness?
>
> Mr. Linder (questioning): ''Will capital gains cuts come in next?''
>
> Mr. Kasich: ''It will be in the loophole-closing section.''

So do not say there is no tax break for the very rich in here.

Mr. DREIER. So it is completely paid for.

Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Glens Falls, NY [Mr. SOLOMON], chairman of the Committee on Rules.

Mr. SOLOMON. Mr. Speaker, I thank my colleague from Claremont, CA, and the vice chairman of our Committee on Rules, for his excellent opening statement, and I guess I should not be taken aback by the speech I have just heard by my good friend, the ranking democrat from Boston, MA [Mr. MOAKLEY], but, yes, he mentioned that we are helping the very rich, he says that six times, and he says we are cutting Medicare six times.

Mr. Speaker, I ask my colleagues, isn't that funny?, because the liberal New York Times says that is not so. The liberal Washington Post says that is not so. The liberal Los Angeles Times says that is not so. And editorials all across this country say that is not so and it is not.

Now I also want my colleagues to keep track of those that are going to get up and speak tonight on that side of the aisle accusing us Republicans of raising a deficit, because my good friend, Mr. MOAKLEY, appears on the list of the biggest spenders in the Congress, according to the National Taxpayers Union, and so will just about every other speaker that rises against our budget today. Keep that in mind, my colleagues.

Now, Mr. Speaker, let me begin by first commending the Committee on

the Budget and particularly its chairman, the gentleman from Ohio [Mr. KASICH], for making the very tough choices necessary to balance this budget. While this conference report does allow the deficit to go up from $145 billion this year to $153 billion next year, it does get us to a balanced budget by strictly adhering to the balanced budget glidepath that we adopted last year, and that is why I am such a strong supporter of this budget here today. This predicted increase follows the extraordinary work at cutting spending done by the Committee on Appropriations last year, over $30 billion, the largest single-year reduction in spending since World War II. Cutting that spending early on in this glidepath actually reduced the deficit for last year more than was originally predicted.

Nevertheless, I believe any increase this year can be further reduced by cutting more spending during the appropriation process. That is what we did last year after we adopted the budget, by passing our entitlement reforms and by producing a stronger economy as a result of our continued dedication to a balanced budget. The result of that dedication, Mr. Speaker, has already brought about a deficit that is the lowest percentage of the GDP since 1974. That is decades ago.

I would also note that the Committee on the Budget of the 104th Congress, under the leadership of the gentleman from Ohio [Mr. KASICH], has produced only budget resolutions with a glidepath to a balanced budget demonstrating their deep-rooted dedication to getting our fiscal house in order, and that is what this debate is all about today.

As we all know, this has not always been the case around here. In the past there have been efforts to reach a balanced budget by setting statutory deficit reduction levels, like the Gramm-Rudman statute in 1985, but the Democrat-controlled Congress proved unable to maintain the path to a balanced budget, and the quest for that goal was abandoned after just 2 years. This conference report before us today continues to press toward our balanced budget mark for the second consecutive year, and we will keep doing it for 5 more years in a row.

In March, the Congressional Budget Office projected that absent any substantive spending reform, the Federal budget will carry a deficit of $209 billion in the year 2002. However, under the budget blueprint before us today right here on this floor, in the year 2002 we will see the death of the deficit. In fact, this budget provides a $5 billion surplus in that year, and, as my colleagues know, I just can hardly wait for that to happen.

This budget also contrasts sharply with the Clinton administration's budget, which is being sold as leading to a balanced budget on this floor tonight. As we all know, the President's budget, when added up by the nonpartisan Congressional Budget Office, still falls short of that balanced budget. In fact, it leaves the budget $81 billion in deficit 7 years down the road.

So what did we gain after all this over 7 years? Nothing. A balanced budget is achieved only after adding in the President's contingency proposals, which call for $67 billion in unspecified spending cuts, and, my colleagues, that is a copout because, if we do not specify, we know we are never going to get them down the road. It also provides for a sunset of his tax proposal so that he raises taxes once again in the years 2001 and 2002, well after he leaves office. His budget is going to raise out taxes even after he is gone.

We are not going to let that happen, my colleagues. In stark contrast, this budget resolution is backed up by a series of assumptions showing with great specificity how it is possible to implement these numbers in the resolution.

For example, and my colleagues all ought to listen to this back in their offices or wherever they are tonight, this budget resolution calls for tax relief of $122.4 billion centered around, and not for the very rich now, not that term my good friend Mr. MOAKLEY likes to use, but it is centered around a permanent $500 per child tax credit for middle-class American families. Is that for the very rich? It sure is not in my district. It has teeth by calling for comprehensive, yet responsible reform of the Nation's failed welfare system, and we are going to get that, my colleagues. We are going to drive that through this year, slowing the growth of the Federal welfare spending by $53 billion.

I mean that is what we have been attempting to do here for the last 2 years. Tonight we are going to get it done.

□ 1930

Also with Medicaid for the poor, spending is growing at the unsustainable rate of 9 percent a year. This budget slows that growth of Medicaid spending by $72 billion over the next 7 years by allowing it to go from $96 billion in 1996 to $140 billion in 2002.

Mr. Speaker, this budget also ensures the provisions of quality medical care for senior citizens of this country by, listen to this now, because this is what the New York Times, the Washington Post, and all the editorials across the country say; not cutting Medicare, but by increasing Medicare spending per beneficiary from $5,200 in 1996 to over $7,000 in the year 2002. It preserves Medicare from its pending bankruptcy. That is what the media out there and what the American people are asking us to do, to preserve Medicare. This budget does it.

Furthermore, Mr. Speaker, this budget reflects Congress' emphasis on national priorities such as strengthening our national defense, enhancing veterans' benefits and medical care, boosting law enforcement and crime prevention, improving the quality of education, and preserving student loans, preserving it so we do not fund it by deficit spending, protecting the environment and the Nation's parks, advancing basic research to create new knowledge, and transitioning agriculture to a market-oriented system, something that has been long overdue; and we do it in this budget.

Finally, Mr. Speaker, I just feel compelled to answer the question, why are Republicans seeking to balance the budget and provide tax relief for middle-class Americans; why, why, why, are we doing this? Contrary to the claims of the Democrats, it is not because we oppose popular Government programs, not because we seek to pay off influential political friends, or not because we lack any compassion or care for those less fortunate. In fact, it is precisely because we are compassionate and because we favor increased economic opportunity and mobility for all Americans that we are doing this.

We firmly believe slowing the growth of spending, lowering taxes, increasing family responsibility and transferring portions of Government from Washington to the State capitals and local governments will create a better society for all. That is what we believe in.

To further demonstrate how the Republican vision provides this positive change, just consider some of the benefits of balancing the budget, as determined by not us, not the Republicans, but by the Federal Reserve and the Congressional Budget Office and the Joint Economic Committee. Listen to what they say. The Republican balanced budget, and the American people ought to listen to this, because sometimes we wonder what will a balanced budget do for the average American family, first of all, it lowers long-term interest rates by at least 2 percent on mortgages, auto loans, school loans, and credit cards. Think about that, Mr. and Mrs. America. It allows the private sector to create 4.25 million new jobs over 10 years. That is really what we ought to be about here in this Congress is helping the private sector create new jobs.

It increases per capita income by 16.1 percent. What American family cannot use that? It adds $235 billion more revenue to the Federal Government and $232 billion more revenue to State and local governments, both without raising taxes. That is the way Government ought to function, not raising taxes.

It adds an additional $32.1 billion in real disposable income to put in the pockets of the American people. It adds an additional $66.2 billion in consumer spending. That creates jobs by creating this spending. It adds an additional $88.2 billion in capital investment, so badly needed, especially by small business, which creates 75 percent of all the new jobs in America every year. It provides the average family with $2,300 economic bonus. It raises real incomes of American families by 10 percent due to permanent balanced budgets. It frees up crowded-out capital for private investment and job creation. It strengthens the American dollar. It accelerates long-term economic growth.

This is not me saying this, this is the Federal Reserve and the Congressional Budget Office saying this. It lowers inflation and unemployment. That is what we are all about. It increases productivity and exports of American goods. It strengthens financial markets, both stocks and bonds. It frees up our annual $200 billion in interest payments for other priority items in the budget, for those people that truly need help, because we are reducing that annual deficit dollar that we have to pay every year.

It expands the Federal tax base, thereby increasing Government revenues. It prevents future tax increases to finance a growing Government, because we are shrinking that Government and returning it back to the States. It strengthens U.S. credibility in international markets. It ensures the long-term ability of governments to be compassionate. It turns America around and stops our fiscal decline.

Mr. Speaker, let me just conclude by saying this budget restores the moral responsibility on fiscal issues. It saves our children and grandchildren from bankruptcy, and it strengthens the American family by preserving their future. Mr. Speaker, these benefits are not economic statistics or intellectual theories, they are basic kitchen table benefits for every American family in this country.

I commend my Republican colleagues for their resilience and dedication to their core principles, and the chairman, the gentleman from Ohio [Mr. KASICH], for his leadership, and for putting wheels onto the efforts to fulfill this vision that I have just outlined for America.

Mr. Speaker, every Member of this Congress ought to come over here and vote for this rule and vote for this bill. It is the right thing to do for our children and grandchildren. Please come over here and support it.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. OBEY], the ranking member of the Committee on Appropriations.

Mr. OBEY. Mr. Speaker, I simply want to note that one of the previous speakers mentioned the House passage of the Wisconsin welfare reform proposal last week. As Members know, what happened last week is the House passed the waiver request sent in by the State of Wisconsin, eliminating the 30-day public comment period.

The Milwaukee Journal carried a story yesterday that hidden in those waiver requests were provisions that allowed employers to scale back employment for regular workers, to cut their hours, to cut their benefits, to interfere with their scheduled promotions in order to hire welfare recipients. The main Wisconsin bureaucrat who was supposed to be in charge of administering the program said in the Milwaukee Journal, ''Gee, we had no idea why that provision is there.'' The main legislative sponsor in the proposal in the State assembly was quoted as saying that he did not know that that was in the waiver request until he read it for the first time over the weekend.

Today, Wisconsin announced that it was a big mistake and that they were going to have to change their waiver request. What this means is that the proposal which the House voted to bless just a week ago tells workers that we do not like the fact that welfare workers are going to be unnecessarily gobbling their tax dollars, but instead we are going to allow them to unnecessarily gobble their jobs. I do not think those workers are going to be very pleased about that.

I think what happened last week, in fact, showed the wisdom of those in the House who supported the substitute that we proposed, which asked to maintain the regular waiver process, and which allowed the public to continue to be able to comment for 30 days so just that kind of problem could be avoided.

Mr. Speaker, I would point out it was not any Wisconsin politician who discovered the problem, it was a member of the general public, a member of the press. So much for rubberstamping what we get sent by legislators these days.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey [Mr. PALLONE].

Mr. PALLONE. Mr. Speaker, I rise to oppose the rule. Once again, the Republican leadership is determined to make unnecessary cuts in the Medicare Program in the name of tax breaks for the wealthy. Incredibly, this Republican budget actually increases the deficit while making major changes in the Medicare and Medicaid Programs that will ultimately destroy their effectiveness. If there is any doubt about that, I would mention that one of my colleagues from the other side, the gentleman from Wisconsin [Mr. NEUMANN], actually passed out a Dear Colleague yesterday where he asked the Members, his colleagues, not to vote for the budget resolution, the conference report, because it increases the deficit from $145 billion in fiscal 1996 to $153 billion in fiscal 1997.

Mr. Speaker, I cannot support a budget that cuts Medicare and blatantly raises the deficit after so much progress has been made. We have been through 4 years now where the deficit has steadily been going down. Yet, at the same time now, our Republican colleagues are saying to us that is OK, we are going to raise it again for another year or possibly beyond, but at the same time we are going to make these drastic cuts in Medicare and Medicaid that primarily pay for tax breaks for the wealthy.

Mr. Speaker, let there be no doubt about it, these cuts go into a slush fund that will be used for tax breaks for the wealthy.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from West Virginia [Mr. WISE].

Mr. WISE. Mr. Speaker, I rise in opposition to this budget proposal. First of all, I am not voting for a budget proposal that actually raises the deficit in the first 2 years, meaning that we are going to have to borrow more and put it on the national debt in order to pay for it over time.

Second, I am not voting for a proposal that cuts Medicare and Medicaid far more than is necessary, presumably to pay for tax cuts, and some of those tax cuts, if not many, are going to end up in the pockets of the wealthiest. In West Virginia we did an analysis. Three hundred twenty-five thousand senior citizens could see their Medicare premiums or other costs, out of pocket, increased somewhere between $800 and $1,000 by the year 2002. Three hundred sixty thousand West Virginians are on Medicaid, of which one-quarter of our children depend upon Medicaid, yet this program is being cut far more than is necessary, probably in order to pay for tax cuts for the wealthiest. The Tri-County Health Clinic in Rock Cave, WV, I think said it well, its administrator, when he said, ''This means a reduction in uncompensated care, a reduction in services and increased charges, a reduction in the community services.'' This is not a good budget.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentlewoman from Texas [Ms. JACKSON-LEE].

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, this is a sad time to come to the floor of the House, primarily because I would like to say that we have done better than we did last year. Maybe we will entertain the opportunity for not closing the Government down, but it is like a second place finish; better than a third place finish, but not good enough.

This bill increases the deficit, this budget. It likewise says to seniors, the heck with you on being able to stay with your physician. The heck with you in terms of the Medicare costs that are increasing, for we are not going to provide you with the resources for good health care.

As millions of Americans are trying to educate their children, we begin to cut Medicaid so those families who need nursing home care for their parents have no help. Likewise, we say to throngs of children and pregnant women that ''Your health care is not at the cornerstone of our concerns.''

Then what the Republicans do is something quite interesting. It is called magic. They have a big pool of money that is unnamed, called tax breaks for the rich, the crown jewel of the contract, hidden and unseen. That is what the budget resolution is all about. I would ask my colleagues to vote it down.

Mr. Speaker, the conference report that we have before us is a lot like a second place finish in a race—it's better than third place finish of the House-passed bill, but its not good

enough. There is indeed more money in this conference report than the bill passed out of this body, but there are budget reductions and policy changes which I not only find objectionable but horrible. Seemingly in almost all areas, but especially the entitlement programs, this budget resolution directs policy changes which I can only believe will cause much greater harm to those it is supposed to help.

While Medicare is no longer slashed by $270 billion as it was last year, the CBO has projected that under the current Republican plan, not enough money is spent to maintain the current level of benefits. As common sense will tell any of us, that means this Nation's seniors will be shortchanged, and less care given. And while part B premiums will stay at 25 percent, this legislation will allow providers to engage in balance billing—the charging of seniors above what Medicare will pay.

Under these Medicaid provisions, the Federal Government will abdicate its responsibility, and millions of low-income children, pregnant women, disabled people and senior citizens will be denied access to the basic health care which we all take for granted. States will be allowed to reduce their maintenance of effort requirements and define who they consider to be ''disabled.''

May I remind my colleagues, that it is Medicaid which helps millions of American families pay for the nursing home care that their parents need. Without that help from this Government, those families will be saddled with these additional costs, just as they are trying to cope with the price of college education for their children, increased uncertainty about their jobs and ever increasing burdens that American families will face at the turn of the century.

VETERANS

And Mr. Speaker, may I say woe to our distinguished and honorable veterans, for this conference report provides small increases to several veterans' programs, including the Montgomery GI bill education benefits, the alternative teacher certification program, the pro bono legal program at the Court of Veterans Appeals, surviving spouse compensation, and the auto allowance for severely disabled veterans. But overall, it reduces veterans' programs by $5.3 billion over the next 6 years.

WELFARE

The most harmful provision of this bill is its welfare provision. This package will effectively eliminate the Federal guarantee of assistance for poor children in this country for the first time in 60 years.

The Republican budget folds 20 separate child protection programs into two block grants at a time when GAO and others report that current resources are failing to keep pace with the needs of a national child protection system in crisis. Under this plan, funds could be inadequate to respond to rapidly increasing reports of abuse and neglect, and insufficient to protect abused children and find them safe, loving and permanent homes. The plan potentially guts accountability for State child protection systems, over 20 of which are operating under court mandates for failing to provide adequate service to abused and neglected children.

Once again, the Republican majority has produced a budget that fails to provide adequate resources for work programs and child care which are critical to effectuate a transition from welfare to work. The Republican plan significantly increases the need for child care while reducing the resources for child care services as well as the funds available to States to improve the quality of care.

Mandatory welfare-to-work programs can get people off welfare and into jobs, but only if the program is well designed and is given the resources to be successful. The GOP plan is punitive and wrong-headed. It will not put people to work, it will put them on the street. Any restructuring of the welfare system must move people away from dependency and toward self-sufficiency. Facilitating the transition off welfare requires job training, guaranteed child care and health insurance at an affordable price.

Even though this resolution presents us with a balanced budget, it is the wrong balance of needs and responsibilities. I urge rejection of this Republican vision of America and ask my colleagues to reconsider our priorities and our future.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Maryland [Mr. WYNN].

(Mr. WYNN asked and was given permission to revise and extend his remarks.)

Mr. WYNN. Mr. Speaker, I thank the ranking member for yielding time to me.

Mr. Speaker, we have just heard described a pie-in-the-sky budget that can do just about everything but leap tall buildings. The fact remains, Mr. Speaker, that the budget they are presenting increases the deficit. The people who claim to be deficit hawks, the people who claim to want to reduce the deficit and balance the budget, are in fact presenting us with a budget today which will increase the deficit by $40 billion in the course of the next 2 years. What they have done is front-loaded this budget with tax breaks for the wealthy. Those front-loaded tax breaks will kick in, and that will cause us to increase the deficit, also causing us to make deep cuts in Medicare.

Yes, Mr. Speaker, this budget contains cuts in Medicare far deeper than the President's budget and far deeper than the coalition budget, which 40 newspapers said is the only true budget. With these deep cuts in Medicare, seniors will experience a loss of choice of their doctors. Seniors will experience higher out-of-pocket costs. Seniors will experience a reduction in the quality of their medical care. They will also lose the benefits of Medicaid and the protection for nursing home care.

Mr. Speaker, this is a bad budget, a pie-in-the-sky budget that increases the deficit.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentlewoman from North Carolina [Mrs. CLAYTON].

Mrs. CLAYTON. Mr. Speaker, I rise in opposition to this rule and in opposition to this budget.

Mr. Speaker, this budget, though the numbers may be a little better, actually the results are the same. It is more of the same all over again. In spite of the Republicans saying that they got it, that Medicare was a concern and they are trying to save it, I will have Members know that if the Medicare cuts persist, rural hospitals where I am from will more than likely go out of business, because over half of their revenues now are dependent on Medicare; so indeed, pushing this budget will see the demise of rural hospitals, where health care is already in a deficit.

□ 1945

In addition, Medicare is bad but Medicaid is even worse because we depend more on Medicaid for care for women and children. Three out of every five children in rural areas depend on Medicaid.

Moving toward this budget means that you deny poor children and mothers an opportunity to have health care. This is the wrong budget. In moves in the wrong direction. I urge defeat of the rule and also defeat of the budget.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania [Mr. KLINK].

Mr. KLINK. I thank the gentleman from yielding time.

Mr. Speaker, I am a little confused. I was listening to my colleagues on the other side talking about this budget and what it is going to do. We have just gone through 4 consecutive years of lowering the deficit. This began in 1993 with a very tough vote for some of us on this side of the aisle. Not one Republican voted for that budget back in 1993. In fact they stood up one after the other preaching doom and gloom, that the country was going to fall apart.

This is the first time since FDR and Harry Truman that we have had 4 straight years of deficit reduction. It was started by President Clinton. In fact, the budget today would be balanced if we were not paying the interest on the debt of 12 years of Reagan and Bush running up the debt, quadrupling the deficit in this country. If it were not for the interest on the Reagan and Bush debt, the budget indeed would be balanced.

Here come the Republicans. Not one vote did they give us in 1993, but they are telling us, ''If you allow us to increase the deficit next year, we'll balance the budget 6 years from now. If you allow us to increase the deficit the following year, we'll balance the budget.''

Mr. Speaker, I call this the wimpy budget: You will gladly pay us in 2002 if we give you a vote today.

Mr. MOAKLEY. Mr. Speaker, would the Chair inform my dear friend, Mr. DREIER, and myself how much time we have remaining?

The SPEAKER pro tempore (Mr. EWING). The gentleman from Massachusetts [Mr. MOAKLEY] has 17 minutes, and the gentleman from California [Mr. DREIER] has 9 minutes.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Kentucky [Mr. WARD].

Mr. WARD. I thank my friend from Massachusetts for the time to speak on this rule and to speak on the budget.

Mr. Speaker, after the Clinton administration has worked so hard to reduce the deficit by over 50 percent, this

budget actually raises the deficit a billion dollars. Instead of being fiscally responsible and reducing the deficit, the Republicans are cramming tax breaks into the first 3 years of their 6-year budget. The deep changes in the projected growth of Medicare will turn the balance against our seniors. Life will be different for our seniors when they must pay doctors and hospitals up to 40 percent of the cost of their medical procedure and when rural hospitals have to close because they rely on Federal funds.

I urge a ''no'' vote on this rule and a ''no'' vote on this budget.

Mr. DREIER. Mr. Speaker, I feel compelled to yield myself 10 seconds to respond to the statements of my dear friend from Kentucky and before that to the statements of my friend from Pennsylvania.

Mr. Speaker, the fact of the matter is that our colleagues on the other side of the aisle voted for budgets which increase, at an even higher level than this one, the deficits over the next 2 years. They are higher each of the next 2 years. We cannot forget that.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentlewoman from Colorado [Mrs. SCHROEDER].

Mrs. SCHROEDER. I thank the gentleman for yielding time.

Mr. Speaker, actually the fact of the matter is a lot of us on this side of the aisle, and none of us on that side of the aisle, voted to cut the deficit in half in the first year of the Clinton administration by putting a gas tax on.

One of the reasons we got into all this trouble is somebody decided then they would lift it. Everybody wants to lift taxes and not cut programs. But the bottom line here for, I think, Americans is to hear this body talking about how we have to have a constitutional amendment to balance the budget, we have to do all of that, but we cannot balance the budget here.

Here we are considering a deficit that is going to be higher than the one we have this year. How can we have a higher one next year than the one we have this year and then stand there and say it passes the straight-faced test, to stand around and look at people and say, ''We're really for balancing the budget.'' This does not work.

The real issue is not whether you are for amendment, it is whether you can get the deficit under control. I urge a ''no'' on this rule.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Texas, Mr. GENE GREEN.

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

Mr. GENE GREEN of Texas. Mr. Speaker, I rise and thank my colleague from Massachusetts for yielding me the 1 minute, and oppose the resolution, for many reasons, including the unnecessary deep cuts in the Medicare needs totaling $168 billion.

I also oppose the resolution because it increases the budget deficit by enacting fiscally irresponsible tax cuts costing $176 billion. After 3 years of progress on deficit reduction in which the President kept his promise in cutting the deficit in half, the Republicans now want to reverse the trend and add $23 billion to the deficit next year.

Three years ago Republican after Republican came to this well to talk about the sky would fall if we passed the President's economic plan in 1993. Since then the deficit has been cut in half and millions of jobs created. Instead of continuing the work that was started in 1993, the Republicans want to give tax cuts and raise the deficit.

Mr. Speaker, I think the Republicans should listen to the majority leader now in the Senate, TRENT LOTT, who said that one solution to the budget problem is to reduce the tax cut. I would hope that we would remember that the budget is so important. We need to make sure we prioritize.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The membership should avoid references to Senators.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Missouri [Mr. VOLKMER].

(Mr. VOLKMER asked and was given permission to revise and extend his remarks.)

Mr. VOLKMER. Mr. Speaker, I wish to echo the words of those that we have heard from this side. I, too, rise in opposition to this budget which unnecessarily makes deep cuts in Medicare, in agricultural programs—we just went through that bill—and others.

I say unnecessarily because it is not necessary to make these cuts in order to balance the budget by 2002. We have proven that through the coalition budget. You do not have to have the big tax cuts. All you have to do is forget the big tax cuts and then you do not have to make those cuts. But on the other hand, I see where Speaker GINGRICH and the Republican radical right, they not only want to make cuts in Medicare and agriculture and other things, but they also still insist on giving the big tax cut to the wealthy.

I rise strongly in opposition to the budget.

Mr. DREIER. Mr. Speaker, I yield 4 minutes to my friend, the gentleman from Sanibel, FL [Mr. GOSS], chairman of the Subcommittee on Legislative and Budget Process.

(Mr. GOSS asked and was given permission to revise and extend his remarks.)

Mr. GOSS. I thank my distinguished colleague from greater metropolitan San Dimas, Claremont County, CA, for yielding me the time.

Mr. Speaker, I guess after listening to the commentary and the steady string and the balance of time, I am beginning to understand those polls that are coming out in the newspapers these days that show Americans trust Republicans a lot more to handle the budget and economic matters than they do others. I am not sure what the Boston Globe is showing but then again, they do not always get the word up there as I understand there is a lot of snow.

I think it is important to say, yes, we could have done a lot more, and we will. Yes, we could have gone a lot further in this budget resolution. But I am extremely proud of this budget resolution because it goes a very, very long way toward the goals that we have said we espouse. It shows that we will stick to our convictions and that we will stay on a glide path towards balancing the budget by 2002, even in the face of election-year politicking which is creeping into this conversation, and despite the very manifest intransigence from the White House and, some might say, from the President's party in the people's House.

The gentleman from Ohio [Mr. KASICH] and the members of this committee have demonstrated unending persistence, in my view, in presenting this budget. His hard work ensures that this Congress will keep faith with the American people, continuing on course for a balanced budget, something we started last year under the Contract With America and are moving forward in an orderly way.

Of course, we still hope the President will join us in this effort—it is not too late—taking the concrete action necessary to match his words of resolve that we hear so often and we fail to see the actions, as my good friend from California has pointed out.

Although President Clinton vetoed major components of our budget last year, we did make significant progress toward our goal of balance by our sheer staying power on this, enough so that this year we can still fulfill our promise that by 2002 we will no longer be adding annual deficits to the huge national debt we have and leave to our children and grandchildren and great grandchildren and their children.

This budget assumes the termination or privatization of 130 low-priority or unnecessary Federal programs, while outlining responsible reforms to preserve and strengthen Medicare. And, yes, I care about that because I am going to need it. I am getting close. And, yes, the people I represent are very interested in Medicare in my part of the world.

This is a crucial component needed to save that program from certain fiscal disaster, which is what will befall it if we stick with the status quo. In addition, this budget provides for revamping Medicaid and welfare to give greater flexibility and control to the States, shrinking the size and scope of the Federal bureaucracy so that people closer to home can implement programs to meet their unique needs. And this budget paves the way for tax relief for American families so that Americans can keep more of what they earn, a good idea.

Mr. Speaker, the rule providing for consideration of this budget is the

standard one for budget resolution conference reports and it deserves everybody's support. But while we are making progress—and we are making progress, I want to point out—just listen to our friends on the Democratic side of the aisle.

After 40 years of Democratic House rule and multi-trillions of tax dollars later, supporting even bigger bloated government, Republicans can report a major achievement to the American people. We now have the biggest spenders in the House publicly asking for lower deficits, and that is an achievement. We are proud that they have come around to that point of view. Now if we can just get them to ask for lower taxes, we will have indeed accomplished our mission.

I urge support of the rule.

Mr. MOAKLEY. Mr. Speaker, the gentleman has given a very trying speech, but the still has to admit that this budget package that he is pushing forward raises the deficit by $40 billion over the next 2 years after President Clinton has reduced it over the last 4 years.

Mr. Speaker, I yield 2 minutes to the gentlewoman from Connecticut [Ms. DELAURO].

Ms. DELAURO. Mr. Speaker, I rise today in strong opposition to the rule, and I do this on behalf of the millions of seniors across this great country of ours that will be hurt by this budget and its sweeping cuts to Medicare and Medicaid.

The stakes in this debate are high, very high, because Medicare and Medicaid have provided essential support to our seniors so that they may live in some dignity. Today 37 million seniors depend on Medicare, and we in the Congress have a solemn obligation to make sure that they can count on it. People who work hard and save for a lifetime should have the chance for a dignified, a secure, a safe and a decent retirement, and Medicare must be protected.

Think about the difference that Medicare has made in the lives of seniors. In 1959 only 46 percent of Americas seniors had any health insurance in this country. Today 99 percent are covered. In 1966 the poverty rate for seniors was almost 30 percent. Today fewer than 10 percent of our Nation's elderly live in poverty.

Despite these great achievements, Medicare and Medicaid are one more time on that chopping block. The budget conference report that we consider tonight proposes $168 billion in cuts in Medicare over the next 6 years.

These cuts are not to be used for the solvency of the Medicare trust fund or to contribute to the needed deficit reduction that we have been talking about. In fact, by their own admission, the Republicans have said that this budget resolution will increase the deficit. A number of their members have said that it will increase the deficit.

□ 2000

These cuts are to be used to finance tax breaks, including those that are skewed, to help the most privileged people in our society. This is plain wrong.

Mr. Speaker, I urge my colleagues to reject this rule and to reject these cuts. It truly is unacceptable for us as a society to sacrifice America's seniors' security and their standard of living.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. SCHUMER].

(Mr. SCHUMER asked and was given permission to revise and extend his remarks.)

Mr. SCHUMER. Mr. Speaker, I thank the gentleman from Massachusetts for yielding me this time.

Mr. Speaker, this budget has a lot of problems, and they probably almost all stem from the fact that our friends on the other side of the aisle have tried to do it alone. There is no element of bipartisanship here and, as a result, the budget gets skewed. A small wing at the right end of the party has to be placated and, therefore, the budget drifts away from what the American people want.

Let me tell my friends we speak from experience. We tried to do a budget in 1993 without any Republicans, and while we were able to pass it and squeak it through, it ended up being, most people I think would say, a mistake to not do it in a more bipartisan way.

And so I would say to my colleagues on this side of the aisle, rip it up, start over, reach out to the many of us on this side who have voted for a balanced budget, who believe we must balance the budget, and if we can do it in a bipartisan way, we can get a lasting document rather than a political one.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Utah [Mr. ORTON].

(Mr. ORTON asked and was given permission to revise and extend his remarks.)

Mr. ORTON. Mr. Speaker, I rise in opposition to this rule. A little over a year ago this battle was first joined as we began talking about cutting taxes, dramatically cutting taxes, even before we started locking in any sort of plan to balance the budget.

A promise was made at that time, because there were many people on both sides of the aisle who said the most critical thing to do is balance the budget, and the promise was made by the majority that we would not cut taxes unless, and until CBO certified that in fact we were obtaining a balanced budget; that we had everything locked in, all of the laws passed to get us to balance.

This budget plan not only increases the deficit by a net $27 billion over the next 3 years, but the very first part of three reconciliation bills that will be sent forward, which tag a $122 billion tax cut to the welfare and the Medicaid cut plan, according to the Republican numbers, will increase the deficit an additional $33 billion. That is $60 billion higher deficits through the first reconciliation plan. It is $30 billion over the baseline in the Republican budget. That is what CBO says.

And the Republican baseline budget actually increases in the first fiscal year, next year, from $130 to $153 billion; the year after that from $130 to $147 billion.

And so here we are, promises made, promises broken, is the actual theme of this Congress, because we promised the people we would not go forward cutting taxes without it being part of an overall plan to balanced the budget. Reject this rule and reject this bill.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts, the Honorable JOE KENNEDY.

Mr. KENNEDY of Massachusetts. Mr. Speaker, I think when we look at what is contained in this budget bill perhaps what is the most onerous and difficult to accept, aside from the mean-spirited cuts on welfare, the tough spirit that we have toward the cleanup of toxic waste, the limitations on student loans, the tax increases on working families while providing tax breaks to the wealthy, underneath all of these provisions is probably the most devastating provision of all, and that is the terrible effect that this budget will have on the veterans of this country.

Having served for 10 years on the Committee on Veterans' Affairs and watching as we see a health care system for our Nation's veterans that has been chronically underfunded, seeing a $570 million cut, $100 million less in outlays, $700 million less in budget authority, when we recognize that we did not ask our veterans when they went off to war, when they stood up for America, how much it was going to cost in terms of their own lives, we just sent them into battle. But once they come back, what we are not doing is we are saying that their budget has to fit within the budgetary aspects of all of the considerations of the House of Representatives and the Congress of the United States.

What we say to them is a broken promise, a promise that said we will take care of your health care needs if you are willing to go off and fight for this country, but when you come back, what we are saying is we are no longer going to meet that obligation. What we are going to do is to see whether or not the health care budget of the VA fits within how much money we are willing to raise in taxes and fits into how much money we want to provide the wealthiest Americans in the form of a tax cut.

That is what is going on here. We will be sending veterans home, we will be raising the number of veterans that are not going to be served by this by 48,000 over the course of the next 10 years. Forty-eight thousand veterans are going to be cut as a result of the actions taken in this budget. It is an outrage.

We should reject this budget and we should send this budget back to the

budget cutters and tell them to cut somebody other than our Nations' veterans.

Mr. DREIER. Mr. Speaker, I yield 2 minutes to my friend the gentleman from Jonesville, WI [Mr. NEUMANN].

(Mr. NEUMANN asked and was given permission to revise and extend his remarks.)

Mr. NEUMANN. Mr. Speaker, I rise to support the rule and commend the chairman for putting this out. I would also like to issue some praise for the chairman of the Committee on the Budget, the gentleman from Ohio, JOHN KASICH, tonight. I have the greatest respect for this man, of any man, and it is only after very, very careful thought and consideration that I rise to oppose the budget deal tonight because of the fact that I do have such great respect. And all the people in America should respect the gentleman from Ohio and praise him for the work he has done. But tonight I feel compelled, even with this respect, to rise and speak against the budget, because tonight we have an historical occasion staring us in the face.

In 1990, I sold my business to run for Congress because I had watched what past Congresses had done on balancing the budget. They had pleased the Gramm-Rudman-Hollings Act, and in the Gramm-Rudman-Hollings Act they were going to balance the budget by 1991. They went 1 year, then they went off their track and it started going back up again. Then they revised the Gramm-Rudman-Hollings Act and they went 1 year and it started going back up again.

I want to make sure everyone in this room and all my colleagues can see this because we are at this historical point once again this evening. Once again this evening we are at this point. We have been successful in our first year of reaching our budget targets, we have been successful at bringing the deficit down, and we have done it without raising taxes, like was done in 1993. We do not have to raise the taxes.

What are we going to vote on this evening? This evening we are going to vote on a bill that puts this thing going back up again. We are going to vote on a bill that sends the deficit from $145 billion in 1996 back to $153 billion in 1997.

I cannot emphasize how strongly I feel about this. I had a great business out there in the private sector, and I could still be doing that business, providing jobs for 250 people, but I came to this city because I knew that Congress had to be different if we were actually going to balance the budget. Tonight I ask my colleagues to have the courage of their convictions.

Mr. Speaker, we cannot let this happen. Tonight is a vote about the courage of our convictions to keep the deficit going down and to be different from past Congresses.

Mr. MOAKLEY. Mr. Speaker, I commend the last speaker for his wisdom.

Mr. Speaker, I yield 4 minutes to the gentleman from Massachusetts [Mr. OLVER].

Mr. OLVER. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, the conference report before us is little more than a repeat of last year's attack on rational national public policy. Tens of billions of dollars in overspending on defense, raising taxes on working families whose only sin is to make less than $25,000 a year, and a large tax cut on the front end of what is supposed to be a balanced budget glidepath.

Think what happened to the Federal budget during the Reagan era. This chart shows the very low, nearly balanced budgets until we get into the 1980's. The 1980's deficits were touched off by an up-front tax cut and promises of future spending cuts, promises which went unkept. The result is $5 trillion of accumulated debt to pass on to our children and to our children's children.

When we begin our balanced budget plan with a big tax cut, as this bill does, we invite failure.

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

Mr. OLVER. Mr. Speaker, if the gentleman is going to give me more time, so whatever we are doing we can come up with it. This is all I have of my time.

Mr. DREIER. Well, Mr. Speaker, I want to ask the gentleman who promised those cuts after the tax cuts went into place? Who promised those spending cuts?

Mr. OLVER. The President. The President, as part of his plan.

Mr. DREIER. Article I, section 7 of the Constitution places all that authority right here in this room.

Mr. OLVER. As the gentleman understands, the Senate of the United States was in the hands of the Republican Party, his party. As the gentleman also understands, the bill was also, was also passed in this House by the whole of the gentleman's party, then in the minority, plus a modest number of the Democrats, not with the Democratic leadership.

Mr. DREIER. Has the Democratic Party ever passed a balanced budget?

Mr. OLVER. Mr. Speaker, reclaiming my time, the Republicans then make extreme cuts in health care, in education, in job training, in environmental protection, in research and development, in public transportation and economic development, and they leave the Nation in the year 2002 with over $6 trillion of debt and no revenue to pay it back because they have cut up front the revenue that would be possibly usable for paying that debt back, and that leaves us with $240 billion at least of interest payments on that debt year, after year, after year, without hope of an end to it.

But such extremism really is not necessary to balance the budget. Both the coalition budget and the President's balanced budget prove that. So I urge my colleagues to reject this rule and this blueprint for failure. Vote no on this rule and on the conference report.

Mr. MOAKLEY. Mr. Speaker, how much time remains on each side.

The SPEAKER pro tempore (Mr. EWING). The gentleman from Massachusetts [Mr. MOAKLEY] has 2¾ minutes remaining, and the gentleman from California [Mr. DREIER] has 3 minutes remaining.

Mr. DREIER. Mr. Speaker, I yield 1 minute to my very good friend, the gentleman from Tucson, AZ [Mr. KOLBE], a free trader.

(Mr. KOLBE asked and was given permission to revise and extend his remarks.)

Mr. KOLBE. Mr. Speaker, here we go again. The last speaker just said extreme budget cuts. We have heard that. How many times have we heard that? But we know that is not what we are talking about here. Let us keep our eye on this ball during this debate that we are going to have in the next hour when we actually talk about the conference report and not about the rule, and I will have an opportunity to talk about some of that.

But the bottom line is that we are changing the direction of government. My friends over on this side just cannot seem to come to terms with the fact that the election 2 years ago was about changing the direction of this government. And that is what we are doing with this budget, we are giving power back to people, power back to families, power back to states, power back to localities.

We are changing programs so that they are streamlined. We are getting the Federal Government out of these programs. We are putting more money back in people's pockets rather than taking it out, bringing it to Washington and sending it back to States.

□ 2015

That is what this is all about. It is not about a number, whether it is up a little bit, down a little bit. We know these numbers can change dramatically as economic conditions change. This budget is about changing the direction of government, and I urge that we support the rule and support the conference report.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentlewoman from California [Ms. WOOLSEY].

Ms. WOOLSEY. Mr. Speaker, I rise in strong opposition to this rule.

Remember when your mother said "You can tell a lot about someone by the company he or she keeps?" Well, this rule is keeping company with a pretty shady budget resolution.

Mr. Speaker, the new majority just can't keep its hands off Medicare. For the second year in a row, they are trying to pay for special interest tax breaks by forcing drastic cuts in Medicare.

After shutting the Government down twice and, after the near collapse of their legislative agenda you would think they would learn.

Well, my friends, our colleagues on the other side of the aisle remain clueless. They remain clueless that seniors are not willing to pay more to receive less.

They remain clueless that their plan will force hospitals to close all over our country.

So get a clue, ladies and gentlemen. Remember what our mother would say: Vote down this rule and reject it's pal, ''the budget resolution'' a resolution that harms our seniors to help special interests.

Vote against this rule!

Mr. MOAKLEY. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, we have talked about reduction of deficit. I want to reemphasize so that all the Members in the Chamber and those in their offices will know. President Clinton reduced the deficit from $290 billion to $130 billion, a reduction of $160 billion. That I want everybody to know. This budget increases the deficit by $40 billion over the next 2 years.

So, Mr. Speaker, anybody who votes for this budget, amongst the other things it does, this does increase the deficit by $40 billion over the next 2 years. I hope the rule is not adopted.

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

Mr. DREIER. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. Mr. Speaker, my good friend, the gentleman from Massachusetts [Mr. KENNEDY] earlier had criticized this budget as not being helpful to veterans. I guess according to the Almanac of American Politics, I am one of those Members, over the last 18 years, most supporting to veterans according to them.

Mr. Speaker, this budget is helpful to veterans. The President's budget recommends no improvement to veteran's benefits. That is a fact. This budget that my colleagues are going to be voting on has a number of improvements, including raising one-time auto allowances for veterans, allowing a surviving spouse to retain compensation, providing a $500 scholarship for college seniors of veterans. It goes on and on and on.

Mr. Speaker, this budget is good for veterans. I say to my colleagues, come over here and vote for this rule and then vote for the bill.

Mr. Speaker, I submit the following for the RECORD:

VETERANS

Outlays (billions) FY 1997 spending totals on veterans programs:

Budget Resolution Conference Report: $39.561 billion.

President's proposal: $39.557 billion.

Six Year Total on veterans programs:

Budget resolution conference report: $234.271 billion.

President's proposal: $228.088 billion.

The President's budget recommends no improvements in veterans' benefits. The Congressional budget agreement recommends seven extra improvements:

(1) Raising the one-time auto allowance for veterans with service-connected loss of one or both hands or feet, or other severe disability from $5,500 to $10,000;

(2) Allowing a surviving spouse to retain compensation or pension payment pro-rated to the day of death instead of cutting off at the end of the previous month, as required by current law;

(3) Extending current law limits on payment of back benefits to surviving spouses of those who die while their claim is being adjudicated from one year to two years;

(4) Providing a $500 scholarship for college seniors of vets with at least a ''B'' average under the GI Bill or the Post Vietnam Era Education Assistance Program (VEAP);

(5) Improve educational benefits by converting those participating in VEAP education benefits program to the Montgomery GI Bill;

(6) Making permanent the Alternative Teacher Certification Program, which encourages veterans to become teachers; and

(7) Funding the Pro Bono Program at the Court of Veterans Appeals.

Both the Congressional and the President's budgets extend the expiring VA OBRA 1993 provisions of current law; repeal the Gardner decision, bring VA liability for disabilities as a consequence of VA medical care more closely parallel to the private sector liability law; and repeal the Davenport decision (This 1995 decision by the Court of Veterans Appeals invalidated VA regulations that based a veteran's entitlement to vocational rehabilitation services on a finding that the veteran's service-connected disability materially contributed to the veteran's employment handicap).

For VA discretionary spending, the President's budget recommends $102.2 billion in budget authority spending over the next six years, compared with $107.6 billion under the conference agreement. But, the Clinton budget still does not balance. To balance his budget, the President would have to cut VA spending by an additional $515 billion.

Mr. DREIER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me just say in closing here that my colleagues on the other side of the aisle do this almost, not quite but almost as well as President Clinton does when it comes to this issue of twisting and twisting and twisting.

The budget before this House balances within 6 years, and it has lower deficits each year than the President's budget, the budget that was voted for by my colleague on the other side of the aisle.

My friend from California talked about Medicare. The budget before this House does not cut Medicare. That charge is fiction. It increases Medicare spending from $5,200 per beneficiary to $7,000 per beneficiary.

This budget does cut taxes and we are proud of it. It cuts taxes for families. Mr. Speaker, 89 percent of the tax cuts go to families earning less than $75,000 per year.

We have had the Congress controlled for decades by my friends on the other side of the aisle, Mr. Speaker, and tragically, they have never brought a balanced budget to us. We have done it for the first time in three decades and they have the temerity to come down here and criticize us for doing just that.

The fact of the matter is we need to pass this thing now. The big spenders are opposed to a balanced budget, even though they say they are for it. Mr. Speaker, I say to my colleagues, pass this rule, pass the resolution.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. EWING). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. MOAKLEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—ayes 232, nays 190, not voting 12, as follows:

[Roll No. 235]

YEAS—232

Allard
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
Camp
Campbell
Canady
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Cooley
Cox
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
Deal
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)
Franks (NJ)
Frisa
Funderburk
Gallegly
Ganske
Gekas
Gilchrest
Gilman
Goodlatte
Goodling
Goss
Graham
Greene (UT)
Greenwood
Gunderson
Gutknecht
Hancock
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Jacobs
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
LoBiondo
Longley
Lucas
Manzullo
Martini
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Molinari
Moorhead
Morella
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Oxley
Packard
Parker
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
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stockman
Stump
Talent
Tate
Tauzin
Taylor (NC)
Thomas
Thornberry
Tiahrt
Torkildsen
Traficant
Upton
Vucanovich
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—190

Abercrombie
Ackerman
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Beilenson
Bentsen
Bevill
Bishop
Blumenauer
Bonior
Borski
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Cardin
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Costello
Coyne
Cramer
Cummings
Danner
de la Garza
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Durbin
Edwards
Engel
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Filner
Flake
Foglietta
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Geren
Gibbons
Gonzalez
Gordon
Green (TX)
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Holden
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
Klink
LaFalce
Lantos
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Martinez
Mascara
Matsui
McCarthy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Mollohan
Montgomery
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Pomeroy
Poshard
Rahall
Rangel
Reed
Richardson
Rivers
Roemer
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schroeder
Schumer
Scott
Serrano
Sisisky
Skaggs
Skelton
Slaughter
Spratt
Stark
Stenholm
Stokes
Studds
Stupak
Tanner
Taylor (MS)
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Velázquez
Vento
Visclosky
Volkmer
Ward
Waters
Watt (NC)
Waxman
Williams
Wise
Woolsey
Wynn
Yates

NOT VOTING—12

Berman
Boucher
Calvert
Chapman
Frelinghuysen
Gillmor
Hayes
Lincoln
McDade
Moran
Rose
Wilson

□ 2038

Mr. GORTON and Mr. RUSH changed their vote from ''yea'' to ''nay.''

Mr. CHRISTENSEN and Mrs. CHENOWETH changed their vote from ''nay'' to ''yea.''

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. KASICH. Mr. Speaker, pursuant to House Resolution 450, I call up the conference report on the concurrent resolution (H. Con. Res. 178) establishing the congressional budget for the U.S. Government for the fiscal year 1997 and setting forth appropriate budgetary levels for fiscal years 1998, 1999, 2000, 2001, and 2002.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore (Mr. TAYLOR of North Carolina). Pursuant to House Resolution 450, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of Friday, June 7, 1996, at page H6007.)

The SPEAKER pro tempore. The gentleman from Ohio [Mr. KASICH] and the gentleman from Minnesota [Mr. SABO] each will control 30 minutes.

The Chair recognizes the gentleman from Ohio [Mr. KASICH].

Mr. KASICH. Mr. Speaker, I yield 3 minutes to the gentleman from New Jersey [Mr. FRANKS].

(Mr. FRANKS of New Jersey asked and was given permission to revise and extend his remarks.)

Mr. FRANKS of New Jersey. Mr. Speaker, last year we passed the first balanced budget in a generation. While the President vetoed that plan, this Congress has changed Washington forever.

The debate today and from now on is not whether we need a balanced budget, it is about the best way to achieve one. The plan before us tonight has one overriding goal: To save our children's future. It does so by empowering people to become self-reliant. It reduces the power and influence of Washington over our everyday lives.

□ 2045

Then it spends less while enabling families to keep more of their hard-earned money.

This Congress has already made dramatic progress. Over the past year we have fought for and won the largest reduction in Washington spending since World War II, a savings to taxpayers of $43 billion. That amounts to a savings of $688 for the average American family of four.

This budget will stop forcing our children to pay for our reckless spending.

It makes the most sweeping changes in 30 years by shifting money, power and influence out of Washington and back into the hands of the American people in the States and in their communities. Under this plan States would have the freedom to develop welfare programs that require work, that promote personal responsibility and break the cycle of welfare dependency. Parents, principals and local school boards would have the authority and responsibility for public education, not the civil servants in Washington, DC, local decisionmakers, not faceless Washington bureaucrats, would have the power to design Medicaid programs that are tailored to meet the very special needs of the poor and the elderly.

And while we meet the Federal Government's important responsibilities, this plan helps America's families move ahead by providing for a well-deserved $500 per child family tax break.

Equally important, Mr. Speaker, this budget continues our attack on wasteful Washington spending. It eliminates over a hundred unnecessary Federal programs, and it puts an end to billions of dollars in corporate welfare and special-interest tax breaks.

Tonight I urge my colleagues to support this budget and continue on our efforts to save the American dream.

Mr. SABO. Mr. Speaker, I yield myself 3½ minutes.

Mr. Speaker and Members, I rise in opposition to this resolution. I am not really certain what this resolution is. I know one thing for sure: It is not a blueprint for how we deal with the budget over the next 6 years. It may be a document for how we deal with the politics over the next several months, but I am not certain. But there are some things I know for sure from reading the document, and that is that it increases the deficit in the next 2 fiscal years.

Mr. Speaker, 3 years ago I had the privilege of presenting a budget resolution in this House. The deficit was something like $294 billion, and I do not expect my Republican friends to say that they were wrong and that our plan worked or anything like that. But I see this resolution which increases the deficit for the next 2 fiscal years, and I think back to 1993, and I wonder what would have happened if we had come to the House floor and said, ''We have this great budget resolution that is going to reduce the deficit over the next 5 years. But, folks, in 1994 the deficit is going to go up; 1995, the deficit is going to go up, but trust us. In the last 3 years it will go down.''

I think my Republican friends would have laughed us off the floor, and probably should have. That is not what our plan did in 1994. It brought the deficit down from $294 billion. Now we are looking, and last we are told, $130 billion in 1996.

But our colleagues come with this document that says trust it, trust them. They are going to raise the deficit in the next 2 years and then some good things will happen. I have seen those promises come and be broken too many times in the past.

So to my friends I say it is a resolution that is not going to work, does not do what they say it is going to do, but even after all of that, it still has all those little ingredients in there that is sort of mean to people, and there are different things that hit different ones of us.

I heard the gentleman from Massachusetts [Mr. KENNEDY] talk about what it does to veterans. I happen to

have lots of elderly women who live in my district, not very much income, income between $7,700 and $9,300; and I looked at their Medicaid reform, and their Social Security premiums are going to be up by over $500 a year because they change the requirements of Medicaid. That is over 5 percent a year for people who are struggling to pay a food bill, and what I discover in many cases, worrying with these little changes whether they can continue to give 5 or 10 bucks a week to church, and those folks again are their targets.

So they have a plan that increases the deficit, is not going to work, but keeps picking away at the most vulnerable in our society. We should say ''no'' to this budget resolution.

Mr. FRANKS of New Jersey. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, I would choose to remind my colleagues on the other side of the aisle, including the previous speaker, that there are two budgets before this House that the American people are taking notice of. One is the one prepared by the majority in this body, the other one comes from the White House. The fact of the matter is that in each of the 6 years covered under the terms of this budget resolution the congressional budget has lowered deficits in each of the next 6 years than in the 6 years covered by the President's budget. Lowered deficits in the Republican budget each and every year.

Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Arizona [Mr. KOLBE].

(Mr. KOLBE asked and was given permission to revise and extend his remarks.)

Mr. KOLBE. Mr. Speaker, we heard already this evening, the very clear differences between these two budgets. These two budgets, the one presented by the White House, by the Clinton administration, and that one which has been prepared by the majority in the House and the Senate are very different in the philosophy they suggest for this country. I think our budget reflects what the American people said they wanted to have in this last election: less government, returning responsibility to citizens. But tonight I want to focus my comments on one part of this. That is the tax relief that we provide to families, the $500 tax credit that we give to families, an opportunity to keep some of the money, their hard-earned money, in their pockets. We say, ''Earn more, keep more, and do more yourself.''

Mr. Speaker, we say that one should not have to send that money to Washington, one should not have to give it up, one should not have to take it out of their family's well-being, out of their education, their health care, their housing and recreation. They should not have to send it to Washington to support Washington's programs. We say, ''Keep some of that money yourself.''

And that is why this is so fundamentally different from the President's proposal. The President's budget gives some very small amount of tax relief but then takes it all away, takes it all away in the year 2002 in order to balance the budget. It takes all the tax relief away. We say this tax relief should be permanent. We say American families should know they can have these dollars in their pockets, that they can keep this money so that they can spend it on what they know is best for their families.

Tax relief is critical to the growth, the economic growth, of this country. Tax relief is not just something to do if there is a surplus. It is about giving money back to people, about reducing the size of government, about saying that people have a better idea of what they do with the dollars they earn than the Federal Government does.

That is why tax relief is a critical cornerstone of this legislation, and that is why this budget conference report should be so supported by this body. I urge its support.

Mr. SABO. Mr. Speaker, I yield 2 minutes to my good friend, the gentleman from Texas [Mr. STENHOLM].

(Mr. STENHOLM asked and was given permission to revise and extend his remarks.)

Mr. STENHOLM. Mr. Speaker, I rise in strong opposition to the budget before us tonight and would like to remind my colleague from New Jersey there is a third budget that we all ought to be supporting. This rhetoric of talking only about the majority and the President reminds me that there was one budget that received bipartisan support that reduced the deficit over the next 6 years. The budget before us tonight increases the deficit by $63 billion over the next 2 years over the constructive alternative put forward by the minority side of the aisle. I do not know why we cannot bring ourselves to talk about the one budget that continues the 4 years of success of bringing down the deficit.

As someone that was here in 1981 that worked in a bipartisan way to help my colleagues on this side when their President, my President from their side of the aisle, was in charge, I only say this: ''Fool me once, shame on you; fool me twice, shame on me.'' To buy into another budget that postpones 82 percent—82 percent of the budget deficit reduction is postponed until the year 2000, 2001 and 2002—how anyone can come to this floor tonight and say that they are serious about deficit reduction and talk about the President's budget that has been defeated, and the coalition budget that has been defeated, the only honest budget that reduces the deficit every single year starting this year and next year in an election year.

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

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

Mr. SCARBOROUGH. Because I am a little confused here, Mr. Speaker, because for a year and a half I have been hearing about how the Republicans have cut too much. Now tonight I am being reeducated, and I find out that we are not cutting enough.

Can the gentleman from Texas explain it to a freshman who is confused? How do we on one hand cut too much, and we are too savage for a year and a half, and now I hear the ranking member saying that we are going too far. If the gentleman can clarify that point, I would appreciate that.

Mr. STENHOLM. I will be happy to answer the gentleman's question. For of the last year and a half all we have talked about is CBO scoring, CBO scoring, CBO scoring. The President finally submitted a budget that was CBO-scored and balanced, but that did not suit the gentleman, did not suit me.

Mr. SCARBOROUGH. And was it not back-loaded with cuts? Would the gentleman yield? Was that back-loaded with cuts?

Mr. STENHOLM. I will be happy to yield to the gentleman.

Mr. SCARBOROUGH. OK. My question is this: The gentleman from Texas [Mr. STENHOLM] was attacking the Republican budget, saying all the cuts was the end. Now the gentleman is talking about the President's budget.

Mr. STENHOLM. No, sir. No, sir. I take back my time.

Mr. Speaker, I take back my time.

Mr. Speaker, I only have a minute remaining. I will answer the gentleman's question.

What I am saying tonight is if my colleague is concerned about reducing the deficit, there is only one budget that has been before the House this year that will reduce the deficit by $150 billion more than what we are considering tonight. We were precluded because we do not have the votes; that is clear. And for anyone to stand on the floor tonight and to say that we are concerned about the deficit and then look at the CBO scoring for the budget and the comparison with the coalition, the Republican budget deficit goes up to $153 billion in 1997. The coalition budget stays the same. That is the bottom line and the fact.

□ 2100

Mr. FRANKS of New Jersey. Mr. Speaker, I am pleased to yield 2 minutes to the gentlewoman from New York [Ms. MOLINARI].

Ms. MOLINARI. Mr. Speaker, this is our chance, this is our historic opportunity to return the future to our children, to give the American people more of their money back, to reform welfare and Medicare, to be honest with taxpayers, to balance our budget.

For all these very real reasons, I believe there is no more compassionate vote that we can cast. Every generation's success depends on us tonight, if we do the right thing. If we do the right thing, our newest generation will not be saddled with interest payments on the debt of nearly $200,000. If we do the right thing, senior citizens will see an improved, responsive, and solvent

Medicare. If we do the right thing, today's working families will see their interest payments go down as tax credits for their children go up, all if we have the courage to do the right thing. Americans will finally see their dreams and believe in their hearts and souls that they will have the ability to reach them.

Mr. Speaker, let me just conclude by stating that it is sad in this Chamber that we are debating another budget that did come up in the past, and unfortunately only 89 Members supported that budget, with the majority of the Democrat Members, including their leadership, failing to have enough confidence to engender their support. Tonight we have the majority of our Members on both sides of the aisle believing in a balanced budget and one proposal that will achieve that in the near future if we can in fact do the right thing.

Mr. TAYLOR of Mississippi. Mr. Speaker, will the newest mother in the House yield?

Ms. MOLINARI. I yield to the gentleman from Mississippi.

Mr. TAYLOR of Mississippi. Mr. Speaker, I would say to the gentlewoman, she is looking out for her children, her child, but she is increasing the annual operating deficit. That is not balancing the budget, that is increasing the deficit.

Ms. MOLINARI. Mr. Speaker, we have a budget that is compassionate, that reaches a balance by the year 2002, that restores tax credits to new mothers and families throughout this Nation. That will save Medicare for my little girl by the time she grows old. I am proud to vote for this budget.

Mr. STENHOLM. Mr. Speaker, I yield 1½ minutes to the gentlewoman from New York [Ms. Slaughter].

Ms. SLAUGHTER. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I rise today in opposition to the conference report on the fiscal year 1997 budget resolution. As a conferee, I am pleased that we were able to increase overall nondefense discretionary spending by $3.5 billion over the House-passed resolution. But, make no mistake about it: This budget contains the same lack of vision and assault on investment spending, that we saw in the fiscal year 1996 Budget proposal, which has been rejected by the President and the American public. In addition, this budget turns back the clock on deficit reduction. For the fourth straight year in a row, the deficit has declined. Let's not reverse this trend and act to increase the deficit by $60 billion in 2 years. The stakes are too high.

The overall adjustment in domestic discretionary spending is an improvement. But, the budget before us today still assumes a sizable tax cut for the wealthy; deep reductions in Medicare and Medicaid and critical investment programs to off-set the tax cut; and a sizable increase in taxes for working individuals. The $3.5 billion offers some relief, but it should be pointed out that if this 6-year plan is adopted, the purchasing power of overall nondefense discretionary appropriations will be 24 percent below fiscal year 1996 levels. This will require deep cuts in education, environmental protections, biomedical research, nutritional assistance, and criminal justice. At a time when we should be enhancing our investment in these programs, we are acting to impose an overall reduction of 24 percent by the year 2002.

While the agreement assumes tax cuts targeted to the affluent, it does not treat working families and individuals the same way.

You can call the cuts in the earned income tax credit an adjustment, but this adjustment will result in approximately a $18.5 billion tax increase for working families and those individuals struggling to remain self sufficient. If we truly want real welfare reform that rewards work, we cannot reduce the size of the very tax credit which does reward work. This budget proposal is filled with these types of contradictions and inconsistencies. And that is why we should reject this conference report.

We can balance the budget without implementing radical and unnecessary Medicare and Medicaid cuts and dismantling the core social responsibilities of the Federal Government. I beg my colleagues to vote "no" on this conference report and send a message that extreme policies will not work. We can do a better job.

Mr. FRANK of New Jersey. Mr. Speaker, I am delighted to yield 2 minutes to the gentleman from Michigan [Mr. SMITH].

Mr. SMITH of Michigan. Mr. Speaker, a lot of Americans know talk is cheap with a lot of politicians. I think it is good that we review what has actually happened in the last couple of years. Two years ago, nobody on the other side of the aisle was talking about the need for a balanced budget. They were saying, it was reasonable to borrow and spend for investment.

Mr. Speaker, let me review for the American people what happened about a year and half ago. Republicans took the majority. They cut $9 billion out of the 1995 budget. Then in 1996 we had a budget that was $23 billion less than the 1995 budget. This budget deficit has come down for these last 2 years largely because of tough decisions on spending cuts. The deficit was reduced in 1993 and 1994 because of a huge tax increase.

Let us review for the American people what is happening in terms of the real reduction in the size of the Federal Government. I think one way to measure that is as a percentage of GDP [Gross Domestic Product]. If we look at what happened in 1995, we had about 22 percent of GDP. In 1996 we had about 21 percent of GDP. This resolution that came out of conference committee has 20.4 percent of GDP. That is the lowest percent of GDP since 1974.

This is a budget that moves us aggressively in the right direction. In 1996 we passed a budget resolution that said we were going to have $4 billion more spending in 1997 than this conference report resolution. Mr. Speaker, I am one of the tough guys as far as cutting spending. I voted for many more spending cuts in Budget Committee than were in this resolution. I said let us put pressure on this President and have the kind of budget that is going to be fair to our kids and our grandkids.

That did not happen because the President vetoed our legislation to balance the budget. Fifty-four million dollars' worth of publicity by the liberals ended up leaving many Americans in doubt. Some Republicans and a lot of the Democrats decided it was not politically popular to cut spending. Today let us really roll up our sleeves and just do it—this conference report in 6 years balances with a budget that is 18 percent of GDP—the lowest since 1965.

Mr. Speaker, I ask the Members to vote for this budget. Let us move on and get to a balance. Be fair to our kids, do what's right for America.

Mr. STENHOLM. Mr. Speaker, I yield 1½ minutes to the gentleman from Utah [Mr. ORTON].

(Mr. ORTON asked and was given permission to revise and extend his remarks.)

Mr. ORTON. Mr. Speaker, I rise in opposition to the budget conference report, House Concurrent Resolution 178.

We have heard a lot of rhetoric over the past 1½ years about balancing the budget—and we will hear more tonight.

I want to share with my colleagues a few facts rather than rhetoric.

While the American people are told that this proposal will balance the budget—the fact is that budget deficits increase dramatically and immediately in this Republican budget plan.

CBO currently projects that this year's budget deficit will be $130 billion.

The Republican budget will increase the deficit next year by $23 billion; and the year after, by another $17 billion.

While Republicans increase the deficit by $27 billion through the rest of this century the coalition budget cuts the deficit by $72 billion. The Republican budget will result in $100 billion more public debt over 3 years—$150 billion more debt over 6 years than the coalition budget.

The American people are told that this is a real plan which will actually result in a balanced budget. The fact is, that 82 percent of the deficit reduction will only come in the last 3 years of the plan—after the turn of the century—when some future Congress will make the tough choices to achieve those cuts.

If Democrats, who actually cut the deficit in half in 3 years, had proposed this plan, they would be laughed out of this Chamber. I ask my Republican colleagues, if Democrats had proposed this plan, would any of you vote for it?

So much for balancing the budget—so much for cutting the deficit. Tonight,

Congress is going to increase the deficit and borrow hundreds of billions of dollars more from our children. Why? So they can pander to the voters with a tax cut 6 months before standing for reelection.

Stay tuned—in the next few weeks you will see more promises broken.

Mr. FRANK of Massachusetts. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Ohio [Mr. HOKE].

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

Mr. Speaker, this budget plan is the only plan, only plan, that fulfills the commitment to balance the budget by 2002 with lower deficits than the President's budget in every single year. It provides a $500 per child tax credit for working families. It in fact reforms Medicare. It preserves it and protects it, and it will extend the solvency of the trust fund for the next 10 years, a trust fund we all know is not going broke by 2002. It is probably not even going broke by 2001, but will go broke before the end of this century, according to the worst-case scenario of the trustees' plans.

It has broad coalition support from a large number of groups that represent the entire spectrum of thinking: The NTU, Citizens Against Government Waste, Americans for Tax Reform, the United States Chamber of Commerce, the United States Seniors' Association, Associated Builders and Contractors, and so forth, and so forth.

Mr. STENHOLM. Mr. Speaker, I yield 1½ minutes to the gentlewoman from California [Ms. WOOLSEY].

Ms. WOOLSEY. Mr. Speaker, I, for one, give the new majority credit for finding creative things to do with cold leftovers. Mr. Speaker, the budget they are serving the American people today is nothing but a warmed-over version of the same misplaced priorities that were rejected and sent back to the kitchen last year. That is right; take away the sugar coating and you have caps on the direct student loan program, caps that will increase costs and add red tape, and over 7 million college students in the year 2002 will be left behind.

Minus the garnish, we end up with the same welfare plan, still weak on work, still tough on children. When we remove the trimmings on this turkey of a budget, we have another Medicare plan that will make seniors pay more for less while their hospitals close. And make no mistake, Mr. Speaker, those Medicare cuts are being made in order to put the cherry on top of the Contract With America, or the crown jewel, as Speaker GINGRICH calls it: huge tax breaks for special interests.

Mr. Speaker, this is not a blueprint for balancing the budget, it is a recipe for disaster. I say to the new majority, they can keep their cold leftovers, their mashed Medicare, chopped children's programs, and rotten welfare reform. The American people want a new menu.

Mr. FRANKS of New Jersey. Mr. Speaker, I yield 30 seconds to the gentleman from Arizona [Mr. KOLBE].

Mr. KOLBE. Mr. Speaker, I just wanted to respond to the last speaker who said we are cutting education, that we are cutting student loans. It is not true. Mr. Speaker, under our budget proposal, the total volume of student loans will go from $26 billion in 1996 to $37 billion in the year 2002. I do not know how that is translated into a cut, but it is not a cut where I come from, in Arizona.

We are going to save taxpayers' money by capping the Government-run direct lending program and achieve some savings from lenders in the guaranteed lending program, but we are not cutting the volume of student loans, and do not let anybody tell you we are.

Mr. FRANKS of New Jersey. Mr. Speaker, I am pleased to yield 2 minutes to the distinguished gentleman from Ohio [Mr. HOBSON], a member of the Committee on the Budget.

Mr. HOBSON. Mr. Speaker, my third grandchild was born June 1, and as I welcome him into the world, I can't help but wonder what kind of future he will face. How much will prices rise during his lifetime? Will the country still be a place of opportunity? Will there be a thriving economy to support his generation?

When I think about the answers to these questions, it becomes increasingly clear to me that the best thing I can do for my new grandson is to vote ''yes'' for the conference agreement on the budget resolution.

We're a year into balancing the budget, and the sky has not fallen like some said it would. Our budget has matured over the past year, but the quality of the debate about it has not. We moved on while our critics hung on to year-old arguments that don't fit the facts. They claim the sky is falling because they know it is easier to generate fear than understanding.

Our budget is about conquering fear—conquering the fear that the next generation will have less opportunities than we've had. Over the past year, we've taken some good ideas and made them better. We've listened to our critics, and where they made a valid point, we compromised. And we've watched President Clinton distance himself from outdated ideas about big government and embrace Republican ideas as his own.

But let's be clear: There are some real differences. President Clinton raised taxes in 1993 and would raise them again in his latest budget. We provide permanent tax relief. President Clinton would increase discretionary spending over the next 3 years, and put off decisions about cuts to his successor. We decrease discretionary spending every year.

The most dramatic difference, however, is that President Clinton and our friends in the minority tell you to fear our budget and to put your faith in Washington spending and bigger Government. Instead, we take a view they consider extreme—we put our faith in the American people.

Protect our children's and grandchildren's future and shift power, money and influence out of Washington and back to Americans. Join me in passing the 1997 budget resolution.

Mr. STENHOLM. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Florida [Mrs. MEEK].

Mrs. MEEK of Florida. Mr. Speaker, there are many reasons why commonsense people would oppose this conference report. Just look at the $158 billion cut in Medicare and $72 billion cut in Medicaid, with all of the problems in that.

I want to talk about the huge tax increase on almost 7 million hardworking American families who have chosen work over welfare. The original House bill contained a $20 billion tax hike and the original Senate bill contained a $17 billion tax hike. Do Members know what they did? They separated the two and cut them up, so now they comeup an $18.5 billion tax increase.

They told us in the Committee on the Budget during the markup that this is essentially the same tax increase as the one in last year's reconciliation bill. The President vetoed that. That is history. This chart shows the details. As I said before, who will be paying those taxes? Let me tell the Members who is going to pay those taxes: 2.7 million workers with incomes below $10,000 will pay a higher average tax; 1.8 million workers with incomes between $10,000 and $20,000 will pay a higher tax under this Republican budget.

□ 2115

Look at it this way. Almost half of these workers have children. The Republicans are doing a good thing when they put in this $500 per child tax credit, but they have taken it away. They gave back and they took away the rest of it.

I am saying that this conference report should not be passed by this Congress. We owe it to the American public to be sure that the balance budget is a true balanced budget and the tricks should not be tolerated.

Mr. FRANKS of New Jersey. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. WALKER], the distinguished vice chairman of the Committee on the Budget.

Mr. WALKER. Mr. Speaker, the reason this budget should be passed this evening is not just numbers. It is because it has real effects on real people. Under the budget before the House this evening, real people will get to earn more, keep more and do more. That is what we should be all about.

If we listen to what the other side is telling us, remember what their economics is doing to real people. According to Investors Business Daily, under the Clinton economic program we are now back to a situation where the rich are getting richer and the poor are getting poorer.

Let me quote from Investors Business Daily. They point out that during the Bush years the average real pretax incomes for the very top income earners dropped, but they shot up in the first 2 years of the Clinton administration. As a result, the top 5 percent saw their average incomes climb more than $30,000 between 1992 and 1994, a 21-percent hike, even after controlling for inflation. The bottom fifth, meanwhile, saw their average real incomes barely budge over those years, and they are about $1,000 lower than they were in 1989.

The typical measure to gauge what happens to middle-income wage earners shows that their actual income has dropped slightly despite 2 solid years of economic growth. As for the poor in this country, we are now at 14.5 percent of the population at the poverty rate in 1994, the last year for which the data is available, and that is higher than all but 3 years of the Reagan and Bush administrations.

This is a program which is creating an economic disaster. The rich are getting richer, the poor was getting poorer, and the middle class is getting squeezed.

What do the Democrats tell us? The Democrats tell us that in their budget, in the Blue Dog budget, no tax break for middle-class Americans. Zero. Why? So they can spend more. And the Clinton budget actually increases taxes. They want to actually increase taxes and squeeze the middle class more.

In our budget, what we are doing is, we are giving a tax break to middle class Americans. We recognize that it is wrong to squeeze the middle class in the midst of economic recovery. We realize that what we ought to have is a situation where people earn more, keep more and do more. That is what we ought to be doing. That is how we affect the lives of real people in this society.

What the Democrats are telling people is that they are going to concentrate only on numbers, bring only numbers before the House, let the rich get richer, let the poor get poorer, and squeeze the middle class. That is their recipe. That is what the Clinton administration has been doing. We have got to stop that here tonight.

This is a budget that balances the budget over the next 6 years, that allows people a tax break so that we do not squeeze the middle class, that allows us to move toward a situation where people earn more, keep more and do more. That is what we should be all about in this society. Pass this budget, reject what the Democrats are telling us.

Mr. SABO. Mr. Speaker, I yield 30 seconds to the gentleman from Mississippi [Mr. TAYLOR].

Mr. TAYLOR of Mississippi. I thank the gentleman from Minnesota [Mr. SABO] for yielding time.

Mr. Speaker, I would like to remind my friend that the reason the wealthiest Americans are doing better is they are the ones who buy the T-bills and in effect loan money to the government, so that the rest of us can pay more in interest payments as the Nation gets deeper in debt. The budget you are proposing tonight increases the annual operating deficit and gets the Nation deeper in debt. If the gentleman from Pennsylvania [Mr. WALKER] will remember, just a few months ago he voted to raise the Nation's debt limit from about $5 trillion to almost $6 trillion. I, on the other hand, did not.

Mr. SABO. Mr. Speaker, I yield 1½ minutes to the gentleman from Tennessee [Mr. TANNER].

(Mr. TANNER asked and was given permission to revise and extend his remarks.)

Mr. TANNER. Mr. Speaker, all of those debates seem to be about black and white, Democrat and Republican. There is a gray area called the Blue Dog Democratic Coalition budget that borrows less, cuts spending and the deficits immediately, and we do not hear much about it.

We tried to get it to the floor a time or two. There are not many of us, 21 or 22 at last count. We have tried to come here and master a difficult situation and not be held hostage by it, Democrat and Republican, black, white, blah, blah, blah. People are tired of that.

We have a plan, the Coalition plan, that begins deficit reduction immediately. This does not. This asks the American people to borrow more money next year and the next year and does not reduce the deficit until the year 1999 and 2000. That is not what our country is about. We are trying to get our financial house in order. The Coalition budget, as has been alluded to before, borrows $150 billion less than this bill right now we are going to vote on.

It seems to me a clear choice. If we want to balance the country's books, there is a way to do it. As the Nashville Tennessean, one of my hometown papers, said some time ago, conservative economics and a compassionate government are not mutually exclusive. It can be done.

Twenty-three major publications across this country have recommended this to the Congress and we cannot get it to a vote. I wish Members would consider it.

Mr. SABO. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. FAZIO].

Mr. FAZIO of California. Mr. Speaker, I look at the Republican proposal tonight and I see that the deficit goes up next year, not like the Blue Dog Democratic alternative which they refuse to consider. This reverses for the first time a 4-year downward trend of deficit spending, the first time we have had that since the Truman administration. This begins more deficits in order, of course, ultimately to do better. I think we have all been through that before.

The gentleman from Pennsylvania [Mr. WALKER] talks about real people. Let me tell my colleagues about some of the real people who are really hurt in this budget.

The Republican budget is going to increase taxes on millions of working families earning less than $28,000 a year. Their tax credit does not go to 33 percent of all the children in this country. Why? Because it is not a refundable tax credit. That means their parents do not pay enough taxes to benefit.

Who are the real people? They are seniors who earn between $7,700 and $9,000 a year, who are going to pay $500 more because their Medicare premium part B will not be paid for by Medicare. Those are the real people who are hurt in this budget.

Mr. FRANKS of New Jersey. Mr. Speaker, I yield 1 minute to the gentleman from Arizona [Mr. HAYWORTH].

Mr. HAYWORTH. I thank my colleague from New Jersey for yielding time.

Mr. Speaker, I think it is important to focus on the real world, because I represent a slice of the real world, the Sixth Congressional District of Arizona. As a private citizen, now that I am a newcomer to Congress, I watched what happened here for the better part of 4 decades.

The real debate tonight needs to be put in perspective. Who is really balancing the budget, despite the articulate arguments of the minority within the minority that wants no tax relief for the American people? The majority on that side, the liberal folks, did not want to do a thing, did not want to touch it. The deficit would have been astronomical.

Now our President, who tells us the era of big government is over, does a little bit better but he does not really lower these deficits, nor does he provide the kind of commonsense tax relief that the real people of this country deserve. Instead, it is this budget resolution which delivers. Lower deficits, balancing the budget, lower taxes. That is reality, that is the truth. Vote ''yes'' on this plan.

Mr. SABO. Mr. Speaker, I yield 15 seconds to the gentleman from Texas [Mr. STENHOLM].

Mr. STENHOLM. Mr. Speaker, I wish the chart were still up because I really get frustrated when I continue to see always talking about lines that do not represent the facts based on CBO.

Let me remind my friend from Arizona, a majority of Democrats voted, rollcall 177, for a budget that balanced and has the line going down in a true and honest way. A majority on this side voted for that budget. And quit saying they did not.

Mr. SABO. Mr. Speaker, I yield 1 minute to the gentlewoman from Connecticut [Mrs. KENNELLY].

Mrs. KENNELLY. Mr. Speaker, I rise in opposition to the budget resolution conference report.

We will hear much today about the majority's $500 per child tax credit for families with annual incomes of less

than $110,000. But there will be omission after omission.

Because it will not be made clear that millions of American families who earn far less than $110,000 will not benefit from the tax credit. Why? Because they earn far too little. Fully one-third of American families will receive no benefit at all.

Unfortunately, the majority will not discuss its $18 billion tax increase on working families with children as a result of deep cuts in the earned income tax credit. Raising taxes on working American families trying to raise children on less than $30,000 is plain wrong.

And unfortunately, there will not be much discussion about the 1.8 million children who will lose health care coverage as a result of the majority's punitive welfare reform package. And it is anyone's guess how many more children will lose coverage as a result of the majority's $72 billion Medicaid block grant proposal.

Let there be no mistake, every Member in this Chamber cares about children. But this conference report is no friend of children. Support America's children. Oppose the conference report.

Mr. FRANKS. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from California [Mr. RADANOVICH].

Mr. RADANOVICH. Mr. Speaker, I am amazed that whenever we come to budget discussions and a balanced budget that the minority party seems to trot out the blue dog budget, which was created by 20 Members of the minority party and supported by not much more, in order to show that they are so much for a balanced budget.

It strikes to me the issue. I think what the American people used to decide is who is really serious about balancing this budget.

Now we come back to the budget resolution that we have before us. It includes tax cuts, something that I support and I think something that is very, very necessary in order to generate economic growth and get us to a balanced budget sooner, even if that means increasing the debt in the second year.

I am not real happy about the fact that the Senate stuffed about $2.8 billion more worth of spending in this bill. But the American people need to realize who they are going to trust to eventually get to a balanced budget in 7 years. It sure as heck ain't going to be these people. It is going to be us. That is why I support this budget resolution and I support every other member of this conference in supporting it so that we can go on and continue on toward a balanced budget.

Mr. SABO. Mr. Speaker, I yield 1 minute to the gentleman from Texas [Mr. DOGGETT].

Mr. DOGGETT. Mr. Speaker, once again our Republican friends demonstrate they do not know up from down. Talk is not cheap in this body, Mr. RADANOVICH, because the gap between the reality and the rhetoric that has come out here tonight is several billion dollars extra this year and several billions dollars next year because you increase this budget deficit during all the time you have this great talk about trust and care and concern for future generations.

Mr. RADANOVICH. Will the gentleman yield?

Mr. DOGGETT. No, I will not. With 1 minute to speak, there is the matter of correcting the misstatements that you just made.

Mr. RADANOVICH. Will the gentleman yield?

Mr. DOGGETT. Regular order, please.

The SPEAKER pro tempore (Mr. TAYLOR of North Carolina). The gentleman from Texas does not yield.

Mr. DOGGETT. You have had your opportunity to misrepresent the facts, including the fact that only a handful of Democrats supported the conservative coalition budget when well over a majority of our caucus supported that budget. It gets the budget deficit down this year, it gets the budget deficit down next year, and every year until it achieves true balance. It does not talk. It has real action in the numbers and the real numbers.

Mr. RADANOVICH. Will the gentleman yield?

Mr. DOGGETT. It does all of that without wrecking the Medicare system.

Mr. RADANOVICH. Will the gentleman yield?

Mr. DOGGETT. I know you want to let Medicare wither on the vine. You let Medicare wither on the vine.

Mr. FRANK of Massachusetts. Regular order, Mr. Speaker.

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

Mr. RADANOVICH. Bill Clinton vetoed that budget, I say to the gentleman from Texas [Mr. DOGGETT].

Mr. DOGGETT. Regular order. He has not vetoed this budget, because it was never offered, and you know it, just like your last misrepresentation, sir.

POINT OF ORDER

Mr. FRANK of Massachusetts. Point of order, Mr. Speaker.

The SPEAKER pro tempore. The gentleman will state his point of order.

Mr. FRANK of Massachusetts. The point of order is that two Republican Members in this debate have violated the rules by interrupting Members when they did not have the floor in a limited time. That is inappropriate, and I ask that you enforce the rules against it.

□ 2130

Mr. KASICH. Mr. Speaker, I yield myself 10 seconds to say that I would ask my colleagues to let the other side have their say. We do not want to be interrupted, we do not need to interrupt them, and we will have a good debate.

Mr. FRANKS of New Jersey. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from Ohio [Mr. BOEHNER].

Mr. BOEHNER. Mr. Speaker, let me first commend the gentleman from Ohio, Chairman KASICH, and the members of the Committee on the Budget for doing an outstanding job in bringing this budget together and bring it to the floor tonight. Let me also thank and congratulate virtually all of my colleagues in this Chamber on both sides of the aisle, because for the first time in the generation Members from both sides of the aisle, virtually everyone in the House, is debating how to balance the budget.

Over the last 25 years there has not been much discussion of this issue on both sides of the aisle, and that is the big change that has occurred over these last 18 months. The agenda in Washington is a lot different now than it was because we are talking about how to balance the budget, not the age-old debate that went on here about whether we should balance the budget.

For months Republicans in Congress have talked about doing the right thing for our children's future, balancing the budget, stopping the borrowing from their futures and giving them a chance to live the American dream. Why? Because today's kids will not be able to live the American dream if they have to pay back everything that big government has borrowed from them.

All of us have seen the most expensive credit card in the history of the world, a credit card that has a $5 trillion balance and budget deficits of another $150 billion a year for as far as the eye can see; $260 billion a year is the interest cost on this credit card and we have all got one. It is our voting card.

This, ladies and gentlemen, is the most unconscionable thing that we are doing to our children and their children because it will not be those of us in this Chamber that pay off the debt on this credit card; it will be our kids and our grandkids.

That is why over the last year and a half Republicans in Congress have kept our word. We have passed legislation last year that would balance the budget by the year 2002, that would have reformed welfare, would have saved Medicare for the next generation and given the American families tax relief.

But instead of being constructive, the White House and their liberal allies have waged a campaign of fear and demagoguery. But once again we are keeping our word and, unfortunately, we believe the White House is continuing to play games. No one in this Chamber can doubt the fact that the President's budget is nothing more than a joke. Nobody in this room and nobody in this town believes that we can balance the budget the way the President has tried to present to all of us.

The resolution that we have here before us tonight shows the hard work that we have all been at on both sides of the Chamber, and it also shows that we are able to have the courage to

make the tough choices that it is going to take to balance the budget by the year 2002. No gimmicks and no blue smoke and mirrors; honest choices, tough choices for the American people.

It preserves and protects Medicare for another 10 years. And if we do not do something, we all know what will happen. It is not only going to wreck Medicare for senior citizens, it will wreck the Federal budget in the future and provide more payments, more debt for our kids, and for theirs. This budget reforms welfare and it reforms Medicaid, moves power out of Washington and back to States and local communities where real reform can come, where we can actually be more compassionate in helping our fellow citizens.

But most importantly, our $500 per child tax credit lets American families earn more, keep more, and do more for themselves and for their children. And ladies and gentlemen, if we are serious about moving power out of Washington, the way we have to do it is to move money out of Washington and allow the American people to keep more money in their own pockets.

As I said before, our opponents, especially at the White House, are playing games. Last weekend's Washington Post, I think, outlined it pretty clearly in Dave Broder's column when he pointed out the President it telling us and the American people he is willing to make tough choices to balance the budget, but in fact is telling his own administration do not worry about it.

Let us do the right thing for our children's future and pass this budget resolution.

Mr. SABO. Mr. Speaker, I yield myself 30 seconds to suggest this budget the Republicans present tonight not only increases the deficit for the first 2 years but it is also loaded with gimmicks. The tax cut all of a sudden costs less in 2002 than it does in 2000. Medicare cuts explode in the last year.

Nonattainable. The defense budget increases in the early years in and then decreases below the President's number in the last few years. I could go on and on.

Mr. Speaker, I yield 1 minute to my good friend, the gentleman from Massachusetts [Mr. MARKEY].

Mr. MARKEY. Mr. Speaker, it has been said that fanaticism consists of redoubling your efforts when you have forgotten your aim.

The aim of the Republican Party is to reduce the deficit. They have forgotten what they were aiming at, and that is why the freshmen Republican foot soldiers have been revolting against their Gingrichian generals over the last 24 hours because the budget they have here on the floor increases the deficit.

They have forgotten their Holy Grail of reducing the Federal deficit. And why? Why? As the new majority leader in the Senate said today, because we do not want to touch the tax breaks for the rich. So, in other words, they have given up on the Holy Grail of reducing the deficit in order to protect the crown jewel of tax breaks for the rich.

Now, I think if the American people understand this debate, they would want a no tonight on this Republican rejection of a balanced budget.

Mr. FRANKS of New Jersey. Mr. Speaker, I yield myself 10 seconds to merely remind the previous speaker and all the speakers on the other side of the aisle that each of the next 6 years the Republican budget carries lower deficits than the President's budget.

Mr. Speaker, I yield 1 minute to the distinguished gentleman from Florida [Mr. MICA].

Mr. MICA. Mr. Speaker, we have been here and we have done that. These folks on this side has 40 years to get the finances of this Nation in order.

We are here tonight, we have presented a balanced budget. The first thing this side did when we took over was we cut $20 billion worth of spending over the last Democrat Congress' spending. Last year we cut $23 billion, and we have already heard the President taking credit for reductions. The only reason these reductions have taken place is because we have been here and we kept our word.

We came here and we did what we said we were going to do, and tonight we are going to do it again. We are going to bring the finances of this Nation in order. They may have to do it kicking and screaming and using false statistics and accusations, but we are sobering up and tonight is part of that process.

Mr. SABO. Mr. Speaker, how much time is remaining on each side?

The SPEAKER pro tempore. The gentleman from Minnesota [Mr. SABO] has 10¾ minutes remaining, and the gentleman from New Jersey [Mr. FRANKS] has 6½ minutes remaining.

Mr. SABO. Mr. Speaker, I yield myself 15 seconds to say to my friend from New Jersey, although he has disappeared, our numbers would show the President is actually $100 million less in deficit than the Republicans are in 1997, so the 6-year claim, I think, is slightly off in the first year.

Mr. Speaker, I yield 1 minute to my friend, the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK of Massachusetts. Mr. Speaker, I rarely disagree with my good friend from Massachusetts who preceded me, but he was much too harsh toward the Republicans. He should not have chided them for voting for a budget that would bring the deficit up rather than down next year. They have learned.

Last year, they tried to impose themselves on the U.S. Senate, their colleagues over there, and what happened but a shutdown of the Government, a lot of political problems, a lot of governmental problems. They have learned the advantage of flexibility, of compromise. A year in Washington makes a difference.

The firebrands of last year have become now those who listen to leadership, who back down, who accommodate. And when they are told we need to have the deficit go up, when they are told we have to put several billion dollars more in, when the Senate says that, the president of the freshman class says he does not like to but he will accommodate.

I do not think my friend should be so harsh. I think when the firebrands of yesteryear learn flexibility, accommodation, compromise, deferring to their elders across the hall so they can help the Presidential campaign of our recently departed majority leader, they should be encouraged.

Mr. SABO. Mr. Speaker, I yield 1 minute to my good friend, the gentlewoman from Florida [Ms. BROWN].

Ms. BROWN of Florida. Mr. Speaker, to whom God has given much, much is expected. These cuts in Medicare and Medicaid are simply unacceptable.

Well, I know my Republican colleagues do not like the word ''cuts,'' so let me try this. This gutting of Medicare and Medicaid is simply unacceptable, especially when they are the result of a huge tax break for the wealthy.

This budget conference proposal cuts Medicare funds by $168 billion over the next 6 years, and the Medicaid fund by $72 billion. Approving this budget is promising this country that in the next 6 years the most needy people in this country will not receive health care.

Perhaps the most confusing of all these proposals is the cuts to student loans. More than 35 schools in my State, the great State of Florida, including the University of Florida, will be hurt by these cuts.

Let me close by saying once again to whom God has given much, much is expected.

Mr. SABO. Mr. Speaker, I yield 1 minute to my good friend from North Carolina, Mrs. CLAYTON.

Mrs. CLAYTON. Mr. Speaker, I would disagree a little bit with my colleague from Massachusetts, Mr. FRANK. I would say that the Republicans did not hear, or maybe they did not listen and did not want to hear the American people when they said indeed that what they were doing in the budget was extreme. They wanted the deficit to go down, but they did not like their priorities.

Indeed, the Republicans refuse to hear because again they are cutting Medicaid, Medicaid severely, $72 billion in the next 6 years, which will hurt pregnant women, hurt children, hurt those in rural hospitals. It means they have not heard the American people when they do not want these extreme priorities.

What we do on the budget says volumes about who is important and who is not, and what the Republicans have said through this budget resolution is if you are poor and live in rural areas you are not important; if you are wealthy and if you are healthy and you want to be in a health plan, then you have all the benefits.

I would say that is the wrong priority. I urge a no vote on this budget resolution.

Mr. SABO. Mr. Speaker, I yield 1 minute to the gentleman from Michigan [Mr. DINGELL], my good friend the ranking member, and I forget the name of that committee these days. It used to be Energy and Commerce. He does a great job.

(Mr. DINGELL asked and was given permission to revise and extend his remarks.)

Mr. DINGELL. Mr. Speaker, well, it is deja vu all over again, or, more likely, Reaganomics part II: Increase spending, lower taxes, and hope the big budget deficit goes down. But it does not.

Under the Republican plan, and I hope my Republican colleagues will listen to this, the budget deficit increases by $23 billion the first year and by $17 billion in the second year. After 4 years of declining budget deficits under the leadership of President Clinton, the Republicans have decided to change course.

I studied this well 3 years ago and listened to my Republican colleagues complain about the awful things that might happen under the Clinton budget plan. In fact, Speaker GINGRICH said it would actually increase the budget deficit. Well, the Republican budget deficit is going to increase under this proposal. They were wrong then and they are wrong now. They are fiscally irresponsible.

I would point out that this is a fiscally irresponsible budget. I urge my colleagues to vote no on it, and I quote a great former President of the United States, Gerry Ford, in describing situations like this, who said, ''Things are more like they are now than they have ever been.''

□ 2145

Mr. SABO. Mr. Speaker, I yield 1 minute to the gentleman from Michigan [Mr. LEVIN].

(Mr. LEVIN asked and was given permission to revise and extend his remarks.)

Mr. LEVIN. Mr. Speaker, I just want to talk for my 1 minute about my Republican colleagues' mind-boggling inconsistencies. They say they invented deficit reduction; they come here with a budget that increases the deficit. They are suffering from amnesia or arrogance. Who was President when these deficits exploded?

And in 1993, many of us had the courage to vote for deficit reduction and every Republican voted ''no.'' And one of them comes forth now and says under Democrats, the rich are getting richer and the poor are getting poorer. But what are they suggesting? Increasing taxes on poor working families.

Now, Mr. Speaker, their message does not ring. There is economic prosperity under Democrats. We have to do better. We cannot trust the party that will make it worse.

Mr. SABO. Mr. Speaker, I yield 1 minute to the gentleman from Texas [Mr. EDWARDS].

Mr. EDWARDS. Mr. Speaker, I am kind of curious what happened tonight to the House Republican voices who have been saying all week that it is wrong to pass a budget that increases the deficit over the next 2 years. Since those voices have gone silent tonight on the Republican side, let me say it: This budget increases the deficit over the next 2 years, and it is wrong.

Mr. Speaker, what a difference a month makes. Just last month, House Republicans bragged their VA budget included $100 million more for veterans' health care than the President's budget, yet somehow between giving our Memorial Day speeches and writing our Fourth of July speeches, the Republican leadership cut VA discretionary programs, important programs for veterans by $645 million.

One month ago, they claimed and bragged about the fact they were spending more money than the President's inadequate budget for VA health care. And yet this budget has cut VA health care dramatically by freezing VA health care programs.

Mr. Speaker, this budget will leave our Nation's veterans out in the cold, and it is wrong.

Mr. SABO. Mr. Speaker, I yield 1 minute to the gentleman from Kentucky [Mr. WARD].

Mr. WARD. Mr. Speaker, I rise in opposition to this budget, and I remind my colleagues that we had a chance to vote for a budget that would balance without increasing the deficit in the short term. That proposal was supported by a majority of the Democrats in this House. That is right, a majority of the Democrats.

Mr. Speaker, to hear my colleagues get up from the other side of the aisle and talk about it as if it did not happen sorely disappoints me. I do not understand why we cannot stand here and tell the American people the truth. I do not understand why we cannot stand here and tell the people what this budget will do.

I know why the majority will not do it: Because it increases the deficit before it brings it down. I read in the paper today, ''It is like gaining weight before you start to diet: So it feels better.'' I heard that from a Republican colleague of ours. I will let that speak for itself.

Mr. SABO. Mr. Speaker, I yield 1 minute to the gentleman from Texas [Mr. STENHOLM].

Mr. STENHOLM. Mr. Speaker, again we are getting to the end of the debate, and I think it is awfully important to have the record and all of our colleagues clearly understand that there was one vote this year, it was rollcall No. 177, in which a majority of my colleagues on this side of the aisle voted for a deficit reduction package that lowers the deficit, the total debt compared to what we will be voting on in a minute, by $150 billion less.

Mr. Speaker, I too have a grandson, and I fail to understand how we are going to do more for the grandchildren by borrowing more money over the next 6 years than if we just bit the bullet and started having some honest discussions about how we are going to meet some of the differences that we have across the aisle and do it in a more rational way, but that seems to have escaped us tonight.

But I think it is awfully important to understand that if we want the deficit to come down every year, not go up for the next 2, we do not vote for this resolution tonight; we vote ''no'' tonight. We go back to conference and we say let us get serious about deficit reduction.

Mr. SABO. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I urge a ''no'' vote on this resolution. We can do better than passing a budget resolution in 1996 that increases the deficit for the next 2 years. We have had lots of Members talk about how it can be done. It has been offered. It has been voted on. It has not passed, but it can be done.

Mr. Speaker, I have had hopes through this session, starting back in 1995, that somehow before this year was over we would continue on the track we started in 1993 which involved very substantial deficit reduction and find some way across the aisles to pass a real budget for 1995 and now 1996 to put our fiscal house more in order, brought us to balance, made sensible and practical reforms of a whole series of programs which need to be done.

I told my Republican colleagues early on this in process that I hoped at some point we will get beyond ideology and would get to pragmatic solutions. I still have a glimmer of hope that somehow that can happen between the Congress and the President and before we adjourn in 1996. I tend to be an optimistic person. That optimism is dwindling week by week.

One thing I know for certain, and that is that this budget resolution and how it was put together does not represent that hope for a solution of our basic fiscal problems in 1996. It continues the ideology. It does not continue and move to pragmatic solutions to problems. I am not sure what happens tonight. I expect it passes. I expect it will be used for a variety of political purposes the next several weeks, the next several months. But somehow if we are not this year, we will be back to this problem in 1997.

We have to find answers that are real, that are pragmatic, not ideological. And, unfortunately, we are not moving closer this evening. I think we are moving further away. And I frankly think this country would be much better served if we simply voted ''no'' tonight and started all over again in real attempts to reach across the partisan aisle to face more problems that still confront us in this country. So I urge a ''no'' vote.

Mr. KASICH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we came here 18 months ago to do a few things dramatic things:

balance the budget in real numbers; tax relief for America's hard-pressed families who spend more money paying off the tax man than they do on food, clothing, and shelter.

Mr. Speaker, we also wanted a strong defense. But we wanted to transform the very operation of this government by transferring power, money and influence out of this city. Now we hear all of this talk about all of these numbers. Let us get to the bottom line.

The President of the United States spends $190 billion more, $190 billion more than the Congress. And the blue dogs, they spend $57 billion more over the next 6 years than we do. Know why? Bigger government. Bigger government. They believe in bigger government.

Now let us talk about the other side of the formula here. Tax cuts. Tax relief for Americans. Not only does the President spend $190 billion more in Washington than we do, but he only gives Americans $6 billion worth of tax cuts. The blue dogs spend $57 billion more than we spend in Washington spending, and they have zero tax relief for America's families.

We not only spend much less, but we give Americans more in their paychecks. And, frankly, that is what it comes down to. About the size of this government and about the size of people's paychecks and about individual empowerment to let people keep their money rather than taking their money and giving it to government.

That is the bottom line. Mr. Speaker, if we want to tax more and we want to spend more, then defeat our resolution, but if we want a smaller Washington and less taxes, we come to the floor and we proudly vote for this resolution.

Now, last year we passed a $23 billion cut in Washington spending. We denied the bureaucracy $23 billion. Guess what? It had never been done before. Never been done before. I have been here 14 years. For the first 12 years we did not get a dime. But in the course of just 1 year, we brought the liberals who believe in Washington kicking and screaming to the trough, and guess what? At the end of the day we cut spending under the Republican program.

Now, did we get the entitlements reformed? Were we able to shift the power and the money and the influence and say to people locally, ''We want you to design local solutions for local problems? Oh, yes, we passed it, and, guess what? The President vetoed it. Know why? Because he does not want to give Americans, he does not want to give Americans their power back. And neither do liberals in Washington. They do not want people to write welfare at home.

Now, I would suggest that we have got a ways to go. We have got to get these entitlements done, but I want to tell an interesting story. In Tennessee, Tennessee got to write their own Medicaid plan. They got to do what was going to work in Tennessee. And guess what happened? They saved money, they saved the Tennessee education program, and they covered more people who needed health care. Know how they did it? They did it because Washington took their hands off of them and they let Tennessee design a Tennessee solution.

That is what we want to do with welfare. We want to tell people in neighborhoods that if Mrs. Jones is sick with a couple of kids, we are going to help her, but if Mr. Smith does not want to go to work, we are going to show up and we are going to teach him about work.

Mr. Speaker, that is what America is about. And know what else it is about? If Americans save and work hard and go the extra mile, they get rewarded. That is the Republican plan. It is about shifting power, money, and influence; not just welfare and programs to the poor and the disabled and not just saving Medicare by letting our senior citizens make good choices. But it is also about letting Americans have more of the money they earn to spend on their families, their children, their community. That is what it is all about into the 21st century.

No, we reject more Washington spending and we reject the idea of higher taxes. We are for less government, more tax relief.

Now, is this a perfect bill? Of course it is not. Are some of my colleagues upset we did not get everything done? Of course they are. And know what? I am upset, too. But what we are doing is historic, and we will get there. And for those who are frustrated, I just ask my colleagues, in closing, to remember George Washington. Because he was standing in a driving rain, he was standing in a driving rain and he began to wonder why he was doing what he was doing, because he realized that only a third of the colonists even knew we were in a revolution, and of the third that knew, only 10 percent cared. And of the 10 percent who cared, more than half were for the British.

Mr. Speaker, know what? They moved further as an army. They stayed together as an army with one goal in mind: establishing this precious Republic. And I ask my colleagues and my friends on the other side of the aisle to be part of this army to change America. If we stay together, we will get to the end of this long and winding road and we will save our children, we will empower America, and America will be stronger in the 21st century for what we did today.

Mrs. MINK of Hawaii. Mr. Speaker, I rise to oppose House Concurrent Resolution 178, the conference report on the budget resolution.

The fiscal year 1997 budget resolution appears to be an improvement over the budget proposed by the majority party last year in that it scales back proposed Medicare spending reductions from $288 billion over 7 years to $168 billion over 6 years, and scales back the proposed Medicaid spending reductions from $186 billion over 7 years to $72 billion over 6 years. House Concurrent Resolution 178 also reduces the size of a proposed package of tax cuts from $345 billion over 7 years to something between $122 and $176 billion over 6 years. However, these changes do not mask the fact that the budget embraces assumptions that will reduce dramatically the role of the Federal Government in guaranteeing medical coverage for the poor, maintaining affordable health coverage for seniors, and in expanding educational opportunities for all.

With respect to Medicaid, House Concurrent Resolution 178 embraces structural changes to the program that will transform it from an individual entitlement into a block grant. In addition, the proposed structural changes to Medicaid will allow States to lower their contributions to the program without losing Federal resources; eliminate Federal disability standards that will leave States free to establish their own disability definitions; drop the requirement that health care be provided to children aged 13 through 18 living in poverty; and eliminate the guarantee that low-income seniors who cannot afford Medicare will have their Medicare premiums paid by Medicaid.

In restructuring the Medicaid Program, $72 billion in proposed Federal Medicaid spending reductions could, when combined with State Medicaid spending reductions, result in a Federal/State Medicaid spending reduction over the next 6 years of as much as $250 billion. Such a scale back will leave poor children, disabled persons, and low-income Medicare beneficiaries at risk.

With respect to Medicare, the budget embraces policies that will restructure the program to create incentives for seniors to participate in managed care plans and open medical savings accounts, and permit physicians to charge patients the balance above Medicare's set fees in the new plans. In addition, the conference report cuts the reimbursement rates paid to various providers such as hospitals, doctors, and skilled nursing facilities.

Managed care plans and medical savings accounts are not designed to address the needs of the poorest and least healthy Medicare beneficiaries. And, cuts to the reimbursement rates paid to health providers may well force marginal hospital, particularly in the Nation's rural areas and inner cities, to close. By embracing managed care plans and medical savings accounts, and by reducing reimbursements to health providers, this budget will, I believe, isolate Medicare's least healthy and least affluent beneficiaries at the core of the existing system, and force them to pay higher out-of-pocket costs for reduced levels of medical services.

House Concurrent Resolution 178 continues to assume that tax cuts, intended primarily for the affluent and underwritten by the less affluent, represent the best means of maintaining what many of my Republican colleagues describe as the glide path to a balanced budget. While this budget cuts the size of the GOP package of tax cuts, the benefits of the tax package continue to be distributed very unevenly.

Public and private studies, as well as innumerable books, have documented either how the gulf between the richest and poorest Americans widened or how the incomes of the rich grew significantly as the incomes of the middle class and the working poor stagnated over the course of the past two decades. Yet, the majority party insists on directing most of the benefits of its proposed tax cuts not to the middle class or the poor, but to the rich.

For example, the conference report cuts $18 billion from the earned income tax credit for the working poor while providing increased capital gains benefits for the most affluent. It is a cruel irony that the majority party which insists that it wants to get people off welfare and into jobs would propose to cut the earned income tax credit that benefits the working poor, that is, individuals who have stayed off welfare by working.

Mr. Speaker, members of the Republican Party claim that they, not President Clinton and not the Democratic Members of Congress, know best how to balance the Federal budget by 2002. However, members of the GOP conveniently overlook the fact that it was a succession of Republican Presidents that caused the deficits to spiral out of control by first enacting and then maintaining the borrow-and-spend fiscal policies now known collectively as Reaganomics. In addition, they forget that every single Republican member of the 103d Congress opposed the Omnibus Budget Reconciliation Act [OBRA] of 1993. Most of all, they overlook the fact that OBRA 1993 has not only managed to cut the deficits in half but also made the very idea of achieving a balanced budget in 6 years a distinct possibility.

I believe we can continue on the path to balancing the Federal budget begun by OBRA 1993. That path most assuredly does not lead to the dismantling of the Federal Government nor to the Federal Government's abdication of its responsibility to continue its efforts to ensure that all Americans are provided equal educational opportunities, adequate health care, and a decent standard of living.

Ms. PELOSI. Mr. Speaker, I rise in opposition to the conference agreement on the 1997 budget resolution. Like last year's budget, the plan is out of touch with the American people and should be rejected by the House.

In 1993, President Clinton, working with Congress, began a process of deficit reduction that has reduced Federal deficits for 4 years in a row. In fact, the Federal budget deficit has been cut in half since the beginning of the Clinton Presidency. We need a continuation of the moderate proposals which have been working. We do not need another extreme budget plan to foster bitter confrontation between the Congress and the administration. The American people reject this tactic; they want bipartisan cooperation in solving problems.

The Republican plan proposes to cut Medicare by $158 billion over the next 6 years. Even worse, the plan proposes to end 30 years of universal coverage for senior citizens and allow the healthy and wealthy to opt out of the program causing disruption and placing the entire Medicare Program at risk. Medicare cuts are still used to finance tax breaks for the wealthy.

The budget plan for Medicaid is even more extreme. Cutting $72 billion over 6 years, and allowing the States to cut even more in State payments, would be severely destructive to the program. The plan also would eliminate the current guarantees of health coverage for low-income children, pregnant women, disabled people, and senior citizens. Thankfully, the President has already rejected this drastic approach and proposed a reasonable plan to cap individual benefits resulting in comparable savings without millions of Americans losing health coverage.

Likewise, the budget resolution includes much of the Republican welfare plan which was vetoed by the President because it was too extreme and did little to move people from welfare to work. There appears to be little to recommend proceeding with the same plan encouraging a race to the bottom for State welfare programs.

With regard to discretionary spending, the budget plan is once again extreme. For 1997, funding for defense programs is increased more than $11 billion over the Pentagon's request. On the other hand, nondefense spending falls dramatically—a decrease of $15 below the President's request for 1997. Over the 6 years, the budget resolution would cut purchasing power for domestic programs by 25 percent.

For health programs, the budget plan calls for drastic cuts to programs like community health centers, family planning and biomedical research. The plan to cut purchasing power for the National Institutes of Health [NIH] is extreme and lacking in an understanding of the importance of investment in biomedical research.

The most extreme and short-sighted part of the budget plan is the limitation on funding for education and job training programs. Essentially, these vital programs to prepare the American people for the challenges of a new global economy are frozen for 6 years. The successful direct student loan program is capped, forcing 700,000 students out of the program in 1997 alone. This renewed attack on education places the Congress on a collision course with the Clinton administration, which has proposed $61 billion more in investments for education and job training.

Again, the budget plan fails to adequately protect the environment. The plan would cut purchasing power for natural resources and environmental. The American people want the environment protected. They want clean water, clean air, and access to well-kept national parks.

Mr. Speaker, this budget agreement is essentially the same as last year's Gingrich budget. This budget sets in motion the same failed tactic of confrontation that resulted in the longest and most destructive Government shutdowns in our Nation's history. I fear that not enough was learned by the Republican leadership from last year's failures.

I urge my colleagues to reject this fundamentally flawed budget resolution and insist that a bipartisan budget proposal be adopted to move us on an orderly course to complete the important budget work of this Congress.

Mr. THOMPSON. Mr. Speaker, I rise in strong opposition to this budget resolution because of its deep cuts in education. In the House Republicans' report on the budget for fiscal year 1997, they stated that:

> [E]ducation is a top priority for the Nation. It is the means by which individuals develop the skills, knowledge, and sense of responsibility to pursue their own personal destinies and participate in their communities. It is the key that unlocks the door to higher-skilled, better-paying jobs for those seeking to break out of poverty. It is the source of highly trained workers, who are crucial to keeping the Nation competitive in an increasingly technical global economy.

Then why are my Republican colleagues seeking a decrease of $2.1 billion compared to the freeze level for discretionary education, training, employment and social services programs? These cuts will include the elimination of 31 education programs including funding for Howard University, Innovative Education Program Strategies, State Student Incentive Grants, and new funding for student loans.

Furthermore, they are seeking to cut funding for student loans by $3.7 billion over the next 6 years. Cutting the job training and education programs by $1.1 billion below the 1996 enacted levels. How can individuals break out of poverty through education if they cannot afford to enroll in school or receive job training.

Is this how they treat a top priority for the Nation that is the means by which individuals develop the skills, knowledge, and sense of responsibility to pursue their own personal destinies?

Now, I truly understand why I was taught growing up in Mississippi that you listen to a person's words but you judge him by his actions. Mr. Speaker, I hope that in November the American public will use my childhood lesson and listen to the words of the Republicans but vote based on their actions. Finally, I urge my colleagues to vote against this bill.

Mr. COSTELLO. Mr. Speaker, I rise in opposition to the conference report on the fiscal year 1997 budget resolution offered today. This conference report represents a continued attack on the health, safety, and well-being of the majority of the American people. While not as drastic as the budget proposed by the Republican majority last year or the House-passed version of the fiscal year 1997 budget resolution, this budget conference agreement also is too extreme. By cutting Medicare and Medicaid, the safety net for vulnerable populations—the elderly, disabled, and poor children and families—will be in jeopardy. I cannot support a budget that includes massive Federal spending for new tax breaks while other critical programs—including Medicare, Medicaid, and the earned income tax credit—are greatly weakened. This is not a realistic budget. We cannot, and should not, enact a budget such as this that promises to both cut spending and cut taxes. If we are serious about reducing the deficit—as I am—we should make the hard choices to bring our Federal spending in line. This budget, however, promises to make life easier for the affluent, while balancing the budget on the backs of the poor and disadvantaged.

I support a balanced budget. In fact, I have cosponsored and voted in favor of amending the U.S. Constitution to mandate a balanced Federal budget. However, while the fiscal year 1997 budget resolution conference report achieves balance on paper, I cannot support the callous and irresponsible policy assumptions it uses to achieve these savings. The policy implications have very real consequences to the citizens of this Nation.

I am especially concerned about the deep cuts in discretionary spending included in this budget. Certainly, we must take serious steps to carefully scrutinize every portion of our Federal budget in order to control Federal spending and bring our deficit under control. However, the cuts in discretionary spending included here are too harsh and will have a serious impact on millions of Americans, most notably the vulnerable populations that continue to be left behind as we change our Federal priorities.

For example, the cuts in education leave me very concerned about the future of this Nation. The education of our children must be a top priority. The education our children receive should be adequate in keeping the U.S. economy competitive as we move into the next

century. American children rank dismally in math and science achievement compared with students from other Nations. The proportion of young people completing high school has remained stagnant for a decade, despite the ever-increasing demands for education in the job market. Having all our students starting school ready to learn, increasing the high school graduation rate, teaching every adult to read and keeping drugs and violence out of schools are not goals we should abandon. While our deficit needs to be eliminated, we must not decimate the education of future generations, in particular cutting $4 billion from our Nation's student loan program.

In addition, a well-maintained transportation network is essential for economic development. If highways cannot be maintained, our goods cannot move in commerce. Similarly, without continued attention to our Nation's airports, delays and other difficulties will slow our economy's growth. In addition, transit funding provides immediate benefits for economic development, carrying low-income people to their place of work and reducing congestion in metropolitan areas. This conference agreement would cut transportation funding in 1997, lower than its funding level this year.

Transportation should not bear higher cuts than other programs. The House budget phases out Federal assistance the operation of mass transit systems, and the conference agreement takes no position contrary to this stance. Operating assistance is essential to transit systems across the Nation. Transit systems are already taking serious steps to cope with Federal operating cuts of nearly 50 percent in fiscal year 1996 and 12 percent in fiscal year 1995. Transit systems, by necessity, are operating more efficiently yet still must cut services and increase fares. The complete elimination of operating assistance would have a drastic impact and could eliminate necessary public transportation in communities across our Nation.

The cuts in transportation funding is just one example of the hypocrisy of this budget. As this budget pushes people into the workforce it takes away their means of getting to work. This budget is unfair and should not be passed by this House.

Mr. COYNE. Mr. Speaker, I rise today in opposition to the conference report on the fiscal year 1997 budget resolution.

As with the version of the budget that the House voted on back in May, the budget plan outlined in the conference report is horribly flawed.

If is flawed because it fails to address the Nation's most pressing concerns—concerns like affordable health care, high-quality education, community development, a healthy environment, and important investments in research and infrastructure that will increase economic productivity and improve our standard of living in years to come.

It if flawed because it irresponsibly cuts taxes and increases the deficit at a time when we should be addressing our concerns to balancing the budget.

It is flawed because it unwisely cuts spending for domestic programs in order to increase spending on defense at a time when the most important challenges facing the country are economic rather than military.

Finally, it is flawed because it cruelly redirects Federal resources away from safety net programs for the poor, the elderly, and the disabled—and into the portfolios and safe-deposit boxes of the well-to-do.

In short, this budget has its priorities all wrong—just like the Republican Party. I urge my colleagues to reject this conference report and to start again. Let's put together a budget that invests in our future, maintains a Federal safety net for the needy, and reduces the deficit.

□ 2200

The SPEAKER pro tempore (Mr. TAYLOR of North Carolina). Without objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER pro tempore. The question is on the conference report.

Pursuant to clause 7 of rule XV, the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 216, nays 211, not voting 8, as follows:

[Roll No. 236]

YEAS—216

Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Brownback
Bryant (TN)
Bunning
Burr
Burton
Buyer
Callahan
Camp
Campbell
Canady
Castle
Chambliss
Chrysler
Clinger
Coble
Collins (GA)
Combest
Condit
Cooley
Cox
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Fields (TX)
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frisa
Funderburk
Gallegly
Ganske
Gekas
Geren
Gilchrest
Gilman
Gingrich
Goodlatte
Goodling
Goss
Graham
Greene (UT)
Greenwood
Gunderson
Hall (TX)
Hancock
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Horn
Houghton
Hunter
Hutchinson
Hyde
Inglis
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King
Kingston
Klug
Knollenberg
Kolbe
LaHood
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
LoBiondo
Longley
Lucas
Manzullo
Martini
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Molinari
Montgomery
Moorhead
Morella
Myers
Nethercutt
Ney
Norwood
Nussle
Oxley
Packard
Parker
Paxon
Pombo
Porter
Portman
Pryce
Quillen
Quinn
Radanovich
Ramstad
Regula
Riggs
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Saxton
Scarborough
Schaefer
Schiff
Seastrand
Sensenbrenner
Shaw
Shays
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Spence
Stearns
Stockman
Stump
Talent
Tate
Tauzin
Taylor (NC)
Thomas
Thornberry
Torkildsen
Upton
Vucanovich
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—211

Abercrombie
Ackerman
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Barton
Becerra
Beilenson
Bentsen
Berman
Bevill
Bishop
Blumenauer
Bonior
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Bunn
Cardin
Chabot
Chapman
Chenoweth
Christensen
Clay
Clayton
Clement
Clyburn
Coburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Costello
Coyne
Cramer
Cummings
Danner
de la Garza
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Durbin
Edwards
Engel
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Filner
Flake
Flanagan
Foglietta
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Gibbons
Gonzalez
Gordon
Green (TX)
Gutierrez
Gutknecht
Hall (OH)
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Holden
Hostettler
Hoyer
Istook
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
Klink
LaFalce
Lantos
Largent
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Luther
Maloney
Markey
Martinez
Mascara
Matsui
McCarthy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Mollohan
Moran
Murtha
Myrick
Nadler
Neal
Neumann
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pomeroy
Poshard
Rahall
Rangel
Reed
Richardson
Rivers
Roemer
Rose
Roybal-Allard
Rush
Sabo
Salmon
Sanders
Sanford
Sawyer
Schroeder
Schumer
Scott
Serrano
Shadegg
Sisisky
Skaggs
Skelton
Slaughter
Souder
Spratt
Stark
Stenholm
Stokes
Studds
Stupak
Tanner
Taylor (MS)
Tejeda
Thompson
Thornton
Thurman
Tiahrt
Torres
Torricelli
Towns
Traficant
Velazquez
Vento
Visclosky
Volkmer
Ward
Waters
Watt (NC)
Waxman
Williams
Wise
Woolsey
Wynn
Yates

NOT VOTING—8

Calvert
Frelinghuysen
Gillmor
Hayes
Lincoln
Manton
McDade
Wilson

□ 2220

The Clerk announced the following pair:

On this vote:

Mr. Frelinghuysen for, with Mrs. Lincoln against.

Mr. ALLARD, Mrs. CUBIN, Mr. METCALF, and Mr. COOLEY changed their votes from ''nay'' to ''yea.''

So the conference report was agreed to.

The result of the vote was announced as above recorded.

GENERAL LEAVE

Mr. KASICH. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks on the conference report which has just been adopted.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

ANNUAL REPORT OF THE NATIONAL ENDOWMENT FOR THE ARTS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore (Mr. TAYLOR of North Carolina) laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Economic and Educational Opportunities:

To the Congress of the United States:

It is my pleasure to transmit herewith the Annual Report of the National Endowment for the Arts for the fiscal year 1995.

On September 29, 1995, at the close of the fiscal year, the Arts Endowment celebrated its 30th anniversary. A young man or woman born at the same time as this Federal agency's establishment has enjoyed access to the arts and culture unparalleled in the history of the country. The National Endowment for the Arts has helped bring tens of thousands of artists into schools, teaching tens of millions of students about the power of the creative imagination. This small Federal agency has helped launch a national cultural network that has grown in size and quality these past 30 years.

This Annual Report is another chapter in a great success story. In these pages, you will find projects that bring the arts to people in every State and in thousands of communities from Putney, Vermont, to Mammoth Lakes, California. The difference art makes in our lives is profound; we see more clearly, listen more intently, and respond to our fellow man with deeper understanding and empathy.

In these challenging times, when some question the value of public support for the arts, we should reflect upon our obligation to the common good. The arts are not a luxury, but a vital part of our national character and our individual human spirit. The poet Langston Hughes said, ''Bring me all of your dreams, you dreamers. Bring all of your heart melodies . . .'' For 30 years, the Arts Endowment has helped keep those dreams alive for our artists and our audiences. May it long continue to do so.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *June 12, 1996.*

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 2951

Mr. BACHUS. Mr. Speaker, I ask unanimous consent that my name be removed as cosponsor of H.R. 2951.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 2754, SHIPBUILDING TRADE AGREEMENT ACT

Mr. DREIER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 448 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 448

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 2754) to approve and implement the OECD Shipbuilding Trade Agreement. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided among and controlled by the chairmen and ranking minority members of the Committee on Ways and Means and the Committee on National Security. After general debate the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on Ways and Means now printed in the bill, modified by the amendment printed in part 1 of the report of the Committee in the nature of a substitute shall be considered as read. All points of order against that amendment in the nature of a substitute are waived. No other amendment shall be in order except the amendment printed in part 2 of the report of the Committee on Rules. That amendment may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for one hour equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against that amendment are waived. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the amendment in the nature of a substitute made in order as original text. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from California [Mr. DREIER] is recognized for 1 hour.

Mr. DREIER. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from south Boston, MA, Mr. MOAKLEY, pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

(Mr. DREIER asked and was given permission to revise and extend his remarks.)

Mr. DREIER. Mr. Speaker, this rule provides for consideration of H.R. 2754, legislation to implement the multilateral trade agreement entered into by the President to phase out shipbuilding subsidies and create an international environment conducive to the restoration of a healthy commercial shipbuilding industry in this country.

House Resolution 448 is a modified closed rule, providing 1 hour of general debate divided equally among the chairmen and ranking minority members of the Committees on Ways and Means and National Security. The resolution waives all points of order against consideration of the bill.

The resolution makes in order the amendment in the nature of a substitute as recommended by the Committee on Ways and Means, as modified by the amendment printed in part 1 of the report of the Committee on Rules, as an original bill for purpose of amendment. The amendment shall be considered as read. All points of order are waived against the amendment in the nature of a substitute as modified.

The rule further provides for consideration of an amendment printed in part 2 of the report of the Committee on Rules and waives all points of order against the amendment. The amendment to be offered by the gentleman from Virginia [Mr. BATEMAN] shall be considered as read, shall be debatable for 1 hour equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or the Committee of the Whole.

□ 2230

Finally, the rule provides for one motion to recommit with or without instructions.

Mr. Speaker, for many years, some foreign governments have employed subsidies to protect their commercial shipbuilders from international competition. It was the policy of the United States not to respond in kind, and I strongly support that policy. Manufacturing subsidies are a wasteful drain on the economy and on taxpayers. We should not fall victim to these insidious policies simply because other countries employ them.

Seven years ago, rather than throw money away in a race to see who could provide the largest subsidy to commercial shipbuilders, the United States initiated multilateral negotiations with the major shipbuilding nations to come to an agreement to end subsidies. Mr. Speaker, this effort was supported by our commercial shipbuilders who realized that the only long-term hope for

the industry in the United States was to reach an agreement.

In December 1994, after 5 years of negotiations, an agreement was reached with the European Commission, Norway, South Korea, and Japan, the world's major shipbuilding nations. The meticulously negotiated agreement to end shipbuilding subsidies was scheduled to enter effect on January 1, 1996 and the start date was extended to July 15 due to delays in congressional approval.

In past years this trade agreement implementing bill would have been considered by the Congress under what are known as fast-track procedures. Congress would have a clean up-or-down vote on the agreement reached by the administration. Regrettably, the Clinton administration has refused for 3 years to compromise with those in Congress who support trade agreements and support fast-track authority, but who refuse to give the administration carte blanche to include any social policy whim they desire in trade agreements. Clearly, this trade agreement and this implementing bill is the type of trade legislation envisioned when Congress established the fast track procedure.

Under fast track, Congress votes up-or-down on legislation, crafted by congressional committees and the administration, to implement an agreement. Amendments are not permitted because they can violate the negotiated agreement, killing the deal by forcing all the tough issues back onto the bargaining table.

This rule attempts to limit that possibility, while giving the House a clear vote on the negotiated agreement. The bill reported by the Committee on Ways and Means will implement the agreement negotiated by the President. The provisions from the Committee on National Security, which are consistent with the negotiated agreement, are included as base text. However, the provisions of the Committee on National Security which violates the agreement are offered to the House in one amendment. The choice is very clear: Approve or reject the agreement.

Mr. Speaker, make no mistake, the vote on the Committee on National Security amendment is the vote on the shipbuilding agreement. If the amendment is approved, we will not be in compliance with the agreement, and it is highly unlikely that negotiations on the agreement will be reopened.

Mr. Speaker, I include for the RECORD letters from the Government of Norway, the Government of Japan, and the European Commission, each of which state the negotiations in this agreement will not be reopened.

I also include a letter in opposition to the national security agreement which came up to us by Ambassador Charlene Barshefsky, our U.S. Trade Representative.

The material referred to is as follows:

ROYAL NORWEGIAN EMBASSY,
Washington, DC, June 5, 1996.

Hon. CHARLENE BARSHEFSKY,
Acting U.S. Trade Representative,
Washington, DC.

DEAR AMBASSADOR BARSHEFSKY, I am writing to you to express the Norwegian Government's grave concern regarding the amendments passed by the National Security Committee of the House of Representatives in its mark-up last week of the legislation for implementation of the OECD Shipbuilding Agreement.

Several of the amendments, most notably the provisions for extending the Title XI shipbuilding loan guarantee program and the provisions for removing the applicability of the Agreement with respect to the building of Jones Act vessels, are clearly inconsistent with the terms of Agreement.

The OECD Shipbuilding Agreement is the result of many years of complex negotiations and represents a carefully crafted compromise between the parties to the Agreement. My Government holds the view that the Agreement is of vital importance for the return to normal competitive conditions in the commercial shipbuilding industry.

Norway has ratified the OECD Agreement, and would find that the introduction of amendments such as those proposed by the National Security Committee would destroy the balance of obligations and, thus, undermine the foundation upon which the Agreement was built. On the Norwegian side, we do not foresee circumstances whereby the signatories of the OECD Agreement would be prepared to reopen negotiations.

Hoping that you will convey to Congress Norway's concern that adoption of the aforementioned amendments would seriously jeopardize the OECD Agreement, I remain,

Sincerely yours,

KARSTEN KLEPSVIK,
Charge d' Affaires a.i.

DELEGATION OF THE
EUROPEAN COMMISSION,
Washington, DC, May 31, 1996.

Hon. HERBERT H. BATEMAN,
House of Representatives,
Washington, DC.

DEAR CONGRESSMAN, I am writing on behalf of the European Commission to express our considerable concern with respect to the amendment passed by the House National Security Committee in its mark-up of the OECD shipbuilding implementing legislation. The amendment calls for an extension of the terms of Title XI financing for ship construction for thirty months. Furthermore the amendment would clearly state that the agreement does not require changes in the Jones Act and that certain Department of Defence procurements are not covered.

This amendment clearly is inconsistent with the terms of the agreement as negotiated between the parties.

The agreement is the result of five years of complex negotiations which have led to the adoption of the basic principles originally proposed by the United States (i.e. the prohibition of virtually all forms of future government subsidies). Therefore this significant amendment would not be acceptable to the European Community since it would be contrary to the basic objectives and balance of mutual concessions contained in the agreement. I cannot envisage the circumstances under which signatories of the OECD agreement would be willing to reopen negotiations.

The adoption of the amendment would put the agreement in serious jeopardy. Therefore, I should like to urge you to take the above into account in future consideration of the bill.

Sincerely yours,

HUGO PAEMEN,
Ambassador.

JUNE 5, 1996.

Mr. RONALD JOHNSTON,
Secretary-General, OECD.

DEAR MR. JOHNSTON, As you know, the target date for the ratification of the OECD Shipbuilding Agreement is fast approaching. In this regard, I am pleased to report that Japan is making steady progress towards ratification of the Agreement, and we hope to have Diet approval by 15th June.

Despite this optimistic picture, recent developments in the United States are clouding the horizon and are a source of grave concern to us. On 29 May, the US House National Security Committee passed an amendment to the OECD Shipbuilding Agreement which would change the terms of the US participation in the ban to subsidise global shipbuilding. This amendment provides for the extension of the Title XI Loan Guarantee Programme until January 1999. Title XI, which provides subsidised financing for maritime vessels, is in contradiction with the provisions of the Agreement, and its prolongation by the House of Representatives would clearly jeopardise the entry into force of the Agreement.

Let me make it very clear that Japan is opposed to this amendment which goes against the spirit and letter of the Agreement, and would be unwilling to reopen negotiations. The Agreement, fruit of five long years of negotiations, was initially proposed by the United States and had as objective the elimination of all forms of government subsidies to shipyards, a principle supported by the United States. It is clear that the Agreement will bring long-term benefit to all signatory countries whereas passage of the Bateman amendment will open the door for a new round of subsidisation and anti-dumping movements, actions that will hurt all countries.

Japan is using all available channels to directly convey our concern to American lawmakers on this issue. As the OECD as the home of the negotiations, we believe that you, as Secretary-General of the OECD, share our displeasure. We would therefore ask you to use all your influence to convey our own concern to the United States.

Sincerely yours,

MASAJI TAKAHASHI,
Ambassador.

EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE,
Washington, DC, June 5, 1996.

HERBERT H. BATEMAN,
Chairman, Special Oversight Panel on the Merchant Marine, Committee on National Security, Washington, DC.

DEAR CHAIRMAN BATEMAN: I want to thank you for the opportunity for General Counsel Jennifer Hillman to appear as an Administration witness before your Special Oversight Panel regarding H.R. 2754 which would implement the OECD Shipbuilding Agreement and for the House National Security Committee taking timely action on the bill. I remain optimistic that the United States will be able to ratify this important agreement, which will eliminate large foreign subsidies for shipbuilding and provide new sales and employment opportunities for U.S. shipyards.

At the same time, however, I want to make clear that the substitute amendment to H.R. 2754 approved by the National Security Committee on May 30 modifies the legislation in ways that are clearly incompatible with the

Agreement and unacceptable to the other Signatories.

The Agreement requires that its Members bring their government support programs into compliance with the provisions of the Agreement as of entry into force (now scheduled for July 15, 1996). The National Security Committee substitute amendment (Section 205) would delay the required modification of our Title XI loan guarantee program until January 1, 1999. The Agreement also provides for an exemption for the home-build requirements of U.S. coastwise laws (''Jones Act''), these requirements are allowed to continue indefinitely while the home-build requirements of the other members must be eliminated as of entry into force. To address the concerns of the other Members, however, provisions were painstakingly negotiated to provide a means of redress in the unlikely event this exemption were determined to significantly undermine the balance of rights and obligations under the Agreement. Section 207 of the substitute amendment would negate these provisions—which are the basis on which we obtained an exemption for the Jones Act.

Other Signatories to the Agreement have been quick to contact us in the wake of the May 30 action by the National Security Committee. Their message has been uniform: the substitute amendment is inconsistent with the Agreement, fundamentally undermines the balance of mutual concessions and commitments contained in the Agreement, and is therefore unacceptable. It would require a complete renegotiation of the Agreement—something that they are unwilling to consider at this late stage. I would note in this regard that, with the exception of Japan, all other Members of the Agreement have completed their internal parliamentary process and ratified the Agreement; final Japanese approval of the Agreement and its implementing legislation is expected this week. Thus, aside from policy objections, the substitute amendment would invalidate time-consuming foreign ratification efforts. You can readily imagine the legal difficulties of seeking to reopen these parliamentary processes.

In sum, I believe the substitute amendment approved by the National Security Committee will, if adopted, end the United States' chance to impose strong disciplines on foreign subsidies and other unfair trading practices in the shipbuilding sector. Aside from its adverse implications for our shipbuilding industry itself, we need to secure passage of unencumbered legislation to assure our trading partners of our ability to implement tough agreements that the U.S. initiated.

I appreciate your hard work on the bill and I look forward to working with you to ensure that implementing legislation that is consistent with the Agreement is passed prior to June 15.

Sincerely,

CHARLENE BARSHEFSKY,
Acting United States Trade Representative.

Mr. DREIER. Mr. Speaker, it is quite clear if you judge the agreement as negotiated by the administration to be insufficient, then the national security amendment offers a vehicle to kill it. However, I support ending foreign subsidies. I believe this shipbuilding agreement will achieve that goal. Approving this implementing bill is critical to bringing this agreement into force, so I urge Members to reject the amendment of the Committee on National Security.

Mr. Speaker, while the Committee on Ways and Means and the Committee on National Security hold very different views on the substance of this agreement, they both support this fair floor procedure. It offers the Members a clear and understandable choice: On one hand, the agreement, and on the other hand, continue with U.S. loan guarantee subsidies, which will require this agreement to be renegotiated.

I look forward to a good debate when we move to this issue, and I urge all Members to support this rule so we can get to that debate.

Mr. Speaker, I include for the RECORD the following materials:

THE AMENDMENT PROCESS UNDER SPECIAL RULES REPORTED BY THE RULES COMMITTEE,[1] 103D CONGRESS V. 104TH CONGRESS

[As of June 12, 1996]

Rule type	103d Congress		104th Congress	
	Number of rules	Percent of total	Number of rules	Percent of total
Open/Modified-Open [2]	46	44	73	59
Structured/Modified Closed [3]	49	47	33	27
Closed [4]	9	9	17	14
Total	104	100	123	100

[1] This table applies only to rules which provide for the original consideration of bills, joint resolutions or budget resolutions and which provide for an amendment process. It does not apply to special rules which only waive points of order against appropriations bills which are already privileged and are considered under an open amendment process under House rules.

[2] An open rule is one under which any Member may offer a germane amendment under the five-minute rule. A modified open rule is one under which any Member may offer a germane amendment under the five-minute rule subject only to an overall time limit on the amendment process and/or a requirement that the amendment be preprinted in the Congressional Record.

[3] A structured or modified closed rule is one under which the Rules Committee limits the amendments that may be offered only to those amendments designated in the special rule or the Rules Committee report to accompany it, or which preclude amendments to a particular portion of a bill, even though the rest of the bill may be completely open to amendment.

[4] A closed rule is one under which no amendments may be offered (other than amendments recommended by the committee in reporting the bill).

SPECIAL RULES REPORTED BY THE RULES COMMITTEE, 104TH CONGRESS

[As of June 10, 1996]

H. Res. No. (Date rept.)	Rule type	Bill No.	Subject	Disposition of rule
H. Res. 38 (1/18/95)	O	H.R. 5	Unfunded Mandate Reform	A: 350–71 (1/19/95).
H. Res. 44 (1/24/95)	MC	H. Con. Res. 17	Social Security	A: 255–172 (1/25/95).
		H.J. Res. 1	Balanced Budget Amdt	
H. Res. 51 (1/31/95)	O	H.R. 101	Land Transfer, Taos Pueblo Indians	A: voice vote (2/1/95).
H. Res. 52 (1/31/95)	O	H.R. 400	Land Exchange, Arctic Nat'l. Park and Preserve	A: voice vote (2/1/95).
H. Res. 53 (1/31/95)	O	H.R. 440	Land Conveyance, Butte County, Calif	A: voice vote (2/1/95).
H. Res. 55 (2/1/95)	O	H.R. 2	Line Item Veto	A: voice vote (2/2/95).
H. Res. 60 (2/6/95)	O	H.R. 665	Victim Restitution	A: voice vote (2/7/95).
H. Res. 61 (2/6/95)	O	H.R. 666	Exclusionary Rule Reform	A: voice vote (2/7/95).
H. Res. 63 (2/8/95)	MO	H.R. 667	Violent Criminal Incarceration	A: voice vote (2/9/95).
H. Res. 69 (2/9/95)	O	H.R. 668	Criminal Alien Deportation	A: voice vote (2/10/95).
H. Res. 79 (2/10/95)	MO	H.R. 728	Law Enforcement Block Grants	A: voice vote (2/13/95).
H. Res. 83 (2/13/95)	MO	H.R. 7	National Security Revitalization	PQ: 229–199; A: 227–197 (2/15/95).
H. Res. 88 (2/16/95)	MC	H.R. 831	Health Insurance Deductibility	PQ: 230–191; A: 229–188 (2/21/95).
H. Res. 91 (2/21/95)	O	H.R. 830	Paperwork Reduction Act	A: voice vote (2/22/95).
H. Res. 92 (2/21/95)	MC	H.R. 889	Defense Supplemental	A: 282–144 (2/22/95).
H. Res. 93 (2/22/95)	MO	H.R. 450	Regulatory Transition Act	A: 252–175 (2/23/95).
H. Res. 96 (2/24/95)	MO	H.R. 1022	Risk Assessment	A: 253–165 (2/27/95).
H. Res. 100 (2/27/95)	O	H.R. 926	Regulatory Reform and Relief Act	A: voice vote (2/28/95).
H. Res. 101 (2/28/95)	MO	H.R. 925	Private Property Protection Act	A: 271–151 (3/2/95).
H. Res. 103 (3/3/95)	MO	H.R. 1058	Securities Litigation Reform	
H. Res. 104 (3/3/95)	MO	H.R. 988	Attorney Accountability Act	A: voice vote (3/6/95).
H. Res. 105 (3/6/95)	MO			A: 257–155 (3/7/95).
H. Res. 108 (3/7/95)	Debate	H.R. 956	Product Liability Reform	A: voice vote (3/8/95).
H. Res. 109 (3/8/95)	MC			PQ: 234–191 A: 247–181 (3/9/95).
H. Res. 115 (3/14/95)	MO	H.R. 1159	Making Emergency Supp. Approps	A: 242–190 (3/15/95).
H. Res. 116 (3/15/95)	MC	H.J. Res. 73	Term Limits Const. Amdt	A: voice vote (3/28/95).
H. Res. 117 (3/16/95)	Debate	H.R. 4	Personal Responsibility Act of 1995	A: voice vote (3/21/95).
H. Res. 119 (3/21/95)	MC			A: 217–211 (3/22/95).
H. Res. 125 (4/3/95)	O	H.R. 1271	Family Privacy Protection Act	A: 423–1 (4/4/95).
H. Res. 126 (4/3/95)	O	H.R. 660	Older Persons Housing Act	A: voice vote (4/6/95).
H. Res. 128 (4/4/95)	MC	H.R. 1215	Contract With America Tax Relief Act of 1995	A: 228–204 (4/5/95).
H. Res. 130 (4/5/95)	MC	H.R. 483	Medicare Select Expansion	A: 253–172 (4/6/95).
H. Res. 136 (5/1/95)	O	H.R. 655	Hydrogen Future Act of 1995	A: voice vote (5/2/95).
H. Res. 139 (5/3/95)	O	H.R. 1361	Coast Guard Auth. FY 1996	A: voice vote (5/9/95).
H. Res. 140 (5/9/95)	O	H.R. 961	Clean Water Amendments	A: 414–4 (5/10/95).
H. Res. 144 (5/11/95)	O	H.R. 535	Fish Hatchery—Arkansas	A: voice vote (5/15/95).
H. Res. 145 (5/11/95)	O	H.R. 584	Fish Hatchery—Iowa	A: voice vote (5/15/95).
H. Res. 146 (5/11/95)	O	H.R. 614	Fish Hatchery—Minnesota	A: voice vote (5/15/95).
H. Res. 149 (5/16/95)	MC	H. Con. Res. 67	Budget Resolution FY 1996	PQ: 252–170 A: 255–168 (5/17/95).

SPECIAL RULES REPORTED BY THE RULES COMMITTEE, 104TH CONGRESS—Continued

[As of June 10, 1996]

H. Res. No. (Date rept.)	Rule type	Bill No.	Subject	Disposition of rule
H. Res. 155 (5/22/95)	MO	H.R. 1561	American Overseas Interests Act	A: 233–176 (5/23/95).
H. Res. 164 (6/8/95)	MC	H.R. 1530	Nat. Defense Auth. FY 1996	PQ: 225–191 A: 233–183 (6/13/95).
H. Res. 167 (6/15/95)	O	H.R. 1817	MilCon Appropriations FY 1996	PQ: 223–180 A: 245–155 (6/16/95).
H. Res. 169 (6/19/95)	MC	H.R. 1854	Leg. Branch Approps. FY 1996	PQ: 232–196 A: 236–191 (6/20/95).
H. Res. 170 (6/20/95)	O	H.R. 1868	For. Ops. Approps. FY 1996	PQ: 221–178 A: 217–175 (6/22/95).
H. Res. 171 (6/22/95)	O	H.R. 1905	Energy & Water Approps. FY 1996	A: voice vote (7/12/95).
H. Res. 173 (6/27/95)	C	H.J. Res. 79	Flag Constitutional Amendment	PQ: 258–170 A: 271–152 (6/28/95).
H. Res. 176 (6/28/95)	MC	H.R. 1944	Emer. Supp. Approps	PQ: 236–194 A: 234–192 (6/29/95).
H. Res. 185 (7/11/95)	O	H.R. 1977	Interior Approps. FY 1996	PQ: 235–193 D: 192–238 (7/12/95).
H. Res. 187 (7/12/95)	O	H.R. 1977	Interior Approps. FY 1996 #2	PQ: 230–194 A: 229–195 (7/13/95).
H. Res. 188 (7/12/95)	O	H.R. 1976	Agriculture Approps. FY 1996	PQ: 242–185 A: voice vote (7/18/95).
H. Res. 190 (7/17/95)	O	H.R. 2020	Treasury/Postal Approps. FY 1996	PQ: 232–192 A: voice vote (7/18/95).
H. Res. 193 (7/19/95)	C	H.J. Res. 96	Disapproval of MFN to China	A: voice vote (7/20/95).
H. Res. 194 (7/19/95)	O	H.R. 2002	Transportation Approps. FY 1996	PQ: 217–202 (7/21/95).
H. Res. 197 (7/21/95)	O	H.R. 70	Exports of Alaskan Crude Oil	A: voice vote (7/24/95).
H. Res. 198 (7/21/95)	O	H.R. 2076	Commerce, State Approps. FY 1996	A: voice vote (7/25/95).
H. Res. 201 (7/25/95)	O	H.R. 2099	VA/HUD Approps. FY 1996	A: 230–189 (7/25/95).
H. Res. 204 (7/28/95)	MC	S. 21	Terminating U.S. Arms Embargo on Bosnia	A: voice vote (8/1/95).
H. Res. 205 (7/28/95)	O	H.R. 2126	Defense Approps. FY 1996	A: 409–1 (7/31/95).
H. Res. 207 (8/1/95)	MC	H.R. 1555	Communications Act of 1995	A: 255–156 (8/2/95).
H. Res. 208 (8/1/95)	O	H.R. 2127	Labor, HHS Approps. FY 1996	A: 323–104 (8/2/95).
H. Res. 215 (9/7/95)	O	H.R. 1594	Economically Targeted Investments	A: voice vote (9/12/95).
H. Res. 216 (9/7/95)	MO	H.R. 1655	Intelligence Authorization FY 1996	A: voice vote (9/12/95).
H. Res. 218 (9/12/95)	O	H.R. 1162	Deficit Reduction Lockbox	A: voice vote (9/13/95).
H. Res. 219 (9/12/95)	O	H.R. 1670	Federal Acquisition Reform Act	A: 414–0 (9/13/95).
H. Res. 222 (9/18/95)	O	H.R. 1617	CAREERS Act	A: 388–2 (9/19/95).
H. Res. 224 (9/19/95)	O	H.R. 2274	Natl. Highway System	PQ: 241–173 A: 375–39–1 (9/20/95).
H. Res. 225 (9/19/95)	MC	H.R. 927	Cuban Liberty & Dem. Solidarity	A: 304–118 (9/20/95).
H. Res. 226 (9/21/95)	O	H.R. 743	Team Act	A: 344–66–1 (9/27/95).
H. Res. 227 (9/21/95)	O	H.R. 1170	3-Judge Court	A: voice vote (9/28/95).
H. Res. 228 (9/21/95)	O	H.R. 1601	Internatl. Space Station	A: voice vote (9/27/95).
H. Res. 230 (9/27/95)	C	H.J. Res. 108	Continuing Resolution FY 1996	A: voice vote (9/28/95).
H. Res. 234 (9/29/95)	O	H.R. 2405	Omnibus Science Auth	A: voice vote (10/11/95).
H. Res. 237 (10/17/95)	MC	H.R. 2259	Disapprove Sentencing Guidelines	A: voice vote (10/18/95).
H. Res. 238 (10/18/95)	MC	H.R. 2425	Medicare Preservation Act	PQ: 231–194 A: 227–192 (10/19/95).
H. Res. 239 (10/19/95)	C	H.R. 2492	Leg. Branch Approps	PQ: 235–184 A: voice vote (10/31/95).
H. Res. 245 (10/25/95)	MC	H. Con. Res. 109	Social Security Earnings Reform	PQ: 228–191 A: 235–185 (10/26/95).
		H.R. 2491	Seven-Year Balanced Budget	
H. Res. 251 (10/31/95)	C	H.R. 1833	Partial Birth Abortion Ban	A: 237–190 (11/1/95).
H. Res. 252 (10/31/95)	MO	H.R. 2546	D.C. Approps.	A: 241–181 (11/1/95).
H. Res. 257 (11/7/95)	C	H.J. Res. 115	Cont. Res. FY 1996	A: 216–210 (11/8/95).
H. Res. 258 (11/8/95)	MC	H.R. 2586	Debt Limit	A: 220–200 (11/10/95).
H. Res. 259 (11/9/95)	O	H.R. 2539	ICC Termination Act	A: voice vote (11/14/95).
H. Res. 262 (11/9/95)	C	H.R. 2586	Increase Debt Limit	A: 220–185 (11/10/95).
H. Res. 269 (11/15/95)	O	H.R. 2564	Lobbying Reform	A: voice vote (11/16/95).
H. Res. 270 (11/15/95)	C	H.J. Res. 122	Further Cont. Resolution	A: 249–176 (11/15/95).
H. Res. 273 (11/16/95)	MC	H.R. 2606	Prohibition on Funds for Bosnia	A: 239–181 (11/17/95).
H. Res. 284 (11/29/95)	O	H.R. 1788	Amtrak Reform	A: voice vote (11/30/95).
H. Res. 287 (11/30/95)	O	H.R. 1350	Maritime Security Act	A: voice vote (12/6/95).
H. Res. 293 (12/7/95)	C	H.R. 2621	Protect Federal Trust Funds	PQ: 223–183 A: 228–184 (12/14/95).
H. Res. 303 (12/13/95)	O	H.R. 1745	Utah Public Lands	PQ: 221–197 A: voice vote (5/15/96).
H. Res. 309 (12/18/95)	C	H. Con. Res. 122	Budget Res. W/President	PQ: 230–188 A: 229–189 (12/19/95).
H. Res. 313 (12/19/95)	O	H.R. 558	Texas Low-Level Radioactive	A: voice vote (12/20/95).
H. Res. 323 (12/21/95)	C	H.R. 2677	Natl. Parks & Wildlife Refuge	Tabled (2/28/96).
H. Res. 366 (2/27/96)	MC	H.R. 2854	Farm Bill	PQ: 228–182 A: 244–168 (2/28/96).
H. Res. 368 (2/28/96)	O	H.R. 994	Small Business Growth	Tabled (4/17/96).
H. Res. 371 (3/6/96)	C	H.R. 3021	Debt Limit Increase	A: voice vote (3/7/96).
H. Res. 372 (3/6/96)	MC	H.R. 3019	Cont. Approps. FY 1996	PQ: voice vote A: 235–175 (3/7/96).
H. Res. 380 (3/12/96)	C	H.R. 2703	Effective Death Penalty	A: 251–157 (3/13/96).
H. Res. 384 (3/14/96)	MC	H.R. 2202	Immigration	PQ: 233–152 A: voice vote (3/19/96).
H. Res. 386 (3/20/96)	C	H.J. Res. 165	Further Cont. Approps	PQ: 234–187 A: 237–183 (3/21/96).
H. Res. 388 (3/21/96)	C	H.R. 125	Gun Crime Enforcement	A: 244–166 (3/22/96).
H. Res. 391 (3/27/96)	C	H.R. 3136	Contract w/America Advancement	PQ: 232–180 A: 232–177, (3/28/96).
H. Res. 392 (3/27/96)	MC	H.R. 3103	Health Coverage Affordability	PQ: 229–186 A: Voice Vote (3/29/96).
H. Res. 395 (3/29/96)	MC	H.J. Res. 159	Tax Limitation Const. Amdmt.	PQ: 232–168 A: 234–162 (4/15/96).
H. Res. 396 (3/29/96)	O	H.R. 842	Truth in Budgeting Act	A: voice vote (4/17/96).
H. Res. 409 (4/23/96)	O	H.R. 2715	Paperwork Elimination Act	A: voice vote (4/24/96).
H. Res. 410 (4/23/96)	O	H.R. 1675	Natl. Wildlife Refuge	A: voice vote (4/24/96).
H. Res. 411 (4/23/96)	C	H.J. Res. 175	Further Cont. Approps. FY 1996	A: voice vote (4/24/96).
H. Res. 418 (4/30/96)	O	H.R. 2641	U.S. Marshals Service	PQ: 219–203 A: voice vote (5/1/96).
H. Res. 419 (4/30/96)	O	H.R. 2149	Ocean Shipping Reform	A: 422–0 (5/1/96).
H. Res. 421 (5/2/96)	O	H.R. 2974	Crimes Against Children & Elderly	A: voice vote (5/7/96).
H. Res. 422 (5/2/96)	O	H.R. 3120	Witness & Jury Tampering	A: voice vote (5/7/96).
H. Res. 426 (5/7/96)	O	H.R. 2406	U.S. Housing Act of 1996	PQ: 218–208 A: voice vote (5/8/96).
H. Res. 427 (5/7/96)	O	H.R. 3322	Omnibus Civilian Science Auth	A: voice vote (5/9/96).
H. Res. 428 (5/7/96)	MC	H.R. 3286	Adoption Promotion & Stability	A: voice vote (5/9/96).
H. Res. 430 (5/9/96)	S	H.R. 3230	DoD Auth. FY 1997	A: 235–149 (5/10/96).
H. Res. 435 (5/15/96)	MC	H. Con. Res. 178	Con. Res. on the Budget, 1997	PQ: 227–196 A: voice vote (5/16/96).
H. Res. 436 (5/16/96)	C	H.R. 3415	Repeal 4.3 cent fuel tax	PQ: 221–181 A: voice vote (5/21/96).
H. Res. 437 (5/16/96)	MO	H.R. 3259	Intell. Auth. FY 1997	A: voice vote (5/21/96).
H. Res. 438 (5/16/96)	MC	H.R. 3144	Defend America Act	
H. Res. 440 (5/21/96)	MC	H.R. 3448	Small Bus. Job Protection	A: 219–211 (5/22/96).
	MC	H.R. 1227	Employee Commuting Flexibility	
H. Res. 442 (5/29/96)	O	H.R. 3517	Mil. Const. Approps. FY 1997	A: voice vote (5/30/96).
H. Res. 445 (5/30/96)	O	H.R. 3540	For. Ops. Approps. FY 1997	A: voice vote (6/5/96).
H. Res. 446 (6/5/96)	MC	H.R. 3562	WI Works Waiver Approval	A: 363–59 (6/6/96).
H. Res. 448 (6/6/96)	MC	H.R. 2754	Shipbuilding Trade Agreement	
H. Res. 450 (6/10/96)	O	H.R. 3603	Agriculture Appropriations, FY 1997	A: voice vote (6/11/96).
H. Res. ——— (6/12/96)	O	H.R. 3610	Defense Appropriations, FY 1997	

Codes: O-open rule; MO-modified open rule; MC-modified closed rule; S/C-structured/closed rule; A-adoption vote; D-defeated; PQ-previous question vote. Source: Notices of Action Taken, Committee on Rules, 104th Congress.

Mr. DREIER. Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to say I support this rule, which gives people on both sides of this issue a chance to be heard.

It will allow the supporters of this shipbuilding trade agreement a chance to vote for the agreement and it will give others a chance to make changes.

So, although I count myself as one of the people who would like to make changes, I am happy to say I support this rule because it will allow us to do so.

Mr. Speaker, this shipping agreement is a good start. It takes some serious steps toward making the international business of shipbuilding fair for all shipbuilders—regardless of their nationality. It seeks to eventually eliminate shipbuilding subsidies; prevent dumping; and settle disputes.

But, Mr. Speaker, this shipbuilding trade agreement is unbalanced. It does not do enough to protect American shipbuilders from unfair international shipbuilding subsidies.

Unless we change that aspect of the agreement, unless we adopt the Bateman amendment, this agreement is unfair to American shipbuilders and shouldn't go any further.

The Bateman amendment continues the title 11 loan guarantees at their current levels. In other words it will even the playing field for American shipbuilders in light of continued subsidies by foreign governments.

Mr. Speaker, this agreement is the result of 5 years of negotiations among the major shipbuilding countries of the world. The goal is a very noble one, namely to end all shipbuilding subsidies in the year 1999. But, unfortunately, it appears that we have given away nearly the whole store and gotten just about nothing in return.

Mr. Speaker, the creation of the title 11 loan guarantee program has jump started the American shipbuilding industry in recent years. It enables qualified shipbuilders to receive substantial loan guarantees from our Government for up to 87.5 percent of a loan over a 25-year period.

Thanks to this program previously defunct shipyards, like the Quincy Shipyard in Massachusetts, have been able to get back on their feet.

Mr. Speaker, this is the only government program designed to help U.S. shipbuilders, and it carries a price tag of $50 million annually. Other countries such as Japan, South Korea and Germany subsidize their shipyards with nearly 200 times that amount—approximately $8 billion annually. Instead of asking the other countries to stop their subsidies now, this agreement slashes the title 11 loan guarantees by 7½ percent.

Meanwhile, several countries are using loopholes to continue using government subsidies to modernize their shipyards.

Although these subsidies will end in 1999, Mr. Speaker, I worry that 1999 will be too late. By that time, our European competitors will have used these subsidy loopholes to modernize their shipyards. The level playing field envisioned by the creators of this agreement will have evaporated because American shipyards won't be able to compete with these fully modern yards.

If we aren't going to give our shipbuilders loan guarantees, Mr. Speaker, then we shouldn't sign an agreement that leaves open loopholes through which other countries can subsidize their shipbuilding.

Hard working Americans in places like the Quincy Shipyard deserve their chance to compete in today's global economy—without having to worry about competing against subsidized foreign shipbuilders.

I urge my colleagues to support this rule because it allows both sides a chance to offer their proposals. I also urge my colleagues to support the Bateman amendment to help even the playing field for American shipbuilders.

Mr. Speaker, I reserve the balance of my time.

Mr. DREIER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me first say that I disagree with my dear friend, the gentleman from South Boston, MA, when he says that President Clinton sold out the store on this issue.

Mr. MOAKLEY. I did not say President Clinton, Mr. Speaker, if the gentleman will yield.

Mr. DREIER. I think it was President Clinton who put this agreement together.

Mr. Speaker, I am happy to yield 6 minutes to the gentleman from Newport News, VA [Mr. BATEMAN], a distinguished member of the Committee on Transportation and Infrastructure.

Mr. BATEMAN. Mr. Speaker, I thank the gentleman for yielding time to me, and I also want to commend him on the rule which he has brought for consideration of this very, very important matter. It is a fair rule, it is an appropriate rule. It does give to those who have concerns about this agreement the opportunity to debate it and to address the means by which the agreement can be improved to a point where it would be worthy of the support of the representatives of the American people.

It is perhaps strange to many that a bill that started in the Committee on Ways and Means and is, in essence, a trade agreement would come to the floor with some input from the Committee on National Security. But when we think of the basic subject matter of this particular trade agreement, it is more than appropriate that the Committee on National Security have a voice in whether or not that treaty or that agreement should be implemented legislatively, for this agreement deals with shipbuilding, and when we deal with shipbuilding, we deal with something which is absolutely vital to the national security interests of the United States of America.

When the United States of America is no longer a maritime power, the United States of America is no longer a world power. It is just in the nature of the world we live in and the geography that we deal with that we must be a maritime power. We cannot be a maritime power if we do not have the capability to build and maintain a merchant fleet and to have the capability to build in our country naval combatant vessels.

I can say to the Members that their large shipyards in the United States, the ones which do and can build naval combatant vessels, are opposed to his agreement if implemented according to the terms of the Committee on Ways and Means bill. They have sought and I have been proud to author an amendment which would make this agreement more fair and more protective of the legitimate interests of American shipbuilding and of America's national security.

The amendments which I will be offering would include an extension for 30 months of our existing title XI program, because it is a program that is working, and because it is a program that is essential to a transition period so our shipbuilding can play on an even playing field when this agreement is fully implemented and all of the subsidies go away, very appropriate in light of the fact that there are other nations who are parties to this agreement who have special transition provisions allowing them hundreds of millions of dollars in continued subsidization of their shipyards.

The trade representatives have assured us, according to their interpretation, that this agreement has nothing to do with, has no effect upon, the Jones Act. Yet, the letter cited by the distinguished gentleman from California, from various embassies who are parties to this agreement, says that my amendment, because it makes it explicit that the agreement shall not affect the Jones Act, is totally unacceptable to them.

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I would say to you that that is a very, very strong reason why the amendments which I will offer tomorrow ought to be enacted, because it must be unequivocally clear that the Jones Act is not affected by this agreement.

We also must make it perfectly clear that we reserve the right to define ships that are built for a national defense purpose and that someone else cannot say that our Marine and Army prepositioned vessels and other ships which discharge a vital national security interest must be regarded as commercial vessels and cannot be built in American shipyards but must be made available for bid to the lowest bidder from any Nation in the world. We cannot make our national defense capabilities dependent upon that.

Mr. Speaker, when this debate is heard tomorrow, I would implore the Members of the House to remember that they are representing the vital interests of the United States of America and its capability to remain a maritime power. In doing that, they must look upon this agreement as what is fair and what serves the interest of the people whom we represent. Based on that standing, I believe the Members of the House will support the Bateman amendment when offered and with that amendment we can go on to perfect this agreement if the parties are willing to do so.

Mr. MOAKLEY. Mr. Speaker, I yield 9 minutes to the gentleman from Florida [Mr. GIBBONS], the ranking member of the Committee on Ways and Means.

Mr. GIBBONS. Mr. Speaker, I support this rule. I had not wanted to use this much time to debate this rule but since we got into the merits of the bill, I think it is appropriate that someone who is connected with the bill since its inception explain the position of the Committee on Ways and Means and the position adopted by the administration in negotiating this agreement.

Mr. Speaker, there is a lot of shipbuilding business out there to be had by Americans if we can just get the rest of the world to do away with their subsidies. Here on this floor in 1981, the

Congress adopted the Gramm-Latta substitute to the budget reconciliation bill and wiped out all U.S. subsidies. One tiny little subsidy, almost insignificant subsidy, survived that onslaught. There is a great obsolescence coming about on all the commercial ships that have been built in the world. The amount of shipbuilding that will be done by the rest of the world in the next few years is going to be tremendous. It is important that America get its fair share. We are very competitive in commercial shipbuilding, due largely to the value of our dollar. And we can compete, so our shipbuilders tell us, on a level playing field. That is what this agreement provides for.

I began this action about 7 or 8 years ago and for the last 5 years we have been negotiating furiously with all the other shipbuilders. We wore out 4 sets of negotiators and we finally reached an agreement. But a minority of the shipbuilders in this country have decided that they do not like the agreement, that they could do better. But I doubt that they can. The gentleman from California [Mr. DREIER] has put into the RECORD responses from the other parties to this agreement that if this agreement is amended by the Bateman amendment that they will walk away from the agreement and will not further negotiate. These are not little bitty insignificant nations, they are the 280 million people of the European community, the nations of Japan and South Korea and other countries that have said that if we tear up this agreement by amending it with the Bateman amendment, it is all over, they will go back to their subsidies. They are having trouble getting rid of their subsidies in their countries. But all of those other countries have already approved this agreement. Even though we pushed the agreement to negotiation, we originated all of this, we are the last to ratify it. The day to ratify it is this week. On the 15th of this month, the extensions that we have gotten run out.

No agreement is perfect. No agreement is going to be 100 percent agreed to by everyone. But this is a good agreement. It will put us back in the shipbuilding business. And it will do away with foreign subsidies.

Why will the Bateman amendment not work? The Bateman amendment is presently law in the United States hanging by one thin thread, a thread about as thick as a spider's thread. The only thing that saves what Mr. BATEMAN would like to do today is a standstill agreement in this agreement that we are ratifying. What is a standstill agreement? When we finally sign an international agreement, all countries customarily agree to stand still and not to escalate, in this case, the subsidies that we have cut off. At the time that this agreement was signed, the United States was slightly ahead in the subsidy race in ship purchasing financing. In other words, we gave a better subsidy to ship purchasers than did any other nation. But the only reason they have not matched or beaten our subsidy is because they have agreed to stand still. That agreement expires Friday.

Come Friday, all the gentleman from Virginia [Mr. BATEMAN] is trying to save will go up in thin air, because all the other countries on Earth that are parties to this agreement can start the subsidy race again. I do not see in the United States any desire to enter into shipbuilding subsidies. We thought we were getting rid of all of them in 1981.

It is just dreaming to say that we can go our own separate way on this agreement, that we can continue our subsidies and everybody else will fall in line. That is just pure imagination.

So the chance is here. We can get America back into the shipbuilding industry, the commercial shipbuilding industry. This is a good agreement. We ought to take this opportunity while we have got it.

Mr. Speaker, I have never been any more sincere about anything I have said on this floor than I am about this agreement. I have followed it, started it way back in the beginning. I know what is in it. We cannot improve it at this stage of it. It is good for America to do this.

Mr. DREIER. Mr. Speaker, I yield myself such time as I may consume to simply rise and associate myself with the remarks of the distinguished ranking minority member of the Committee on Ways and Means and the former chairman not only of the full committee but of the Trade Subcommittee. The gentleman from Florida [Mr. GIBBONS] has, as he said, followed this issue very, very closely from its inception and he understands that doing everything that we possibly can to push those other countries that have been involved in subsidization will do nothing but enhance the ability of shipbuilders here in the United States, and I think that that is something that we all want to do. But certainly there are differences of opinion on it and this rule will allow a chance to bring that up.

I certainly concur with the gentleman from Florida [Mr. GIBBONS] as a fellow free-trader that doing everything that we possibly can to ensure that the amendment of my very good friend from Virginia [Mr. BATEMAN] does not carry, I think, will go a long way toward assisting a shipbuilding industry in this country.

With that, Mr. Speaker, I yield 3 minutes to my very good friend, the gentleman from Portland, ME, former marine, Mr. LONGLEY.

Mr. LONGLEY. I thank the gentleman from California for yielding time.

Mr. Speaker, I rise in support of the rule that has been written on this bill. Again I would echo a number of the comments that have been made this evening but perhaps with a slightly different twist. I think it is important to understand that the steps that led to this agreement were begun in 1989 at the urging of the sixth largest U.S. shipyards, including the Bath Iron Works located in my district. The negotiations were initiated following the withdrawal of a section 301 trade complaint that had been filed by these shipyards charging that foreign shipbuilders had been engaging in unfair competitive practices.

As we know, many of the governments in Europe, Korea and Japan have been subsidizing commercial shipyards for decades and these subsidies have been running into the billions of dollars. Unfortunately in the view of the six major yards, the agreement has not accomplished what it set out to do and it has left major discrepancies in terms of the interpretation and how the agreement might be interpreted and how that might apply to American shipyards.

On that basis, I support the committee's conclusion to provide for a rule that will allow a vote on the Bateman amendment. I will later be speaking in support of the Bateman amendment and perhaps later even questioning the other aspects of the agreement.

But I think the one note that I would want to urge in this debate as we consider the rule and get ready for the debate on the measure itself is that the United States which at one time was the greatest sea power in the world has now reached the point where the number of workers employed in industrial shipyards that make the major surface military and commercial vessels for this great country have now reached a point where their employment is at an all-time low of about 78,000 jobs, far lower than it has ever been in our history.

Furthermore, our share of the international shipping market, commercial shipbuilding market, is barely 1 to 2 percent. Clearly there is an issue here as to an agreement and whether or not that agreement has actually achieved the level playing field that our domestic shipbuilders will need if they are going to compete equitably in the world shipbuilding market.

On that basis, I would end what I have to say tonight. I want to compliment the gentleman from California and the ranking member for what I think is a good rule that will lead to a good debate. I look forward to that tomorrow.

Mr. MOAKLEY. Mr. Speaker, I yield 8 minutes to the gentleman from Mississippi [Mr. TAYLOR].

Mr. TAYLOR of Mississippi. I thank the ranking member for yielding time.

Mr. Speaker, this is a bad rule and following this rule it is a bad bill. It is a bad rule because the greatest lawmaking body in the world will start its day tomorrow waiving the rules that it lives by. One of those rules would allow the 435 Members of this body to come forward to try to perfect this bill. But under the rule as envisioned by the Rules Committee, they cannot do so. They have to take it all or leave it all.

So what is it that we are being asked to take or leave? It is a measure that affects our national sovereignty and it is a measure that affects our national security.

Mr. Speaker, the gentleman from Maine [Mr. LONGLEY] touched on it but I will take it a step further. On the day that I was born, this was the undisputed greatest maritime power in the world. We had more ships than anyone and we built more ships than anyone. That continued for a long time. But the real decline started around 1981 when this Congress, for whatever reason—it probably made sense at the time—decided to stop helping our domestic shipbuilders. There was a wink to them, because the Reagan defense buildup was coming along, that they would build a lot of naval ships. But the 600-ship Navy that was spoken about by President Reagan is now rapidly becoming a 150-ship Navy. The help that was promised has rapidly evaporated and along with it the ability of this Nation to protect itself.

Mr. Speaker, we are an island nation. This island Nation that was defended by people like SAM GIBBONS at Normandy had to build 16,000 ships during World War II, because when you go to war, one of the things that happens is people sink your ships. As recently as Desert Storm, our Nation had to go out and charter 85 foreign flagged vessels to resupply our troops. We did not lose a single ship to a foreign casualty, yet even in peacetime we did not have enough ships to resupply our troops.

Now we are being told that we want to not only lose the fleet but lose the ability to ever build that fleet again. Who is telling us this? It is the same folks who brought us NAFTA.

You remember NAFTA. Back in November 1983 when we had a $6 billion trade surplus with Mexico, they said, it would help our trade situation. It has not. It has increased our deficit. We went from a surplus to a deficit. You remember how they talked about the jobs that would be created. Well, maybe they have been, but they have not been created in this country. They were created in Mexico.

If anyone in this room needs any evidence, I will invite you to visit Wiggins, MS; or Gulfwood, MS; or Poplarville, MS; or Neely, MS, and see the empty garment plants. In places like Neely, MS, when they shut down the garment plant, there is no place else to go. There is no reason for worker retraining. It was the only business in town. Or, for that matter, I would like to invite you to Lucedale or Poplarville or Hattiesburg and go to the livestock auction. Before NAFTA an average calf was selling for about $1.10 a pound. Right now when the farmers can find a buyer, cattle is going for about 55 cents a pound. People's entire lifetime investments cut in half since the passage of NAFTA and the beef that has come up from Mexico. So the same folks who brought us NAFTA now want to take it a step further, and they want to do away with the ability of this Nation to defend itself.

□ 2300

Something that we did in 1993, and I am very proud of, with broad bipartisan support, recognizing that our Nation has to have shipbuilders and that we are down to only six, is we passed the National Shipbuilding Initiative. It is an expansion of the title XI program which was begun under President Roosevelt when our Nation, prior to World War II, found itself in the same situation, and that is an island nation that did not have enough ships to support itself. They started a program of loan guarantees to help our shipbuilders build commercial ships, the kind of ships we need to move goods during time of war.

We passed it again in 1993, and we went from building no ships a year up to having 13 on order, and with an incredible market opportunity out there. Because with the passage of the Oil Pollution Act of 1990, 2,000 tanker ships will have to be replaced in about the next 10 years. We could be building those ships but, instead, this measure is going to deprive the American shipyards of any help at all, even if it is a loan guarantee, to try to go after that 2,000 ship market.

In effect, what we are saying is that just like our garments and just like our beef, we are now going to import ships. We are going to be a Third World country because we will lose our shipyards, and from now on, when we need a destroyer or a carrier or a submarine, we will call up someone else to sell them to us.

Now that might have worked in Desert Storm, but I would remind those people who have lived a little longer, that many of those nations that lined up with us during Desert Storm were on the other side during Vietnam. They could be on the other side again.

It affects our sovereignty because for the first time in the history of our Nation, if we want to do something to help our domestic shipbuilders stay in business, and incidentally, every one of the major shipbuilders is against this proposal, and they testified before the Committee on National Security to that effect, so the people that the gentleman from California [Mr. DREIER] says he wants to help are all against it, without exception. But it would require this Nation to go seek the permission of about 20 other nations just to help our own shipbuilders so that they can be in business when we need them, because there is going to be another war.

Since the fall of the Iron Curtain we have had a war in Panama, we have had a war in the desert, and we have had a situation in Bosnia. It is going to happen again. I have kids, and I wish it would not happen again, but the history of this Nation is that it is and it happens whenever we let our guard down, and this is letting our guard down.

It affects our national security, because if we cannot build ships this island Nation cannot defend itself. It is that simple.

So, Mr. Speaker, for all of these reasons, this is a bad agreement at the wrong time in our Nation's history. The great nations of the world have always been great manufacturers and been great maritime powers. With NAFTA, we have murdered American manufacturing. There have been 10,000 new factories build on this continent in the past 10 years, but they have all been built in Mexico, and now the people who brought us NAFTA want to do away with what is left of American shipbuilding and send it overseas.

Mr. Speaker, I urge the defeat of the rule and I would strongly urge the defeat of the measure.

Mr. MOAKLEY. Mr. Speaker, I yield back the balance of my time and await my dear friend's closing argument.

Mr. DREIER. Mr. Speaker, I yield myself the remainder of my time. I would like to close by simply responding to some of the remarks that were made by my friend from Mississippi and to extend hardy congratulations to my friend, the gentleman from Tampa, FL [Mr. GIBBONS].

Over the last three decades, in a bipartisan way, the United States of America has stood for free trade. There has been no Member of Congress who has been more diligent in the pursuit of those policies than SAM GIBBONS. The benefits to the consumer in the United States have been overwhelming because of the fact that we have successfully broken down barriers. And eliminating those barriers has improved the standard of living and at the same time it has created jobs.

The gentleman from Florida has been intimately involved in just the last few years with implementation of the North American Free-Trade Agreement and with the Uruguay round of the General Agreement on Tariffs and Trade. And I would say, Mr. Speaker, that both of those items have been job creators here in the United States.

I differ with my friend from Mississippi. I happen to believe that the facts show that over 336,000 jobs here in the United States have been saved because of the North American Free-Trade Agreement. I also feel very strongly that if we look at the difficulties that existed in Mexico, and we juxtaposed those to the peso crisis of 1982, we would have seen a much different response if we had not had the North American Free-Trade Agreement as SAM GIBBONS and I and others fought on behalf of.

I also believe that this may be the last trade agreement of the very distinguished career of the gentleman from Florida, and so I think that it is important for us as a nation, having benefited from his three decades of work on this issue, to ensure that we move ahead and realize, realize that for our consumer, for those who are trying to find new markets by creating jobs with

exports, that we are doing the right thing by passing this agreement. If we pass an amendment to it, it will kill it, and so I hope very much that we will move ahead and do the right thing here.

Mr. Speaker, I yield back the balance of my time and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. TAYLOR of North Carolina). The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

JUST DO IT

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

Mr. SMITH of Michigan. Mr. Speaker, this afternoon and evening we have discussed a budget resolution in our goals to eventually achieve a balanced budget. It makes me think, after listening to much of the discussion of what we should do, of the Nike running shoe ad that says, ''Just do it''.

We hear a lot of rhetoric about the fact that we should cut down on some of the wasteful spending. I say just do it. We hear a lot of discussion about let us lower some of those overwhelming taxes that we have imposed on the American working people. I say let us just do it. We have heard a lot of talk about how we change welfare, how we admit that welfare programs have been unsuccessful for the last 40 years and they need changing because we have taken the spirit away from people by giving them something for nothing. In changing the welfare program, I say just do it.

It is like the Nike ad on just doing it. It is not easy, it is going to be tough, but we have to just clench up our fists, we have to tighten up our stomachs and tighten up our dedication and just do it.

SPECIAL ORDERS

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

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio [Ms. KAPTUR] is recognized for 5 minutes.

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

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

[Mr. BURTON of Indiana 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 Missouri [Mr. VOLKMER] is recognized for 5 minutes.

[Mr. VOLKMER addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

THE TAX TRAP

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

Mr. SMITH of Michigan. Mr. Speaker, when I am back in Michigan in our 7th Congressional District, around Battle Creek and Jackson and Hillsdale and Adrian, not a day goes by but a young mother or a young father comes up to me and says, you know, we are working very hard and we can hardly get by. We are both working now. Or sometimes it is a young mother, all by herself trying to support her kids, and they say why is it so difficult now when my mom and dad, when I was growing up, only one of them worked and we still ended up with enough money to go on vacations, to have good food, and to have good housing?

You know what I have concluded, Mr. Speaker, a large part of today's problem is? The tax trap. Back in the 1950's and the 1960's the taxes only took a small part of our earnings, but today taxes take almost 50 percent of what we earn. Taxes at the local, State and national level take 41 percent of what we earn. And then, if we earn more money and work harder, and we get into those higher tax brackets, in addition to the 15 percent that goes into FICA, we can go as high as 39 percent on our income tax.

I call it the tax trap because people may remember that old song that says the more you study, the more you learn; the more you learn, the more you forget; the more you forget, the less you know; so why study? It is sort of true on taxes. The harder you work and the more you earn, the higher your taxes are and the more you have to pay the Federal Government to spend the money that you worked so hard to earn.

I wonder if people know that today we spend more on food and clothing and shelter. The taxes that we pay to the government is more than we spend on food and clothing and shelter. I wonder if people know that there is about 70 percent of the hard-working American people that pay more in the FICA taxes, that 15 percent that is tacked on to our wages, than they do in the Federal income tax.

□ 2315

Let us look at the FICA taxes a minute. Most of that, 12.4 percent, goes to pay Social Security taxes. How many of the people under 40 today think that Social Security is going to be around when they are ready to retire?

We have got some real problems with Social Security. Back in the early 1980's and 1982, they appointed the Greenspan Commission because at that time they published reports that the unfunded liability of Social Security was 1.82 percent of payroll. In other words, taxes would have to be raised that much more to cover the unfunded liability of Social Security.

Guess what it is today. Today the unfunded liability of Social Security is 2.17 percent. So when we hear people say, ''Don't worry about Social Security because it is going to have enough money until the year 2029,'' what happened is the actuaries just recently came and said it is not going to be 2030, but it is going to be 2029, but the fact is that is only if somehow Government pays back all the money that it has been taking out of the Social Security surpluses.

Since we changed the Social Security taxes in 1983, and at that time the estimate was that they would be solvent for 65 years, well, guess what one of the former commissioners, Dorcas Hardy, said a couple of weeks ago? She estimated that sometime during the year 2005 there would be less money coming in for Social Security than was required for the payout.

There is no trust fund. There is no reserve. The Federal Government has taken every cent of the surplus every year, written out an IOU, and spent that money for general fund spending, expanding Government spending, expanding programs, taking more of Americans' individual decisionmaking away from them and putting it in this Chamber and over in the Senate Chamber and having Government make the decisions that they used to decide.

So when that young mother and young father come to me and say, ''What are your suggestions, what are we going to do,'' my suggestion is to slow down on the borrowing and eventually balance this budget. Slow down on those taxes. Let people keep some of that hard-earned money in their own pockets and decide how to spend that money, rather than sending it to this kind of Chamber to let Government decide how to spend your hard-earned dollar.

Somehow, Mr. Speaker, we have got to have a tax system where the people that work hard and try and save, end up better off than those that do not. That is the goal of our budget resolution, and our budget projection for the future of saying cut spending, do it now, do not put it off and let us get to a balanced budget. Let us quit borrowing and taking the future away from our kids.

IN OPPOSITION TO NUCLEAR WASTE STORAGE ON PALMYRA ATOLL, A POSSESSION OF THE UNITED STATES IN THE PACIFIC OCEAN

The SPEAKER pro tempore (Mr. CHABOT). Under a previous order of the House, the gentleman from American Samoa [Mr. FALEOMAVAEGA] is recognized for 5 minutes.

Mr. FALEOMAVAEGA. Mr. Speaker, I come before my colleagues and our great Nation today to state my strongest opposition to a proposal that some people view as nuclear lunacy. Some of my colleagues may have heard of this reckless initiative circulating around Capitol Hill, that would give birth to the world's largest nuclear waste cesspool—right smack in the middle amongst Pacific island nations and in the middle of the Pacific Ocean.

Mr. Speaker, after approximately 50 years of nuclear testing in the Pacific, where hundreds of the world's most lethal nuclear weapons have been detonated, would you not think Mr. Speaker, that the peoples and the environment of the Pacific have suffered enough from nuclear poisoning and contamination? Apparently not—as a group of investors from New York and Russia—yes, Russian—are pushing the idea of commercially developing Palmyra Atoll, a United States possession in the Pacific, as an international storage site for spent nuclear fuel and plutonium. These investors are prepared to sacrifice the health and welfare of millions of men, women, and children who reside in the Pacific, for the billions of dollars these investors intend to make in annual revenues.

According to these investors, their commercial enterprise would bring together the Governments of the United States, Russia and others to jointly store over 200,000 metric tons of spent nuclear fuel and excess weapons plutonium on Palmyra Atoll. Although making money is the primary motive, they also proclaim altruistic objectives, such as: First, securing Russia's fissile materials from the nuclear black market, while restraining Moscow's spread of nuclear technology to suspect regimes; Second, discouraging the reprocessing of spent nuclear fuel by nations for plutonium; and Third, materially aiding global efforts to stop nuclear proliferation.

Although I find these nonproliferation objectives to be admirable, I take great exception to the investors' decision to locate their international nuclear storage site on Palmyra Island—a volcanic island. Hawaii's distinguished Senator, DANIEL AKAKA, has recently opposed the plan, calling it nuclear nonsense, and I cannot more wholeheartedly agree with the gentleman from Hawaii.

Mr. Speaker, it is the height of folly and sheer nonsense to build the planet's largest nuclear wastedump on a geologically-suspect, dormant volcano—a volcanic formation that is surrounded by swirling Pacific currents, storms, cyclones, and hurricanes. Or how about these freak waves that travel in the Pacific at 60 mph and at 60 feet in height?

As many of us know, the Pacific Basin is afflicted by shifting tectonic plates, and volcanoes erupt regularly. With the State of Hawaii less than 1000 miles away and my district, American Samoa, also close by—who can guarantee that Americans will not suffer from the environmental firestorm to erupt if Palmyra Atoll is, again, subjected to geologic movement? Mr. Speaker, we are talking about the storage here of 200,000 tons of nuclear materials that shall remain radioactive, toxic and hazardous for over 100,000 years—in essence, for all time, as far as I am concerned. Mr. Speaker, the menace to surrounding Pacific island nations, such as Kiribati less than 200 miles away, is obviously the greatest. I would not want my family to live on islands anywhere close to Palmyra. What guarantees are there for the lives of some 1.2 million American citizens who live in the State of Hawaii, which is located less than 1,000 miles north of Palmyra Island?

Mr. Speaker, the Palmyra proposal subjects Pacific residents to additional dangers, as ships carrying spent nuclear fuel and plutonium from all corners of the world shall traverse the Pacific to reach the island. The threat of accidental vessel sinkings and terrorist hijackings of the deadly nuclear cargoes are only the beginning of problems to anticipate and are surely to come if this body ever approves this proposal.

After review of proposed legislation that would facilitate Palmyra Atoll's development as a private nuclear storage site, I believe that, in addition to the concerns I have already raised, the proposal is grossly unsound on its face. I have attached a copy of the draft legislation for the RECORD.

The bill directs the Nuclear Regulatory Commission [NRC] to expeditiously review the issuance of a license to the owners of Palmyra to operate a spent nuclear fuel storage facility, thereby applying undue pressure upon the NRC to circumvent normal environmental, engineering and safety requirements for such storage facilities.

The bill further provides that key sections of the National Environmental Policy Act [NEPA] and the Clean Water Act shall not apply to the Palmyra facility, thereby sidestepping legal requirements for an environmental impact statement to be prepared. What are they trying to hide?

The bill also makes no provision whatsoever for the ultimate disposition of the 200,000-plus tons of nuclear material to be stored on Palmyra. From my understanding, Palmyra is not to be a permanent repository like Yucca Mountain, which has entailed years of study and analyses which are still ongoing.

Nor is there any provision that addresses who will be liable in the event that a nuclear accident occurs at Palmyra or while nuclear materials are in-transit through the Pacific region. Can these investors cover this enormous liability, or are the United States and Russia expected to do so?

Finally, Mr. Speaker, the bill makes no mention of who will provide the necessary security and protection of these deadly fissile materials. The Palmyra storage facility will constitute a plutonium mine for centuries that will attract every rogue government and terrorist group with nuclear weapons ambitions. Who is to provide for the long-term security of Palmyra?

Mr. Speaker, as I said in the beginning, this Palmyra Atoll initiative is nuclear lunacy. Rather than governments putting the responsibility of storing dangerous nuclear materials in the hands of a private company, perhaps we should consider having the International Atomic Energy Agency [IAEA] perform this crucial function for the world community.

Mr. Speaker, the Palmyra Atoll proposal is the work of individuals who see only profits and outright greed, at the expense of the lives of the millions of people who live throughout the Asia-Pacific regions. These profiteers now see that by throwing to the Pacific Islands a few bones to chew on—that this will satisfy their needs. Is $250 million enough? What happened to the initial offer for $750 million?

Mr. Speaker, I cannot more strongly urge our colleagues to stand with me in opposing this reckless legislation when and if it is introduced to be considered by this body.

Mr. Speaker, I submit the following for the RECORD:

DRAFT BILL

To facilitate the ability of private owners to site, design, license, construct, operate and decommission a private facility for the interim or permanent storage of commercial high-level spent nuclear fuel on the Pacific Atoll of Palmyra subject to licensing by the Nuclear Regulatory Commission.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE—This Act may be cited as the ''Private Storage Facility Authorization Act of 1996.''

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title and table of contents.
Sec. 2. Findings and purposes.
Sec. 3. Definitions.
Sec. 4. Authorization and siting of private storage facility.
Sec. 5. Funding of private storage facility.
Sec. 6. Design of private storage facility.
Sec. 7. Transfer of ownership of spent nuclear fuel.
Sec. 8. Transportation.
Sec. 9. Activities of the Commission.
Sec. 10. Participation in the project by Minatom.
Sec. 11. Plutonium processing facility.
Sec. 12. Trust fund to cover cost of final disposal.
Sec. 13. Trust fund for benefit of Pacific island nations.

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that:

(1) The age of nuclear energy has brought with it three worldwide problems that may be summarized as follows:

(A) Safely disposing of high-level spent nuclear fuel which is necessarily generated in the process of producing electrical energy by nuclear technology and which is dangerous to life and ecology.

(B) Safeguarding of high-level spent nuclear fuel so that its by-products cannot be used to produce and proliferate weapons grade nuclear material.

(C) Safe storage and/or processing of plutonium that is surplus to legitimate national security requirements to insure that it does not fall into the hands of rogue governments and terrorists.

(2) Because of siting problems it has so far not been possible to begin construction of a repository for storage of high-level spent nuclear fuel in the United States even though the U.S. Department of Energy is contractually obligated to have such a facility available by January 31, 1998.

(3) Facilities for the temporary storage of spent nuclear fuel—primarily at the power plants that used the fuel—are virtually exhausted, a problem that affects the nuclear power industry all over the world.

(4) Reprocessing of spent nuclear fuel is a method of separating the components of that fuel so that the uranium it contains can be reused to generate electric power, but this method is not approved in the United States because it yields by-products that can be used to produce weapons grade nuclear materials.

(5) Prompt implementation of the plan for building a private storage facility will make it possible to include Minatom, the nuclear energy facility of the Russian Federation, as an equity partner in the project, a move that will greatly reduce the threat of weapons-grade nuclear materials falling into the hands of irresponsible nations while at the same time benefiting the ecology by providing the Russian Federation a safe repository for its high-level nuclear spent fuel. Participation by Minatom as an equity partner will enable Minatom to share substantially in the profits realized by the project.

(b) PURPOSES.—The purposes of this Act are—

(1) to facilitate the ability of private owners to site, design, license, construct, operate and decommission a facility for the safe storage of high-level commercial spent nuclear fuel and to establish procedures that will make such a facility available in the shortest possible time. The existence of this facility will provide adequate and safe storage space for all commercial high-level spent nuclear fuel and will render unnecessary and uneconomical the reprocessing of spent nuclear fuel; and

(2) to authorize private owners to designate and develop a site for a private storage facility on Palmyra Atoll for high-level spent nuclear fuel and facilities for storage and processing of surplus plutonium.

SEC. 3. DEFINITIONS.

In this Act:

(1) PALMYRA ATOLL.—Palmyra Atoll is a small group of coral islets of volcanic origin that surround a shallow lagoon and is located in the Pacific Ocean at 5 degrees, 52 minutes, north latitude and 162 degrees, 30 minutes, west longitude. The atoll is classified as an incorporated possession of the United States and is privately owned.

(2) COMEMRCIAL HIGH-LEVEL SPENT NUCLEAR FUEL.—The term ''commercial high-level spent nuclear fuel'' means fuel that has been withdrawn from a nuclear reactor primarily dedicated to the production of electric power following irradiation, the constituent elements of which have not been separated by reprocessing.

(3) PLUTONIUM.—The term ''plutonium'' refers to one of the by-products of nuclear fission that in its refined form is essential to the production of nuclear weapons.

(4) COMMISSION.—The term ''Commission'' means the United States Nuclear Regulatory Commission.

(5) PRIVATE OWNERS.—The term ''private owners'' means a group of investors organized into three corporations formed for the purpose of developing and operating a private storage facility for commercial high-level spent nuclear fuel and surplus plutonium in accordance with the provisions of this Act.

(6) PRIVATE STORAGE FACILITY.—The term ''private storage facility'' means a facility designed, constructed and operated by private owners for the receipt, handling, possession, safeguarding and storage of commercial high-level spent nuclear fuel in accordance with the provisions of this Act.

(7) STORAGE.—The term ''storage'' means retention of commercial high-level spent nuclear fuel with the intention of recovering the components of that fuel for subsequent use, processing or disposal. This term is not to be confused with the term ''final disposal,'' which refers to high-level spent nuclear fuel whose toxicity has been reduced to an as yet theoretical level that poses no possible danger to life, health or environment.

SEC. 4. AUTHORIZATION FOR SITING, CONSTRUCTION AND OPERATION OF A PRIVATE STORAGE FACILITY.

(A) AUTHORIZATION.—

(1) The private owners may site, design, license, construct, operate and decommission a private storage facility on Palmyra Atoll for the storage of commercial high-level spent nuclear fuel in accordance with the regulations of the Nuclear Regulatory Commission.

(2) In order to facilitate this authorization, title VI, section 605(a) of Public Law 96–205 (48 U.S.C. 1491(a)) is amended by adding the words ''or to the Atoll know as Palmyra'' to the end of the last line of section 605(a).

(3) LICENSE.—On application by the private owners, the private storage facility shall be licensed by the Commission in accordance with its regulations governing the licensing of independent spent fuel installations as modified in accordance with section 9 infra.

(b) DESIGNATION OF PRIVATE STORAGE FACILITY SITE.—The site designated by the private owners for a private storage facility is Palmyra Atoll, which is owned in fee by them and is not under the jurisdiction of any State.

(c) ACTIVITIES.—The private owners shall be authorized to conduct specified activities at the private storage facility site, including the design, licensing, construction, operation and decommissioning of the private storage facility, with the scope of activities to be determined by the private owners.

SEC. 5. FUNDING OF THE PRIVATE STORAGE FACILITY.

SOURCE OF FUNDING.—The private owners will obtain funding for the design, licensing, construction and operation of the private storage facility from private sources. Income will be derived from user fees.

SEC. 6. DESIGN OF PRIVATE STORAGE FACILITY.

(A) STORAGE CAPACITY.—The private storage facility shall have a storage capacity of not less than 200,000 metric tons of commercial high-level spent nuclear fuel and plutonium. This capacity shall be expandable as necessary to meet storage requirements.

(b) CANISTER SYSTEM.—the design of the private storage facility shall provide for the use of such containment and transportation technologies as are licensed and certified by the Nuclear Regulatory Commission for use in handling transportation and storage of high-level spent nuclear fuel.

SEC. 7. TRANSFER OF OWNERSHIP OF SPENT NUCLEAR FUEL.

At the time that spent nuclear fuel is transferred to the canisters belonging to the private owners, ownership of that fuel shall vest in the private owners.

SEC. 8. TRANSPORTATION.

Upon acceptance by the private owners of spent nuclear fuel, the spent nuclear fuel shall be transported to the private storage facility in the safest, most cost-efficient manner in accordance with the regulations for such transit of the Nuclear Regulatory Commission and the Department of Transportation.

SEC. 9. ACTIVITIES OF THE COMMISSION.

(a) REGULATIONS.—Not later than 180 days after the date of enactment of this Act the Commission shall amend its regulations governing the licensing of independent spent nuclear fuel storage installations, as necessary, to provide for the licensing of the private storage facility upon application by the private owners.

(b) CONTENTS.—The regulations issued under subsection (a) shall incorporate the following provisions:

(1) LOCATION OF FACILITY.—The private storage facility shall be located at the site specified in section 4 supra.

(2) TERM OF LICENSE.—The private storage facility shall be licensed for the maximum period consistent with applicable law.

(c) LICENSING.—On application by the private owners for a license for construction and operation of the private storage facility at the designated site, the Commission shall review the license application and issue a final decision on it at the earliest practicable date, to the extent permitted by law and regulation, but not later than 18 months after receipt of the license application.

(d) COMPLIANCE WITH THE NATIONAL ENVIRONMENTAL POLICY ACT OF 1969.—Preparation of an environmental impact statement by the Commission under section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)) in conjunction with the licensing of the private storage facility authorized by this Act shall not be required.

(e) DREDGING PERMIT.—The issuance of a permit under section 404 of the Clean Water Act (33 U.S.C. 1344) for dredging of the lagoon in the Palmyra Atoll in conjunction with this project shall not be required.

SEC. 10. PARTICIPATION IN THE PROJECT BY MINATOM.

It shall be a condition binding on the private owners that Minatom, the nuclear energy facility of the Russian Federation, be offered a substantial equity position in the real estate and global services of this project in exchange for its agreement to deny nuclear weapons technology and materials to any nation whose interests and policies are inimical to the security interests of either the United States or the Russian Federation as determined by their respective heads of state. In exchange for equity participation in the project, Minatom also will not make any commitment for reprocessing high level spent nuclear fuel from sources outside of the Russian Federation after the time that this Act becomes law.

SEC. 11. PLUTONIUM STORAGE AND PROCESSING FACILITY.

For the purpose of implementing a global policy of nuclear non-proliferation, the private owners will design and build at their own cost, using revenues derived from storage fees, a facility for storage, conditioning, stabilizing and conversion of plutonium that is surplus to the security requirements of the United States and Russia. The private owners will not operate this facility, but it will be available for joint operation by the United States Department of Energy and Minatom.

SEC. 12. TRUST FUND FOR FINAL DISPOSITION.

From revenues received from storage fees, the owners will contribute to a trust fund to be administered by the United States Department of Energy the sum of $100,000 for each metric ton of high level spent nuclear fuel deposited in the private storage facility, which fund shall be used to defray the cost of making final disposition of the high-level spent nuclear fuel existing in the private storage facility at the time the disposition decision is made.

SEC. 13. TRUST FUND FOR BENEFIT OF PACIFIC ISLAND NATIONS.

In recognition of the interest in and support of this project on the part of the Pacific Island nations, the private owners will establish a trust fund, to be administered by the Office of Insular Affairs of the United States Department of the Interior and based in Hawaii, that will receive a share of the profits from each metric ton of spent nuclear fuel placed in the private storage facility. This trust will be funded by an initial contribution of $100,000,000 plus an increment of $25,000 for each metric ton deposited in the private storage facility up to a maximum payout of $250,000,000 per annum. This fund will be used to assist the Pacific Island Nations in economic development, education and environmental protection.

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

[Mr. BUYER 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 gentlewoman from Illinois [Mrs. COLLINS] is recognized for 5 minutes.

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

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

[Mr. MICA 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 gentlewoman from Connecticut [Ms. DELAURO] is recognized for 5 minutes.

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

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

[Mr. CHAMBLISS 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 California [Mr. FILNER] is recognized for 5 minutes.

Mr. FILNER 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 Tennessee [Mr. WAMP] is recognized for 5 minutes.

[Mr. WAMP 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 Minnesota [Mr. GUTKNECHT] is recognized for 5 minutes.

[Mr. GUTKNECHT 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 Washington [Mr. METCALF] is recognized for 5 minutes.

[Mr. METCALF 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 Illinois [Mr. WELLER] is recognized for 5 minutes.

[Mr. WELLER 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 gentlewoman from Washington [Ms. DUNN] is recognized for 5 minutes.

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

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

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

THE BURNING OF AFRICAN-AMERICAN CHURCHES IN THE SOUTH

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

Mr. FOX of Pennsylvania. Mr. Speaker, from Johnson Grove Baptist Church in Tennessee in January 1995, to the Church of the Living God in Greenville, TX, just this week, America's black churches are under siege. The recent outbreak of arson crimes throughout the United States recalls a dark era in the history of our great Nation. In all, 33 black churches have been torched in the past 18 months in a rash of disturbing acts of violence, racism, and hatred. This cannot be tolerated.

The pain and anguish of these fires can be felt here in Washington and throughout the Nation by people of all races and creeds who value tolerance and diversity. While there is no clear evidence of a national conspiracy, it is clear that racial hostility is the driving force behind these reprehensible incidents. This must and will stop.

It is hard to imagine a more depraved and senseless act of violence than the destruction of a place of worship. In this Nation, black churches were burned in the 1950's and 1960's to intimidate civil rights workers. The sight of a Southern black church burning is part of a hateful mosaic which includes beatings, murders, and lynchings. It is easy to try and relegate these memories to the past. Yet, the recent crimes show that there is much work to be done when it comes to the end of discrimination and the promotion of civil rights for all.

As many oppressed races and religions know, the specter of hatred can rise at any time and in any place. We must always remain vigilant if all Americans are to have an equal opportunity to taste the sweet fruit of freedom.

These fires struck at the very heart and soul of the black community. Every family, without regard to race, has a right to expect that when they walk into a church, synagogue, mosque, or other place of worship, they will find a place of prayer and quiet contemplation and not the charred remnants of a hateful act perpetrated by cowards in the night.

We must work together as a nation to safeguard the right of every American to pray in safety in their own house of worship. That is what America stands for. That is why thousands of Americans have laid down their lives over the centuries, Mr. Speaker: to protect the lives of all Americans to worship as they choose, if they choose, to worship in safety, peace, and free of violence.

Ultimately, it is up to us to end this senseless violence. We must say to those who would feed upon what Dr. Martin Luther King, Jr., called the ''stale bread and spoiled meat of racism'' that they have lost sight of what America stands for. That is not the American way. Together, we can smother the fires of racial hatred which fuel this violence.

Religious freedom is one of the founding principles of our democracy and the black church has historically been the center of worship, self-help, and community life for millions of Americans. In my own home of Montgomery County, PA, some of my fondest memories are of the fellowship and friendship I have shared with my friends in many of the black congregations of my district.

We must all do our part to end this rash of violence. In Congress, Mr. Speaker, we have introduced legislation to deter these arson crimes and to increase the penalties for those who would perpetrate them. Americans must rise up and show the forces of hatred they cannot win and are not welcome here.

The United States is a great nation because for more than 200 years we have worked together to honor the religious convictions of freedom and celebrated the extraordinary religious diversity of our people. By unleashing the full strength of that freedom and diversity we can ensure that nothing will be able to divide us or defeat us.

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

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

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from New York (Mr. OWENS) is recognized for 15 minutes as the designee of the minority leader.

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

DAMAGING CHANGES PROPOSED TO U.S. PATENT LAW

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from California (Mr. ROHRABACHER) is recognized for 30 minutes as the designee of the majority leader.

Mr. ROHRABACHER. Mr. Speaker, I am here tonight to discuss a bill that will be coming to this body next week or the week thereafter. A bill that will dramatically—dramatically—change the patent laws of this country.

Mr. Speaker, it is a bill that I believe is part of an insidious attack on the well-being of the American people. They will not even realize how horrible it is and the impact that it will have on their way of life until many years after. Only when it has long since been passed will the American people wonder what it was that hit them, why their standard of living is going down, why America is no longer able to compete.

Mr. Speaker, the American people are used to being the leaders on this planet. We have been, and this has been called the American Century. But let us never forget that America used to be the most underdeveloped country in the world. We were a desolate frontier, and now the American people have turned a desolate frontier into a house of freedom and opportunity in which the common man in the United States of America lives a decent life and knows that his children have an opportunity to improve their well-being as well through a system that encourages innovation.

Yet there are those who seek to change some of the fundamental underpinnings of American prosperity, and at times they are not always up front with their goals. Today, I believe the incredible attack that we see coming on the patent system of the United States of America is part of this type of approach where people are seeking a change in America, but we are not certain exactly where they are coming from.

□ 2330

One thing is for certain. Bill Clinton, shortly after becoming President, sent Bruce Lehman, his appointee to head America's patent office, to Japan. There Bruce Lehman, now the head of the American Patent Office, concluded a hushed agreement to harmonize America's patent laws with those of Japan.

It may surprise those who are hearing this speech tonight that an unelected official—the head of our Patent Office, Bruce Lehman—signed an agreement and that an agreement has been reached. It is in writing: to harmonize American law, change our law so that it is in harmony with Japanese law in terms of the patent law.

What we got, by the way, for agreeing that our law would change and harmonize with Japan, is almost no change in the Japanese law in return, except for an anemic restriction on corporate Japan's interferences with the patent process. But like Japan's promise to open its markets decades ago—I remember this 25 years ago when they were talking about opening their markets—no one has any idea when their weak concessions will actually be put into effect or whether those weak concessions are simply scribblings on pieces of paper until they are forced, decades from now, to actually pull back from the things that they agreed to if we would change our law.

In the meantime, however, Bruce Lehman and the multinational corporations are doing their god-awful best to change our fundamental patent law, to harmonize it to make it look exactly like the law of Japan over these many years. They have tried to do this as quickly as possible and as quietly as possible.

Step No. 1 was eliminating the guaranteed patent term of 17 years which has been a right that Americans have enjoyed—American inventors and investors have had as a right—for 134 years. Before that, there was a guaranteed patent term of 14 years, from the time of the founding of our country until 134 years ago. This guaranteed patent term has been part of our rights and part of something that has actually been written into the Constitution. Trying to keep this downgrading of the American patent rights quiet—instead of coming to Congress with legislation changing our patent laws—a provision was snuck into the implementation legislation for the General Agreement on Trade and Tariffs [GATT]. That may sound odd, but Congress could only vote up or down on this one omnibus bill that came before us, the GATT implementation legislation. No amendments were allowed.

Thus, a Member of Congress would be forced to vote against the entire world trading system in order to vote against this insidious change of our patent law. This tactic was a total betrayal of those of us who voted for the fast track process of GATT, because we knew that we would only get an up or down vote. That is what the fast track was all about. But we were told if we would vote for fast track, then nothing would be included in the GATT implementation legislation except for that which was absolutely necessary and required by the GATT agreement itself.

That is not what happened because this change was not required by GATT. This insidious, absolutely underhanded way of passing this change in our patent law, should tip off our citizens and should have tipped off Members of Congress that there is something that has gone afoul.

GATT did not require eliminating this patent change so it should never have been in the legislation implementing GATT.

I created a stir when GATT came to a vote. That was over 1½ years ago. I was promised a chance to correct this part of the implementing legislation. We can take it out of the implementing legislation. We can change the law and still be GATT consistent, because this was never required by GATT in the first place.

Changes in the patent term, of course, are not easy to understand. Most people do not understand the importance of them. They know it is important for America to be the No. 1 technological power in the world. But patent term: That is kind of confusing. That is exactly the area where America's enemies know they can strike and know they can get away with this type of effort—a blow to the well-being of the American people—because the American people will not realized what is happening.

Traditionally, when an American inventor or investor filed or a patent, no matter how long it took that patent to be issued by the Patent Office, once it was issued, the owners had a guaranteed patent term of 17 years to reap the benefits of their new technology. They actually owned the technology for 17 years. Anyone who would use it would have to give them some sort of a fee for using it, a royalty, it is called. They created the technology. It would not exist without them. This was a wonderful way to promote innovation in our society. It was, again, their right to a guaranteed patent term that was the basis of our system. We had the strongest patent protection of any country in the world.

I will say it worked so well for the United States, almost all of the major inventions of our age and of the last century came from America, which was a very small and weak country at the time. The light bulb, the telephone, the reaper, the steamboat, of course, the airplane, all of these things came from Americans because we had a strong patent system.

During the time before the patent was issued, Americans knew, under the old system, that they were secure, that even though it would take a long time for them to get issued that patent, that they would have a full 17 years to benefit. So people knew they would invest in something and they would expect a reward. That is why we invented all those wonderful things that changed our lives and uplifted the standard of living of our people.

This system not only encouraged inventors but also investors. Private dollars by the billions have been allocated in our society for developing new technologies. We did not rely on government bureaucracy or taxes or government interference. We relied on freedom and the profit motive. It worked for the United States.

The new system, which is being foisted on us, is nothing more than the Japanese system superimposed on us. Again, it is very difficult to understand this and understand the significance of the changes, these changes in our system and what it will mean in changes in our lives.

Under the new code, meaning the old, the Japanese code superimposed on us, the day an inventor files for a patent, 20 years later his time is up. If it took 20 years, if it took 10 years for a patent to be issued in the past, the investor still knew he had 17 years because when it was issued, he had 17 hears to reap the benefit. Under this new system, meaning the Japanese system, after 10 years one-half of the inventor's patent term is gone. It is eaten up. He or she only has 10 years left. The clock, in other words, is always ticking against the inventor and not the bureaucracy.

Anyone who has studied the process knows that it is not abnormal for breakthrough technologies, meaning technologies that will change our lives and change the world, innovations that will create tens of billions of dollars of new wealth, it is not odd for them to take 5, 10, or 15 years to go through the patent process. There are many, many examples of this. Yet these people under this system now, with their patent terms eaten away, would have no time to benefit from it. What kind of incentive does that give for investors who invest in people's breakthrough technology in their ideas?

Now, what else does it mean? What does it mean for the clock to be ticking against the inventor? It means the bureaucracy and special interests now have leverage on the inventor that they never had before. During negotiations which are part of the patent granting process, the inventor can be ground down because he or she is now vulnerable. And a patent can be delayed and the time shortened. And what does that mean? It means that all of those royalties, if now you only get 10 years of patent protection, really, that is left on your clock because it has taken that much time to get the patent issued and you only have 10 years left, what does that mean?

It means that royalties that were once going into the bank account of American inventors are now rerouted into the bank accounts of huge foreign and domestic and multinational corporations. These people who used to have to pay royalties the whole time now will end up having to pay royalties only part of the time, if any of the time, because there might not be enough time for the inventor to recoup the money necessary to fight in court the big corporations who are ripping off his product.

To claim stolen royalties, an individual American must pay lawyers then and legal specialists and go to court. Under the old system, the Americans were protected. Under the new system that is being installed, the Japanese system, Americans are at risk. The little guy gets ground down.

Under the old system, the Wright Brothers invented airplanes and lifted mankind into the heavens. Under this system, the Wright Brothers would have been ground down by Mitsubishi who would have probably ended up controlling their technology. And we would have gone to airports filled with Japanese airplanes reaping the benefits for that society.

This system, which our patent commissioner wants America to emulate, has ill-served the Japanese people because what has happened, although they have been able to grasp technology from others, there has been almost no innovation and creativity in Japan. The fact is, the Japanese are rightfully known as copiers and improvers, not innovators and inventors. This is because new inventions basically benefit a very small elite in Japan.

Their laws, which Bruce Lehman wants America to emulate, would have permitted and has permitted in Japan powerful business conglomerates to run roughshod over the people. They have been beaten down, when anyone raises his head. And those very same interests now will be able to come to the United States of America and run roughshod over our inventors.

As far as technological development, as I say, Japan basically has shown very little, very little, very little example of innovation in their own society because once an innovator does step forward, once an inventor does produce some sort of significant invention and tries to patent it in Japan, all of a sudden that inventor experiences pressures, official and unofficial, that are applied to beat him down. And so his rewards are limited.

However, the rewards of the big guys, the giant corporations, are very great there because they can envelope new innovation and pay very little in royalties as compared to their counterparts in the United States.

Unfortunately, we now are having that system superimposed on us. It is the difference between a society that is based on individual freedom versus collectivism and egalitarianism.

During the patent debate, Mr. Lehman constantly claimed the purpose of strong patent laws is to facilitate dissemination of information to the society as a whole. That is the ultimate in antifreedom collectivist thinking and has nothing to do with what our Founding Fathers had in mind. In our country the rights of the individual are paramount.

These patent laws were meant to protect individual property rights over those supposed needs of the society because we understood that protecting the rights, the property rights of the small farmer and the individual, the individual businessman, that this will indeed benefit all of us in the long run because individuals will then put out the maximum of effort. And they will have more personal responsibility, and it will create a prosperous citizenry.

This is what creates a prosperous country. Mr. Lehman's approach treats the individual as secondary, ants in a collective hole who, if they insist on their rights, must be smashed by the boots of those in power.

Of course, those trying to challenge our system will never admit this. Those trying to superimpose this Japanese system on us. The change is coming not as part of a democratic process, of course, so they do not have to tell us about it. It is coming by subterfuge, sneaking provisions into a treaty legislation or an omnibus bill so that basically this evil will be obscured from view.

When one can force the advocates into a debate, what they say is the reason why they are pushing all of these things is the fact that there is a submarine patent threat out there. Well, a submarine patentor is someone who has tried to elongate the system here. They have gamed the system. Thus, the date for a patent being issued to them is put off and they have a few more years in the outyears to collect some royalties. That is what a submarine patentor is.

□ 2145

Now, there have been some examples of that, and the fact is that that is a problem that can easily be corrected administratively, but this problem has been put up as a straw man to excuse this incredible fundamental change in our society and the diminishing of American patents rights.

Basically, they could have corrected the problem. It is like someone with a sore toe and someone telling them, ''In order to get rid of your sore toe we are going to cut your leg off.'' ''No, no, no. Please. I can correct the sore toe. I will put something on it that will make it better.'' ''No, no. We are going to cut your leg off to get rid of your sore toe.''

Now, when someone tells you that, maybe you have to question they do not have your best interests at heart, and that is what is happening with the submarine patent issue.

You see, the vast majority of all patent applicants, 95 percent and up if not

99 percent, do everything in their power to get their patent issued. You know, please issue it now, right away, because that is when they will start to benefit, when their patent is issued. They know that if they hold off, they may be left behind by other innovations, and let us note this:

Those people claiming that the submarine patent is, in fact, the reason why we have to change the patent law, do they not realize these are part of the very same forces that were trying to change the patent law before anyone ever talked about submarine patents, before anyone ever knew what that meant.

No, the fact is the real motive behind most of those people who want to change, the real motive is they want to harmonize our system with Japan because it will create a more global trading system.

Well, history will judge what happens by, you know, what they accomplish, by what they are trying to do and what happens to the American people.

Let us note that this is the first step in harmonizing our trade with Japan, and I will have to say that Mr. Lehman has used the bogeyman of submarine patents to get some Members of Congress to believe that that is a reason for this terrible change in our system that will have such a horrible impact on our society.

But again, if a submarine patent is a problem, we could work together and get it cured and get it corrected with just administrative changes within the system.

I, in fact, had a bill, H.R. 359, which would reinstate the 17 years of a guaranteed patent, but at the same time we included a provision that would basically stop the manipulation of the system. Yet when I put the provision in when it was suggested by others, that was not enough, and then again I said, well, let us put more things into this bill, let us put more things into this bill which will guarantee you cannot have a submarine patent just so long as you do not eliminate the guaranteed patentor, just as long as you do not cut your leg off in order to cure the sore toe. But, no, no one was ever willing to offer that as an alternative. No one ever came up with suggestions for me with that, because the real purpose was to eliminate the guaranteed patent term.

Now, we face another piece of legislation. The fact is the guaranteed patent term was eliminated by the GATT implementation legislation. Well, I will be trying to restore that as a substitute for a bill which will come to the floor next week, H.R. 3460. It is a patent bill that is basically designed, their patent bill, H.R. 3460 which will come to the floor, and I have a substitute which I want to substitute for that bill, but their bill basically is designed to complete the destruction of our patent system, and basically it is the next step from what they did when they snuck this first provision into GATT which will then totally harmonize us with Japan.

H.R. 3460, which I call the Steal American Technologies Act, is being put forward. Now, the official title is the Moorhead-Schroeder Patent Act. Well, better than anything else it demonstrates what is going on. It is very understandable to see what some of the provisions do, and it is very understandable to see the powerful international interests that are at work in this legislation.

H.R. 3460 is a package that obscures some of the mind-boggling provisions, but if you look closely you will be able to see it. One of the provisions was introduced last year in a bill entitled the Patent Publication Act. See, they had to change that now. They had to make it the Moorhead-Schroeder Act because the Patent Publication Act is too blatant a description. The title was too self-explanatory, in other words. That provision, which is part of this bill, H.R. 3460, mandates that after 18 months every American patent application, whether or not it has been issued, will be published for the world to see.

Please try to understand what I am telling you today. We have a bill that is insisting that every new idea of American technology will be made public, will be public, and thus every thief and brigand and pirate and multinational corporation and Asian copycat in the world will be handed the details of every idea that we have got. They will be standing in line. The Xerox machines will be running, the fax machines will be running, and our ideas will be overseas, and they will be in production of our new technology to use against us before our own people are issued the patents.

It is incredible, but of course that is part of the Japanese system, so we have to have it here too. That is part of the Japanese system. Everything is public, and thus they can beat down the individuals who are creating new technologies. Our newest and creative ideas, as I say, will be out before the public and out before our adversaries even before our own people can go into production, and H.R. 3460, as I say, is entitled to Moorhead-Schroeder Patent Act, and this provision, as I say again, it is almost too mind-boggling for the public to believe, but please believe it. That is part of the bill, that is the purpose of the bill, and basically this bill is passed, has already passed subcommittee and full committee.

When it was going through the subcommittee, I will never forget it. I was in my office, and there was a man from a medium-sized solar energy company from Ohio in my office, a president of his company. He had helped start that company and built it on his own creative ideas. they had lots of patents, and I told him what the provision of this bill was as it was going through subcommittee at the moment that I talked to him. I said, what if you have to publish your patent application before the patent is issued, and he said, ''My gosh, our Asian competitors will have it in production, they will be making profit on my technology. It I try to go to court, what they will do is they will used the money, the profit they receive from my technology, to beat me down and destroy my company.''

He was right. That is what will happen if we let them get away with it, and this is something we cannot let happen.

Now, when full committee, which this bill has already passed through full committee, when someone was asked, when an advocate of this bill was asked, is that true? Everyone will have to publish their patent application? They were told, ''Oh, no.'' That has been taken care of. Yeah, do you know how that has been taken care of? In order not to get it published, a patent applicant has to withdraw his patent. That is all. You just have to withdraw your application, meaning you have to give up on getting a patent.

That was an untruth. That was an untruth. That was something that was wrong information that the people had in the full committee. They were told that it was taken care of, but that was not what they consider being taken care of, that unless you withdraw and do not push forward for a patent that your patent will be published.

□ 2355

This is the nightmare that will face every small-and medium-size company, that they will have their own technologies used against them by foreigners and they will be put out of business. Anyone who cannot afford a stable of expensive lawyers will be at the mercy of the worst thieves in the world, and the big guys are the ones, of course, our big companies have the contacts overseas. They can defend themselves. In fact, they would not mind stealing some of the technology from the little guys here themselves. It will be open season in our country on the little guy.

Of course, Mr. Speaker, we are told we have to do this to prevent this evil, the submarine patents. There are a few people who are elongating their patents by a few years, and that is very evil. Thus, we have to do all this other stuff and permit this other vulnerability for everybody in our country in order to solve that problem. We have to cut your leg off in order to correct that hangnail that you have on your toe.

Another major provision of H.R. 3460 is now basically, hold onto your hats, is the abolition of the U.S. Patent Office. They are advocating we eliminate the U.S. Patent Office, which has been part of our Government since the founding of our country in 1790. Yes, under H.R. 3460, basically our Government will eliminate the patent office, which eliminates congressional oversight, by the way, because they are going to set up a new patent corporation, sort of a quasi-independent government corporation like the Post Office.

Members know I am in favor of privatization. I am a conservative Republican. But this corporatization of a Government function, of a core Government function, it is the Government's job to protect our individual rights. It has been part of our system since the founding of our country. This is not the way to privatize Government. We cannot do that, because that is the job of the Government.

Mr. Speaker, basically the patent examiners, and by the way, by making it a quasi-corporate structure, congressional oversight is taken back, but what also happens is that the patent examiners, these men and women who have dedicated themselves to a fair adjudication of American applications for patents, these people work hard and they struggle, and it is a tough job, but it is a judicial function, because they are making decisions as to who owns billions of dollars of technology.

These people are going to be stripped, they will be stripped of their civil service protection. This opens up everything to corruption. It opens it up to outside influences. Why are we doing this? Why are we doing this? If the patent office is corporatized, Bruce Lehman, the minister of harmonization with our laws with Japan, he is going to head the patent office, and he will be a virtual dictator of that office compared to what now it is, when we basically have it being part of the Government rather than a semi-private operation.

These changes are destructive. They will work against the best interests of the United States. It is transparent, the corruption that will be created, and the special interests from all over the world who will be trying to interfere with a system, a system which has served us so well and kept America ahead of the pack, ensured that the United States of America had a middle class, people who had decent lives because we had technology that permitted us to outcompete our adversaries economically and defeat our military adversaries when our country was in trouble.

H.R. 3460, the Steal American Technologies Act, that is the Moorhead-Schroeder bill, patent act, it must be defeated. The Rohrabacher substitute, which I will offer on the floor, which restores American patent rights, must be passed. It is something we have to do to protect the well-being of our citizens.

Huge companies have been opposed to this proposal. It is up to the American people. The American people have to weigh in, or huge corporations, multinational corporations, will have their way. So far we have the support of small business, the little guys, every small inventors organization in the country, even American universities. But the big corporations of the United States of America have weighed in because they have a vision of a global market, and who cares about the rights of the American people or the standard of living of the American people. It is this global marketplace which is more important.

Mr. Speaker, we can make democracy work here. We can defeat the big guys if the little guys get together and make sure that they are contacting their Representatives in Washington and demanding that a piece of legislation so detrimental to our country's well-being, the Steal American Technologies Act, is defeated, H.R. 3460, and that the substitute that I am proposing, the Rohrabacher substitute, is placed in its stead.

Now is the time for us as Americans to stand together and tell the elites of the world we will never see our rights diminished by any kind of global vision. We will make sure that our children have a better life, because we are all the children, and all of Americans will always be the children, of Ben Franklin and Thomas Jefferson. We will never give up the rights that they gave us as their legacy.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. EMERSON (at the request of Mr. ARMEY) for today until 3 p.m., on account of attending his daughter's graduation.

Mr. MARTINI (at the request of Mr. ARMEY) until 2 p.m. today, on account of attending his daughter's graduation.

Mr. BASS (at the request of Mr. ARMEY) until 2:30 p.m. today, on account of attending a funeral.

Mr. INGLIS of South Carolina (at the request of Mr. ARMEY) for today until 5 p.m., on account of traveling to Greelyville, SC, to join the President in standing against arson attacks on places of worship.

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. FALEOMAVAEGA) to revise and extend their remarks and include extraneous material:)

Ms. KAPTUR, for 5 minutes, today.

Mr. VOLKMER, for 5 minutes, today.

Mr. FALEOMAVAEGA, for 5 minutes, today.

Mrs. COLLINS of Illinois, for 5 minutes, today.

Ms. DELAURO, for 5 minutes, today.

Mr. FILNER, for 5 minutes, today.

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

Mr. MANZULLO, for 5 minutes each day, on June 18 and 19.

Mrs. KELLY, for 5 minutes each day, on June 13 and 19.

Mr. WAMP, for 5 minutes each day, on June 12 and 13.

Mr. GUTKNECHT, for 5 minutes, today.

Mr. METCALF, for 5 minutes, today.

Mrs. JOHNSON of Connecticut, for 5 minutes on June 13.

Mr. WELLER, for 5 minutes, today.

Ms. DUNN of Washington, for 5 minutes, today.

Mr. HILLEARY, for 5 minutes, today.

Mr. FOX of Pennsylvania, for 5 minutes, today.

Mr. DORNAN, 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 Mr. FALEOMAVAEGA) and to include extraneous matter:)

Mr. DELLUMS.
Mr. HAMILTON.
Mr. GEJDENSON.
Mr. JACOBS.
Mr. RAHALL.
Ms. DELAURO.
Ms. NORTON.
Mr. TORRES.
Mr. VENTO.
Mr. LAFALCE.
Mr. REED.
Mr. PALLONE.

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

Mr. KING.
Mr. BOEHLERT.
Mr. GRAHAM.
Mr. DELAY.
Mr. DAVIS.
Mr. ROHRABACHER.
Mr. SPENCE.
Mr. HOKE.
Mr. YOUNG of Florida.
Mrs. MORELLA.
Mr. NETHERCUTT.
Mr. BILIRAKIS.
Mr. CUNNINGHAM in two instances.
Mr. ALLARD.
Mr. YOUNG of Alaska.

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

Mr. GORDON.
Mr. PARKER.
Mr. DORNAN.
Mr. THOMPSON.
Mr. FARR of California.
Mr. KNOLLENBERG.
Mr. GILMAN.
Mrs. FOWLER.
Mr. LATHAM.
Mr. FLAKE.

ADJOURNMENT

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

The motion was agreed to; accordingly (at 11 o'clock and 59 minutes p.m.), the House adjourned until tomorrow, Thursday, June 13, 1996, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

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

the Speaker's table and referred as follows:

3517. A letter from the Acting Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Spearmint Oil Produced in the Far West; Revision of the Salable Quantity and Allotment Percentages for Class 1 (Scotch) Spearmint Oil the 1995–96 Marketing Year [Docket No. FV96–985–1FIR] (7 CFR Part 985) received June 11, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3518. A letter from the Acting Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Honey Research, Promotion, and Consumer Information Order—Amendment of the Rules and Regulations to Add HTS Code for Flavored Honey [AMS–FV–96–701.FR] (7 CFR Part 1240) received June 11, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3519. A letter from the Secretary of Defense, transmitting certification that the detail of 88 DOD personnel to other Federal agencies, under the DOD Counterdrug Detail Program, are in the national security interest of the United States, pursuant to Public Law 103–337, section 1011(c) (108 Stat. 2836); to the Committee on National Security.

3520. A letter from the Secretary of Defense, transmitting the Secretary's report entitled ''Defense Nuclear Agency Long-Term Radiation Tolerant Microelectronics Program,'' pursuant to Public Law 104–106, section 217(c)(2) (110 Stat. 222); to the Committee on National Security.

3521. A letter from the Secretary of Housing and Urban Development, transmitting the Department's report entitled ''Assessment of the Comprehensive Grant Program,'' pursuant to Public Law 101–625, section 509(i)(1) (104 Stat. 4193); to the Committee on Banking and Financial Services.

3522. A letter from the Secretary of Education, transmitting final regulations—William D. Ford Federal Direct Loan Program; Institutional Eligibility Under the Higher Education Act of 1965, as Amended; Student Assistance General Provisions—received June 10, 1996, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Economic and Educational Opportunities.

3523. A letter from the Assistant General Counsel for Regulations, Department of Education, transmitting the Department's final rule—William D. Ford Federal Direct Loan Program; Institutional Eligibility Under The Higher Education Act of 1965, As Amended; Student Assistance General Provisions (RIN: 1840–AC18) received June 10, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Economic and Educational Opportunities.

3524. A letter from the Director, Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Air Quality Implementation Plans; Pennsylvania: Partial Approval of PM–10 Implementation Plan for the Liberty Borough Area of Allegheny County (FRL–5463–3) received June 11, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3525. A letter from the Director, Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Air Quality Implementation Plans; Tennessee; Approval of Revisions to Process Gaseous Emission Standards for Total Reduced Sulfur Emissions from Kraft Mills (FRL–5519–6) received June 11, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3526. A letter from the Director, Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Quizalofop-P Ethyl Ester; Pesticide Tolerance and Feed Additive Regulation (FRL–5375–6) received June 11, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3527. A letter from the Director, Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Outer Continental Shelf Air Regulations Consistency Update for California (FRL–5515–7) received June 5, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3528. A letter from the Director, Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—48 CFR Parts 1501, 1509, 1510, 1515, 1532, 1552, and 1553 Acquisition Regulation (FRL–5516–4) received June 5, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3529. A letter from the Director, Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Prohibition on Gasoline Containing Lead or Lead Additives for Highway Use (FRL–5513–3) received June 5, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3530. A letter from the Director, Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Air Quality Implementation Plans; Commonwealth of Pennsylvania: Revocation of Determination of Attainment of Ozone Standard by the Pittsburgh-Beaver Valley Ozone Nonattainment Area and Reinstatement of Applicability of Certain Reasonable Further Progress and Attainment Demonstration Requirements (FRL–5511–2) received June 5, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3531. A letter from the Director, Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Description of Areas for Air Quality Planning: State of Idaho; Correction to Boundary of the Power-Bannock Counties Particulate Matter Nonattainment Area to Exclude the Inkom Area (FRL–5515–1) received June 5, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3532. A letter from the Director, Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Pesticide Tolerance: 1-[[2-(2,4-Dichlorophenyl)-4-Propyl-1,3-Dioxolan-2-yl]Methyl]-1H-1,2,4-Triazole (FRL–5368–4) received June 5, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3533. A letter from the Managing Director, Federal Communications Commission, transmitting the Commission's final rule—Definition of Markets for Purposes of the Cable Television Mandatory Television Broadcast Signal Carriage Rules—Implementation of Section 301(d) of the Telecommunications Act of 1996: Market Determinations [CS Docket No. 95–178] received June 11, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3534. A letter from the Managing Director, Federal Communications Commission, transmitting the Commission's final rule—Implementation of Sections of the Cable Television Consumer Protection and Competition Act of 1992: Rate Regulation—Leased Commercial Access [MM Docket No. 92–266]; [CS Docket No. 96–60] received June 11, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3535. A letter from the Secretary of Health and Human Services, transmitting the Administration's proposals for the reauthorization of the National Institutes of Health; to the Committee on Commerce.

3536. A letter from the Director, Defense Security Assistance Agency, transmitting notification of a cooperative framework to facilitate any future United States/United Kingdom cooperative activity in the advanced concept technology demonstration [ACTD] area (Transmittal No. 13–96) Received June 11, 1996, pursuant to 22 U.S.C. 2767(f); to the Committee on International Relations.

3537. A letter from the Director, Defense Security Assistance Agency, transmitting notification concerning the Department of the Navy's proposed Letter(s) of Offer and Acceptance [LOA] to Brunei for defense articles and services (Transmittal No. 96–51) received June 11, 1996, pursuant to 22 U.S.C. 2776(b); to the Committee on International Relations.

3538. A letter from the Acting Assistant Secretary for Legislative Affairs, Department of State, transmitting the Department's final rule—Shipping and Seamen (Bureau of Consular Affairs) (22 CFR Parts 81 through 88) [Public Notice 2406] received June 10, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on International Relations.

3539. A letter from the Director of Financial Management and Deputy Chief Financial Officer, Department of the Interior, transmitting the Secretary's revised semiannual report on audit followup for the period April 1, 1995, through September 30, 1995, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform and Oversight.

3540. A letter from the Chairman, Board of Directors, Corporation for Public Broadcasting, transmitting the semiannual report on activities of the inspector general for the period October 1, 1995, through March 31, 1996, and the semiannual management report on audit followup for the same period, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform and oversight.

3541. A letter from the Director, Office of Personnel Management, transmitting notification that OPM has approved a proposal for a personnel management demonstration project for the Department of the Air Force, submitted by the Department of Defense, pursuant to Public Law 103–337, section 342(b) (108 Stat. 2721); to the Committee on Government Reform and Oversight.

3542. A letter from the Chairman, Securities and Exchange Commission, transmitting a copy of the annual report in compliance with the Government in the Sunshine Act during the calendar year 1995, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Reform and Oversight.

3543. A letter from the Chairman, Board of Directors, Tennessee Valley Authority, transmitting a copy of the annual report in compliance with the Government in the Sunshine Act during the calendar year 1995, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Reform and Oversight.

3544. A letter from the Assistant Secretary for Fish and Wildlife and Parks, Department of the Interior, transmitting the Department's final rule—Powerless Flight (National Park Service, Appalachian National Science Trail) (RIN: 1024–AC23) received June 12, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3545. A letter from the Assistant Secretary for Fish and Wildlife and Parks, Department of the Interior, transmitting the Department's final rule—Conveyance of Freehold and Leasehold Interest, 36 CFR Part 17 (National Park Service) (RIN: 1024–AC27) received June 12, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3546. A letter from the Program Management Officer, National Marine Fisheries Service, transmitting the Service's final rule—Atlantic Swordfish Fishery; 1996 Quotas, Minimum Size, Adjustment [Docket No. 960314073–6145–02; I.D. 030896E] received June 11, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3547. A letter from the Program Management Officer, National Marine Fisheries Service, transmitting the Service's final rule—Atlantic Striped Bass Fishery; Atlantic Coastal Fisheries Cooperative Management; Consolidation and Revision of Regulations [Docket No. 950915230–6123–03; I.D. 022796D] received June 11, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3548. A letter from the Assistant Attorney General of the United States, transmitting a draft of proposed legislation entitled the ''Enhanced Prosecution and Punishment of Armed Dangerous Felons Act of 1996''; to the Committee on the Judiciary.

3549. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Establishment of Class D Airspace; Minneapolis, Anoka, MN (Federal Aviation Administration) (RIN: 2120–AA66) (1996–0055) received June 10, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3550. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Establishment of Class E Airspace; Boone, IA—Docket No. 96–ACE–6 (Federal Aviation Administration) (RIN: 2120–AA66) (1996–0054) received June 10, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3551. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Use of Safety Belts and Motorcycle Helmets (National Highway Traffic Safety Administration and Federal Highway Administration) (Docket No. 92–40; Notice 3) (RIN: 2127–AG23) received June 10, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3552. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Highway Safety Program Standards—Applicability to Federally Administered Areas (National Highway Traffic Safety Administration and Federal Highway Administration) [NHTSA Docket No. 95–83; Notice 1] (RIN: 2127–AG10) received June 10, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3553. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Rules of Procedure for Invoking Sanctions under the Highway Safety Act of 1966 (National Highway Traffic Safety Administration and Federal Highway Administration) [Docket No. 96–02; Notice 2] (RIN: 2127–AG10) received June 10, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3554. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety Zone: San Francisco Bay, CA (United States Coast Guard) [COTP San Francisco Bay 96–003] (RIN: 2115–AA97) received June 10, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3555. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety Zone: Chesapeake Bay, Hampton Roads, Elizabeth River, Norfolk, VA (United States Coast Guard) [CGD05–96–038] (RIN: 2115–AA97] received June 10, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3556. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Drawbridge Operation Regulations: Atlantic Intracoastal Waterway, FL (United States Coast Guard) [CGD07–95–057] (RIN: 2115–AE47) received June 10, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3557. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Airbus Industries Model A300, A310, and A300–600 Series Airplanes (Federal Aviation Administration) [Docket No. 93–NM–133–AD; Amendment 39–9658; AD 96–12–15] (RIN: 2120–AA64) received June 10, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3558. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Beech (Raytheon) Model BAe 125 Series 800A and 1000A, and Model Hawker 800 and 1000 Airplanes (Federal Aviation Administration) [Docket No. 95–NM–43–AD; Amendment 39–9660; AD 96–12–17] (RIN: 2120–AA64) received June 10, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3559. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Beech (Raytheon) Model BAe 125 Series 800A and Model Hawker 800 Airplanes (Federal Aviation Administration) [Docket No. 95–NM–122–AD; Amendment 39–9659; AD 96–12–16] (RIN: 2120–AA64) received June 10, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3560. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Dornier Model 328–100 Series Airplanes (Federal Aviation Administration) [Docket No. 96–NM–109–AD; Amendment 39–9655; AD 96–11–17] (RIN: 2120–AA64) received June 10, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3561. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Fokker Model F28 Mark 0100 Series Airplanes (Federal Aviation Administration) [Docket No. 95–NM–164–AD; Amendment 39–9662; AD 96–12–19] (RIN: 2120–AA64) received June 10, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3562. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Lockheed Model 382, 382B, 382E, 382F, and 382G Series Airplanes (Federal Aviation Administration) [Docket No. 95–NM–10–AD; Amendment 39–9663; AD 96–12–20] (RIN: 2120–AA64) received June 10, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3563. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Textron Lycoming Reciprocating Engines (Federal Aviation Administration) [Docket No. 93–ANE–48–AD; Amendment 39–9586; AD 96–09–10] (RIN: 2120–AA64) received June 10, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3564. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Dornier Model 328 Series Airplanes with Honeywell GP–300 Guidance Display Controller (Federal Aviation Administration) [Docket No. 96–NM–112–AD; Amendment 39–9656; AD 96–12–13] (RIN: 2120–AA64) received June 10, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3565. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Cessna Aircraft Company 150 and A150 Series and Model 152 and A152 Airplanes (Federal Aviation Administration) [Docket No. 95–CE–14–AD; Amendment 39–9666; AD 96–12–23] (RIN: 2120–AA64) received June 10, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3566. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Fokker Model F28 Mark 0100 Series Airplanes (Federal Aviation Administration) [Docket No. 92–NM–71–AD; Amendment 39–9657; AD 96–12–14] (RIN: 2120–AA64) received June 10, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3567. A letter from the Director, Office of Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Investigation Regulations (RIN: 2900–AI25) received June 11, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Veterans' Affairs.

3568. A letter from the Director, Office of Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Information Law; Miscellaneous (RIN: 2900–AI23) received June 11, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Veterans; Affairs.

3569. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Part III Administrative, Procedural, and Miscellaneous (Revenue Procedure 96–34) received June 11, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the committee on Ways and Means.

3570. A letter from the Acting Director, Ballistic Missile Defense Organization, Department of Defense, transmitting a copy of Presidential Determination No. 96–27: United States-Israel Arrow Deployability Program, pursuant to Public Law 103–160, section 238(d)(2) (107 Stat. 1601); jointly, to the Committees on National Security and International Relations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. McCOLLUM: Committee on the Judiciary. H.R. 2803. A bill to amend the anti-car theft provisions of title 49, United States Code, to increase the utility of motor vehicle title information to State and Federal law enforcement officials, and for other purposes (Rept. 104–618). Referred to the Committee of the Whole House on the State of the Union.

Mr. SOLOMON: Committee on Rules. House Resolution 453. Resolution providing for consideration of the bill (H.R. 3610) making appropriations for the Department of Defense for the fiscal year ending September 30, 1997, and for other purposes (Rept. 104–619). Referred to the House Calendar.

TIME LIMITATION OF REFERRED BILL

Pursuant to clause 5 of rule X the following action was taken by the Speaker:

[Omitted from the Record of June 11, 1996]

H.R. 3107. Referral to the Committee on Ways and Means extended for a period ending not later than June 14, 1996.

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. DUNCAN:

H.R. 3617. A bill to amend the National Highway System Designation Act of 1995 relating to metric highway signing requirements; to the Committee on Transportation and Infrastructure.

By Mr. RUSH (for himself, Mr. POSHARD, Mr. TOWNS, Mr. VISCLOSKY, Mrs. COLLINS of Illinois, Ms. FURSE, Mr. MATSUI, Ms. PELOSI, Mr. CONDIT, Mr. DIXON, Mr. BONIOR, Mr. LAHOOD, Mr. THOMPSON, Mr. CLYBURN, Mrs. MEEK of Florida, Mr. GUTIERREZ, Mr. ROEMER, and Ms. ESHOO):

H.R. 3618. A bill to amend title 49, United States Code, to prohibit the transportation of chemical oxygen generators as cargo on any aircraft carrying passengers or cargo in air commerce, and for other purposes; to the Committee on Transportation and Infrastructure.

By Mr. CAMPBELL:

H.R. 3619. A bill to provide off-budget treatment for the land and water conservation fund; to the Committee on Resources, and in addition to the Committees on the Budget, and 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. GOSS:

H.R. 3620. A bill to amend the act of October 11, 1974 (Public Law 93–440; 88 Stat. 1257), to provide for the continued operation of certain tour businesses in recently acquired areas of Big Cypress National Preserve; to the Committee on Resources.

By Mr. ENGEL (for himself, Mr. KING, Mr. MANTON, Mr. WALSH, Mr. NEAL of Massachusetts, Mr. LAZIO of New York, Mr. TORRICELLI, Mrs. ROUKEMA, and Mrs. LOWEY):

H.R. 3621. A bill to amend the Anglo-Irish Agreement Support Act of 1986 to require that disbursements from the International Fund for Ireland are distributed in accordance with the MacBride principles of economic justice, and for other purposes; to the Committee on International Relations.

By Mr. CHRYSLER (for himself, Mr. CAMP, Mr. BUNN of Oregon, Mr. HEINEMAN, Mr. JONES, Mr. BONO, Mr. RIGGS, Mr. MCCOLLUM, Mr. BARTLETT of Maryland, Mr. GUTKNECHT, Mr. EHLERS, Mr. GINGRICH, Mr. BILBRAY, Mr. ROGERS, Mr. KOLBE, Mr. LAUGHLIN, Mr. TAUZIN, Mr. WHITFIELD, Mrs. JOHNSON of Connecticut, Mr. UPTON, and Mr. HASTERT):

H.R. 3622. A bill to provide for the substitution of the term ''standard trade relations'' in lieu of ''nondiscriminatory treatment'' and ''most-favored-nation treatment'', and for other purposes; to the Committee on Ways and Means, and in addition to the Committee on Rules, 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. FARR:

H.R. 3623. A bill to require the Federal Communications Commission to revise its television duopoly rules to require public comment on certain local marketing agreements; to the Committee on Commerce.

By Mr. FORBES:

H.R. 3624. A bill to amend the Internal Revenue Code of 1986 to establish, and provide a checkoff for, a biomedical research fund, and for other purposes; to the Committee on Ways and Means, and in addition to the Committee on Commerce, 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. MICA:

H.R. 3625. A bill to authorize appropriations for the National Historical Publications and Records Commission for fiscal years 1998, 1999, 2000, and 2001; to the Committee on Government Reform and Oversight.

By Mr. NADLER (for himself, Mr. SCHAEFER, Mr. BORSKI, Mr. FARR, Mr. FROST, Mr. HINCHEY, Mr. JOHNSTON of Florida, Mr. KENNEDY of Massachusetts, Mr. LANTOS, Mrs. LOWEY, Ms. MCKINNEY, Mr. MORAN, Ms. RIVERS, Mr. SANDERS, and Ms. WOOLSEY):

H.R. 3626. A bill to direct the Administrator of the Federal Aviation Administration to issue regulations relating to recirculation of fresh air in commercial aircraft, and for other purposes; to the Committee on Transportation and Infrastructure.

By Mr. ORTON:

H.R. 3627. A bill to provide for the transfer of certain lands near Myton, UT, to the Utah Division of Wildlife Resources; to the Committee on Resources.

By Ms. VELAZQUEZ (for herself and Ms. MOLINARI):

H.R. 3628. A bill to establish the Lower East Side Tenement Museum National Historic Site, and for other purposes; to the Committee on Resources.

By Mr. VENTO:

H.R. 3629. A bill to amend title 39, United States Code, to require that photographic evidence of a person's identity be presented before a change-of-address order shall be accepted by the U.S. Postal Service for processing; to the Committee on Government Reform and Oversight.

By Mr. FOX (for himself, Mr. GREEN of Texas, Mr. LIPINSKI, Mrs. ROUKEMA, Mr. DAVIS, and Mr. FORBES):

H.R. 3630. A bill to require coverage for screening mammography and pap smears under health plans; to the Committee on Commerce, and in addition to the Committee on Economic and Educational Opportunities, 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. DAVIS (for himself, Mr. MORAN, Mr. BATEMAN, Mr. PICKETT, Mr. BOUCHER, Mr. SISISKY, Mr. PAYNE of Virginia, Mr. DUNCAN, Mr. FROST, Mr. FAZIO of California, Mr. YOUNG of Alaska, Mr. WOLF, Mr. WILSON, Mr. WHITFIELD, Mr. STEARNS, Mr. SCOTT, Mr. ROEMER, Mr. MOORHEAD, Mr. MONTGOMERY, Mr. MARKEY, Mr. MANTON, Mr. LANTOS, Mr. CONYERS, Mr. COSTELLO, Mr. GEJDENSON, Mr. DURBIN, Mr. BEREUTER, and Mr. BILIRAKIS):

H.R. 3631. A bill to provide for the recognition and designation of the official society to administer and coordinate the United States of America activities to commemorate and celebrate the achievements of the second millennium, and promote even greater achievements in the millennium to come by endowing an international cross-cultural scholarship fund to further the development and education of the world's future leaders; to the Committee on Government Reform and Oversight, and in addition to the Committees on International Relations, and Banking and Financial Services, 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. EHRLICH:

H.R. 3632. A bill to amend title XIX of the Social Security Act to repeal the requirement for annual resident review for nursing facilities under the Medicaid Program and to require resident reviews for mentally ill or mentally retarded residents when there is a significant change in physical or mental condition; to the Committee on Commerce.

H.R. 3633. A bill to amend title XVIII and XIX of the Social Security Act to permit a waiver of the prohibition of offering nurse aide training and competency evaluation programs in certain nursing facilities; to the Committee on Ways and Means, and in addition to the Committee on Commerce, 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. CAMPBELL (for himself and Mr. JACOBS):

H.J. Res. 180. Joint resolution proposing an amendment to the Constitution of the United States to abolish the Electoral College and to provide for the direct election of the President and Vice President of the United States; to the Committee on the Judiciary.

by Mr. WALKER:

H.J. Res. 181. Joint resolution disapproving the extension of nondiscriminatory treatment—most-favored-nation treatment—to the products of the People's Republic of China; to the Committee on Ways and Means.

By Mr. SERRANO (for himself, Mr. STUDDS, Mr. HILLIARD, Mr. YATES, Mr. MCDERMOTT, Ms. VELAZQUEZ, Mr. HINCHEY, Mr. FROST, Mr. GREEN of Texas, Ms. PELOSI, Mr. ROMERO-BARCELO, Mr. WAXMAN, Ms. JACKSON-LEE, Mr. MILLER of California, Mr. DELLUMS, Mr. JOHNSTON of Florida, Mr. GONZALEZ, Mr. PALLONE, Mr. TOWNS, Mr. ACKERMAN, Mr. FILNER, Mr. STOKES, Mr. CUMMINGS, Mr. MARTINEZ, Mrs. MALONEY, Mrs. MEEK of Florida, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. MANTON, Mr. OWENS, and Mr. NADLER):

H. Con. Res. 184. Concurrent resolution expressing the sense of the Congress with respect to pediatric and adolescent AIDS; to the Committee on Commerce.

By Mr. CAMPBELL (for himself, Mr. FARR, Mr. CUNNINGHAM, Mr. CALVERT, Mr. WAXMAN, Mr. POMBO, Mrs. SEASTRAND, Mr. RIGGS, Mr. GALLEGLY, Mr. BAKER of California, Ms. ESHOO, and Mr. DOOLITTLE):

H. Res. 452. Resolution expressing the sense of the House of Representatives that Colombian fresh cut flowers should not receive preferential tariff treatment; to the Committee on Ways and Means.

By Ms. LOFGREN (for herself and Mr. FARR):

H. Res. 454. Resolution directing the Committee on House Oversight of the House of Representatives to take all necessary steps to make voting records of members of the House and other information on the legislative activities of the House accessible on the Internet through the official homepage of the House of Representatives, and for other purposes; to the Committee on Rules.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 118: Mr. PETRI.
H.R. 1023: Mrs. VUCANOVICH.
H.R. 1230: Mrs. MEYERS OF KANSAS.
H.R. 2011: Mr. REED and Mr. CAMPBELL.
H.R. 2019: Mr. HAYWORTH.
H.R. 2090: Ms. ROS-LEHTINEN and Mr. KLUG.
H.R. 2260: Mr. LIGHTFOOT.
H.R. 2272: Mr. COYNE.
H.R. 2472: Mrs. MINK of Hawaii, Mr. MARTINEZ, Mr. PAYNE of New Jersey, and Mr. THOMPSON.
H.R. 2508: Mr. KNOLLENBERG.
H.R. 2652: Mr. SAWYER.
H.R. 2727: Mr. GRAHAM, Mr. HORN, Mr. CHRISTENSEN, and Mr. BREWSTER.
H.R. 2827: Mr. LOBIONDO and Mr. EDWARDS.
H.R. 2834: Mr. MASCARA.
H.R. 2925: Mr. HILLIARD.
H.R. 2931: Mr. BALDACCI.
H.R. 3118: Mr. DOOLEY, Mr. SPRATT, and Mr. ENGLISH of Pennsylvania.
H.R. 3161: Mr. MANZULLO.
H.R. 3168: Mr. BORSKI.
H.R. 3195: Mr. LATOURETTE, Mr. HOSTETTLER, and Mr. TAYLOR of North Carolina.
H.R. 3226: Mr. KING and Mr. CASTLE.
H.R. 3303: Mr. THOMPSON, Mr. ROMERO-BARCELO, and Mr. FOLEY.
H.R. 3316: Ms. FURSE and Mr. DEFAZIO.
H.R. 3393: Mr. TRAFICANT.
H.R. 3396: Mr. HAYES, Mr. RADANOVICH, Mr. BLILEY, Mr. WHITFIELD, and Mrs. VUCANOVICH.
H.R. 3398: Ms. MOLINARI, Mr. DAVIS, Mr. BALLENGER, Mr. GOODLATTE, Ms. DELAURO, Mr. JACOBS, and Mr. KLUG.
H.R. 3401: Mr. FARR and Mr. BAKER of California.
H.R. 3433: Mr. DUNCAN, Mr. KLUG, and Mr. HANSEN.
H.R. 3462: Mr. DEFAZIO, Mr. LAZIO of New York, Mr. SANDERS, and Mr. SISISKY.
H.R. 3477: Mr. DELLUMS, Mr. STUDDS, Mr. MARKEY, Mr. WATT of North Carolina, Mr. GREEN of Texas, Mr. BONIOR, and Ms. NORTON.
H.R. 3508: Mr. FRELINGHUYSEN, Ms. LOFGREN, Mr. LIPINSKI, and Ms. RIVERS.
H.R. 3514: Mr. HAYES.
H.R. 3525: Mr. COBLE, Mr. MCCOLLUM, Mr. JACOBS, Mr. WOLF, Mr. GEKAS, Mr. LAZIO of New York, Ms. GREENE of Utah, Mr. TEJEDA, Mr. TAYLOR of North Carolina, Mr. DIXON, Mr. SMITH of Texas, and Mr. BUYER.
H.R. 3548: Mr. BARR, Mr. INGLIS of South Carolina, Mr. LIVINGSTON, and Mr. BLUTE.
H.R. 3556: Mr. WELDON of Florida, Mrs. SCHROEDER, and Mr. LAUGHLIN.
H.R. 3566: Mr. MEEHAN, Mr. HOLDEN, Mr. DEFAZIO, and Mr. LIPINSKI.
H.R. 3577: Mr. LIPINSKI.
H.R. 3586: Mr. BURTON of Indiana and Mr. HERGER.
H.R. 3596: Mr. GOODLING and Mr. HOLDEN.
H.R. 3604: Mr. GILLMOR, Mr. KLUG, and Mrs. COLLINS of Illinois.
H. Con. Res. 175: Mr. MANTON, Mr. FORBES, and Mr. SAM JOHNSON.
H. Res. 286: Mr. FROST and Ms. PELOSI.

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. 2951: Mr. BACHUS.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3610

OFFERED BY: MR. BEREUTER

AMENDMENT NO. 4: Page 87, after line 3, insert the following new section:

SEC. 8095. Hereafter, the Air National Guard may assume primary or sole responsibility for providing fire fighting and rescue services in response to all aircraft-related emergencies at the Lincoln Municipal Airport in Lincoln, Nebraska.

H.R. 3610

OFFERED BY: MR. DEFAZIO

AMENDMENT NO. 5: Page 30, line 1, insert after ''9,068,558,000'' the following: ''(reduced by $350,000,000)''.

H.R. 3610

OFFERED BY: MR. DEFAZIO

AMENDMENT NO. 6: At the end of the bill (before the short title), insert the following new section:

SEC. . None of the funds provided in this Act for the National Missile Defense program may be obligated for space-based interceptors or space-based directed-energy weapons.

H.R. 3610

OFFERED BY: MR. FRANK OF MASSACHUSETTS

AMENDMENT NO. 7: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. . New budget authority provided in this Act shall be available for obligation in fiscal year 1997 only to the extent that obligation thereof will not cause the total obligation of new budget authority provided in this Act for all operations and agencies to exceed $234,678,433,000.

H.R. 3610

OFFERED BY: MR. FRANK OF MASSACHUSETTS

AMENDMENT NO. 8: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. . Total appropriations made in this Act are hereby reduced by 1 percent.

H.R. 3610

OFFERED BY: MR. HOKE

AMENDMENT NO. 9: At the end of the bill, (before the short title), insert the following new section:

SEC. 8095. None of the funds available to the Department of Defense under this Act may be obligated or expended to procure landing gear for aircraft except when it is made known to the Federal official having authority to obligate or expend such funds that—

(1) the manufacturer of the item is part of the national technology and industrial base;

(2) the landing gear is manufactured and assembled in the United States; and

(3) the contract through which the procurement is made is entered into more than 30 days after the date of the enactment of this Act.

H.R. 3610

OFFERED BY: MR. KENNEDY OF MASSACHUSETTS

AMENDMENT NO. 10: Page 87, after line 3, insert the following new section:

SEC. . (a) None of the funds appropriated or otherwise made available by this Act for the Department of Defense specimen repository described in subsection (b) may be used for any purpose except in accordance with the requirement in paragraph numbered 3 of the covered Department of Defense policy memorandum that specifically provides that permissible uses of specimen samples in the repository are limited to the following purposes:

(1) Identification of human remains.

(2) Internal quality assurance activities to validate processes for collection, maintenance and analysis of samples.

(3) A purpose for which the donor of the sample (or surviving next-of-kin) provides consent.

(4) As compelled by other applicable law in a case in which all of the following conditions are present:

(A) The responsible Department of Defense official has received a proper judicial order or judicial authorization.

(B) the specimen sample is needed for the investigation or prosecution of a crime punishable by one year or more of confinement.

(C) No reasonable alternative means for obtaining a specimen for DNA profile analysis is available.

(D) The use is approved by the Assistant Secretary of Defense (Health Affairs) after consultation with the Department of Defense General Counsel.

(b) The specimen repository referred to in subsection (a) is the repository that was established pursuant to Deputy Secretary of Defense Memorandum 47803, dated December 16, 1991, and designated as the ''Armed Forces Repository of Specimen Samples for the Identification of Remains'' by paragraph numbered 4 in the covered Department of Defense policy memorandum.

(c) For purposes of this section, the covered Department of Defense policy memorandum is the memorandum of the Assistant Secretary of Defense (Health Affairs) for the Secretary of the Army, dated April 2, 1996, issued pursuant to law which states as its subject ''Policy Refinements for the Armed Forces Repository of Specimen Samples for the identification of Remains''.

H.R. 3610

OFFERED BY: MR. MENENDEZ

AMENDMENT NO. 11: Page 82, strike lines 12 through 15.

H.R. 3610

OFFERED BY: MR. OBEY

AMENDMENT NO. 12: Page 22, line 6, strike $4,719,930,000'' and insert ''$4,215,930,000''.

H.R. 3610

OFFERED BY: MR. OBEY

AMENDMENT NO. 13: Page 22, line 6, after the dollar amount, insert the following: ''(reduced by $504,000,000)''.

H.R. 3610

OFFERED BY: MR. OBEY

AMENDMENT NO. 14: Page 22, line 6, after the dollar amount, insert the following: ''(reduced by $404,000,000)''.

H.R. 3610

OFFERED BY: MR. OBEY

AMENDMENT NO. 15: Page 24, line 17, strike ''$7,326,628,000'' and insert ''$6,960,528,000''.

H.R. 3610

OFFERED BY: MR. OBEY

AMENDMENT NO. 16: Page 24, line 17, after the dollar amount, insert the following: ''(reduced by $366,100,000)''.

H.R. 3610

OFFERED BY: MR. OBEY

AMENDMENT NO. 17: Page 24, line 17, after the dollar amount, insert the following: ''(reduced by $314,100,000)''.

H.R. 3610

OFFERED BY: MR. OBEY

AMENDMENT NO. 18: Page 29, line 10, strike ''$14,969,573,000'' and insert ''$13,969,573,000''.

H.R. 3610

OFFERED BY: MR. OBEY

AMENDMENT NO. 19: Page 29, line 10, after the dollar amount, insert the following: ''(reduced by $1,000,000,000)''.

H.R. 3610

OFFERED BY: MR. SANDERS

AMENDMENT NO. 20: Page 87, after line 3, insert the following new section

SEC. . None of the funds available to the Department of Defense under this Act may be obligated or expended to pay a contractor under a contract with the Department of Defense for any costs incurred by the contractor when it is made known to the Federal official having authority to obligate or expend such funds that such costs are restructuring costs associated with a business combination that were incurred on or after August 15, 1994.

H.R. 3610

OFFERED BY: MR. SANDERS

AMENDMENT NO. 21: At the end of the bill (before the short title), insert the following new section:

SEC. . None of the funds available to the Department of Defense under this Act may be obligated or expended to pay a contractor under a contract with the Department when it is made known to the Federal official having authority to obligate or expend such funds that the payment is for the costs of compensation with respect to the services of any one individual at a rate in excess of $200,000 per year.

H.R. 3610

OFFERED BY: MRS. SCHROEDER

AMENDMENT NO. 22: At the end of the bill (before the short title), add the following new section:

SEC. . The amount of appropriations provided by this Act is hereby reduced by $7,080,000,000.

H.R. 3610

OFFERED BY: MR. SHAYS

AMENDMENT NO. 23: Page 36, after line 5, insert the following new section:

SEC. 8001A. Each amount appropriated or otherwise made available in titles I through VII of this Act is hereby reduced by 0.74 percent.

H.R. 3610

OFFERED BY: MR. SHAYS

AMENDMENT NO. 24: At the end of the bill, inset after the last section (preceding the short title) the following new section:

SEC. . Total appropriations made in this Act are hereby reduced by $2,508,406,000 so as to conform to total appropriations made in the Department of Defense Appropriations Act, 1996.

H.R. 3610

OFFERED BY: MR. SHAYS

AMENDMENT NO. 25: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. . Total appropriations made in this Act are hereby reduced by $2,008,406,000 so as to conform to total appropriations made in the Department of Defense Appropriations Act, 1996.

H.R. 3610,

OFFERED BY: MR. SHAYS

AMENDMENT NO. 26: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. . Total appropriations made in this Act are hereby reduced by $1,708,406,000 so as to conform to total appropriations made in the Department of Defense Appropriations Act, 1996.

H.R. 3610

OFFERED BY: MR. SHAYS

AMENDMENT NO. 27: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. . New budget authority provided in this Act shall be available for obligation in fiscal year 1997 only to the extent that obligation thereof will not cause the total obligation of new budget authority provided in this Act for all operations and agencies to exceed $243,251,297,000, which amount corresponds to the new budget authority that was provided in the Department of Defense Appropriations Act, 1996.

H.R. 3610

OFFERED BY MR. SHAYS

AMENDMENT NO. 28: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. . New budget authority provided in this Act shall be available for obligation in fiscal year 1997 only to the extent that obligation thereof will not cause the total obligation of new budget authority provided in this Act for all operations and agencies to exceed the amount of new budget authority that was provided in the Department of Defense Appropriations Act, 1996 (Public Law 104–61).

H.R. 3610

OFFERED BY MR. SHAYS

AMENDMENT NO. 29: At the end of the bill, after the last section (and before the short title), insert the following new section:

SEC. . Total appropriations made in this Act are hereby reduced by $1,813,703,000 .

H.R. 3610,

OFFERED BY: MR. SKELTON

AMENDMENT NO. 30: Page 87, after line 3, insert the following new section:

SEC. . Of the funds provided in title IV for ''RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, DEFENSE-WIDE'', the amount available for National Missile Defense shall not exceed $802,437,000.

H.R. 3610

OFFERED BY: MR. SMITH OF NEW JERSEY

AMENDMENT NO. 31: At the end of the bill (before the short title) (page 87, after line 3), insert the following new section:

SEC. 8095. (a) Except as provided in subsection (b), none of the funds available to the Department of Defense under this Act may be obligated or expended to reimburse a defense contractor when it is made known to the Federal official having authority to obligate or expend such funds that such reimbursement is for restructuring costs associated with a merger, acquisition, or other business combination of the defense contractor.

(b) Subsection (a) does not apply when it is made known to the Federal official having authority to obligate or expend such funds that—

(1) the reporting requirement in section 818(e) of Public Law 103–337 (108 Stat. 2821; 10 U.S.C. 2324 note) has been completed.

(2) the decision by the defense contractor to undertake the merger, acquisition, or other business combination was primarily based on the availability of Federal restructuring payments as certified by the Comptroller General based on the best available information;

(3) the reimbursement will reduce the overall budget deficit for fiscal years 1996 and 1997, as certified in writing to Congress by the Director of the Congressional Budget Office based on the approximate number of persons to be laid off or dismissed as a result of the combination; an estimate of the reduction of Federal tax revenues that such unemployment will produce; and an estimate of the increase in Federal expenditures in other Federal adjustment programs, including food stamps, housing assistance, the program of aid to families with dependent children, medicaid programs, and any other programs the Director determines that unemployed persons are likely to use at a rate higher than employed persons; and

(4) the merger, acquisition, or other business combination with respect to which the restructuring costs are associated took place after July 1, 1993.