between 10 and 16 years of age receive through taxpayer-funded programs like the National Youth Sports Program which the National Collegiate Athletic Association has received tens of millions of tax dollars to administer every summer for more than 20 years.

CONCURRENT RESOLUTION ON THE BUDGET, FISCAL YEAR 1998

SPEECH OF

HON. VINCE SNOWBARGER

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1997

The House in Committee of the Whole House on the State of the Union had under consideration the concurrent resolution (H. Con. Res. 84) establishing the Congressional budget for the U.S. Government for the fiscal year 1998 and setting forth appropriate budgetary levels for fiscal years 1999, 2000, 2001, and 2002:

Mr. SNOWBARGER. Mr. Chairman, during my campaign for Congress last year I said that my primary goals were a balanced budget as scored by the Congressional Budget Office and permanent tax relief for hard-working families. I stressed that these two goals were not mutually exclusive and that both were desperately needed by the American people. Tonight, I have the opportunity to vote for a budget plan that meets both those goals, and will by 2002—for the first time since 1974—reduce the Federal Government's share of the fruits of our labors to less than 20 percent of the U.S. gross domestic product.

This plan was not my first choice. I first supported a better budget, one introduced by Mr. DOOLITTLE, that would have allowed the American people to retain more of their hard-earned money and significantly reduced the bloated Federal Government. Unfortunately, that budget failed. My choice then, is between the balanced budget agreement and the status quo.

The plan currently contains many things that I gladly support—$135 billion in tax relief for families and investors over 5 years—$85 billion net; $600 billion in entitlement reform over 10 years; reforms to ensure the solvency of Medicare for the next decade; and less Government spending than the President would have us spend.

Of course, since the Republican Congress does not have enough of a majority to override President Clinton's vetoes, the plan also includes his own initiatives, many of which I oppose. These include a new taxpayer-financed health insurance entitlement, college tax credits that I, as a former college teacher, believe will only go to fund tuition increases and grade inflation; and reinstating SSI benefits to certain immigrants. However, the most disappointing aspect of this plan is that it doesn't really deflate the bloated Federal Government. The reduction in the share of the Nation's wealth consumed by the Government is based primarily on the assumption that the Nation's economy will grow a little faster than Government spending. But it is the best we can get with this President in the White House.

The other important thing this plan will do is that it should prevent the President from shutting down the Government again. The President has already signaled his willingness to shut the Government down—just as he did 2 years ago to prevent spending cuts, and blackmailed Congress into higher spending to avoid a shutdown last year. As long as this agreement is followed in good faith, this option should not be available to him.

I think we will be able to fill out the details of the plan in a way that is acceptable to both parties. I will watch carefully as Congress begins to shape the tax relief package and finalize other areas of the plan. As long as the Congressional Budget Office continues to certify that the plan will balance the budget and provide significant tax relief, I will support it.

OVERHAULING THE FOREIGN AID ESTABLISHMENT SUPPORT: H.R. 1486

HON. DAVID DREIER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1997

Mr. DREIER. Mr. Speaker, later this week the House is likely to consider H.R. 1486, the Foreign Policy Reform Act of 1997. I believe that this important legislation, crafted in a responsible and bipartisan manner by the esteemed chairman of the House International Relations Committee, BEN GILMAN of Middletown, NY, offers a historic opportunity to move our Nation's foreign policy in the right direction.

The legislation reported by the International Relations Committee represents a return to proper congressional authorization procedures. It authorizes spending for the State Department and related agencies, as well as for security, humanitarian, and development assistance at levels agreed to by the House and Senate last week in their votes on the budget resolution, and at levels agreed to by the administration.

David Warsh, a business and economics columnist for the Boston Globe, recently wrote a cogent article putting the bill, and Chairman GILMAN'S leadership, in the proper historical perspective. Namely, it is a plan for development aid in the post-cold war era that rivals the shrewdness of the Marshall Plan itself.

MARSHALL'S INHERITOR

He was a kid sergeant when General George Marshall was Chief of Staff of the Army—an Army Air Corps navigator with 35 missions over Japan. And when Secretary of State Marshall in 1947 announced the ambitious plan for the reconstruction of Europe that has borne his name ever since, Ben Gilman was a GI Bill student at New York University Law School.

Now Gilman, the little-known chairman of the House Committee on International Relations, is acting as Marshall's inheritor—in ways that are as yet little understood.

Next week Congress takes up his Foreign Policy Reform Act. It is billed as the first major overhaul of the foreign aid establishment since 1961.

More to the point, the bill provides a set of tools for the conduct of development aid in the post-Cold War era that are in many ways analogous—opposite in approach but perhaps equal in shrewdness—to the Marshall Plan itself.

Chief among its features is a streamlining of the baroque foreign policy establishment that grew up during the half-century contest with the former Soviet Union.

Merged into the State Department altogether would be the US Information Agency and the Arms Control and Disarmament Agency. The Agency for International Development, which now reports directly to the president, also would go to work for the secretary of state instead. The expansion of NATO to the countries of Eastern Europe and Russia itself is authorized as well.

Thus the dueling strategies that have given the US government's foreign policy some of its worst moments since the Berlin Wall came down would at last be expected to speak with a single voice.

It was one of these smoldering rivalries that burst into flames last month when the Agency for International Development suspended a $14 million contract with a unit of Harvard University that has been consulting to the Russian government on various privatization programs.

The reason: The significant others of the two lead advisers—the wife of one, the girlfriend of the other—had been investing heavily in Russian ventures for personal gain.

Harvard economics professor Andrei Shleifer and Moscow program director Jonathan Hay were fired from its programs last week by the Harvard Institute for International Development. But the suspended contract is expected to be canceled soon, with permanent damage to the Russian faction that has been Washington's brightest hope for reform.

But there were deeper currents. HIID might never have had the contract in the first place but for the rump State Department that was the AID mission to Moscow—something like 300 hard-to-control employees. In fast-moving events after the attempted coup against Mikhail Gorbachev in 1991—and especially after Bill Clinton moved into the White House—the Harvard Institute came to be used as the principal, if unofficial, instrument of US macroeconomic policy in Moscow, responsive to instructions from the White House in ways that the well-entrenched AID mission in Russia never was.

It was amid such back-channel maneuvering that the burgeoning conflicts of interest on the part of the administration's preferred advisers, Shleifer and Hays, went unnoticed—or at least unchallenged.

With everybody in the foreign policy apparatus working for the president—as they would be under Ben Gilman's Foreign Policy Reform Act—such mischief would be far less likely to occur.

Harry Truman called Marshall ''one of the most astute and profound men I have ever known.'' At a distance of 50 years, it is clear that Marshall understood that with a devastating war just ended but an even more threatening possibility in prospect, a concerted effort by the Americans to rebuild Europe would be required to keep Soviet tanks out of Paris.

Conditioned by the sacrifices of the war, a bipartisan Congress dug deep and came up with money—$13:5 billion, paltry even at 10 times that sum in current dollars—necessary to jump-start the European miracle. Peace and prosperity—and a strong line of defense against an expansionist Soviet empire—was the result.

Today, the situation is nearly opposite. Instead of a world hobbled by war, the United States looks outward to a world pretty much at peace with itself. Instead of relatively easily repaired physical damage, the harm done to many of the world's great nations—Russia, China, India—has been self-inflicted. It is institutional regeneration that is needed, not spare parts and heating oil.

And, of course, instead of facing a powerful and unpredictable foe, America finds itself alone as a global superpower. It is, however,