

HOUSE OF REPRESENTATIVES—Wednesday, May 13, 1992

The House met at 2 p.m. and was called to order by the Speaker pro tempore [Mr. DONNELLY].

DESIGNATION OF SPEAKER PRO TEMPORE

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

WASHINGTON, DC,
May 13, 1992.

I hereby designate the Honorable BRIAN DONNELLY to act as Speaker pro tempore on Wednesday.

THOMAS S. FOLEY,
Speaker, House of Representatives.

PRAYER

Rabbi Rachmiel Liberman, rabbi of Congregation Lubavitch Synagogue, and president of the Rabbinical Board of New England, Boston, MA, offered the following prayer:

We have recently read in the Weekly Bible Portion read at synagogue services, God's command to Moses, "That they shall make for Me a Sanctuary, and I will dwell within them." Our sages teach us that the term I will dwell within them, instead of the usual form I will dwell within it, means that God will dwell within the heart of each and every person, when he or she strives to build a sanctuary for God.

God of heaven and of the Earth, King of the universe, we are assembled here today in the Capitol, with the men and women who have been chosen by the citizens of the United States of America, to represent them in government; and in them, millions of people have placed their faith and confidence to make decisions and to pass laws on behalf of their families in vital matters pertaining to life, safety, health, security, education, harmony, and peace of mind.

Help us to remember that the future before us is dynamic. Everything we do will affect it. The dawn of each day brings with it a new frontier, if only we shall recognize it.

We beseech You, O mighty God to grant us clear vision, that we may know where to stand and what to stand for.

Help us to realize that it is better to fail for a cause that will ultimately succeed, than to succeed in a cause that will ultimately fail.

Strengthen and sustain us to overcome our shortcomings, and may we all enjoy peace, tranquility, and brotherly love for all mankind. And help us to build a sanctuary, so that You will

dwell within us, and within those whom we have chosen to lead us in government. 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.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from New York [Mr. McNULTY] please come forward and lead the House in the Pledge of Allegiance?

Mr. McNULTY 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 PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Saunders, one of his secretaries.

RABBI RACHMIEL LIBERMAN

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

Mr. DONNELLY. Mr. Speaker, it is an honor to introduce to my colleagues Rabbi Rachmiel Liberman of Quincy, MA, in my district, who delivered the opening prayer today in the House Chamber.

Rabbi Liberman has been spokesman and spiritual leader for the Jewish community across the Commonwealth of Massachusetts for several years. For over 13 years, he has been the executive director of the Jewish Educational Center located in Brookline, MA, which also has several affiliated branches nationwide.

Serving on the Governor's Commission of Chaplains in State institutions, Rabbi Liberman has been influential in drafting several pieces of pertinent legislation which have benefited every member of the religious community. Most notable was a consumer protection provision signed by then Governor Michael Dukakis in 1990 coined the "Kosher Law," in which food and other grocery products must be explicitly labeled with details of its ingredients.

A man of many skills and responsibilities, Rabbi Liberman has taken each and every post appointed to him and served the public with enthusiasm and intelligence. A dedicated public servant, he currently serves as president of the Rabbinical Board of New England—a task that bears great weight and importance as he represents several rabbis around the New England States.

Mr. Speaker, it is with great admiration and respect that I am able to host Rabbi Liberman on his visit to the House of Representatives.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had agreed to Senate Resolution 295.

S. RES. 295

Resolved, That the Archivist of the United States be, and he is hereby, requested to communicate to the Senate, without delay, a list of the States of the Union whose legislatures have ratified the article of amendment to the Constitution of the United States proposed to the States in 1789 as the second article of amendment to the Constitution, on the effective date of laws varying the compensation of Members of Congress, with copies of all the resolutions of ratification in his office.

SEC. 2. That the Archivist communicate to the Senate copies of all resolutions of ratification of said amendment which he may hereafter receive as soon as he shall receive the same, respectively.

SEC. 3. The Secretary of the Senate shall provide a copy of this resolution to the Archivist of the United States and to the House of Representatives.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 323) "An act to require the Secretary of Health and Human Services to ensure that pregnant women receiving assistance under title X of the Public Health Service Act are provided with information and counseling regarding their pregnancies, and for other purposes," agrees to the conference asked by the House of Representatives on the disagreeing votes of the two Houses thereon, and appoints Mr. KENNEDY, Mr. HARKIN, Mr. ADAMS, Mr. HATCH, and Mrs. KASSEBAUM, to be the conferees on the part of the Senate.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

REQUEST TO CONSIDER ON TODAY OR ANY DAY THEREAFTER H.R. 5132, DIRE EMERGENCY SUPPLEMENTAL APPROPRIATIONS ACT, 1992, FOR DISASTER ASSISTANCE TO MEET URGENT NEEDS BECAUSE OF CALAMITIES SUCH AS THOSE WHICH OCCURRED IN LOS ANGELES AND CHICAGO

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that it shall be in order today, Wednesday, May 13, 1992, or any day thereafter, to consider in the House, the bill (H.R. 5132) making dire emergency supplemental appropriations for disaster assistance to meet urgent needs because of calamities such as those which occurred in Los Angeles and Chicago, for the fiscal year ending September 30, 1992, and for other purposes, that all points of order against provisions in the bill and against its consideration be waived, and that debate be limited to 1 hour, the time to be equally divided and controlled by the gentleman from Pennsylvania [Mr. MCDADE] and myself, and that the previous question shall be considered as ordered to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. McNULTY). Is there objection to the request of the gentleman from Mississippi?

Mr. SENSENBRENNER. Mr. Speaker, reserving the right to object, I would like to ask either the gentleman from Mississippi [Mr. WHITTEN] or the gentleman from Michigan [Mr. TRAXLER] if this unanimous-consent request would allow me to offer an amendment that would prohibit the use of either FEMA or SBA funds to pay for expenses relating to cleaning up after the man-made disaster in Chicago.

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

Mr. SENSENBRENNER. I yield to the gentleman from Michigan.

Mr. TRAXLER. Mr. Speaker, I would advise the gentleman from Wisconsin that under the rules of the House that would be a legislation on an appropriation bill, in my judgment, and any Member could rise in opposition to the gentleman's amendment.

Mr. SENSENBRENNER. Mr. Speaker, further reserving the right to object, the amendment which I have drafted says none of the funds appropriated by this act shall be used for grants or loans relating to the Chicago freight tunnel flood of April 1992. That is not authorization, that is a prohibition, and would an amendment that is so drafted be in order under the gentleman from Michigan's unanimous-consent request?

Mr. TRAXLER. Mr. Speaker, if the gentleman would yield again, I would say to the gentleman that it is my understanding that the way in which the motion is presented to us, by unani-

mous consent, that the gentleman's amendment would not be in order.

Mr. SENSENBRENNER. Mr. Speaker, further reserving the right to object, I am wondering if the gentleman from Mississippi [Mr. WHITTEN] or the gentleman from Michigan [Mr. TRAXLER] would amend the unanimous-consent request so that I can offer such an amendment and the House can debate and vote on such an amendment, because the issues presented by what I feel is gross negligence on the part of the Chicago municipal government are considerably different than the issues presented by providing disaster assistance to Los Angeles. It seems to me that commingling the Chicago and Los Angeles issues would really prevent the House from working its will.

Mr. SMITH of Iowa. Mr. Speaker, will the gentleman yield to me?

Mr. SENSENBRENNER. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. Mr. Speaker, I have seen several stories in the paper, and there was a handout sent to all Members' offices today that talked about this bill being relief for Chicago and Los Angeles. This bill does not in any way change the basic law. To qualify, applicants for disaster assistance will have to qualify under the rules in the basic law, so if they cannot qualify under that, and there are many limitations in the law, then they will not get the aid.

Mr. SENSENBRENNER. Further reserving the right to object, I have seen the report of the Committee on Appropriations on this bill, and it specifically mentions both Chicago and Los Angeles. Los Angeles, it attempts to quantify the amount that would be made available, but at the end of the third paragraph on page 3 of the committee report it says, "In addition, the recent flood in the city of Chicago has been declared a disaster, for which total cost estimates have not yet been generated," and my concern is that dealing with Chicago may very well be premature, since this appears to grant Chicago an open-ended check. I do not think that is a good idea.

Mr. SMITH of Iowa. Mr. Speaker, will the gentleman yield further?

Mr. SENSENBRENNER. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. Mr. Speaker, that does not change the law at all. The basic law is still there. Applicants possibly could be eligible for an economic injury loan in some instances, because it was not their fault that there was an injury to their business.

□ 1410

But, FEMA would be the agency that comes in with the Government programs when a disaster is declared.

Mr. SENSENBRENNER. Further reserving the right to object, it appears from the news clippings that I have seen from Chicago newspapers that the

city of Chicago was responsible for this, and it seems to me that the taxpayers of the city of Chicago rather than those in Iowa, and Wisconsin and elsewhere should end up footing the bill. And I would just like to be able to offer an amendment to allow the House to be able to debate and vote on this subject, because again the issues relating to Chicago are much different than the issues relating to Los Angeles, and we ought to be able to debate and vote on them separately.

Mr. SMITH of Iowa. I want to say to the gentleman once more that we do not change the basic law at all. It might be that if some Chicago merchant, through no fault of his own suffered a disaster, he would therefore be eligible for an economic injury loan. But there is nothing changed in the law by this bill to exclude other cities or to change the eligibility for other disaster loan or grant programs.

Mr. SENSENBRENNER. Further reserving the right to object, I yield to the gentleman from Michigan.

Mr. TRAXLER. I thank the gentleman and am grateful for him yielding.

Let me see if I can get this in order for us, because if one only reads the bill title one comes away with an idea that we are making an appropriation here for Los Angeles and Chicago, and that is sort of the half truth. The rest of the story is that the appropriation, as the gentleman knows, goes into the account, and the account is used to pay out money on all disasters that the President has declared as disasters under existing law. This bill adds no legislative authority. It does not expand one sentence or add one bit of power or grant one bit of additional relief that has been present in the disaster assistance programs throughout the decade. All the bill does is to add money to the several accounts that provide for disaster relief.

The President of the United States saw fit to declare Chicago a Federal disaster area. I might say the Congress did not do that. And incidentally, the President declared Los Angeles a disaster also, as he does every disaster in order for it to be funded under the authorizing legislation.

Mr. SENSENBRENNER. Further reserving the right to object, did I hear the gentleman from Mississippi's unanimous-consent request correctly that amendments to this bill would be prohibited when it is considered?

Mr. TRAXLER. The gentleman is correct.

Mr. SENSENBRENNER. Further reserving the right to object, that means that once this bill passes, any input the Congress, which has the power of the purse, would have on whether any of this money would go to Chicago would be gone.

Mr. TRAXLER. Will the gentleman yield?

Mr. SENSENBRENNER. Further reserving the right to object, I yield to the gentleman from Michigan.

Mr. TRAXLER. I appreciate the gentleman's question. Let me see if I can give an answer to it.

Under the law, the President has designated Chicago as a disaster. Under current law, the city of Chicago is eligible for every bit of assistance that is available for any other disaster area. The Congress has not intervened either in recent years, or to my knowledge at any point ever, to challenge a President's designation of a particular phenomenon as a national disaster, which does not mean that the Congress could not in legislation set aside the President's determination.

I would caution the gentleman before he proceeds, and I would not ever tell my good friend how to proceed, of course, but let me just say that there has existed here I think in this past week a marvelous sense of comity that heretofore in prior weeks, months, perhaps years has not existed between the President and the legislative branch. And if there is anything good to come out of the situation in Los Angeles, or perhaps one could even say Chicago, it is the sense now on the part of the Congress and the President that we had better work together on a few things around here, even if it is a Presidential election year.

Mr. SENSENBRENNER. Further reserving the right to object, let me say that my problem is that the disaster in Los Angeles is attempting to bootstrap along the money for Chicago, which I feel is absolutely unwarranted given the incompetence and gross negligence on the part of the Chicago municipal government. All I am asking for is the ability to offer an amendment that would say that none of the funds that are appropriated by this act should be used for Chicago. We can debate what happened here, we can debate whether or not it is good public policy to do that, and we can have a vote on that. That is all I am asking for.

I yield to the gentleman from Michigan.

Mr. TRAXLER. Let me say to the gentleman that as a Member who seeks to accommodate the national concerns, as does the gentleman from Wisconsin, of course, and the national interests, I think it is extremely unwise for this Congress to begin to examine the basis for every disaster that a President of the United States has declared. And I would just encourage my friend to carry his fight down to the White House and not the floor of this House.

Mr. SENSENBRENNER. Further reserving the right to object, finally, the Congress holds the power of the purse, and this is the appropriations bill that will provide the money for this. I think we ought to be able to debate this issue at this time, because it is the only opportunity we have.

The Appropriations Committee can go to the Rules Committee and seek a rule. We can bring this bill up under the normal order of business.

Mr. Speaker, I object.

The SPEAKER pro tempore (Mr. McNULTY). Objection is heard.

TAIWAN MUST STOP DRAGGING ITS FEET ON VRA

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

Mrs. JOHNSON of Connecticut. Mr. Speaker, the industrial strength and economic security of this country have been built on the strong foundation of hard work and technological excellence. A number of critical industries, like machine toolmaking and bearing manufacturing are key components of our industrial base, and without vital competition such manufacturers are in jeopardy of losing their leadership position in world markets.

Last year, many of us worked hard to extend the Voluntary Restraint Agreements with Japan and Taiwan and were pleased when the President ordered a 2-year extension last December.

After lengthy negotiations, the Japanese signed the VRA extension last month, and I commend them for their willingness to compromise and deal in good faith.

Unfortunately, the same cannot be said of the Taiwanese. For reasons that are becoming increasingly indefensible, Taiwan has chosen not to participate in a meaningful way, and has held up the negotiation process for over 4 months. Mr. Speaker, the original VRA's expired in December 1991. It is now May 13. Delays like this are understandable in international negotiations if the controversy is great and the issues complex. That is not the case with machine tool VRA's, and I strongly urge the Taiwanese, with whom we have had in the past healthy, mutually beneficial relationships, to complete this negotiating process at once, and agree with the United States and Japan on a new VRA extension for machine tools.

THE CHICAGO DISASTER

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

Mr. HAYES of Illinois. Mr. Speaker, as a resident of the city of Chicago I want to respond at least to some of the things that were said. I want it clearly understood that the situation that resulted in the disaster, the flood that occurred in the city of Chicago, responsibility has not yet been fixed as to who was at fault.

When you have an infrastructure underneath a city as we do in downtown Chicago, 90 years old, and water starts

coming in under it, and the river water starts pouring in, this is exactly what happened that caused some of the structures to decay underneath.

And it is not just buildings that were hurt. There were people who had jobs and were laid off as a result of what occurred.

One of the things we ought to understand is that the Vice President of the United States came to Chicago, he visited this disaster, he reported to the President what the situation was and what had occurred, and this resulted in this declaration of Chicago being a disaster area before the situation occurred in California. I want that clearly understood. They are both disaster areas and the Federal Government ought to help them.

□ 1420

FEDERAL REGULATION IS A HIDDEN TAX ON AMERICAN BUSINESSES AND ON CONSUMERS

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

Mr. THOMAS of Wyoming. Mr. Speaker, Federal regulation is a hidden tax on American business and, of course, on American consumers.

Federal regulation costs somewhere in the neighborhood of \$450 billion a year. Reports from the Joint Economic Committee say that environmental regulation costs \$115 billion, safety regulation nearly \$30 billion, economic regulation as much as \$250 billion, and paperwork burden alone \$100 billion.

Common sense tells us this money could be reinvested creating jobs and enhancing productivity, but the Congress has not used common sense in attempting to eliminate risk.

Congress has so burdened business with rules that they are spending all of their profits to comply rather than building jobs and contributing to the communities.

Obviously all regulation is not bad, but stifling overregulation is and must be stopped. In the coming weeks, I am going to point out examples of excessive regulation and how we can be encouraged rather than stifle business.

BANKING REFORM

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

Mr. McMILLEN of Maryland. Mr. Speaker, yesterday the FDIC proposed a good idea: risk-based deposit insurance.

In the public's eyes, there is no difference between a well-capitalized bank and an insolvent bank. The cost and coverage of insurance is the same, and there are no incentives for either

depositors or managers to exercise restraint. This is how we ended up with the S&L debacle.

As I have said time and time again, reform is desperately needed in our deposit insurance system. Unfortunately, the banking reform bills we considered last fall did not address the real problem: the pricing of deposit insurance.

For the first time, however, the FDIC proposed assessing banks on a risk basis. While certain large banks—who are a risk to the U.S. taxpayer—will end up paying higher rates, the majority of all banks, large and small, will be rewarded for their soundness.

If this action by FDIC infuses some market pressure into the system, then the whole question of firewalls and safeguards which were so contentious in last year's bank reform debate becomes much less important.

I applaud the FDIC and compliment Bill Taylor for his vision.

IN SUPPORT OF H.R. 2056, THE SHIPBUILDING TRADE REFORM ACT

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

Ms. SNOWE. Mr. Speaker, today, this body will vote on the future of shipbuilding in America. The choice is a simple one—oppose the motion to recommit H.R. 2056, the Shipbuilding Trade Reform Act, and provide our domestic shipbuilding industry with a chance to compete, or support the motion and allow the industry to smother under the weight of heavily subsidized foreign competition.

In 1981, the United States eliminated its direct subsidy for the shipbuilding industry. Since that time, the industry has lost 40 shipyards and 120,000 jobs. The culprit for this decline is not expensive American labor or overpriced equipment. The culprit is foreign shipbuilding subsidies, subsidies which today reduce the price of foreign vessels by an average of 25 percent or more.

Mr. Speaker, H.R. 2056 has the right prescription to remedy unfair trade practices. This legislation sends a powerful message that we want free trade. It targets foreign governments by providing a strong disincentive for international shipping merchants to purchase ships manufactured in their countries. And it only seeks to address future subsidies; all existing ships can continue doing business in U.S. ports unaffected.

Mr. Speaker, there is no question that American shipyards can compete in a free market, and our competitors know it. That's why they oppose the bill before us, and that is why we should support it.

USE FOREIGN AID TO CARE FOR OUR COUNTRY

(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, there is no question, Chicago and Los Angeles need help. The question is: Where do we get the money?

I recommend to Congress that we take the money from foreign aid. My bill, H.R. 4189, would take \$7 billion from foreign aid, redirect \$4 billion of it back to the cities and counties in the form of revenue sharing, and then send \$3 billion directly to our schools.

Folks, our kids need skills. Our cities are in deplorable, dangerous conditions, ready to explode right in our faces. But for some reason our Government turns its back on America's needs but continues to pay homage to every sacred cow program overseas.

I say that is un-American, that is disgusting, and that is dangerous. The mood of our cities is dangerous.

I say that we should not raise taxes, we should not raise the deficit. Let us take \$7 billion from foreign aid and take care of our country, and Congress would be wise to hold a hearing on that bill.

APPOINTMENT OF ADDITIONAL CONFEREES ON H.R. 4990, RESCINDING CERTAIN BUDGET AUTHORITY

The SPEAKER pro tempore (Mr. McNULTY). Without objection, the Chair appoints the following additional conferees on the part of the House on the bill (H.R. 4990) rescinding certain budget authority, and for other purposes: Messrs. ROYBAL, DIXON, and REGULA.

There was no objection.

SUPPORT URGED FOR ARCHER MOTION TO RECOMMIT SHIPBUILDING TRADE REFORM ACT

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

Mr. LEWIS of Florida. Mr. Speaker, the House today votes on the Shipbuilding Trade Reform Act which contains the repeal of the boat user tax.

This so-called user fee does not benefit boaters but is used for increased Government spending. I opposed this fee originally and have fought for its repeal.

Unfortunately, the Democratic leaders are holding the repeal of this tax hostage to their shipping trade restriction bill, admitting they do not have the votes for passage.

Frankly, Mr. Speaker, I resent this attempt to buy my vote. Florida conducted over \$33 billion of foreign trade

in 1991, and this bill will result in harm to our entire economy.

The blackmail will not work. I will not support legislation which will affect Florida in this manner.

We will have a chance to strike this job-killing language and repeal the boat tax. Vote for the Archer motion to recommit.

NEW ECONOMIC COURSE CRITICAL FOR SURVIVAL OF WORKING AMERICANS

(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, what we need today is an economic recovery package and a long-term economic policy that will improve the business climate, put people back to work and offer working middle-class Americans the prospect of rising living standards. The current course, pursued for more than a decade, offers little that is promising.

Last Monday the Census Bureau released a report that said the percentage of full-time workers who earned less than \$12,000 annually grew sharply in the last decade, as the wealthiest citizens in this country grew richer.

According to a story in the New York Times, 12 percent of full-time employees earned less than \$12,000 in 1979. By 1990, that number had increased to 18 percent—a 50-percent increase—and now, almost 1 in 5 workers. In the 1960's, the number of full-time, working poor people decreased; in the 1970's, it stayed the same; but now, in the 1980's, the numbers are rising sharply.

Full-time American workers are growing rapidly poorer. What kind of legacy is that? What values underlie policies that are indifferent to the declining reward for work?

Every weekend, I meet workers in Connecticut who have seen their salaries shrink, who find it harder and harder to provide for their families. To make matters worse, many of these workers must pay for their own health insurance—if they have insurance at all.

Mr. Speaker, I am troubled that almost 1 in 5 workers—full-time workers putting in 35 and 40 hours a week—now barely earn a living wage. That is hardly a beacon for the millions of unemployed or for those who want to go from welfare to work.

Mr. Speaker, good economic policy should work for average Americans, not just the wealthy. I urge the Congress and the President to get to work, because working Americans need to see us take a new course.

ENACT A TURBO ENTERPRISE ZONE FOR BLIGHTED AREAS

(Mr. COX of California asked and was given permission to address the House

for 1 minute and to revise and extend his remarks.)

Mr. COX of California. Mr. Speaker, the devastation caused by the riots, the looting, and the gang violence in south central Los Angeles command and demand our urgent attention. We will be giving it just that in the next 48 hours.

Thus far, however, most of the solutions that have been advanced are simply reprises of the hoary and tired deficit financed wealth redistribution schemes that have already failed our cities so miserably.

The Great Society programs did not cause the riots in Los Angeles. But it did not stop them either.

It is time for us to exercise some intellectual energy to do something better for our cities and for employment in the future.

HUD Secretary Jack Kemp's enterprise zone proposals make a great deal of sense, but they may take a few years to work. It is time for us now to enact a turbo enterprise zone for the blighted areas of Los Angeles hardest hit by the riots and the looting. Specifically what I will be proposing with a number of my colleagues is a zero-tax-rate regime, no sales tax, no property tax, no payroll withholding tax, and no income tax for 5 years in these areas of Los Angeles. The costs? Forgone revenues from an area now producing none. The benefits 5 years down the road? An area that will rival Hong Kong for economic enterprise, and that will then, at a modest tax rate, produce wealth with the rest of America.

□ 1430

AMERICA NEEDS AN URBAN AGENDA

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

Mr. MAZZOLI. Mr. Speaker, I just came away from a luncheon meeting at which Louisville Mayor Jerry Abramson and leading mayors of this Nation discussed with the Democratic leadership the fashioning of an urban legislative agenda.

America is, Mr. Speaker, an urban nation. Eighty percent of us live on 2 percent of our Nation's land. The rural areas and the beautiful suburban areas of our Nation could not exist healthily if the cities are sick. Our cities are sick, and an urban agenda is needed to make them well.

And what would such an agenda consist of? Well, certainly for starters there is a 1992 program of the U.S. Conference of Mayors called the emergency jobs and antirecession initiatives, which includes everything from targeted fiscal assistance to accelerated public works. But, there are other programs, including the enterprise zones and the Weed and Seed Program.

One way or the other, Mr. Speaker, there is a need for an urban agenda. In fashioning that agenda, the views and the observations of the Nation's mayors ought to be very carefully considered.

REPUBLICANS CARE ABOUT URBAN PROBLEMS

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

Mr. ROHRBACHER. Well, Mr. Speaker, finally after the riots in Los Angeles, people are beginning to focus on our urban areas and the urban problems that we have.

What do we see in our urban areas? We see broken families, unemployment, desperation. We see crime and drugs and alcohol abuse. All of these things are rampant in our inner cities.

Now, there are those on the other side of the aisle who would like us to believe that Republicans do not care about those problems. Well, we do care about those problems, and I care a great deal about those human beings who are suffering. That does not mean that these problems were caused by a lack of welfare spending in Republican administrations. Anyone who buys that story will go and buy the Brooklyn Bridge.

There are people who are telling us that we eliminated the CETA Program, and that contributed to the problems; yet the CETA Program was replaced with the Jobs Training Partnership Act, which was more focused on those very poor people who needed the help. Other people will suggest we needed more AFDC, more welfare payments, which would have caused more broken homes and more desperation.

No, what we need are values in this country and help for those people in the inner cities by giving them jobs, by creating investment that will create a better environment, by tough law enforcement, nonracially biased law enforcement, which will permit those people to live in peace and harmony.

We need enterprise zones, urban homesteading. These have been the policies of the Reagan years. These have been the policies of the Republican administration that have been stifled by the Democrats who control the House of Representatives.

USING MOTHERHOOD TO FIGHT FOR CHILDREN'S LIVES

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

Mr. HALL of Ohio. Mr. Speaker, last Sunday was Mother's Day. Ironically, it was also Infant Mortality Awareness Day.

It is sad that the day for honoring motherhood also observed the tragedy

of infant death. Every year, thousands of children die because their mothers do not get adequate prenatal care.

But, in tragedy there is hope. One form of hope is the Community Health Advocacy Program or CHAP. CHAP identifies a community's natural leaders, and gives them basic health education and training.

By learning the importance of prenatal care and breast feeding, women become advocates who teach others. As a result, more mothers are able to make informed decisions about their own health, and the health of their unborn children. This link between service providers helps to reduce infant mortality rates.

Programs like CHAP cost very little, Mr. Speaker, but save a lot—and in more than just money. Programs like CHAP save lives.

DISTRICT OF COLUMBIA PRAISED FOR MOUNT PLEASANT ACTIONS

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

Mr. BLILEY. Mr. Speaker, I believe that when you do something right that action should be recognized and credit should be given. That is why today I would like to praise the District of Columbia, Police Chief Fulwood, Mayor Kelly, and particularly the citizens and community leaders of the Mount Pleasant neighborhood.

Working together to take and maintain control of the streets of their neighborhood and helped by a too rare display of restraint by the media, a local but potentially volatile situation in Mount Pleasant was controlled and calm and order prevailed.

I want to praise the police and the government of the District for not overreacting and stirring up a situation which was entirely unrelated to recent national events which have distressed all of us. I especially want to thank and praise the citizens and leaders of the neighborhood who were determined that this incident would not be allowed to become something it was not and lead to a major disturbance and destruction of their neighborhood.

You have all shown the rest of us how to properly keep matters in perspective and take control of your own streets so that a few unruly or intoxicated individuals cannot destroy a community by their irresponsible behavior.

WHO GETS ARRESTED?

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

Mr. WASHINGTON. Mr. Speaker, I came over to speak about what was in the morning Washington Post, but let me comment on my fellow friend from

the bow tie caucus, the gentleman from Virginia.

First of all, I agree with everything the gentleman said about Washington, DC. This time they have done something right and they need to be patted on the back and we need to find more examples like that. We need to work together on behalf of cities.

This is not a Republican or a Democratic issue, because we all have to live together in these cities and we will either live together in these cities or these cities will no longer exist.

I also applaud the Los Angeles Police Department for the swift and speedy action in bringing to justice the alleged perpetrators of the violence that we all watched and condemned on television.

There is no reason to drag an unarmed motorist who has done nothing, nothing at all to these people, these heathens and criminals in the community and beat him across the head. That bothered me as much as did the tape of Rodney King itself. They are both damnable, despicable acts, and we who were elected to public office and call ourselves leaders should stand up and call them that. Otherwise, there will be no liberty and no justice for all in this country.

One thing that struck me odd, though, was that Daryl Gates went to the scene to arrest one individual. I did not see Daryl Gates anywhere around when it was time to arrest those police officers.

If we are going to send one signal, have the police chief go and arrest criminals who beat up on a motorist, but have him go and arrest police officers who beat up on citizens.

We do not pay police officers to do that in our society.

SUPPORT FOR PRESIDENT BUSH'S EXTENSION OF THE MORATORIUM

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

Mr. STEARNS. Mr. Speaker, I commend the work of President Bush in fighting the war against unreasonable regulatory burdens. He announced last week that the moratorium in new Federal regulations would be extended by another 4 months.

The President has made the reauthorization of the Paperwork Reduction Act central to his regulatory reform effort. Nowhere is the regulatory burdened more evident and more unnecessary than in the area of paperwork requirements.

The cost of complying with unneeded paperwork and red tape resulting from information collection requests by the Federal Government cost businesses as much as \$330 billion per year, with \$100 billion of that falling on small businesses.

The Congress must work with the President in his efforts to reduce the Federal regulatory burden by passing a strong Paperwork Reduction Act. The act would give the Office of Information and Regulatory Affairs the teeth it needs to weed out excessive regulations that fail to meet the cost/benefit test, thereby saving our economy billions of dollars.

THE DEFICIT AND FUTURE GENERATIONS

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

Mrs. PATTERSON. Mr. Speaker, I do not often speak on the House floor, but when I do I hope the folks back home will hear me.

In the next few weeks, hopefully, we will be considering a balanced budget amendment.

I have also come out in support of an enhanced line-item veto, two tough, tough budget matters, but let me tell my people at home, they want services that are in our budget today, but they do not want new taxes.

What I would like to do today is challenge the media in each of our areas across this country to tell the people what our debt is, close to \$4 trillion, to tell the people what our deficit is, \$350 billion, and to tell the people that about 60 percent of our budget this year will go to entitlements and interest. Entitlements such as Medicare, Medicaid, Social Security, veterans' benefits, and interest on the debt—about 16 percent—that will go for no services, tell our people as we deal with these tough budget matters, trying to balance the budget, that they are going to have to face some tough decisions with us.

Mr. Speaker, we have got to think about the next generation.

SCIENCE DOES NOT BACK UP THE CATASTROPHIC VIEW OF GLOBAL WARMING

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

Mr. DELAY. Mr. Speaker, 20 years ago environmentalists began worrying about climate change, but not global warming. On the cover of one book published back then were two ominous questions: Has the next ice age already begun? Can we survive it?

A blurb on the back cover by Stephen Schneider, who was in town last week to talk about warming, warned 20 years ago that the threat of cooling "could be as awesome as any we might face, and that massive worldwide actions to hedge against that threat deserve immediate consideration."

Now environmental extremists call for massive worldwide actions to hedge against global warming.

The extremists' proposals to stop global warming will be enormously expensive, and we better be awfully certain about the science before we proceed. But many aspects of the global climate system remain unknown.

Those scientists that look at the temperature records of the past, rather than trying to predict the future with computer models, find little evidence to back up global warming theories. And the better the data, the less evidence there is of a future environmental catastrophe. The best quality evidence, data collected by satellite over the past several years, provides no support for all the stories we've been told in the media.

Mr. Speaker, we need to make policy based on solid science, not the scare stories dreamed up by environmental extremists.

□ 1440

WE WASTE MORE TIME INVESTIGATING HISTORY, NOT LEARNING ANYTHING

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

Mr. APPELEGATE. Mr. Speaker, it is not any wonder that we cannot get anything done here in the Congress; we waste more time investigating history and not learning anything.

Now we are investigating a 30-year assassination of President Kennedy. And what is the result of that going to be? More bucks in the pockets of Oliver Stone.

So, next it is going to be Bobby Kennedy. Maybe we can investigate that one, or Martin Luther King, or maybe we could revisit Watergate and, if time allows, maybe we can go back and take a look at the Iran-Contra fiasco. And then, if we have time, we can recheck the bounced checks.

Of course, if we start to look at the economy and health care and jobs and inequity in trade, we should do it, but if it gets too boring then maybe we can go back and check into finding out whether John Wilkes Booth really did Lincoln in.

EXPORTS TO DEVELOPING COUNTRIES SEEN AS KEY TO U.S. ECONOMIC GROWTH

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

Mr. BEREUTER. Mr. Speaker, in my export 1 minute today I would like to stress the importance of expanding economies in developing countries for U.S. export growth.

Mr. Speaker, for 5 years now, the growth in U.S. exports has led overall U.S. economic performance by growing three times as fast as gross domestic

product each year. The trade deficit, last February, reached its lowest monthly figure in 12 years largely on the growth of U.S. exports. Many economists believe that a key factor in the U.S. recovery from a recession is the future growth in U.S. exports.

However, Mr. Speaker, that growth probably will not come from traditional United States markets like Japan and Great Britain. Instead, future growth of U.S. exports may become increasingly dependent on the expanding economies of the world's developing countries.

The evidence of this important change already exists. Last Sunday, the New York Times contained an article entitled, "American Exports to Poor Countries Are Rapidly Rising," and according to the article, in January and February nonindustrialized countries bought the highest percentage of American exports since 1982.

Mr. Speaker, the potential appetite for U.S. exports in developing economies must not be overlooked. A couple of weeks ago, this Member stood on this floor and spoke about the potential for U.S. food exports in Southeast Asia; however, I am not just talking about food exports. The New York Times article recognized the extremely important fact that U.S. exports of manufacturing goods to these countries is on the rise.

In fact, Mr. Speaker, while the United States may be losing market share to nations like Japan in highly visible items such as consumer goods including VCR's and TV's, the United States remains the leading producer of goods used to build nations, like telephone company switches, trucks, commercial aircraft, and personal computers.

Mr. Speaker, I make this point about the potential for U.S. exports to developing countries today because this Member is concerned that recent U.S. trade policy initiatives from some of our colleagues overlook the importance of these growing particular economies to U.S. economic prosperity. Attempts to unilaterally protect U.S. industries from international competition could unwittingly deny access of U.S. capital goods to these growing markets. And, Mr. Speaker, these capital goods exports are a bright spot, in an otherwise dim world economy. Congress must remember that fact in its actions.

BELLOWS AIR FORCE STATION

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

Mr. ABERCROMBIE. Mr. Speaker, our Armed Services Committee is completing its work today on the 1993 Defense Authorization Act.

Among other provisions, this measure requires the Defense Department to

justify its retention of Bellows Air Force Station on the island of Oahu.

Currently, that installation is vastly underutilized—1,500 acres of prime beach front property with no compelling national security interest.

Meanwhile, Hawaii's 1 million people suffer one of the most painful affordable housing shortages in the Nation.

That is why Bellows should be returned to the State of Hawaii. We need Bellows for affordable housing and other community needs. I have worked ceaselessly to help provide hundreds of housing units for military personnel. I am only seeking equal treatment for Hawaii's people.

Federal law requires that lands ceded to the United States by Hawaii be returned to the State when no longer needed for Federal purposes.

Certainly, Mr. Speaker, Bellows Air Force Station fits that description exactly.

Let us play fair and support this first step to return Bellows to the people of Hawaii.

REPLACE PRESIDENTIAL ELECTION FUND CHECKOFF WITH A NATIONAL DEBT FUND CHECKOFF

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

Mr. DUNCAN. Mr. Speaker, today I am introducing legislation that would eliminate the Presidential election fund checkoff on our tax returns and replace it with the national debt fund checkoff.

Americans are sick of seeing millions go to unknown fringe candidates who maybe get only a few hundred votes in any State. They want this ridiculous ripoff stopped. With the national debt of \$4 trillion and losses of \$1 billion a day on top of our present debt, the people want something done before we crash.

Mr. Speaker, my legislation was suggested by a constituent of mine, Bob Williamson, in a letter to the editor of the Knoxville News-Sentinel.

Mr. Speaker, this bill would replace the taxpayer subsidy to all sorts of Presidential candidates with a box in which taxpayers could write any dollar amount to go directly toward paying our national debt. The fund could be used only to pay on the national debt, and not for any other purpose.

Most people could contribute only very small amounts, but some would make large contributions. It would certainly not wipe out our national debt by itself, but it would help and it would do a lot more good than will millions going to negative and wasteful Presidential campaigns.

WE SHOULD CONSIDER THE BILL TO HELP OUR NATION'S SECOND AND THIRD LARGEST CITIES

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

Mrs. COLLINS of Illinois. Mr. Speaker, I was in my office watching the monitor, and was surprised when I thought we were working on H.R. 5132, but I learned—and I think I saw—that the gentleman from Wisconsin [Mr. SENSENBRENNER], prevented us from considering this important piece of legislation at this point in time.

Mr. Speaker, H.R. 5132 would make emergency appropriations for disaster assistance to my congressional district as well as for the riot-torn city of Los Angeles. This disaster was caused by a weakened wall that allowed the Chicago River to flow into downtown Chicago.

Mr. Speaker, I hope all of us will realize that Chicago's disaster was not a man-made disaster, as the gentleman from Wisconsin claimed, and that all of our cities in America are old; as are our towns, et cetera. Similar disasters can happen because all of the infrastructure in America now is in a weakened condition.

When we think about dams, bridges, tunnels, highways and roads, and canals, we do not just talk about the city of Chicago or New York; we talk about all of America.

I hope this kind of thing will not happen again in the future.

Mr. Speaker, it was 1 month ago today that a weakened wall along the Chicago River collapsed into a little used freight tunnel under Chicago's Loop to cause the largest disaster the city has seen since Mrs. O'Leary's cow began the great fire of 1871. Billions of gallons of water subsequently flooded into the basements of downtown Chicago buildings, effectively shutting down all business activity in the Loop for several days, not only at such Chicago institutions as the Board of Trade, the Mercantile Exchange, and Marshall Fields, but also at hundreds of small businesses who depend on the daily flow of commuters for their livelihoods. Businesses which were already soaked under the weight of the recession, Mr. Speaker, are now even more hard pressed to continue operating after finding the Chicago River flowing through their basements.

While I commend Mayor Daley and the legions of city workers for their efforts in plugging the leak, it is imperative that emergency Federal funds are appropriated to help these businesses, and the city, cope with this most unfortunate disaster. Millions of dollars of valuable city funds have had to be diverted to fight the flood, seriously straining city coffers. Furthermore, estimates have calculated property damage alone at over \$300 million and total business losses could well top \$1 billion.

Mr. Speaker, it was inevitable that we would sooner or later have to consider a bill to help our Nation's second and third largest cities, or any city for that matter, cope with disasters of such magnitude. For too long, cities have

been forced to wage a two-front war against the decay of our infrastructure, and the fraying of the social fabric of our inner city neighborhoods. While the destruction in Chicago was much different in nature than that in Los Angeles, both are representative of the lack of attention to urban problems during the past decade. The Federal-local partnership that once existed has been all but eradicated throughout the 1980's, forcing local governments to ration vital funds, put off much needed repair jobs and public works projects, and eliminate many valuable services altogether.

Now is not the time for political darts or blame shifting, Mr. Speaker. The situation in our inner city communities has simply grown too desperate to allow partisan politics to rule the day. I am willing to work with President Bush and Secretary Kemp to help rebuild Chicago and Los Angeles, and every other American city that has suffered from the abject neglect of the 1980's, and I am pleased that the President seems to have finally, after much prodding, refocused his attention to domestic concerns.

I urge my colleagues to support this emergency legislation.

THE SITUATION IN BOSNIA

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

Mr. WOLF. Mr. Speaker, what is going on in Bosnia today is a disgrace.

I want to commend Senator DOLE and those in the Senate who sent a letter to President Bush, asking for stronger action on behalf of the Bush administration and I want to share that letter with my colleagues. I also want to commend the Bush administration for recalling Ambassador Zimmerman from Belgrade.

In September, Congressman CHRIS SMITH and I were in Croatia, and visited the cities of Vukovar and Osijek which were under siege by the Yugoslavian Army. Now the Serbian forces of Slobodan Milosevic are doing the same thing today in Bosnia that they did in Croatia.

I personally think that we should withdraw most-favored-nation status from Yugoslavia, from Serbia. A New York Times editorial today reports that Croatia's Franjo Tudjman's henchmen from Bosnia cut a deal with their Serbian counterparts at a secret meeting in Austria, snatching their own piece of Bosnian territory. This is very disturbing news and if true, and if Tudjman cooperates with Milosevic in any way at all with regard to persecuting and killing the people in Bosnia, then that would be a great disappointment to the people of Croatia and the United States.

Many of us in this Congress supported Tudjman and strongly supported the good and decent people of Croatia in their quest for freedom and democracy. Because of this support, it is important that Tudjman stand up

and support Bosnia, allowing Christians, those of the Jewish faith and the Moslem faith to live together in peace in Bosnia.

The letter referred to, follows:

U.S. SENATE,

OFFICE OF THE REPUBLICAN LEADER,

Washington, DC, May 12, 1992.

The PRESIDENT,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: We are writing to you to express our deep concern about the tragic situation in Bosnia-Herzegovina, and to urge that the United States take a more active role in trying to bring this bloody conflict to an end.

We commend you on today's decision to recall our Ambassador to the former Yugoslavia, Warren Zimmermann. In view of the continued aggression by Serbian forces against Bosnia-Herzegovina, we hope that this move will be swiftly followed by a decision to impose comprehensive sanctions on Serbia. In addition, we support ongoing U.S. efforts to unseat "Yugoslavia" at the Conference on Security and Cooperation in Europe.

However, we believe that much more must be done and quickly. Some of us met this week with the Foreign Minister of Bosnia-Herzegovina, Mr. Haris Silajdzic, who told of the wholesale destruction of his newly independent country and its occupation by Serbian forces. In four weeks, the Serbian army's brutal onslaught has left nearly 700,000 people homeless and thousands wounded, missing or dead. In our view, Mr. Silajdzic raised an idea that merits immediate exploration, namely the creation of a "security zone" around the capital of Sarajevo. This zone would provide a safe haven for refugees, while allowing for the delivery of desperately needed humanitarian aid. In addition, the establishment of a security zone would ensure the continued functioning of the legitimate government of Bosnia-Herzegovina.

We hope that you will give this matter your immediate consideration. It is our understanding that Foreign Minister Silajdzic discussed this concept in detail with Deputy Secretary Eagleburger. Even if the United States does not wish to become directly involved in such an operation, we could encourage the European Community and/or the United Nations to further explore this proposal.

Thank you for your attention to this vital matter.

Sincerely,

Claiborne Pell, Bob Dole, Alfonse D'Amato, Slade Gorton, Alan J. Dixon, Dennis DeConcini, Orrin Hatch, Larry Pressler, John McCain, Connie Mack, Joe Lieberman, Donald Riegle.

SOME CAUSES OF AND AFTERMATH OF THE RODNEY KING VERDICT

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

Ms. PELOSI. Mr. Speaker, for 2 weeks, starting with the Rodney King verdict, we have been experiencing a terrible trauma in our country with the eruption of racial tension and frustration, much of that springing from the last decade of neglect in our country.

The President responded by blaming it on the Great Society, blaming it on Lyndon Johnson.

Mr. Speaker, Lyndon Johnson gave us the Great Society, President Bush has given us the great divide—the terrible divide, the division in our society, where the Reagan and Bush economic policies have widened the gap between the rich and the rest of us in this country. This disparity has been bad economics.

It has produced a terrible budget deficit and an even worse social deficit.

How can we ever make up, in the minds and bodies of the real victims, the small children of America, the neglect that they have been victims of in the past decade?

□ 1450

So, Mr. Speaker, I think the lesson of Los Angeles should be that we should work together to build a more just society in order for us to build family and make our country strong again.

NONESSENTIAL OBSERVERS COSTING 800,000 AMERICAN TAX DOLLARS

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

Mr. JOHNSON of Texas. Mr. Speaker, I am outraged.

Let us talk about Brazil.

Why in the world is our Federal Government paying for more than 300 people to boondoggle to Rio de Janeiro next month? I understand we are sending 25 to 30 official delegates to next month's Earth summit, and that is legitimate, but at an extra cost of 800,000 American tax dollars we are sending about 300 conference watchers.

Come on, Mr. Speaker. I cannot imagine any conference that requires 300 nonessential observers from one single country. American taxpayers are fed up with this type of boondoggling. It is wasteful, and it is wrong.

Let us use some common sense. Let us put away the \$1,400 plane tickets and take a serious stab at balancing the Federal budget, and I have to commend some of my colleagues on the other side for recommending a balanced budget as well. It is time we got to work here in this Congress.

URBAN AGENDA URGENTLY NEEDED

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

Mr. FORD of Tennessee. Mr. Speaker, we all are too familiar with the aftermath of the Rodney King trial and the resulting verdict. Many of the leading legal experts agree that the Rodney King case was already decided, and

lost, when the presiding judge moved the site of the trial to a mostly all-white, suburban community in Simi Valley, CA, with a black population of less than 2 percent. This change of venue, as it is known, was clearly the turning point in this case. The trial was moved to Simi Valley to avoid pre-trial publicity because of the political situation in Los Angeles, which was too volatile. But the irony is that those jurors in Simi Valley were just as likely to have formed opinions since they more than likely saw the same videotape that all of us in the world witnessed, and the same jury was more likely to identify with the four police officers, who were all white, and they knew that they were all white, and probably agreed with them early on, and formed their opinions before the trial was presented in the court.

Mr. Speaker, the sixth amendment guarantees an impartial jury of the State and district wherein the crime is committed. Although the reference is not explicit as to venue, it does specify the location from which the jury should be selected. Mr. Speaker, I call upon my colleagues to take a closer look at what is happening, and let us move this urban agenda that this administration is talking about, and let us bring a bipartisan urban agenda whereas we can respond to the urban and rural problems of all Americans in this country so we will not be faced with similar situations.

SAVE AMERICAN JOBS—SUPPORT H.R. 2056

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

Mrs. BENTLEY. Mr. Speaker, today this body is taking up H.R. 2056, a bill long overdue and one which can go a long way toward placing U.S. shipyards on a level playing field with their competitors throughout the world. What this bill does basically is to remove the Government competition in the form of subsidies that exist in foreign yards. In other words, each U.S. yard bidding in the commercial world would be bidding against private enterprise rather than a foreign government which is much more fair and the way to go if we are to preserve this critical industry in this country.

Mr. President, I urge my colleagues to support H.R. 2056 and save American jobs.

REPEAL THE BOAT USER FEE

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

Mr. ECKART. Mr. Speaker and my colleagues, today is a classic example once again of the process frustrating

the will and the interests of many people who follow the deliberation of this body on a matter of no small import to thousands of men and women in my district which borders the Lake Erie shoreline. I am talking, of course, about the repeal of the boat user fee, a matter first concocted in the minds of President Ronald Reagan and Budget Director Stockman in 1991. It was originally intended, of course, to try to upgrade the amount of money and the facilities available to the operation of the U.S. Coast Guard. It was rejected continuously by this institution through votes on the floor, and in our Budget Committee it nonetheless became part of the 1990 budget agreement, and oh what a silly idea it was.

Imagine charging someone to float their canoe. Imagine charging someone to be rescued by a government agency that they thought was there for that fact to begin with from time immemorial.

Unfortunately, Mr. Speaker, the repeal of the boat user fee is linked to another provision of the bill dealing with shipyard construction and the cost of those constructed ships visiting American ports. While they may, in fact, be meritorious, the fact is we need to repeal the boat user fee, support the motion of the gentleman from Texas [Mr. ARCHER], separate the two and repeal a silly tax that should not have been leveled on the American taxpayers to begin with.

AUTHORIZING CORRECTIONS IN ENROLLMENT OF S. 838, CHILD ABUSE, DOMESTIC VIOLENCE, ADOPTION, AND FAMILY SERV- ICES ACT OF 1992

Mr. OWENS of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate concurrent resolution (S. Con. Res. 116) to authorize corrections in the enrollment of S. 838.

The Clerk read the title of the Senate concurrent resolution.

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

Mr. DREIER of California. Mr. Speaker, reserving the right to object, I will not object, but I ask the gentleman from New York to explain his unanimous-consent request.

Mr. OWENS of New York. Mr. Speaker, will the gentleman yield?

Mr. DREIER of California. I yield to the gentleman from New York.

Mr. OWENS of New York. Mr. Speaker, after passage of the Child Abuse, Domestic Violence, Adoption, and Family Services Act of 1992 in early April, it was discovered that there was some ambiguity regarding the effective date of the amendments relating to the distribution of funds under the child abuse general programs. The adminis-

tration asked for a clarification, and we agreed that a clarification was necessary.

At the same time, it was discovered that through a drafting error, parents were inadvertently deleted from the stipulated membership of the State Multidisciplinary Task Force on Children's Justice.

This resolution, which has received bipartisan support, would correct these problems.

Mr. DREIER of California. Mr. Speaker, I thank my friend, the gentleman from New York [Mr. OWENS], for his very cogent explanation.

Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 116

Resolved by the Senate (the House of Representatives concurring), That in the enrollment of the text of the bill (S. 838) to amend the Child Abuse Prevention and Treatment Act to revise and extend programs under such Act, and for other purposes, the Secretary of the Senate shall make the following corrections:

(1) In section 116(a)(4) of the bill—

(A) by adding "and" after the semicolon in subparagraph (C); and

(B) by striking out subparagraph (D) and all that follows and inserting in lieu thereof the following new subparagraph:

"(D) by striking out 'handicaps;' in subparagraph (F), and inserting in lieu thereof 'disabilities.'";

(2) In section 117 of the bill—

(A) by inserting "(a) IN GENERAL.—" before "Section 114(a)"; and

(B) by adding at the end thereof the following new subsection:

"(b) DELAYED EFFECTIVE DATE.—Paragraph (2) of section 114(a), as amended by subsection (a), shall become effective on October 1 of the first fiscal year for which \$30,000,000 or more would be available under subsection (a)(2)(B)(i) of such section 114 (if such subsection were in effect), and until such fiscal year, the second and third sentences of section 114(a) (as in effect prior to the amendment made by such subsection (a)) shall continue in effect.";

(3) In section 124(2)—

(A) by striking out subparagraph (a); and
(B) by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 2056, SHIPBUILDING TRADE REFORM ACT OF 1992

Mr. BONIOR. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 443 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 443

Resolved, That at any time after the adoption of this resolution the Speaker may, pur-

suant 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 the consideration of the bill (H.R. 2056) to amend the Tariff Act of 1930 to require that subsidy information regarding vessels be provided upon entry within customs collection districts and to provide effective trade remedies under the countervailing and antidumping duty laws against foreign-built ships that are subsidized or dumped, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and the amendments made in order by this resolution and which shall not exceed one hour, with thirty minutes to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, and with thirty minutes to be equally divided and controlled by the chairman and ranking minority member of the Committee on Merchant Marine and Fisheries, the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider an amendment in the nature of a substitute consisting of the text printed in the report of the Committee on Rules accompanying this resolution as an original bill for the purpose of amendment under the five-minute rule, said substitute shall be considered as having been read, and all points of order against said substitute for failure to comply with the provisions of clause 7 of rule XVI and clause 5(a) of rule XXI are hereby waived. No amendment to said substitute shall be in order except the amendment printed in section 2 of this resolution, to be offered by Representative Gradison of Ohio, which shall be debatable for not to exceed thirty minutes, equally divided and controlled by the proponent and a Member opposed thereto, and all points of order against said amendment are hereby waived. At the conclusion of the 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, and 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 by this resolution. 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.

SEC. 2. An amendment to be offered by Representative Gradison of Ohio: "Strike section 107. Make such conforming changes as are necessary."

□ 1500

The SPEAKER pro tempore (Mr. McNULTY). The gentleman from Michigan [Mr. BONIOR] is recognized for 1 hour.

Mr. BONIOR. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from California [Mr. DREIER], pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purposes of debate only.

Mr. Speaker, today we meet to consider the Shipbuilding Trade Reform Act of 1992.

The bill is intended to ensure fair trade in the commercial shipbuilding and repair industry. It includes new

trade remedies against subsidized foreign-built commercial vessels.

But the bill does more than that.

It also rights a wrong.

It repeals an unfair and deceptive tax: The so-called user fee on boats.

Who pays that fee?

Ask anyone who lives in Michigan. We live in a State surrounded by water. Water has shaped our history and defines our character.

It certainly shapes our recreation. For many people in Michigan, boating is a way of life.

We are talking about people working in the tool and die plants, storeowners, mechanics, sixth grade teachers. We are talking about lots of retired people—people who have worked hard all their lives and finally have time to call an afternoon their own.

Not rich people. Hard-working, middle-income families.

We are talking about people who, because they live along a lake or a river, have invested in a small boat with a little outboard motor, so they can spend Sunday afternoons fishing with their children or grandchildren, or maybe just sitting alone to watch the light fade.

And what do they find on those Sunday afternoons?

Their fuel tax has gone up.

Their FCC license fee has gone up.

The State regulatory fees have gone up.

Then, 2 years ago we got this.

They told us it was a user fee. But the proceeds won't go to the Coast Guard.

Not a dime goes to the Coast Guard.

Not a dime benefits boaters.

The only people using this user fee is the administration—to conceal the true size of the deficit.

If the administration needs to tax people, there are some people who should be taxed.

Millionaires. But the President vetoed the millionaire surtax.

CEO's of the big corporations. He vetoed that too.

Mr. Speaker, we fought against this tax for 10 years.

It is an outrage.

This solution—repealing it in stages— isn't perfect. I wish we could abolish the tax today.

But eventually, this bill will accomplish repeal.

I urge my colleagues to join me in voting for it.

In our haste to lighten the load for the rest of America, let's not throw the recreational boater overboard.

Mr. Speaker, House Resolution 443 makes it in order to consider in the Committee of the Whole the bill H.R. 2056, the Shipbuilding Trade Reform Act of 1992.

The rule provides for 1 hour of general debate controlled equally by the Committee on Ways and Means and the Committee on Merchant Marine and Fisheries.

The rule makes in order an amendment in the nature of a substitute consisting of the text printed in the report to accompany the rule as an original bill for the purpose of amendment.

The rule waives clause 5(a), rule XXI and clause 7, rule XVI against the substitute.

The rule makes in order only one additional amendment to the bill which may be offered by Mr. GRADISON of Ohio.

The rule waives all points of order against the Gradison amendment.

Finally, the rule provides one motion to recommit, with or without instructions.

Mr. Speaker, I urge my colleagues to support the rule and the bill.

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

Mr. DREIER of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, once again we are faced with a closed rule, which has become the norm over the past couple of years. There are probably some in this institution who are unfamiliar with what was once a commonly used practice known as the 5-minute rule. In fact, the open rule is so rare that academic discussions of that process have shifted from political scientists to historians.

While the public continues to clamor for more openness in Congress, the Rules Committee continues to keep the legislative process in the dark.

The committee even went to far as to censor the C-SPAN television cameras from an open meeting on the rescission bill last week. This was a terrible mistake that I hope will never happen again.

With regard to H.R. 2056, this rule does make in order the Gradison amendment to strike the directed scoring provisions. However, the rule does not permit amendments to strike any or all the sections in title I. As a result, Mr. Speaker, I strongly oppose this rule.

But let me add that I have the highest regard for the gentleman from Florida [Mr. GIBBONS], and his commitment to free trade. He and I have worked together on a wide range of trade issues over the years, including the fast-track legislation on the North American Free Trade Agreement. As the sponsor of H.R. 2056, his intentions clearly are admirable.

Proponents of the legislation—and I recognize that there are some on this side of aisle as well—believe that the threat of barring foreign-built ships from U.S. ports will bring our European trading partners to the negotiating table.

It is true that the Europeans unfairly subsidize their shipbuilding industries, to the detriment of U.S. shipbuilders. But I do not agree with the argument that the administration needs this bill as a bargaining chip in multilateral negotiations.

A bargaining chip is effective if it is credible, and there are two reasons why I have doubts that H.R. 2056 will be seen as credible by our European trading partners. First, the President will veto the bill in its current form because it violates the General Agreement on Trade and Tariffs and could lead to retaliation.

Second, holding hostage the pocket-books of American consumers does not make a credible bargaining chip. As the American Association of Port Authorities pointed out in a letter, H.R. 2056 "could cost more U.S. jobs than it saves" and "would lead to higher costs to consumers since payments by shipowners would be passed on to shippers, raising the costs of goods."

Many of those goods, Mr. Speaker, are export goods, which means that increases in ocean freight rates will mean lost markets to U.S. exports, lost jobs, and lower economic growth.

The USTR's office believes this trade distortion practice can be better dealt with through the multilateral OECD negotiations, and I agree.

If we cannot solve this subsidy dispute through those negotiations, then the administration can use existing section 301 retaliation authority. Through this process, we can target foreign shipbuilders, rather than American shipowners, consumers, and exporters.

Of course, not all of H.R. 2056 is bad. Title II of the bill repeals the Coast Guard recreational boat user fee, and I strongly support that provision. That's why, if we are unsuccessful in defeating this rule, I will be supporting the motion to recommit that will be offered by the gentleman from Texas [Mr. ARCHER].

That motion to recommit will allow us to repeal the user fee without having the provision held hostage to protectionist legislation. In the meantime, Mr. Speaker, this is a closed rule, and I urge my colleagues to vote against it so that the House can work its will on this measure.

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

Mr. BONIOR. Mr. Speaker, I yield 1 minute to the gentleman from Florida [Mr. GIBBONS].

Mr. GIBBONS. Mr. Speaker, first I want to thank the gentleman from California [Mr. DREIER] for those nice things he said about me. I appreciate them very much.

Mr. Speaker, let me say the reason we asked for a closed rule on this is that we are amending the 1930 Tariff Act. If Members will recall the history of the closed rule, it began after the Congress' experience with the 1930 Tariff Act, which probably had to be the height of logrolling that Congress ever participated in. We just do not want to see that happen again.

□ 1510

That is why we have used closed rules on tariff bills ever since. The ad-

ministration has been negotiating for some 3 years on ship subsidies. They have worn out three negotiators, and they are never going to get any success out of these negotiations in the current situation. I am very attuned to international negotiations on trade. We have no leverage to take to the negotiating table. We have no subsidies. We have had no shipbuilding subsidies for 11 years. This bill is about jobs and against subsidies. We must pass this bill in order to have any successful negotiations on this issue.

Mr. BONIOR. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Speaker, I support the rule, and I support the bill. I support the repeal of this boat user tax. It makes sense. However, I want to direct myself to another area of comments, and that is our shipbuilding industry.

In 1981 America said:

We are going to play straight, fair and square, no more subsidies. We want an open, fair, free shipbuilding industry throughout the world.

We did it, and our competition lied to us. They continued to subsidize their shipbuilding industry with grants and low-interest loans. They allowed cartels. They even bought and owned some of those factories. They kicked in money for research and development, but Uncle Sam stayed out.

The litany is clear. We lost 120,000 jobs in our country. Now, without this legislation from the gentleman from Florida [Mr. GIBBONS], we will lose another 200,000 jobs by the turn of the century. The truth of the matter is, when it has come to shipbuilding Uncle Sam has turned into Uncle Sucker.

I have taken on and I have questioned some of the trade programs of our House, and I have at times disagreed with Chairman GIBBONS. I want to say today that Chairman GIBBONS recognizes what has to be done. He has taken the courage to do it. I am glad to be able to support this bill. I think he is doing what is right.

Just remember this. Since 1987, a short 5 years, Japan has subsidized their shipbuilders with \$1.3 billion, South Korea with \$1.1 billion, and Germany with \$1.5 billion. You will lose another 200,000 jobs in this country.

I support the rule, I support the bill, and I am proud today, Mr. Chairman, who has questioned some of the policies, to say "right on" to the gentleman from Florida, and thank him for the time.

Mr. DREIER of California. Mr. Speaker, I yield myself such time as I may consume to respond to my friend, the gentleman from Ohio.

I have a letter here from the National Coal Association. They talk about the threat of jobs lost. They say in their letter that,

In the competitive international coal market any increase in ocean freight rates will

mean lost markets to U.S. coal exporters. In turn, this means lost jobs at the coal mines and lost jobs to those who are involved in the coal export chain, such as transporters and equipment suppliers.

I know my friend from Ohio will be very concerned about that.

Mr. Speaker, I yield 2 minutes to the eloquent gentlewoman from Maryland [Mrs. BENTLEY].

Mrs. BENTLEY. Mr. Speaker, I thank the gentleman for yielding me this time.

Generally, Mr. Speaker, I oppose closed rules, and in a deliberative body such as Congress, free and open debate means little without the chance for amendments.

However, having said this, I urge my colleagues to support this rule because the shipbuilding industry of the United States of America needs this bill. Enemies of U.S. competitiveness cannot be allowed to win on a procedural matter. No nation can survive as a military or economic superpower without having a fleet, and no fleet can be sustained without shipyards. Our shipyards are dying, victims of aggressive subsidies to foreign yards by foreign governments.

Negotiations on this issue have been underway with the foreign governments for more than 3 years, by the U.S. Special Trade Representative, with no indication that they intend to change their position. Our shipyards, with their greatly diminished work force, are looking to us for a remedy, which this bill provides.

As for the rule, it allows for an amendment to strike section 107, with its CBO scoring language. The rule also permits a motion to recommit with instructions to strike title I, or in other words, the rule permits ample opportunity for free traders to gut the bill and the shipbuilding industry of the United States.

Let us support the rule, debate the merits, pass the bill, and save a critical industry. Save American jobs.

Mr. DREIER of California. Mr. Speaker, I yield 5 minutes to my friend and classmate, the gentleman from New York [Mr. MCGRATH].

Mr. MCGRATH. Mr. Speaker, I rise in support of H.R. 2056, the Shipbuilding Trade Reform Act.

There is no good reason for not supporting this bill, if you believe, as I do, that we in Congress have a moral obligation not to countenance unfair trading practices that damage American industry and destroy American jobs.

Nearly 3 years of trade talks, aimed at ending foreign shipbuilding and repair subsidies in the industrialized nations of the OECD, collapsed in April. This means that nothing has been achieved to correct the unfair trade practices that are keeping American shipyards out of the commercial ship construction and repair market. American shipyards are worse off than they

were when the talks began, and their future has gotten even more bleak.

H.R. 2056 is now the only option available to pressure foreign governments to stop their shipbuilding and repair subsidy practices before the entire U.S. shipbuilding base is destroyed and another 180,000 Americans are unemployed.

Fairness is not something the U.S. commercial shipbuilding industry has been treated with over the past decade. Before 1981, half the ships constructed in American yards were for the commercial market. This market situation changed rapidly when the U.S. Government unilaterally discontinued the commercial construction subsidy program for U.S. shipbuilders. At the same time, Governments in Japan, South Korea, and Europe were formulating the most substantial subsidies provided for any industry in the world. The effect of these government actions was to obliterate the commercial shipbuilding market in the United States.

In June 1989, the U.S. industry filed a petition under section 301 of the Trade Act targeting foreign subsidy practices. This petition highlighted the fundamental unfairness of forcing unsubsidized American shipyards to compete against heavily subsidized foreign yards. American yards were unrealistically expected to compete against hundreds of millions of dollars in government grants and direct cash infusions to keep the foreign yards going, as well as billions of dollars in government-subsidized loans. These and other kinds of foreign government subsidies allowed the yards to price ships well below the cost of production for nearly a decade.

We must right the wrong that has been done to American shipyards, but we do not have much time left in which to do it. According to workload projections for new Navy ships, by 1998 there will only be a couple of shipbuilding yards left in the United States. H.R. 2056 can reverse this inevitability by forcing an end to the foreign subsidies that are keeping U.S. yards out of the commercial market.

The entire private shipyard base, shipyard supplier industries, and 180,000 American workers are counting on us to pass H.R. 2056 the Shipbuilding Trade Reform Act and to oppose any move to destroy the bill by referring it back to committee. Passage of this bill will bring trade and jobs to the shipbuilding and repair market, and provide foreign governments with the incentive to end their massive subsidies.

Mr. BONIOR. Mr. Speaker, I yield 5 minutes to the gentleman from Maine [Mr. ANDREWS].

□ 1520

Mr. ANDREWS of Maine. Mr. Speaker, we have heard a lot of talk about the trade imbalance, competitiveness, the ability of our workers to compete

with workers around the world, the imbalance in trade exports versus imports. I can tell Members what one of the fastest growing exports that we have in the United States is, and that is jobs, American jobs, good jobs, and there are lots of reasons why that is, some legitimate and some illegitimate. But I will tell Members one of the most illegitimate reasons for the loss of jobs in this country is when a worker looks to his or her Government, and instead of seeing that Government fighting for them and their jobs and their families they see a government sitting on its hands, shutting its mouth, refusing to take a stand not for unfairness on behalf of the worker but fairness for that worker, a level playing field, opportunity so that workers in the United States can compete fairly with workers around the world.

I sit on the Armed Services Committee, Mr. Speaker, and I sit on the Seapower and Strategic and Critical Materials Subcommittee, and this issue is not just an economic issue, it is a national defense issue, because I can tell Members from all of the testimony that I have heard that because our shipbuilding industrial base is being destroyed by unfair competition, the defense and security of the United States is at risk.

I want to quote from our Navy Secretary, Lawrence Garrett, who came to our committee and said the following:

A keystone of our ability to build and maintain a Navy is our infrastructure and our industrial base. America's strategic advantage, I submit, depends fundamentally on a healthy, productive, innovative, and competitive national industry. We simply cannot afford to drive our defense industrial base—especially our vital shipbuilding industry—offshore.

Mr. Speaker, ever since 1981, the United States has been sitting on its hands with respect to protecting that industrial base by insisting upon fair competition with our shipbuilders. We have allowed foreign shipbuilders, the Japanese, the Germans, the Koreans to subsidize their shipyards and their workers so that they could systematically destroy our shipyards and the jobs for our workers. Since that day in 1981, when we established that policy of sitting on our hands while our workers lost their jobs, this happened: 120,000 jobs were lost. Now we learn that if we continue to sit on our hands and not stand by our workers we can expect an additional 180,000 jobs to be lost.

Let us understand what we are talking about. We are talking about fairness, we are talking about a level playing field. The shipyard workers at Bath Ironworks in my district are the best in the world. They can compete for commercial contracts with anyone in the world. But, Mr. Speaker, they cannot compete with entire governments, they cannot compete with the subsidies that foreign shipyards are receiving for their shipyards and their workers.

It simply is not fair; it is not right. But what is worst of all is the fact that our Government continues to sit on its hands and let this unfair subsidy, and let this destruction of jobs in our shipbuilding industrial base go on and on and on.

The time has come, Mr. Speaker, and I am so glad that the time has finally come on the floor of this House when Members of this Congress are going to be asked to take a stand. Are you or are you not for fairness with our shipbuilding industry? Are you or are you not for fairness when it comes to jobs in our vital shipbuilding infrastructure? Are you or are you not for the American worker?

I support this rule, and I support this bill because it gives us a chance to take a stand.

Ladies and gentleman, our economy is at stake, the defense of this Nation is at stake, and basic fairness is at stake for the workers in shipyards all across the United States. I would ask that we support this rule, that we go on to support this vitally important legislation, and that we stand by the workers and the shipyards of our country.

Mr. DREIER of California. Mr. Speaker, I yield myself such time as I may consume simply to respond to my friend from Maine by saying that he said what we like to regularly say on this side, "Fairness, fairness, fairness." My friend said it three times as he came to the end of his statement, and he said, "I support this rule."

This is a closed rule. It is unfair to the process, and I hope our colleagues will recognize that.

Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. DAVIS], the distinguished ranking Republican on the Committee on Merchant Marine and Fisheries.

Mr. DAVIS. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, this is a very important piece of legislation. As Members know, it has two very important issues in it. I am going to talk principally about the elimination of the boat user fee, but I want to talk just for a minute about the original idea behind the Gibbons bill, which is to make sure that the American shipbuilding industry is able to survive. And there is no question I do not think in anybody's mind that the American shipbuilding industry has been hurt tremendously.

I happen to have two shipbuilding companies in my congressional district, as well as a number of suppliers that do a lot of work for the shipbuilding industry, and they are hurt tremendously. So I would strongly urge all Members to support this bill. There are a lot of people out there who are laid off. One of my companies, as an example, used to employ 1,000 people. Right now they are down to less than 100. That tells me that we need to take

some dramatic action to help improve the shipbuilding industry in this country.

So again, I strongly urge that we do support this bill.

But let me now talk about another very important issue that is part of this bill, and it is very important to the over 4 million boaters in this country who have been saddled with what is called a user fee, but really is an unfair tax. And I must tell Members that I appreciate the help of a lot of national organizations who have been instrumental in starting this grassroots drive to get us to the point where we actually have an opportunity to appeal the boat user fee today.

Boat U.S. and the Marine Retailers Association are just a couple of examples of some of the people who have pounded and pounded on this issue and told the Congress and told the American people how unfair this particular tax is. I especially appreciate the way Boat U.S. has constantly told the boaters in this country about this issue.

There are some facts I think that are important for the American people to become aware of. I think many times when we think about boaters we think of boaters as wealthy people who go around and spend all of their time on 50-foot yachts. That, of course, is simply not true. Fifty-two percent of all of the boaters in this country earn less than \$35,000 per year, and 74 percent of all of the boaters earn less than \$50,000 per year. So it is something that is enjoyable to millions of people, and there are 4.1 million people in this country who have been affected by this extremely unfair user fee tax.

There are right now 279 cosponsors of the repealer bill, H.R. 5344, and there is a companion bill on the Senate side introduced by Senator BREAUX, S. 843, which has 39 cosponsors, and we have been working closely with the Senate Commerce Committee. When this bill passes, and it will to repeal the boat user fee, we expect that we will have an opportunity to negotiate with the Senate whether they put the repealer bill on the Coast Guard authorization bill or wherever they do it, and we are going to be able to repeal that fee this year.

□ 1530

There are lots of reasons why this particular user fee has not worked, and right now we find that there are many people who are trying to get their decal but find that it takes, in some instances, if you are sending a check in, up to 5 weeks before you get the decal back. Many times, if you purchase it through your credit card, it takes up to 4 weeks.

What does that mean to a person who lives on the Great Lakes or who lives any place in this country and wants to buy a decal for their boat? The way the system works now, if I sent in today

and asked for a decal and said, "I am going to send you a check," I would have to wait 5 weeks before I would get it. Technically I am subjected to being fined \$5,000 by the U.S. Coast Guard if I do not have that decal.

We are now trying to work that out, and the particular way that we are going to eliminate this fee I will explain when we get on the bill itself, because there is not enough time for me to explain it now. But I intend to explain how the repealer is going to work very shortly.

Mr. DREIER of California. Mr. Speaker, I yield 2½ minutes to the gentleman from Alaska [Mr. YOUNG], the ranking Republican on the Committee on Interior and Insular Affairs.

Mr. YOUNG of Alaska. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I would like to echo the words by the gentleman from Michigan [Mr. DAVIS] and his comments about the repeal of the boat user tax. It was a very unfortunate thing in 1986 when this passed, actually during the budget considerations last year. It was a tax on individuals that own every boat, and we have tried every method to try to repeal this, and we finally hopefully will succeed today.

I would like to also talk about the comments by the gentleman from Maine about fairness and about the merchant marine industry in our Nation. I can suggest that this is a good bill; I am not happy with the rule, but I think the bill has some merit.

But I would also like to say after 20 years in this House and working on the Committee on Merchant Marine and Fisheries and working on maritime legislation, I do not think we are much closer today than we were before. This bill is a step in the right direction. But I do not think it will accomplish everything we should really be accomplishing in this body.

Every other nation that has a viable maritime fleet actually has a correct cabotage law. That means that a percentage of the products which are imported, a percentage of the products which are exported have to be on that nation's flag ships. We eliminated that many years ago, and that was very unfortunate. Every time we have tried to reinstate the cabotage laws in this body to any significant degree, we are booed down supposedly for the consumer, but it has cost thousands of jobs not only in the shipyard areas but the maritime industry itself, and the crewmen and the captains and the mates, and that is wrong.

We now, I believe, are ranked eighth in the world as far as maritime ability. We were No. 1 in 1945. We have gone down from that time and have continued to go down until we finally, in this Congress, say we are the largest importer and one of the largest exporters in all the world, and yet we bring our

products to this shore for our consumers on foreign-flag bottoms, and we export them on foreign-flag bottoms. That is an incorrect position for this Nation to be in.

It is absolutely time for us to have a strong maritime industry, not through being subsidized, but by having the cargo to carry once we build the ships, and then we will go back up to the lead as we should be.

Mr. DREIER of California. Mr. Speaker, I yield 2½ minutes to the distinguished gentleman from Pennsylvania [Mr. SCHULZE], the distinguished chairman of the congressional sportsmen's caucus.

Mr. SCHULZE. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I rise in strong support of H.R. 2056, the Shipbuilding Trade Reform Act.

For 3 years our trade negotiators have worked for free trade in the global shipbuilding market to no avail.

In 1989, the United States shipbuilding industry filed a section 301 trade petition targeting the massive subsidies of Japan, South Korea, Germany, and Norway.

After Ambassador Carla Hills received assurance from these and other European governments that they were prepared to negotiate an end to their trade distorting practices, the industry was asked to withdraw its petition, which it did.

Based on the responsiveness of these foreign governments, Ambassador Hills assured American shipyards that an agreement could be achieved by March 1990.

Regretably, that deadline, along with four others, came and went with no trade agreement in hand. Then in April of this year, our industry and the USTR were dealt a serious blow when the Government of Japan, European governments, and South Korea walked out of the negotiations.

After 3 years of trying, we are no closer to the elimination of shipbuilding subsidies than we were when the effort began.

As the U.S. industry waited patiently for a trade agreement, shipyards continued to close and thousands of workers were added to the unemployment lines. Passage of H.R. 2056 now constitutes the only means to send a message to foreign governments that America will no longer tolerate subsidies which injure American companies and cost American workers their jobs.

Without this bill, there will be no chance of ever getting an agreement to stop these practices, and another American industry will fall victim to unfair foreign trade practices.

American yards do not want subsidies for themselves; they just want the opportunity to compete in a free market. I will vote for H.R. 2056 and

against the motion to strike title one. I strongly urge my colleagues to do the same.

Mr. Speaker, my colleagues, we deal a lot in symbolism here. That is what we are doing here. We have to send a very strong message. This is not protectionism. This is a vote for free, fair, and open trade.

Mr. DREIER of California. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. UPTON].

Mr. UPTON. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I represent thousands of folks who live along the shores of beautiful Lake Michigan and among the hundreds of small, inland lakes like Paw Paw Lake, Klinger Lake, and Sister Lakes; and rivers like the Kalamazoo.

I have spoken to many of my boaters back home and they have relayed to me that there is perhaps only one greater frustration than being out in the middle of a lake on a scorching hot day, with all of your food and cold pop gone, no fish biting, and your outboard motor not starting—and that is having to pay a boat tax masquerading as a user fee—dumb.

But you see, Mr. Speaker, my constituents are not dumb. They know fully well that the revenue raised by the so-called user fee does not go toward Coast Guard activities—it goes to the general treasury where it is used to fuel more out-of-control Federal spending. Furthermore, they know that this tax does not even apply to those bodies of water where there is no Coast Guard presence—not even buoys.

My constituents work hard all week so that they can take their boats out on the welcoming waters of Lake Michigan and relax with their families. Let us not deceptively tax them for this one simple pleasure.

I voted against this tax which was tucked away in the 1990 Budget Act, and since day one I have cosponsor the bill which repeals this tax, and I urge all of my colleagues to vote to repeal this tax today—now.

Mr. DREIER of California. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. CUNNINGHAM], a hard-working member of the Committee on Merchant Marine and Fisheries.

Mr. CUNNINGHAM. Mr. Speaker, I rise in strong support of H.R. 2056.

Mr. Speaker, I serve on the Committee on Merchant Marine and Fisheries, and I also have a lot of shipbuilding and ship repair interests within my district.

The last ship that was being built in the United States was the *R.J. Pfeiffer* that just set sail about 30-some days ago.

□ 1540

That is the last commercial ship being built within the United States,

and yet I have heard Members ask, "Well, why can't we hold off on this?"

How long do we have to hold off? There are no ships being built within the United States. The trade subsidies, the anticompetitiveness, the unfair trade practices exist.

Now, I support free trade, but this is not free trade if we allow foreign shipbuilders and ship repair facilities to accept subsidies and turn that back.

I have heard the argument that it is our unions that cause inflated prices. That has been disproven. It is not the unions. It is not our workers, but when Japan subsidizes its shipbuilding by \$3 billion it is very difficult to make up that difference. Our shipbuilders cannot compete. We need H.R. 2056 to protect our workers.

Mr. Speaker, I would ask my colleague when they talk about the creation of jobs, when they ask about the support of minorities, because in my district I have 70 percent of my constituents who are minorities, and the majority of the staffs and the workers who work in those shipyards are minorities. These are the middle-class people. These in many cases are the lower ranked people within the economic atmosphere.

If you do not support this bill, those are the folks we are going to be hurting, the blue collar, the middle American, the hard-working American who needs those jobs.

What happens is that countries like Japan do not have a government. They have business that runs their Government. We need to do the same thing and treat our industries more like business, and this bill does that.

Mr. BONIOR. Mr. Speaker, I yield 3 minutes to the gentleman from Virginia [Mr. MORAN].

Mr. MORAN. Mr. Speaker, I would like to rise today to join my colleagues in strong support for the Shipbuilding Trade Reform Act of 1992.

The shipbuilding and repair industry is one of the largest employers in the Commonwealth of Virginia. If the industry is allowed to die, the cost to the people of my district and my State will be overwhelming. Thousands of workers will lose their jobs and over 150 businesses in Virginia will either be closed or severely weakened.

If we allow our shipbuilding and repair industry to die, the cost in my State will be high, but the cost for our Nation as a whole will be even higher. If we lose our shipbuilding base—which is expected to happen by 1998—we will lose over 180,000 jobs across this country and will lose our competitive edge in both commercial and military shipbuilding technology. The potential cost to our security, however, is incalculable.

The root of our demise in the shipbuilding industries lies in foreign shipbuilding subsidies. Dollar for dollar, pound for pound, foreign ships simply

cannot compete with those built in the United States. We build better ships and we can sell those ships for less than our competitors. But we cannot compete against unfair trading practices and we cannot compete against foreign governments which subsidize their shipbuilding industries.

The reason to subsidize shipbuilding is simple. Every dollar spent on shipbuilding adds \$3 to the local economy. Every job created in shipbuilding industries creates three associated jobs. Yet in 1981, we decided to eliminate our subsidies without insisting that our major competitors do the same. Eleven years later—after 40 American shipbuilding yards have closed down and 120,000 American shipbuilding jobs have been exported to Europe, Korea, and Japan—we are forced to reevaluate our policy and reconsider the importance of the shipbuilding industry to the United States.

The bill we are considering today does not resubsidize the shipbuilding industry. It does not force American taxpayers to prop up a declining industry. It only seeks to level the international playing field and to allow our ships to compete with those built overseas. There are negotiations going on today which would accomplish these goals and obviate the need for this legislation. But that treaty could be years away and in the meantime, our industry will continue to whither and die.

I urge my colleagues to join me in protecting our shipbuilding industry and in voting for H.R. 2056 today.

Mr. BONIOR. Mr. Speaker, I yield 30 seconds to the gentleman from California [Mr. PANETTA], the chairman of our Committee on the Budget.

Mr. PANETTA. Mr. Speaker, I would just want to comment with regard to the repeal of the boat fees that are contained in this legislation.

I think while there are different views about whether or not these fees were responsible in the first place, I think it would have been irresponsible to have repealed this provision without replacing these revenues.

What we do include in here in order to replace the revenues are fees with regard to electronic access to the Federal Maritime Commission. So it is not just a question of repealing the boat fees. It is replacing them with other revenues so that in the end we do not simply add it to the deficit. For that I commend the committee for their action on that particular feature.

Mr. DREIER of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I urge opposition to this rule. It is a closed rule—restrictive—once again following that long line, and I hope my colleagues will all join in closing this out and we can go back upstairs and try to close out a rule which will be fair so that every Member may have a chance to have their amendments considered.

Mr. BONIOR. Mr. Speaker, I yield 2 minutes to the gentleman from Mississippi [Mr. TAYLOR].

Mr. TAYLOR of Mississippi. Mr. Speaker, I rise in strong support of H.R. 2056.

In my lifetime our Nation has gone from the world's second greatest maritime power to a Nation that is now 24th in the world of commercial shipbuilding.

In 1980, our Nation was building about 80 ships a year. Shortly thereafter, President Ronald Reagan recommended, and unfortunately this Congress approved the end of the shipbuilding subsidies in the United States of America. Unfortunately, it was the end of subsidies only in the United States of America.

You see, we ranked 24th in the world of commercial shipbuilding, but 16 countries in line ahead of us get some form of foreign aid from the United States. As a matter of fact, the cumulative total of that is \$3,820,000,000 in foreign aid that those 16 countries, that build more ships than we do, get in foreign aid.

Additionally, nine of the countries ahead of us in line receive substantial U.S. troop presence in their countries which again reduces their defense costs at the expense of the American taxpayer, for a total of over 300,000 American men and women in uniform protecting these countries so that they can free up money so that they can subsidize shipbuilding in their countries.

In other words, we have subsidized other countries so they can subsidize their shipbuilding, so that they can put 300,000 American workers out of work.

I would prefer to bring that to subsidies, Mr. Speaker, but that does not seem to be the temperament of this Congress, and the next best thing to that is seeing to it that we no longer subsidize those countries that subsidize their shipbuilding.

I think the Gibbons bill is at least an avenue to do that.

I also support removal of the boat-user fees.

I see this bill as a very effective means of accomplishing these two goals.

Mr. DREIER of California. Mr. Speaker, I am happy to yield 2 minutes to the gentleman from Wisconsin [Mr. PETRI].

Mr. PETRI. Mr. Speaker, I thank my colleagues for their courtesy, and I thank the gentleman for yielding me this time.

Mr. Speaker. I want to state my strong support for today's efforts to do away with the so-called Coast Guard user fee.

You know, it is entirely understandable why the public distrusts Congress. Just consider the false advertising which comes with the title of Coast Guard user fee.

First of all, it is not really a user fee at all. Rather, it is a tax.

User fees are supposed to help fund services which people receive. But the Government has done everything in its power to include waterways under the so-called user fee requirements which receive no real services from the Coast Guard whatsoever.

Further, user fees are commonly justified as necessary to enhanced the services which the users supposedly receive. But this is not the case even where the Coast Guard operates. And this is because the money does not go to the Coast Guard at all, but rather to the Treasury.

It is false to call this a Coast Guard user fee. Rather, a more correct title would be the Congress' annoying nothing for something fee.

This tax is doubly slick because, first, it is mislabeled; and second, because its supporters would have us conclude that only rich people own boats.

But nationwide, 52 percent of all boaters earn less than \$35,000 per year, and 74 percent of boaters earn less than \$50,000 per year. This is not boat user fee—it is a middle-class tax, a middle-class tax masquerading as a fee on the wealthy.

It is also a tax that specifically impacts Wisconsin's east coast. And I have to tell you, the boat owners and the businesses which depend on boating and tourism are paying plenty of taxes already. They are right to be angry that Congress singled them out for special treatment, while dressing up the effort in deceptive rhetoric. That is why I am keeping faith with the people of Wisconsin by insisting on repeal of the so-called user fee—which in reality is Congress' annoying nothing for something fee.

□ 1550

Mr. DREIER of California. Mr. Speaker, once again I will ask that my colleagues vote "no" on this rule. It is a restrictive closed rule.

Mr. Speaker, I am happy at this time to yield back the balance of my time.

Mr. BONIOR. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I hope that my colleagues will vote "yes" on the rule and "yes" on the bill, and we can then send this piece of legislation to the Senate and then to the President and the President can, on his day of relaxation in Maine, get in his boat, sail off the shore and thousands and thousands of Maine people can greet him on the ocean and cheer him on and wave and thank him for signing what they would consider, I think a very important piece of legislation.

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

The SPEAKER pro tempore. (Mr. McNULTY). Without objection, the previous question is ordered on the resolution.

There was no objection.

The SPEAKER pro tempore. The question is on the resolution.

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

Mr. DREIER of California. 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 290, nays 125, not voting 19, as follows:

[Roll No. 119]

YEAS—290

Abercrombie	Dwyer	Lehman (CA)
Ackerman	Early	Lehman (FL)
Alexander	Edwards (TX)	Lent
Anderson	Emerson	Levin (MI)
Andrews (ME)	English	Lewis (GA)
Andrews (NJ)	Erdreich	Lipinski
Andrews (TX)	Espy	Livingston
Annuzio	Evans	Lloyd
Anthony	Fawell	Long
Applegate	Fazio	Lowery (CA)
Aspin	Feighan	Lowey (NY)
Atkins	Fish	Luken
Bacchus	Flake	Machtley
Barnard	Foglietta	Manton
Bateman	Ford (MI)	Markey
Beilenson	Ford (TN)	Martinez
Bennett	Frank (MA)	Matsui
Bentley	Frost	Mavroules
Berman	Gaydos	Mazzoli
Bevill	Gelderson	McCloskey
Billbray	Gephardt	McCurdy
Blackwell	Geren	McDade
Boehler	Gibbons	McDermott
Boehner	Gilman	McGrath
Bonior	Glickman	McHugh
Borski	Gonzalez	McMillen (MD)
Boucher	Gordon	McNulty
Boxer	Gradison	Mfume
Brewster	Guarini	Miller (CA)
Brooks	Gunderson	Mineta
Browder	Hall (OH)	Mink
Brown	Hall (TX)	Mollohan
Bruce	Hamilton	Montgomery
Bustamante	Hammerschmidt	Moody
Byron	Harris	Moran
Callahan	Hayes (IL)	Murphy
Camp	Hayes (LA)	Murtha
Campbell (CO)	Hefner	Nagle
Cardin	Hertel	Natcher
Carper	Hoagland	Neal (MA)
Carr	Hochbrueckner	Neal (NC)
Chapman	Horn	Nowak
Clay	Horton	Oakar
Coleman (TX)	Hoyer	Oberstar
Collins (IL)	Hubbard	Obey
Collins (MI)	Huckaby	Olin
Condit	Hughes	Oliver
Conyers	Hunter	Ortiz
Cooper	Hutto	Orton
Costello	Jefferson	Owens (NY)
Cox (IL)	Jenkins	Owens (UT)
Coyne	Johnson (SD)	Packard
Cramer	Johnston	Pallone
Cunningham	Jones (GA)	Panetta
Darden	Jones (NC)	Pastor
Davis	Jontz	Patterson
de la Garza	Kanjorski	Payne (NJ)
DeFazio	Kaptur	Payne (VA)
DeLauro	Kennedy	Pease
Dellums	Kennelly	Pelosi
Derrick	Kildee	Penny
Dicks	Kleczka	Perkins
Dingell	Kopetski	Peterson (FL)
Dixon	Kostmayer	Peterson (MN)
Donnelly	LaFalce	Petri
Dooley	Lancaster	Pickett
Dorgan (ND)	Lantos	Pickle
Downey	LaRocco	Poshard
Durbin	Laughlin	Price

Quillen	Sikorski	Thornton
Rahall	Sisisky	Torres
Rangel	Skaggs	Torricelli
Ravenel	Skeen	Towns
Ray	Skelton	Trafcant
Reed	Slattery	Traxler
Richardson	Slaughter	Unsoeld
Ridge	Smith (FL)	Valentine
Ritter	Smith (IA)	Vander Jagt
Roe	Smith (NJ)	Vento
Roemer	Snowe	Visclosky
Rose	Solarz	Volkmer
Rostenkowski	Spence	Washington
Rowland	Spratt	Waters
Roybal	Stallings	Waxman
Russo	Stark	Weiss
Sabo	Stenholm	Weldon
Sanders	Stokes	Wheat
Sarpaluis	Studds	Whitten
Savage	Sweet	Williams
Sawyer	Swift	Wilson
Saxton	Synar	Wise
Scheuer	Tallon	Wolpe
Schroeder	Tanner	Wyden
Schulze	Tauzin	Yates
Schumer	Taylor (MS)	Yatron
Serrano	Taylor (NC)	Young (AK)
Sharp	Thomas (GA)	

NAYS—125

Allard	Goss	Myers
Allen	Grandy	Nichols
Archer	Green	Nussle
Armey	Hancock	Oxley
Baker	Hansen	Paxon
Ballenger	Hastert	Porter
Barrett	Hefley	Pursell
Barton	Henry	Ramstad
Bereuter	Herger	Regula
Billirakis	Hobson	Rhodes
Bliley	Holloway	Riggs
Broomfield	Hopkins	Rinaldo
Bunning	Houghton	Roberts
Burton	Hyde	Rogers
Campbell (CA)	Inhofe	Rohrabacher
Chandler	Ireland	Ros-Lehtinen
Clinger	Jacobs	Roth
Coble	James	Schaefer
Coleman (MO)	Johnson (CT)	Schiff
Combest	Johnson (TX)	Sensenbrenner
Coughlin	Kasich	Shaw
Cox (CA)	Klug	Shays
Crane	Kolbe	Shuster
DeLay	Kyl	Smith (OR)
Dickinson	Lagomarsino	Smith (TX)
Doolittle	Leach	Solomon
Dornan (CA)	Lewis (CA)	Stearns
Dreier	Lewis (FL)	Stump
Duncan	Marlenee	Sundquist
Eckart	Martin	Thomas (CA)
Edwards (OK)	McCandless	Thomas (WY)
Ewing	McCollum	Upton
Fasell	McEwen	Vucanovich
Fields	McMillan (NC)	Walker
Franks (CT)	Meyers	Walsh
Gallely	Michel	Weber
Gallo	Miller (OH)	Wolf
Gekas	Miller (WA)	Wylie
Gilchrest	Molinar	Young (FL)
Gillmor	Moorhead	Zeliff
Gingrich	Morella	Zimmer
Goodling	Morrison	

NOT VOTING—19

AuCoin	Hatcher	Parker
Bryant	Kolter	Roukema
Clement	Levine (CA)	Sangmeister
Dannemeyer	Lightfoot	Santorum
Dymally	McCrery	Staggers
Edwards (CA)	Moakley	
Engel	Mrazek	

□ 1612

The Clerk announced the following pair:

On this vote:

Mr. Dymally for, with Mrs. Roukema against.

Mr. PURSELL changed his vote from "yea" to "nay."

Mr. LAUGHLIN changed his 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.

GENERAL LEAVE

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks, and include therein extraneous material, on H.R. 2056.

The SPEAKER pro tempore (Mr. McNULTY). Is there objection to the request of the gentleman from Illinois?

There was no objection.

COMMUNICATION FROM CHAIRMAN OF COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

The SPEAKER pro tempore laid before the House the following communication from the chairman of the Committee on Public Works and Transportation, which was read and, without objection, referred to the Committee on Appropriations:

COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION,
Washington, DC, April 30, 1992.

Hon. THOMAS S. FOLEY,
Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Enclosed are copies of resolutions adopted by the Committee on Public Works and Transportation on April 30, 1992. These resolutions authorize studies of potential water resources projects by the Army Corps of Engineers in accordance with the provisions of section 4 of the Act of March 4, 1913.

Sincerely,

ROBERT A. ROE,
Chairman.

There was no objection.

NATIONAL YOUTH APPRENTICESHIP ACT OF 1992—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 102-329)

The SPEAKER pro tempore 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 Education and Labor and ordered to be printed:

To the Congress of the United States:

I am pleased to transmit herewith for your immediate consideration the "National Youth Apprenticeship Act of 1992." Also transmitted is a section-by-section analysis.

This legislation would establish a national framework for implementing comprehensive youth apprenticeship programs. These programs would be a high-quality learning alternative for preparing young people to be valuable and productive members of the 21st

century work force. Although this framework has been designed to be comprehensive and national in scope, it is also flexible enough to allow States to customize the model to economic, demographic, and other local conditions.

I am proposing this legislation in order to promote a comprehensive approach for helping our youth make the transition from school to the workplace and strive to reach high levels of academic achievement. The lack of such an approach is one very important reason that a significant proportion of American youth do not possess the necessary skills to meet employer requirements for entry level positions.

There is widespread agreement that the time has come to strengthen the connection between the academic subjects taught in our schools and the demands of the modern, high-technology workplace. Work-based learning models have proven to be effective approaches for preparing youth at the secondary school level.

Under my proposal, a student could enter a youth apprenticeship program in the 11th or 12th grade. Before reaching these grades, students would receive career and academic guidance to prepare them for entry into youth apprenticeship programs. Particular programs may end with graduation from high school or continue for up to an additional 2 years of postsecondary education. In addition to the high school diploma, all youth apprentices would earn a certificate of competency and quality for a postsecondary program, a registered apprenticeship program, or employment.

A youth apprentice would receive academic instruction, job training, and work experience. The program is intended to attract and develop high-quality, motivated students. Standards of academic achievement, consistent with voluntary, national standards, will apply to all academic instruction, including the required instruction in the core subjects of English, mathematics, science, history, and geography. Students also would be expected to demonstrate mastery of job skills.

My proposal provides for vigorous involvement at the Federal, State, and local levels to ensure the success of the program. It also requires that employers, schools, students, and parents promise to work together to achieve the program goals. Enactment of my proposal will result in national standards applicable to all youth apprenticeship programs. Thus, upon completion of the program, the youth apprentice will have a portable credential that will be recognized wherever the individual may go to seek employment or pursue further education and training.

I believe that the time has come for a national, comprehensive approach to work-based learning. The bill I am proposing would establish a formal process

in which business, labor, and education would form partnerships to motivate the Nation's young people to stay in school and become productive citizens. It will provide American youth the opportunity to gain marketable and portable skills while establishing a relationship with a prospective employer.

I urge the Congress to give swift and favorable consideration to the National Youth Apprenticeship Act of 1992.

GEORGE BUSH.

THE WHITE HOUSE, May 13, 1992.

SHIP BUILDING TRADE REFORM ACT OF 1992

The SPEAKER pro tempore. Pursuant to House Resolution 443 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2056.

□ 1615

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 consideration of the bill (H.R. 2056) to amend the Tariff Act of 1930 to require that subsidy information regarding vessels be provided upon entry within customs collection districts and to provide effective trade remedies under the countervailing and antidumping duty laws against foreign-built ships that are subsidized or dumped, with Ms. PELOSI in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Illinois [Mr. ROSTENKOWSKI] will be recognized for 15 minutes, the gentleman from Texas [Mr. ARCHER] will be recognized for 15 minutes, the gentleman from North Carolina [Mr. JONES] will be recognized for 15 minutes, and the gentleman from Michigan [Mr. DAVIS] will be recognized for 15 minutes.

The Chair recognizes the gentleman from Illinois [Mr. ROSTENKOWSKI].

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

Madam Chairman, I rise in support of H.R. 2056, the Shipbuilding Trade Reform Act of 1992. This legislation is designed to ensure fair international trade in the commercial ship building and repair industry by enacting new trade remedies against subsidized and dumped foreign built commercial vessels. No such trade remedies are available under current law. The bill also provides for a phased repeal of the recreational vessel user fee beginning in fiscal 1993. It would offset this loss of revenue by charging a small computer access fee through fiscal year 1995 for access to the Federal Maritime Commission's organized tariff data.

Madam Chairman, the U.S. ship building industry has been virtually

shut out of the global commercial ship building market since the U.S. Government terminated subsidies to our shipyards in 1981 without insisting that foreign governments do likewise. Our industry, which had then to rely primarily on the construction of vessels for the U.S. military, lost a third of its capacity and nearly 60,000 jobs in the 1980's. Another 60,000 jobs were lost in industries that supply materials and equipment to the shipyards.

The U.S. shipyards that survived the 1980's by building and repairing ships for the U.S. Navy now find that this business is also in jeopardy as our defense budget is reduced. Indeed, it is estimated that, unless U.S. shipyards return to the global commercial market, an additional 180,000 Americans could lose their jobs by 1998. However, if U.S. shipbuilders are to compete in the commercial market, they must be able to compete on a level playing field and not be forced to compete against huge foreign government subsidies.

We have waited patiently since July 1989 for the administration to try to negotiate rules on shipbuilding subsidies in the OECD. Those negotiations have broken down and there is no indication they will ever resume. Unfortunately, the administration has never offered any alternative to the hope that there may be an international agreement someday. The U.S. ship building industry can no longer afford to wait. The time for legislative action has arrived.

Madam Chairman, the Committee on Ways and Means worked carefully with Chairman JONES and the Committee on Merchant Marine and Fisheries in fashioning this legislation. Both committees made substantial changes to the bill as it was introduced in order to address the legitimate concerns raised by those who expressed misgivings about the bill, particularly U.S. shipowners and operators, and U.S. ports. By making the bill apply only to ships built after the date of enactment, by clarifying to which foreign shipyards the bill will apply, by altering the provisions on repair subsidies, and by making a number of technical changes, I believe that the two committees were able to craft a piece of legislation that takes into account the interests of all segments of the maritime industry.

Madam Chairman, it is important that we maintain a viable ship building industry in this country. For that reason, this legislation deserves the support of the House. I hope that my colleagues will join me in supporting this bill today.

Because there is no report for H.R. 2056 as it is being considered by the House, I am attaching an explanation of the bill and anticipate that this explanation will be treated as legislative history.

EXPLANATION OF AMENDMENT TO H.R. 2056 (SHIPBUILDING TRADE REFORM ACT OF 1992)

I. LEGISLATIVE BACKGROUND

Background of H.R. 2056

H.R. 2056 was reported on November 4, 1991 (H. Rept. 102-284, Part 1), by the Committee on Ways and Means ("Ways and Means"), and was sequentially referred to the Committee on Merchant Marine and Fisheries ("Merchant Marine"). Merchant Marine ordered the bill reported on March 6, 1992, with an amendment as a substitute (H. Rept. 102-284, Part 2). As originally reported by Ways and Means, H.R. 2056 would amend the Tariff Act of 1930 to require that a document certifying that a vessel is subsidy free be provided as a condition of entry of that vessel into customs collection districts and to provide remedies under the countervailing and antidumping laws against foreign-built ships that are subsidized or dumped.

Summary of H.R. 2056 as reported by Merchant Marine

Merchant Marine approved five changes to H.R. 2056. First, with respect to the provisions of H.R. 2056 that provide trade remedies against subsidized and dumped foreign commercial ships, the bill as reported by Merchant Marine includes a number of changes related to the effective date, a listing by the Secretary of Commerce of subsidized foreign shipyards, repairs, agreements with foreign nations, and certain maritime promotion programs.

Second, as reported by Merchant Marine, the bill includes a phased repeal, beginning in fiscal year 1993, of the annual Coast Guard recreational boat user fee ("boat user fee") imposed by section 10401 of the Omnibus Budget Reconciliation Act of 1990 ("1990 Act").

Third, as reported by Merchant Marine, the bill includes a provision intended to raise offsetting revenues for the phased repeal of the boat user fee by imposing a fee on persons directly or indirectly electronically using certain tariff information available from the Federal Maritime Commission ("FMC"), effective on June 1, 1992 (the "FMC access fee").

Fourth, as reported by Merchant Marine, the bill establishes a Strategic Sealift Fund ("Sealift Fund") in the Treasury. Amounts raised by the FMC access fee in excess of FMC requirements for the electronic data base would be credited to the Sealift Fund to be available for future authorizations for U.S. sealift requirements.

Fifth, as reported by Merchant Marine, the bill expands the definition of vessels eligible for the capital construction fund provisions of the Merchant Marine Act, 1936 and the Internal Revenue Code of 1986 to include certain vessels constructed or reconstructed in foreign ports.

Substitute amendment to H.R. 2056

On April 1, 1992, Ways and Means authorized the Chairman to offer a substitute amendment ("the amendment") to the provisions of H.R. 2056 as reported by Merchant Marine and Ways and Means. On April 29, 1992, the Committee on Rules adopted a rule on H.R. 2056, to allow the amendment to be considered as original text for consideration of H.R. 2056.

The amendment is summarized in Part II following. The amendment does not include the Merchant Marine provisions relating to the Sealift Fund or the capital construction fund.

II. SUMMARY OF THE AMENDMENT

Title I—Fair Trade for the Commercial Shipbuilding and Repair Industry

Title I of the amendment generally includes the provisions of Title I of H.R. 2056 as reported by Merchant Marine.

The purpose of Title I of the amendment is to amend the Tariff Act of 1930, as amended, to ensure fair international trade practices in the commercial shipbuilding and repair industries by establishing trade remedies against commercial ships constructed in subsidized foreign shipyards and, in some cases, dumped on the world shipping market after construction. The amendment requires the master of any self-propelled, sea-going vessel weighing at least 100 tons to present a construction subsidy certification to the U.S. Customs Service as a condition of formal entry of the vessel. Entry of the vessel would be denied without the presentation of the certification. This document would certify that any construction or reconstruction of the vessel meets one of seven requirements which ensures that the vessel is, in essence, subsidy-free or was constructed prior to the date of enactment of the bill. The Secretary of Commerce is required to establish and maintain a list of foreign subsidized shipyards (the "black list"). Any ship not built in a shipyard on the "black list" would be automatically entitled to a construction subsidy certification.

Title I also provides a separate method for dealing with foreign repair subsidies under which the owner or master of a vessel must file with the U.S. Customs Service a repair subsidy declaration upon entry of the vessel. If the repair were performed in a subsidized foreign shipyard on the "black list" maintained by the Secretary of Commerce, a surcharge in the amount of two times the value of the repairs must be filed to cover the eventual duties that would have to be paid to offset the amount of the subsidy.

Title I establishes procedures for obtaining certifications, and for investigations by the Secretary of Commerce to ascertain whether a subsidy, in the context of this certification requirement or the repair declaration, has been granted or provided to a particular vessel. False certifications or declarations may lead to civil and criminal penalties under section 436 of the Tariff Act, as well as payment to the U.S. Treasury for the amount of subsidy received.

Title I also amends Title VII of the Tariff Act of 1930, as amended, to authorize the application of countervailing or antidumping duties to purchases of dumped or subsidized vessels by U.S. persons.

Title II—Revenue Provisions

Title II of the amendment provides a phased repeal of the boat user fee and includes an FMC access fee to provide sufficient offsetting revenues to the repeal of the boat user fee.

Boat user fee

The amendment modifies the boat user fee repeal schedule under H.R. 2056 as reported by Merchant Marine, and provides a phased repeal of the boat user fee in fiscal years 1993 and 1994. After fiscal year 1994, the boat user fee is completely repealed.

FMC access fee

The amendment modifies the FMC access fee under H.R. 2056 as reported by Merchant Marine by increasing the fee from 35 cents per minute to 46 cents per minute. As modified, the FMC access fee is effective June 1, 1992–September 30, 1995. The revenues from the FMC access fee are retained in the General Fund.

III. EXPLANATION OF THE AMENDMENT

Title I—Fair Trade for the Commercial Shipbuilding and Repair Industry

Congressional Findings and Purpose (Sec. 102)

Section 102(a) sets forth the findings by Congress related to foreign shipbuilding subsidies. These findings include:

(1) That Congress terminated funding for the last direct subsidy program for U.S. shipyards, the Construction-Differential Subsidy Program, in 1981.

(2) That the international shipbuilding market is distorted by many forms of foreign subsidies.

(3) That existing U.S. trade laws provide limited remedies to counter foreign shipbuilding subsidy practices which distort free and fair trade.

(4) That a multilateral agreement to eliminate shipbuilding subsidies is the best means of providing fair international competition.

Section 102(b) states that the purpose of the title is to ensure fair trade in the commercial shipbuilding and repair industry by enacting new trade remedies against subsidized and dumped foreign-built commercial vessels.

Subsidized Shipyard List and Required Vessel Entry Documentation Regarding Construction and Repair Subsidies (Sec. 103)

Present law

Part II of Title IV of the Tariff Act of 1930, as amended, (19 U.S.C. 1431 et seq.) establishes the rules and procedures for the report, entry, and unloading of vessels and vehicles. Sections 431–432 of that Act provide the requirements for manifests. Sections 433–435 of that Act provide the requirements for arrival and entry of American and foreign vessels. Under these provisions, the general rule is that the master of any foreign vessel, or of any American vessel arriving from a foreign port or place, arriving within the limits of any customs collection district is required, within 48 hours, to make formal entry of the vessel at the customhouse.

Section 436 of that Act sets forth penalties for violations of arrival, reporting, and entry requirements. It is unlawful to fail to report on arrival; to present any forged, altered, or false document, paper, or manifest to a customs officer without revealing the facts; to fail to make entry; or to fail to comply with, or violate, any regulation prescribed under these sections. Violators shall be liable for a civil penalty of \$5,000 for the first violation, and \$10,000 for each subsequent violation, and any vessel used in connection with any such violation is subject to seizure and forfeiture. In addition, any master who intentionally commits any violation is, upon conviction, liable for criminal penalties of a fine of not more than \$2,000, or imprisonment for one year, or both.

Explanation of Provisions

Tariff Act amendments

Section 103(a) amends the Tariff Act of 1930 (19 U.S.C. 1431 et seq.) by adding sections 435A–435D to that Act.

Section 435A—Listing of subsidized shipyards

New section 435A(a) of the Tariff Act of 1930 requires the administering authority to establish a list (the "black list") of those foreign shipyards that receive or benefit from, directly or indirectly, a subsidy for the construction or repair of vessels.

Section 103(b) of the amendment provides transitional provisions for this listing. Under section 103(b), the initial list will contain those foreign shipyards in those countries which are being subsidized by their govern-

ments, including specifically those shipyards in those countries which are parties to OECD Working Party 6. Those shipyards will remain on the "black list" until either the foreign country signs a trade agreement with the United States which provides for the elimination of subsidies or the administering authority, after an investigation, publishes a new list of shipyards which are subsidized under section 103(b)(2).

New section 435A(b) allows the administering authority to conduct an investigation when there is reason to believe that a foreign shipyard receives or benefits from, directly or indirectly, a subsidy for the construction or repair of vessels. If a foreign shipyard is found to be receiving subsidies, it is added to the list.

New section 435A(c) requires the administering authority to make a determination after an investigation as to whether the shipyard that was investigated receives or benefits from, directly or indirectly, any subsidy for the construction or repair of vessels. If a positive determination is made that a foreign shipyard is the beneficiary of a subsidy, the administering authority is required to add the shipyard to the "black list", notify the shipyard of its inclusion on the "black list", and publish notice of that determination and listing the Federal Register.

New section 435A(d)(1) allows the administering authority to add a shipyard to the list prior to the investigation under 435A(b) or the determination under 435A(c) if it has a "reasonable basis to suspect" that a shipyard may be receiving a subsidy. This "emergency listing" is followed by an investigation which must be completed in 90 days. (See section 435A(d)(2).)

The decision to place a shipyard on the list on an emergency basis is not reviewable prior to completion of the investigation. (See section 435D(b).) Whether the shipyard is placed on the list after the investigation under section 435A(b) or after the investigation under section 435A(d)(2), a shipyard has the right to have that determination reviewed by the administering authority under section 435A(e).

New section 435A(f) allows a foreign shipyard to request reconsideration of a listing based on changed circumstances. However, the applicant has the "burden of persuasion" and may not make more than one application per year. The applicant shipyard may only be removed from the list if the foreign shipyard has proved that it does not receive a subsidy or the country in which the shipyard is located has signed an appropriate bilateral agreement that provides for the immediate elimination of construction and repair subsidies.

New section 435A(g) requires the administering authority to place a foreign shipyard on the "black list" for a minimum of five years if the foreign shipyard or its government provide the administering authority with false or misleading information during an investigation or if any new subsidies are implemented.

New section 435A(h) allows a civil action against the United States Government for failure to use due diligence in conducting an investigation or in listing a subsidized shipyard on the "black list".

Section 435B—Construction subsidy certification required of vessels

New section 435B(a) of the Tariff Act of 1930 requires the master of a vessel to deposit with the appropriate customs officer, at the time of making formal entry of the vessel under section 434 or 435, a construction subsidy certification for the vessel. Pre-

sentment of a subsidy certification is an affirmative requirement for formal entry of the vessel; if no certification is presented to the customs officer, then entry of the vessel must be denied.

New section 435B(b) provides the standards for the issuance of a construction subsidy certification. The construction subsidy certification must either be issued by the administering authority (i.e., the Secretary of Commerce, who makes similar subsidy determinations under the countervailing duty law) in response to an application for a subsidy certification filed under subsection (b)(3), or be in such form as the administering authority shall prescribe and signed by the vessel's owner or builder. The certification must also attest that any construction subsidy carried out with respect to the vessel meets at least one of the following seven conditions:

(A) No subsidy was granted or otherwise provided with respect to the construction;

(B) The construction was carried out with the benefit of one or more subsidies all of which were granted or otherwise provided before date of enactment;

(C) The construction was carried out pursuant to a specific contract entered into before October 16, 1991;

(D) The construction was carried out with the benefit of one or more subsidies that were granted or otherwise provided during the 2-year period beginning on date of enactment, but an amount equal to the value of each such subsidy was repaid before the second anniversary of such date of enactment to the agency that granted or otherwise provided the subsidy;

(E) The construction was carried out with the benefit of one or more subsidies that were granted or provided on or after date of enactment, but an amount equal to the value of such subsidy (reduced by any amount repaid under (D)) has been paid to the U.S. Treasury;

(F) The construction was carried out in a foreign country which is a signatory to a trade agreement with the United States that provides for the elimination of construction subsidies for vessels; or

(G) The construction was carried out in a shipyard that, at the time of contracting for construction of the vessel, was not on the list established under section 435A(a) (i.e., the "black list").

New section 435B(c) provides that, if the Secretary of the Treasury has reason to believe that an unlawful act under section 436 of the Tariff Act of 1930, as amended, with respect to the construction subsidy certification has been committed, the Secretary shall undertake such investigation as may be necessary to ascertain whether action against the master or the vessel, or both, is warranted. Furthermore, the Secretary shall inform the administering authority if he discovers, during the course of his investigation, that the vessel in question does not meet the certification requirements of the law.

New section 435B(d) deals with the issuance of construction subsidy certifications by the administering authority. Application for a subsidy certification may be made by the owner or lessee of a vessel, or the builder of a vessel. Applications shall be made to the administering authority and must be accompanied by such supporting documentation as required for the purposes of establishing the eligibility of the vessel for such certification. The administering authority shall decide within 90 days of receiving any application whether to issue or deny the subsidy

certification. Such decision shall be made publicly available. If an application for a subsidy certification is denied or conditioned, the administering authority must provide the applicant with a written statement of the reasons for the denial or condition. The applicant may, within 14 days thereafter, request a review by the administering authority under subsection (e)(3).

New section 435B(e) sets out the procedures for determinations and reviews relating to construction subsidy certifications. The administering authority shall, on the basis of either information available to it, information provided by the Secretary of Treasury, or petition from an interested third party, initiate a preliminary investigation to decide whether there is reasonable cause to believe that a vessel does not meet the construction subsidy certification requirements. If the administering authority determines that the construction subsidy certification requirements have not been met, the administering authority shall set forth in the determination what corrective action must be taken. (Usually, this will entail payment in the amount of the subsidy to the U.S. Treasury.) The builder of the vessel shall be primarily responsible, and the vessel owner or operator secondarily responsible, for taking any corrective action. Until such corrective action is taken and a valid construction subsidy certification for the vessel is issued, neither that vessel, nor any other vessel that is owned or leased by the owner of that vessel may arrive at, or remain, at any port or place in the United States.

Section 435C—Declaration of repair subsidies required of vessels for entry

New section 435C provides a procedure for determinations of repair subsidies separate from the procedure used for construction subsidy certifications made under section 435B. This is because repairs are made to vessels which are currently engaged in commerce, as contrasted to vessels to be built that have not yet entered into commerce. Section 435C is designed to achieve the same objectives for repair subsidies as section 435B is designed to achieve for construction subsidies, without requiring vessels to be tied up in port while the repair subsidy determinations are made.

New section 435C(a)(1) requires the owner or master of a vessel to deposit with the U.S. Customs service a repair subsidy declaration on the entering vessel. The declaration will provide information on repairs to the vessel since the last entry, the name of the foreign shipyard, and the value of the repairs. If the repairs were made in a shipyard on the "black list," then the owner or master is required to file a surety in the amount of two times the value of the repairs. Upon the filing of the surety, the vessel is free to clear customs as originally scheduled. A preliminary determination of the actual amount owed is made by the administering authority within 30 days after the application by the vessel owner. At any time before the preliminary finding is made, an interested party may file information with the administering authority regarding the validity or accuracy of the information provided by the master or the vessel's owner. Both the owner or an interested party may petition for review within 15 days after the preliminary finding. A "final" repair determination is made within 30 days of the petition for review. Payment is required within 30 days after the final repair determination.

Section 435D—Definitions and administrative provisions related to determinations and reviews under sections 435A, 435B, and 435C

The amendment establishes, within new section 435D(a), definitions for terms used.

Subsection (a)(1) provides a definition of the term "administering authority" as the officer of the United States responsible for determining under Subtitle A of Title VII (the countervailing duty law) whether subsidies are provided with respect to imported merchandise. This means the Secretary of Commerce.

Subsection (a)(2) provides a definition of the term "construction" to include reconstruction.

Subsection (a)(3) provides a definition of the term "interested party" to include a person that engages in ship construction in the United States; a certified union or recognized union or group of workers which is representative of an industry that engages in ship construction in the United States; a trade or business association, a majority of whose members engage in ship construction in the United States; and an association, a majority of whose members is composed of interested parties described in the previous three categories with respect to ship construction.

Subsection (a)(4) defines the term "foreign shipyard" to include a ship construction or repair facility located in a foreign country that is directly or indirectly owned, controlled, managed, or financed by a foreign shipyard that receives or benefits from a subsidy.

Subsection (a)(5) provides a definition of the term "subsidy" which includes eight types of policies and practices that directly or indirectly support shipbuilding and repair activities.

New section 436D(b) details the hearing and review procedures applicable to determinations and reviews made under the section relating to the listing of subsidized shipyards (section 435A), the construction subsidy certifications (section 435B), and the repair determinations (section 435C). Procedures for judicial review are contained in the existing section 516(a) of the Tariff Act of 1930 (19 U.S.C. 1516a) and are incorporated by reference.

New section 436D also contains provisions on proprietary information, verification of information, and best information available which incorporate by reference the standards and procedures currently followed by the administering authority in its antidumping and countervailing duty investigations under Title VII of the Tariff Act.

Transitional amendments

Section 103(b)(1) of the amendment provides that all shipyards, including those shipyards in those countries that are parties to OECD Working Party 6, are deemed to be on the initial list prescribed under section 435A of the Tariff Act of 1930 unless the administering authority determines by clear and convincing evidence that a foreign shipyard does not receive or benefit from subsidies. These shipyards remain on the "statutory" list until a new list is published after an investigation or until these countries sign an appropriate trade agreement with the United States.

Section 103(b)(2) of the amendment requires the administering authority to conduct an investigation of all foreign shipyards within the first 120 days and make a determination as to whether or not they receive or benefit from, directly or indirectly, a subsidy for the construction or repair of vessels.

If a shipyard is determined to be the beneficiary of any subsidy, notification of that determination must also be published in the Federal Register.

Section 103(c) of the amendment delays the effective date of new section 435A(h) of the Tariff Act of 1930, which provides for civil actions against the United States government for failure of the administering authority to investigate a foreign shipyard, make a determination as to whether that shipyard is the beneficiary of a subsidy, and add that shipyard to the "black list".

Section 103(d) of the amendment clarifies that new section 435C of the Tariff Act of 1930 only applies to repairs made to a vessel under a contract entered into after the date of enactment of the bill.

Conforming Amendments (Sec. 104)

Section 104 of the amendment makes conforming amendments to sections 434 and 436 of the Tariff Act of 1930 consistent with the objectives and provisions of the rest of Title I.

Treatment of Vessels Under the Countervailing and Antidumping Duty Laws (Sec. 105)

Present law

Title VII of the Tariff Act of 1930, as amended, authorizes the imposition of antidumping or countervailing duties on foreign merchandise that is being sold at less than its fair value or is subsidized, when such imports are causing material injury to a domestic industry. Under the Tariff Act of 1930, vessels are not considered "merchandise", and "entry" of vessels is different than "entry" of merchandise.

Explanation of provision

Section 105(a) of the amendment adds a new section 771C to the Tariff Act of 1930, providing for special rules in applying the antidumping and countervailing duty authorities to foreign-made vessels.

For purposes of Title VII of the Tariff Act, the term "vessel" is defined as any vessel of a kind described in heading 8901 or 8902.00.00 of the Harmonized Tariff Schedule of not less than 100 gross tons, as measured under the international convention on tonnage measurement of ships, 1969. The amendment further provides that vessels are deemed to be merchandise for purposes of Title VII.

In applying the antidumping and countervailing duty authorities, a vessel shall be treated as "sold for importation into the United States" when a U.S. person enters into a contract for the construction, repair, or purchase of the vessel from the builder. A vessel sold for importation into the United States shall be treated as being "offered for entry for consumption under the tariff laws" at the time of its first arrival at a port or place in the United States, regardless of where the vessel is registered or documented.

Section 105(b) provides that these new antidumping and countervailing duty provisions apply only to vessels built or repaired under a contract entered into after the date of enactment of the bill.

The amendments under section 105 would be effective upon date of enactment. In order for antidumping or countervailing duties to be assessed upon sales of foreign-made vessels, there must first be an investigation initiated under Title VII of the Tariff Act, and the requisite affirmative determinations made by the International Trade Commission and the administering authority. Consistent with existing rules and procedures under Title VII of the Tariff Act, future entries (i.e., first arrivals at a port or place in the United States after construction, reconstruction, or repair) would then be subject to

the posting of estimated duties and final assessment of duties.

United States Construction Subsidy Programs (Sec. 106)

Section 106 of the amendment amends the Merchant Marine Act of 1936 to allow various capital formation and acquisition programs for U.S.-flag vessels to be used in foreign shipyards, as well as U.S. shipyards, if the vessel is not built with the aid of a foreign subsidy. Under the amendments made by section 106:

(1) U.S.-flag liner vessels built without the aid of subsidy in a foreign shipyard under a contract entered into after October 16, 1991, will be allowed to carry government-impelled cargoes without waiting three years;

(2) U.S.-flag vessel owners will be eligible for operating-differential subsidies if their vessels are built in a foreign shipyard without the aid of a subsidy under a contract entered into after October 16, 1991; and

(3) U.S.-flag vessels owners will be eligible for Title XI loan guarantees on vessels built in a foreign shipyard without the aid of subsidy under a contract entered into after October 16, 1991.

However, the Secretary of Transportation would have to give priority consideration to vessels built for the coastwise trades over vessels built for foreign commerce.

Cost Estimate (Sec. 107)

Section 107 of the amendment provides the cost estimate of Title I. This cost estimate shows no increase in the budget deficit as a result of Title I.

Title II.—Revenue Provisions

Present Law

Boat user fee

Under the 1990 Act, the Secretary of Transportation is directed to establish a "fee or charge" to be collected annually in fiscal years 1991-1995 from owners or operators of "recreational vessels" greater than 16 feet in length. The boat user fee is to be imposed as follows: (a) for vessels of greater than 16 feet but less than 20 feet, not more than \$25; (b) for vessels of 20 feet but less than 27 feet, not more than \$35; (c) for vessels of 27 feet but less than 40 feet, not more than \$50; and (d) for vessels of 40 feet or more, not more than \$100.

The Coast Guard issued rules implementing the boat user fee, at the maximum levels allowed under the 1990 Act, effective July 31, 1991.¹ Subject to several exemptions provided by the 1990 Act and/or by the Coast Guard rules, the boat user fee applies to vessels operated on the navigable waters of the United States where the Coast Guard has a presence. Among the exempt vessels are: manually powered boats (e.g., canoes, kayaks, and rafts), sailboards, vessel tenders, unpowered houseboats, and vessels of nonprofit organizations.

Revenues from the boat user fee are deposited in the General Fund of the Treasury as offsetting receipts for Coast Guard activities.

FMC tariff data

Water common carriers in United States foreign and domestic offshore shipping are required to file tariffs with the Federal Maritime Commission. These tariffs and service contracts are currently filed on paper.

In recent years, the FMC has been designing a computer system to allow water common carriers to file the tariffs electronically. This computer system is known as the Automated Tariff Filing and Information

System ("ATFI"). The electronically filed tariff information will be the information currently required to be filed under section 8(a)(1) of the Shipping Act of 1984 (46 App. U.S.C. 1707), and includes all rates, charges, classifications, rules and practices assessed by a carrier between all points or ports on a route and any through transportation rate a carrier has established.

It is understood that the FMC plans to sell this tariff data to persons in bulk. Commercial vendors then could resell the information to carriers, shippers, and freight forwarders. The information also could be obtained from the FMC by remote computer access.

Reasons for Change

It is believed that the boat user fee should be repealed to the extent possible without increasing the budget deficit. Because offsetting revenues have to be provided under the "pay-as-you-go" provisions of the 1990 Budget Act, the amendment replaces the revenues from a phased repeal of the boat user fee with sufficient revenues from an FMC access fee.

Explanation of Provisions

Boat user fee (sec. 201)

The amendment modifies the boat user fee repeal schedule under H.R. 2056 as reported by Merchant Marine, and provides a phased repeal of the boat user fee, beginning in fiscal year 1993. Under the amendment for fiscal years 1993 and 1994, the boat user fee is to be imposed under the following schedule—²

Boat length, and amount of fee

Fiscal year 1993:

More than 21 feet, but less than 27 feet, not more than \$35/year; 27 feet, but less than 40 feet, not more than \$50/year; 40 feet or more, not more than \$100/year.

Fiscal year 1994:

More than 37 feet, but less than 40 feet, not more than \$50/year; 40 feet or more, not more than \$100/year.

The boat user fee is completely repealed after fiscal year 1994 (i.e., after September 30, 1994).

FMC Access Fee (Sec. 202)

Imposition of fee

The amendment modifies the FMC access fee under H.R. 2056 as reported by Merchant Marine by increasing the fee from 35 cents per minute to 46 cents per minute, in order to provide sufficient revenue to offset the phased repeal of the boat user fee and to prevent a possible sequester under the pay-go provisions of the Budget Act.

The amendment requires that water common carrier tariffs be filed electronically not later than June 1, 1992, and imposes a fee of 46 cents for each minute of remote computer access to the information in the ATFI. Purchases of the entire database in the ATFI will be allowed. If the purchased information (or access thereto) is then used by the purchaser, resold or otherwise disseminated ("secondary use"), the 46 cents per minute fee applies for each separate computer access to the information. There is no charge for filing of the tariffs with the FMC. Federal agencies using this information are exempt from the fee.

The FMC access fee will expire after September 30, 1995.

The revenues from the FMC access fee in excess of the amounts necessary for FMC administrative costs are to be retained in the General Fund, as offsetting budget receipts.

²Boats with lengths less than the smallest category will not be subject to the boat user fee.

¹See Federal Register, July 1, 1991.

Repayable advances

The Secretary of the Treasury is to make available to the FMC, as a repayable advance in fiscal year 1992, not more than \$4 million, to remain available until expended, for FMC use in completing and upgrading the capacity of the ATFI system. Such repayable advances are to be repaid (with interest) to the Treasury not later than September 30, 1995.

Effective Date

The phased reduction of the boat user fee begins on October 1, 1992, and the fee is completely repealed after September 30, 1994.

The provision imposing the FMC access fee is effective on June 1, 1992.

IV. BUDGET EFFECTS OF THE AMENDMENT

The Congressional Budget Office (CBO) has submitted the following cost estimate for the proposed substitute amendment to H.R. 2056.

In summary, CBO indicates that Title I of the amendment has no effect on budget receipts. Title II would result in a net increase in budget offsetting receipts of \$466 million over fiscal years 1992-1996 from the phased repeal of the boat user fee and the imposition of the FMC access fee.

U.S. CONGRESS,

CONGRESSIONAL BUDGET OFFICE,

Washington, DC, April 7, 1992.

Hon. DAN ROSTENKOWSKI,

Chairman, Committee on Ways and Means, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the attached cost estimate for H.R. 2056, the Shipbuilding Trade Reform Act of 1991. Because enactment of H.R. 2056 would affect direct spending, we have provided an attachment with the estimate required by clause 8 of House Rule XXI.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

ROBERT D. REISCHAUER,
Director.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill number: H.R. 2056.
2. Bill title: The Shipbuilding Trade Reform Act of 1991.
3. Bill status: As approved by the House Committee on Ways and Means on April 1, 1992.
4. Bill purpose: Title I of H.R. 2056 would mandate the creation of a list of foreign shipyard that receive or benefit from subsidies on the construction or repair of vessels. The bill also would require all vessels to present a subsidy certification issued by the Secretary of Commerce in order to enter a U.S. port. To receive the certification, the owners, lessees, or builders of the vessel would have to verify that the vessel meets at least one of seven conditions. First, in the construction, reconstruction, or repair of the vessel, no subsidy was granted. Second, no subsidy was granted after the date of enactment of H.R. 2056. Third, the construction occurred pursuant to a specific contract entered into before October 16, 1991. Fourth, a subsidy was granted after the date of enactment, but repaid to the subsidizing authority before the second anniversary of enactment of the bill. Fifth, a subsidy was granted after enactment, but an amount equal to the subsidy was paid to the U.S. Treasury. Sixth, the foreign country in which the construction was undertaken has signed with the U.S. a trade agreement in which that country agreed to eliminate shipbuilding subsidies. Seventh, the vessel was constructed in a shipyard that, at the time of the contracting was not on the list of foreign shipyards receiving subsidies.

Title I would apply a broad definition of subsidy that includes, but is not limited to, loans and loan guarantees, grants, export credits, preferential tax treatment, debt forgiveness, and official support for such things as investment. If certification is denied after final review by the Department of Commerce, no vessel owned or leased by the owner would be able to enter or remain in a U.S. port unless a payment is made to the U.S. Treasury in the amount of the subsidies. The builder of the vessel (or individual involved in repairs) would be primarily responsible for the payment. The vessel owner or operator would be secondarily responsible.

H.R. 2056 also would make subject to anti-dumping and countervailing duties all vessels that are constructed, reconstructed, or repaired in a foreign country and sold to, owned by, or leased by a U.S. citizen. At present, vessels are not subject to these duties. The amount of duties would be determined by the Department of Commerce, and the Customs Service would collect them.

Title II of H.R. 2056 would provide for a phased repeal of Section 2110(b) of Title 46, United States Code, which requires the Secretary of Transportation to impose certain fees on recreational boaters. Beginning in fiscal year 1993, fees for vessels of 21 feet or less would be repealed. Charges for vessels of 37 feet or less would be repealed beginning in 1994. For both years, fees for other vessels would remain unchanged. Beginning in 1995, all fees would be repealed.

Section 202 of the bill would establish a new user fee for public access to the Federal Maritime Commission's (FMC's) Automated Tariff Filing and Information System (ATFI). All tariffs and essential terms of service contracts that are required to be filed with the FMC would have to be filed electronically in accordance with a specified schedule beginning on June 1, 1992. (Currently, such documents are filed with the commission on paper. Electronic filing has been initiated by the commission under existing authority, but conversion to the new system has not yet been completed.) Once approved, the filed documents will become part of the ATFI data base and available for retrieval.

Beginning on June 1, 1992, section 202 would remove existing restrictions on public retrieval and use of ATFI data or information and impose a fee of \$0.46 per minute on such usage. In addition to the per-minute user fee, there would be a charge for bulk copies of the ATFI database to cover duplication, distribution, and other related costs. No fees could be imposed under the bill after September 30, 1995.

Finally, subsection (g) of this section would specify the budgetary treatment for the ATFI fees and any related costs. For fiscal year 1992, the Secretary of the Treasury would be directed to make available to the FMC a repayable advance of up to \$4 million to finance whatever initial expenditures are required to implement the bill. In addition, beginning that year, the FMC would retain fees sufficient to cover annual operating and related expenses (including the repayment of any amounts borrowed in 1992). Any advances made to the FMC would have to be prepaid (with interest) by September 30, 1995. The balance of the fees collected would be deposited in the general fund of the U.S. Treasury as offsetting receipts.

5. Estimated cost to the Federal Government: Title I. Revenues could be generated in the form of payment to the U.S. Treasury in the amount of the foreign subsidies or to the Customs Service in the form of anti-

dumping or countervailing duties. However, CBO is unable to estimate the effect on receipts of these provisions of H.R. 2056 because information on future shipbuilding subsidies and on the implementation of the provisions in the bill is insufficient. Therefore, for purposes of pay-as-you-go considerations, CBO estimates that the effect on receipts of these provisions of H.R. 2056 in fiscal years 1992 through 1995 would be zero.

Title II. The phaseout of boat fees would result in the loss of offsetting receipts in each of fiscal years 1993 through 1995 (after which the authority to collect such fees will expire). The total amount lost over this period, \$394 million, would be more than offset by the new ATFI user fees imposed by section 202. (CBO estimates that new fee collections through 1995 would total \$860 million.) The net budgetary impact of H.R. 2056 is summarized in the following table:

(By fiscal year, in millions of dollars)

	1992	1993	1994	1995	1996	1997
Estimated budget authority and outlays:						
Repeal of boat fees	0	94	139	161	0	0
ATFI fees	0	-190	-285	-385	0	0
Total	0	-96	-146	-224	0	0

The outlay effects of this bill fall within budget function 400.

Basis of Estimate: The net budgetary impact of the bill would be a gain of \$466 million in offsetting receipts over the 1993-1995 period. In each of the fiscal years during this period, the new receipts would exceed losses from the repeal of boat fees.

For purposes of this estimate, CBO has assumed that H.R. 2056 will be enacted by June 1992. Details and other assumptions are discussed below.

Repeal of Recreation Boat Fees. The loss of receipts from the repeal of recreation boat fees is estimated to result in additional budget authority and outlays of \$94 million in fiscal year 1993 and a total of \$394 million through 1995 (after which the authority to collect such fees will expire). The estimate of forgone receipts is based on the fiscal year 1993 budget resolution baseline, adjusted for the modified collection schedule contained in H.R. 2056. The baseline includes receipts of \$143 million in 1993, \$152 million in 1994, and \$161 million in 1995. The estimated number of vessels in each size category used to determine collections under the fee schedules specified in this bill is based on Coast Guard boating safety statistics.

ATFI Fees. CBO estimates that section 202 would bring in \$860 million over the 1993-1995 period. Annual receipts would be about \$190 million in fiscal year 1993, growing to \$385 million by 1995, over and above the costs of operating the system. After 1995, the authority to collect fees under this bill would expire.

For purposes of this estimate, CBO has assumed that ATFI will be ready for electronic tariff filing by June 1, 1992, and that further system upgrades will be made during the following several months. Because of the June 1, 1992 effective date for tariff filing, gross collections would be quite small in fiscal year 1992 and are estimated to be fully offset by additional FMC spending to upgrade the ATFI system. Also, estimated receipts for 1993 and 1994 reflect initially low retrieval usage until large users have implemented the necessary communications and processing systems. As more tariff users become

aware of the ARFI service, receipts would continue to grow, reaching \$385 million by 1995. Receipts have been estimated on the basis of information obtained from the Federal Maritime Commission, its ATFI contractors, and other commercial tariff services.

6. Pay-as-you-go considerations: The Budget Enforcement Act of 1990 specifies pay-as-you-go procedures for legislation affecting direct spending or receipts through 1995. CBO estimates that the enactment of H.R. 2056 would result in a decrease in outlays of \$96 million in 1993, \$146 million in 1994, and \$224 million in 1995. Title I of the bill may also result in a revenue increase, but CBO cannot estimate the amount of any such increase. For pay-as-you-go purposes, CBO estimates the additional receipts to be zero.

7. Estimated cost to state and local governments: None.

8. Estimate comparison: None.

9. Previous CBO estimate: On October 29, 1991, CBO prepared a cost estimate for H.R. 2056, as ordered reported by the House Committee on Ways and Means on October 16, 1991. That version of the bill was similar to title I of this version.

On June 13, 1991, CBO prepared a cost estimate for H.R. 534, a bill to amend title 46, United States Code, to repeal the requirement that the Secretary of Transportation collect a fee or charge for recreational vessels, as ordered reported by the House Committee on Merchant Marine and Fisheries on June 12, 1991. On October 22, 1991, a cost estimate was prepared for H.R. 534, the Recreational Boat User Fee Relief Act, as ordered reported by the House Committee on Ways and Means on October 22, 1991. Both of these bills contained similar provisions to those included in title II of H.R. 2056. The CBO estimate for H.R. 2056 reflects differences in the provisions regarding schedules for ATFI implementation and the repeal of boat user fees.

Finally, on March 6, 1992, CBO prepared a cost estimate for H.R. 2056 as ordered reported by the House Committee on Merchant Marine and Fisheries on February 27, 1992. Title I of that bill included a provision on withdrawals from private capital construction funds for the acquisition, construction, or reconstruction of qualified vessels. The substitute for H.R. 2056 approved by the House Committee on Ways and Means does not include this provision. The CBO estimate has been revised to reflect this difference, as well as changes to title II, including modifications in the schedule for repeal of recreational boat fees and an increase in the ATFI fee to \$0.46.

20. Estimate prepared by: Deborah Reis (226-2860) and John Stell.

11. Estimate approved by: C.G. Nuckols, Jr., Assistant Director for Budget Analysis.

CONGRESSIONAL BUDGET OFFICE ESTIMATE¹

The applicable cost of this act for all purposes of sections 252 and 253 of the Balanced Budget and Emergency Deficit Control Act of 1985 shall be as follows:

¹An estimate of a proposed substitute to H.R. 2056 as approved by the House Committee on Ways and Means on April 1, 1992. This estimate was transmitted by the Congressional Budget Office on April 7, 1992.

(By fiscal year, in millions of dollars)

	1992	1993	1994	1995
Change in outlays		-96	-146	-224
Change in receipts	(1)	(1)	(1)	(1)

¹H.R. 2056 could increase receipts, but CBO cannot estimate the magnitude of the increase so no change in receipts is shown.

□ 1620

Madam Chairman, I reserve the balance of my time.

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

Madam Chairman, it's very unfortunate that H.R. 2056 comes before us today with two unrelated provisions merged in a way that could assure failure for both. One is a harmful effort to construct penalties for foreign shipbuilding subsidies—the other is the repeal of the onerous recreational boat user fee that our constituents have been demanding since 1990.

The President has vowed to veto the bill because of the harmful effects of the shipbuilding provisions and the unacceptable method of scoring this title for budget purposes. Unless we act to separate title I from the boat user fee repeal in title II, both are doomed.

I intend to offer a motion to recommit the bill with instructions to report back the bill immediately with only the repeal of the boat user fee included.

A vote for my motion will be the only certain chance Members will have to vote for a clean repeal of the user fee this year.

Title II of H.R. 2056, which the motion to recommit preserves, contains a phased repeal of the user fee on recreational boats.

Title II, standing alone, is self-financed and does not rely on directed scorekeeping, it satisfies all requirements of the budget agreement.

I must say a word about the shipbuilding subsidies title of this bill.

Although well-meaning in its attempt to rid the world of government subsidies for shipbuilding and repairs, U.S. ports and shipowners will be unfairly penalized for practices over which they have no control.

Under this bill, all ships entering U.S. ports must have a certificate saying that they were not built or repaired in a shipyard that benefited from any foreign government subsidy.

If the shipowner himself has been unable to calculate all possible subsidies, or if emergency repairs are made after certification, then a penalty must be paid or the ship is denied entry.

I am particularly concerned about the adverse effect on U.S. ports.

Thousands of jobs nationwide are at stake if this title becomes law.

Achieving an international agreement that governs unfair shipbuilding subsidy practices is a goal we all share. We must give our negotiators a chance to succeed by using all the leverage of our trade laws. However, punishing ourselves is not the answer.

Madam Chairman, to summarize, the two unrelated provisions before us should never have been packaged into one bill. By merging the two titles, we kill the needed repeal of the boat user fee and penalize our ports and shipowners for the practices of foreign gov-

ernments. We must separate these provisions by voting for my motion to recommit and guaranteeing repeal of the boat user fee.

Madam Chairman, I reserve the balance of my time.

Mr. GIBBONS. Madam Chairman, I yield 1 minute to the gentleman from Michigan [Mr. DINGELL], the chairman of the Committee on Energy and Commerce.

Mr. DINGELL. Madam Chairman, I thank my good friend, the gentleman from Florida [Mr. GIBBONS] for yielding time to me. I strongly support the Shipbuilding Trade Reforms Act.

I urge my colleagues to do likewise. Foreign subsidies are not simply destroying our country's ability to build ships, they will do it now and will do it strongly and quickly unless we do something about this.

We have seen American shipyards closing down from coast to coast. It is time we do something to see to it that we protect that essential industry.

I would urge my colleagues to support that American industry, the defense of this country, our national security by supporting the legislation.

Madam Chairman, I rise in support of the Shipbuilding Trade Reform Act. Foreign subsidies are not just threatening to destroy our country's capability to build ships. They will succeed unless we do something about it now.

By 1998, we will not have an American shipyard base. The yards will have closed down. Another 180,000 Americans will be out of work, and the companies that supply the shipyards with materials and equipment will be seriously harmed. Some will have to shut down altogether.

This is not an alarmist statement. It is reality. Within 6 years, foreign subsidies will have destroyed our country's ability to build the ships that are the backbone of the Navy.

Why? Because the collapse of the Iron Curtain has changed our defense priorities, and the Navy's requirements for new ships for the remainder of the decade will not keep American yards in business.

American shipyards have to build commercial ships again, or they will not survive. But commercial shipbuilding will be denied to them as long as foreign governments continue to destroy the market with billions of dollars of subsidies.

Massive foreign subsidies drove American yards out of the market in the 1980's. Foreign subsidies are keeping American yards out of the market in the 1990's.

Obviously, if we lose our shipbuilding and repair base, our country's economic health will suffer. That is why 21 labor unions and various organizations such as the American Iron Steel Institute support this legislation. That is why over 2,000 American companies across the country are looking to us in Congress to pass this bill.

These companies include some of the largest in the United States that carry on business in almost every State of the Union, such as General Electric, B.F. Goodrich, and Westinghouse. That is why a vote in favor of this bill

and against any motion to recommit is a vote for the American economy and American jobs.

Mr. ARCHER. Madam Chairman, I yield 3 minutes to the gentleman from Illinois [Mr. CRANE].

Mr. CRANE. Madam Chairman, I thank my distinguished colleague for yielding time to me.

Madam Chairman, no one disagrees that foreign shipbuilding subsidies are distorting the world market and having an unfair impact on U.S. shipbuilders. No one disagrees that the process of international negotiations in this area has been fraught with frustration, and so far, less than satisfactory results. Yet H.R. 2056 is a punitive response whose effect will bypass guilty foreign governments and instead hit U.S. ship owners and operators, as well as a great many other Americans whose livelihoods depend on trade.

I urge my colleagues to reject H.R. 2056 as an unworkable, dangerous response which will hurt U.S. interests much more than it will help.

H.R. 2056 would prevent ships built or repaired at a government subsidized shipyard from entering a U.S. port unless the operator can successfully certify to the Commerce Department that an amount equal to the subsidy has been repaid to the foreign government or to the U.S. Government. As a practical matter, the sanctions in H.R. 2056 threaten to put U.S. owners and operators out of business by requiring that they do the work of the U.S. Government of investigating and interrogating shipbuilders as to what complicated subsidy schemes foreign shipbuilders may have received in the past.

Also, H.R. 2056 would prohibit any vessel in a fleet from calling on U.S. ports if just one of the fleet's vessels was repaired in a foreign yard which may have received some sort of indirect subsidy. Even if the owner could ascertain and measure this subsidy, this bill assumes the operator has control over what part of the world his ship will be in when repairs are required—on its face an absurd requirement.

During committee consideration of this bill much testimony was received that the effect of these restrictions would be the development of a two-tiered freight system. Cargoes to and from the United States would be charged at a much higher rate due to the limited number of vessels willing and able to enter U.S. ports. American consumers would shoulder higher prices for imported products. U.S. exporters, too, would become increasingly less competitive in world markets due to the higher cost of moving their products abroad. In addition, there is also the possibility of foreign governments retaliating against U.S. exports.

Another predictable result, brought to our attention by those representing port areas all over this country, is the

diversion of cargo to nearby ports in Canada and Mexico where the bureaucratic certification procedures contained in H.R. 2056 would not be required. Operators of ships will make every effort to avoid U.S. ports if they are personally responsible for subsidy information which they have no possible way of confirming.

Madam Chairman, the only fair solution to the problem of foreign shipbuilding subsidies is a multilateral one which can be enforced against the guilty foreign governments and the foreign shipbuilders. This legislation has served a useful purpose in bringing expanded attention to a difficult problem. But to pass this bill today goes too far in pushing a response which will injure innocent Americans while not bringing us any closer to a solution.

The OECD talks are stalled at present, but negotiators have made significant progress, and will ultimately achieve an agreement. U.S. negotiators have indicated to me that they are considering several options which will increase prospects for a negotiated solution. Acting unilaterally, by fiat, in the manner of H.R. 2056, will not accomplish the intended result. I urge my colleagues to reject H.R. 2056.

Mr. JONES of North Carolina. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, the best means to eliminate shipbuilding subsidies is through multilateral negotiations. But, after 3 years of fruitless talks, negotiations to end subsidies are at an impasse. The Shipbuilding Trade Reform Act of 1992 was born out of frustration with the pace of these negotiations. Even the administration is no longer optimistic about the possibility of reaching a successful conclusion to the international negotiations since it doesn't appear that all of the parties are serious about reaching an agreement. Therefore, a legislative response is called for.

Congress is not going to sit by and watch other countries dictate the fate of our shipbuilding industry. H.R. 2056 and the Oil Pollution Act of 1990 were initiated for the same reason—the legitimate interests of the United States will be protected by unilateral legislative action when international safeguards fail.

Concerns have been raised about the potential impact this bill may have upon vessel owners, ports, and shipbuilders. The changes we have made to the original bill address the most serious of these concerns.

First, we clarify that the requirements in the bill are truly prospective; they apply only to new vessels and repairs made after the date of enactment.

Second, if the United States signs an agreement with another country to eliminate shipbuilding subsidies, the terms of the bill will not apply to vessels built in that country.

Third, the bill eliminates the U.S.-built requirements in many U.S. laws that discriminate against nonsubsidized foreign shipyards. We cannot force foreign governments to eliminate their subsidy programs while maintaining our subsidy programs. Under the bill, foreign-built U.S.-flag vessels will be eligible for constructive guarantees and operating-differential subsidies, and be eligible to transport Government cargoes immediately.

Finally, our amendments require the Secretary of Commerce to investigate foreign shipyards and publish a "black list" of all those that are subsidized. If a vessel owner chooses to have a vessel built or repaired in one of the shipyards on this list, the owner will know in advance, before he enters the contract, that the subsidy will have to be repaid. To prevent ships from being tied up and commerce coming to a halt, the bill allows vessel owners to post a bond sufficient to cover any repayment of repair subsidies from which they have benefited. Later, when the amount of the subsidy is determined, it can be taken out of the bond.

We have successfully enacted laws to fight unfair shipping practices, and I believe that we must do the same with unfair shipbuilding practices.

We cannot allow foreign governments to put American workers out of work.

We cannot allow foreign governments to continue to distort free market forces in international shipbuilding.

We cannot allow foreign governments to be the cause of the loss of our industrial base.

And, we cannot allow foreign governments to compromise our national security by causing our defense shipbuilding industry to be driven out of business.

Another aspect of this bill will also correct a serious policy mistake.

Eleven years ago, President Reagan proposed a so-called "user fee" for recreational boaters. Beginning in 1981, Congress rejected this proposal over and over again, but by 1989, we were compelled to concede defeat. Today, we have the opportunity to reclaim our ground.

There are few in Congress who are unaware of the extreme unpopularity of these fees. They are unpopular because they are unfair. What is more they do not secure any services for boaters. They are not used to support Coast Guard activities. They are a tax in disguise, not a true user fee. And, boaters already pay more than their fair share through marine fuel taxes and excise taxes on fishing equipment.

These fees were imposed to raise revenue and help balance the budget. Ironically, both goals have been illusive. Less than \$39 million has been raised in a scheme that was supposed to raise over \$700 million. The deficit continues to soar while the Coast Guard acts as tax collector.

To offset the loss of boat fee revenue, the bill establishes a fee for access to information contained in computers at the Federal Maritime Commission.

Today, I expect that this House will repudiate this unfair tax on recreational boaters, but, even with this victory, the battle is not over. The gentleman in the White House has yet to be convinced that this tax must go.

In conclusion, I strongly support H.R. 2056.

□ 1630

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

Mr. DAVIS. Madam Chairman, Title I, known as the Shipbuilding Trade Reform Act of 1992, is designed to force foreign countries to stop subsidizing their domestic shipyards to the detriment of our U.S. shipyards and our U.S. steel industry. Since we stopped subsidizing our shipyards in 1981 we have lost a third of our capacity and nearly 60,000 jobs. We lost another 60,000 jobs in industries that supply material and equipment to the shipyards.

Madam Chairman, if foreign subsidies continue, it will cost this country 180,000 more jobs. Jobs held by skilled Americans, jobs that once lost will never be recovered. All that our shipyards and the surviving American workers are asking for is a chance to bid on ship contracts in an unsubsidized world market.

I know the administration opposes H.R. 2056—supposedly because they think it violates the GATT. What they have not told you is that they have been negotiating an agreement that is virtually identical in effect to H.R. 2056. Unfortunately, the negotiations have broken down—not because of something the U.S. is doing—but simply because these other countries don't want to give up their subsidies. Our negotiators really should want this bill to pass. It will make their negotiations easier.

Title II of this bill contains a phased repeal of the Coast Guard recreational boat tax. I have been working for over a year with my colleagues on the Merchant Marine and Fisheries Committee to repeal this unfair tax, with the support of over 280 Members of the House. I am extremely pleased that we have worked out the budgetary problems surrounding the boat tax repeal, and that we are sending this bill to the other body.

Section 201 of H.R. 2056 repeals the Coast Guard boat tax beginning October 1, 1992, for boats 21 feet in length and under. Over 70 percent of recreational boats are in this category. On October 1, 1993, the tax is repealed for boats 37 feet in length and under. On October 1, 1994, the tax is completely repealed.

Section 202 of the bill establishes a user fee for computer access to the new automated tariff filing and information system maintained by the Federal Maritime Commission. The automated tariff system contains tariffs, or shipping rates, filed by vessel operators with the Federal Maritime Commission and organized into a rate-quoting system. The Congressional Budget Office and the Office of Management and Budget estimate that the receipts from this user fee fully offset any loss to the Treasury resulting from the repeal of the Coast Guard boat tax.

Madam Chairman, I think most Members agree with me that singling out recreational

boaters to pay a tax was a mistake. I urge my colleagues to correct the mistake and vote in favor of this bill to repeal the Coast Guard recreational boat tax.

Madam Chairman, I reserve the balance of my time.

Mr. JONES of North Carolina. Madam Chairman, I yield 1 minute to the gentleman from Florida [Mr. FASCELL].

Mr. FASCELL. Madam Chairman, I rise to comment on legislation that would amend the Tariff Act of 1930 to require that ships that are built or repaired in shipyards subsidized by foreign governments repay the subsidy or risk being prohibited from docking at U.S. ports. Although I can understand the thinking behind such a bill, I do not feel that this is a matter to be handled legislatively. Such a bill would have a devastating impact on the cruise and cargo industries which are important to the economy of south Florida.

I feel that the most effective way of eliminating subsidies is through international agreement. The 103-nation General Agreement on Tariffs and Trade has already complained that the trade practices of the United States are protectionist and that they violate GATT's objectives. The U.S. Trade Representative has been negotiating with members of the Organization for Economic Cooperation and Development [OECD] to reduce shipyard subsidies to zero. I think a more effective and better advised method of eliminating subsidies would be to encourage an acceleration of these negotiations.

Another unwelcome effect of this legislation would be to turn shipowners into enforcement officers against those foreign governments which are providing the subsidies. The administration of this bill would be costly and ineffective.

This bill will cause many ships to bypass U.S. ports and dock in nearby foreign ports. This will have an undesirable domino effect on the many business related to the shipping industry. For example, Americans taking cruises will fly directly to Caribbean ports, thereby bypassing our cities' hotels, restaurants, and shops. In addition, when the ships need to restock or be cleaned, they will do this in foreign ports, not ours. This will almost certainly have a debilitating effect on our State's economies. Cruise lines, for instance, employ over 33,000 people in Florida.

Attempts have been made to soften the blow of such a bill by including amendments such as one to grandfather ships that received such subsidies prior to October 16, 1991. While this clause is a valiant attempt to rectify at least some of the wrongs wrought by such legislation, this amendment will only ensure that older, less modern ships use U.S. ports. As soon as a ship is repaired and receives

a foreign subsidy, it will not longer be allowed to approach our shores and will choose new ports of call in foreign lands.

For all these reasons, I therefore urge our colleagues to reject this bill. Let us encourage the members of OECD to continue their negotiations to eliminate foreign subsidies.

Mr. GIBBONS. Madam Chairman, I yield 2 minutes to the gentleman from Maryland [Mr. CARDIN].

Mr. CARDIN. Madam Chairman, I thank the chairman for yielding time to me, and congratulate the committees for bringing this bill forward. I fully support it.

Fifteen years ago Maryland had nearly 7,000 workers in major commercial shipyards. Today less than 600 jobs remain in Baltimore, as one yard struggles to stay in business doing repair work. Nationwide 40 shipyards have closed and 120,000 jobs have been lost in the last two decades. These jobs, these highly skilled family wage jobs, were lost as the United States in 1981 unilaterally did away with Federal subsidies for shipbuilding while asking nothing of our competitors in return.

As other nations continued offering generous subsidies and the United States imposed no restraints, commercial shipbuilding in this Nation virtually ceased. There is no clearer, more direct case of a domestic industry being injured by unfair foreign subsidies.

U.S. shipbuilders have played by the rules and been patient while the U.S. Trade Representative pursued unilateral talks to level the playing field, but talks began in 1989 and there has been very little progress. Even our ever-optimistic trade negotiators have been discouraged and no further talks are scheduled.

Where the impact of foreign subsidies is so clear and the harm to U.S. shipbuilders is so devastating, we must send an essential message abroad, and to all manufacturers in this Nation as well: We are serious about fair competition. Only passage of this legislation will send that message.

Shipbuilders in Baltimore and across the Nation can compete in the construction of advanced technology, high-value ships. Let us give them the chance. Let us pass the bill.

Mr. ARCHER. Madam Chairman, I yield 2 minutes to the gentleman from Washington [Mr. CHANDLER], a respected member of the Committee on Ways and Means.

Mr. CHANDLER. Madam Chairman, I rise today in opposition to the Shipbuilding Trade Reform Act because business as usual is once again winning out over fairness.

In this legislation, there are two important issues that effect the daily lives of people living in Washington State.

The first issue, and one that appears to be drawing most of our attention

today, is the so-called repeal of the boat-user fee.

Madam Chairman, when I first joined with boatowners in Washington State to fight the boat-user fee, we made it clear that full repeal of the user fee was our intention.

Phasing out the user fee, instead of fighting for full repeal, may appease those who want to avoid a messy fight, but to boatowners in Washington State it looks like congressional shenanigans.

I call it business as usual.

If you don't believe that boatowners are committed to full repeal, let me quote from this month's issue of *Yachting* magazine:

We have always opposed the user fee and have continuously called for its immediate and full repeal—not tomorrow, not next year, not the year after, but now! Any other action, including HR 2056 is unacceptable.

I agree.

While it may be politically expedient to urge support of a phaseout, it simply is Congress continuing to play games.

Last year, the Ways and Means Committee forwarded to the floor a complete repeal of the user fee. Nothing happened—the Democrats failed to schedule consideration by the House.

Then, I, along with the majority of House Members, sent a letter to the Speaker requesting that H.R. 534 be scheduled for consideration by the House. Again, nothing.

Now, we have before us a shell of the original bill to repeal the user fee.

Yes, it's discriminatory; yes, it's wrong, and yes, it's an attempt by some to wiggle out of the responsibility of repealing the user fee.

Full repeal of the boat-user fee is the only solution to this problem.

My opposition to this legislation doesn't end with the boat-user fee.

With respect to the shipbuilding subsidy provisions, continued subsidies to foreign shipbuilders and other obstacles to trade set up by governments clearly pose a serious disadvantage to U.S. shipbuilders.

I share the view that effective action is needed to end foreign shipbuilding subsidies throughout the world. An end to subsidies will provide the U.S. shipbuilding industry a fair and level playing field.

The Shipbuilding Trade Reform Act of 1991, however, is simply the wrong approach to eliminate trade-distorting practices in the shipbuilding sector.

This legislation will clearly have a detrimental effect on our Nation's overall trade competitiveness.

In Washington State, where one in five jobs relies on trade, this legislation will work to the disadvantage of all concerned parties and result in a decline in our Nation's balance of trade.

I am particularly concerned with the very real prospect that because of this legislation, ships that usually unload their cargo in the Pacific Northwest

will divert to Vancouver, B.C., to avoid the certification requirements.

During committee consideration of this measure, I offered an amendment to address these concerns.

While my amendment was not accepted, the committee did agree to request the International Trade Committee to conduct an investigation on the economic effects of enactment of the Shipbuilding Trade Reform Act of 1991.

In particular, the investigation will evaluate the adverse affects that U.S. ports, exporters, and importers will be subjected to following enactment of this legislation.

This ITC study will be of significant value to the Congress and the public in recognizing that H.R. 2056 is not the appropriate means to end subsidies.

Madam Chairman, in short, H.R. 2056 is the wrong bill to address both shipbuilding subsidies and Coast Guard user fees. I urge my colleagues to support the Archer motion to recommit. The Archer motion will strike out the antitrade, antijob provisions of this legislation. A vote for the Archer motion is a vote to preserve our nation's trade competitiveness.

Mr. DAVIS. Madam Chairman, I yield two minutes to the gentleman from Virginia [Mr. BATEMAN].

Mr. BATEMAN. Madam Chairman, I rise in support of the Shipbuilding Trade Reform Act. This bill amends antidumping and countervailing duty laws to bring commercial ships under the same international trade protections afforded other U.S. products. It also allows the imposition of duties on subsidized vessels constructed after enactment of this bill and requires publication of a list of subsidized shipyards.

The bill also repeals the odious boat-user fee that we foisted on unsuspecting boatowners in the 1990 budget agreement.

This bill is necessary and is more than a decade overdue. In 1981, we cut off U.S. Government assistance to commercial shipbuilding but did nothing to discourage the massive subsidies used by foreign governments to sustain their commercial shipbuilding capability. This left American yards to compete without Government assistance in a market heavily distorted by foreign government subsidies.

Our yards could not match foreign subsidies and since commercial work had accounted for half of their workload, the industry suffered severe economic hardships. Over 40 U.S. yards were forced to close and 120,000 American shipyard and shipyard-supplier employees were put out of work.

Now we have the opportunity to complete the job we started in 1981 and end foreign subsidies. Passage of this bill will keep the entire U.S. shipyard industrial base from collapsing—and save the jobs of 180,000 Americans. If we do not act, our shipbuilding base—an important component of our military

readiness—will be threatened by the lack of commercial work.

The Navy plans to build only five ships a year for the remainder of this decade—that is not enough to keep U.S. yards alive. Unless American yards are given the chance to compete for commercial ship contracts in an unsubsidized world market, we will only have one or two yards left in this country within 6 years.

The jobs lost will not be easily replaced. The skills of highly trained designers, engineers, and builders cannot be produced over night. It takes time and money to recoup lost skills in shipbuilding. Passage of the Shipbuilding Trade Reform Act shows that Congress is serious about protecting those skills, those American workers and our defense preparedness.

U.S. yards can build commercial ships at competitive prices in a market undistorted by subsidies. My State, the Commonwealth of Virginia, is home to Newport News Shipbuilding, the largest shipyard in the United States. During the last decade it has been building the finest military ships in the world. It has acquired up-to-date technology and has made production process improvements, as have other U.S. yards. However, these improvements will be useful only if our yards have fair access to international markets.

U.S. military ships are complex and labor intensive. For that reason, the near term commercial new construction markets for American yards are high-technology ships requiring extensive outfitting. These market niches include double hull tankers, chemical carriers, liquefied natural gas tankers, and cruise ships.

Unfortunately, foreign subsidies are heavily used in these market niches. For instance, Carnival Cruise's Holland-America Lines has three ships on order at Italy's state-owned shipyard conglomerate for use in the U.S. cruise market. If these vessels fly the Italian flag, the Government of Italy will provide a 58-percent subsidy. That is \$464 million on the \$800-million contract price.

Likewise, the French Government is subsidizing a \$1.2 billion contract for five LNG tankers under construction at a French yard. Is it any surprise, then, that both France and Italy were among the European nations that walked out on the OECD shipbuilding trade talks? We cannot, in good conscience, continue to let foreign subsidy practices like these stand.

Like many of you I would have preferred to see an international ship building agreement rather than being forced to legislate this issue. However, after 3 years of negotiations, no agreement was forthcoming and now we must act.

We are faced with the prospect of losing our ability to build the ships the Nation depends on for its commerce

and defense. To prevent that from happening, vote for H.R. 2056 and vote against foreign subsidies.

I am extremely pleased that this bill also includes the repeal of the boat-user fee. I was the first cosponsor of legislation to repeal the fee and would have sponsored a bill if Mr. DAVIS had not introduced H.R. 534.

I regret that H.R. 2056 phases out the fee rather than repealing it outright, but it appears that this is the best we can do and we should do it now.

The services provided by the Coast Guard to recreational boaters are general public safety services that are a general government obligation, not a service provided to a privileged class. Therefore, those services should be paid for out of general funds not by a fee levied on individual boaters.

Recreational boaters are already subject to other specific Federal fees including excise taxes on sport fishing equipment and motor boat fuels. Unlike the new fee, those funds go toward fishery restoration and boating safety programs—programs that are of benefit to particular user groups. It simply isn't fair to add another tax to U.S. boaters to pay for basic safety protection. Boaters are already paying their fair share.

Please vote for this bill. It protects American workers from unfair competition from foreign governments, and it protects American boatowners from unfair taxes imposed by their own Government.

□ 1640

Mr. JONES of North Carolina. Madam Chairman, I yield 2 minutes to the gentleman from North Carolina [Mr. LANCASTER].

Mr. LANCASTER. Madam Chairman, I rise in support of the Shipbuilding Trade Reform Act. This is a bill for American industry and for American jobs. Without it, more than 180,000 Americans—many of them in my district—will be put out of work, and the United States will lose its ability to build and repair ships. For the same reason, I oppose any move to recommit, striking title I of the bill.

A decade of massive foreign subsidies in the tens of billions of dollars has severely handicapped our shipyards. American industries should not have to battle alone against foreign governments, but that is exactly what the U.S. shipbuilding industry has been forced to do.

The administration made a big mistake in 1981 when it abruptly and unilaterally terminated its only subsidy program for U.S.-built ships without insisting that foreign governments do likewise. In effect, the administration said that it was OK for foreign governments to use subsidies to prop up their shipyards while the yards underpriced their ships by as much as 45 percent of their production costs. Obviously,

American yards could not compete against such tactics.

The result was the complete collapse of commercial shipbuilding in the United States. Between 1985 and 1991, U.S. yards received no orders for sea-going merchant ships of 1,000 tons or more. Between 1981 and 1991, at least 16 major U.S. new construction yards and 27 major U.S. repair yards closed down. Employment dropped from 187,000 shipyard workers in 1980 to 127,000 in 1992. In addition, at least another 60,000 jobs were lost in the American industries that supported the shipyards.

Now, with the planned cutbacks in Navy ship construction, most remaining U.S. shipbuilders will be out of business in 6 years, and another 180,000 American jobs will be exported overseas. That is why enactment of the Shipbuilding Trade Reform Act is so urgent. U.S. shipyards and shipyard workers must be given the opportunity to compete for contracts in an unsubsidized international commercial market. H.R. 2056 is the only viable option that is left to us to pressure foreign governments to stop their shipbuilding and repair subsidies.

In the last analysis, we must ask ourselves, in preserving foreign subsidies and other unfair foreign trading practices worth the loss of a critical American manufacturing industry, its supplier industries, and 180,000 American jobs? I say no. I urge you to join me in voting for the Shipbuilding Trade Reform Act.

Mr. ARCHER. Madam Chairman, I yield 2 minutes to the gentleman from Florida [Mr. SHAW].

Mr. SHAW. Madam Chairman, I thank the gentleman for yielding this time to me.

There is no dumber tax, I think, that was ever passed by this Congress than the user fee, which I think is going to be a tremendously popular repeal taken by this body. However, there is no reason in the world why this was mixed up with the Shipbuilding Trade Reform Act of 1992.

I have listened to speaker after speaker come to the well and talk about how we do not encourage or do not want to have to compete against a subsidized industry in other countries. True. I can go along with that. But we are living in the real world.

These boats have been constructed in countries who have subsidized their construction, and that is a fact of life. Anybody in this Congress today who has a port in their district, or is dependent upon a port in an adjacent district, had better vote for the motion to recommit, which is a straight, clean repeal of the user fee, which all of us want to do, and gets rid of the other portions, which has absolutely nothing to do with this bill.

In south Florida, for instance, Members heard my colleague, DANTE FASCELL, come up and talk about the Port

of Miami. I want to talk about the Port of Everglades, which is the second busiest cruise port in the United States, second only to Miami. These boats are not going to come and these ships are not going to come in and pay the onerous rebate that we are talking about for getting rid of the subsidy that they received when they were built. They are simply going to go to the Bahamas, and what is this going to do to the balance of trade? More Americans will be spending more time overseas. They are going to be leaving out of Nassau, they are going to be leaving out of Jamaica, and when Cuba opens up they are going to be leaving out of Cuba. These ships are going to find these areas where they can compete, and this is where the market is going to be, and they are going to leave the State of Florida. And if each and every Member who has a port in their own district can find a similar situation, they will find a situation where we are going to be the greatest reformers here in this country, and we are going to find ourselves competing with our hands tied behind us, and we will not compete. Trade will simply leave this country.

Mr. GIBBONS. Madam Chairman, I yield myself 30 seconds.

Madam Chairman, I just want to speak about the port issue. The cruise ship operators came down to Florida and threatened our people saying they were going to pull out if this bill passed. That is ridiculous. They are not going to pull out. Florida is where they get their good customers.

But they frightened our port operators down there, and it is reflected in the speeches of some of my colleagues here today.

This bill only applies to ships that are constructed after the effective date of this act. It does not apply to all of the cruise ships that are out there operating now, and it will take about another 5 years after this act is enacted before we will ever get another cruise ship operating anywhere in the world.

Mr. DAVIS. Madam Chairman, I yield 2 minutes to the gentleman from Texas [Mr. FIELDS].

Mr. FIELDS. Madam Chairman, I rise in strong opposition to H.R. 2056, and I urge each of my colleagues to vote "no" on this misguided legislation.

While no one supports foreign shipyard subsidies, H.R. 2056 is the wrong approach to this serious problem. This bill will not end foreign subsidy practices. In fact, it does not even affect the foreign government which provided the subsidy or the foreign shipyard that received it.

Instead, this legislation unfairly penalizes innocent shippers who receive no subsidy and whose only apparent offense is that they obtained a ship or repairs from a foreign shipyard that is allegedly subsidized.

Under the terms of this bill, every vessel arriving at a U.S. port will have

to certify that it was not built or repaired in a foreign shipyard that received government assistance.

If a vessel is unable to satisfy this requirement—even if it had emergency repairs—then the owner of the vessel must either repay any subsidies received by the shipyard or risk having his entire fleet declared ineligible to use U.S. port facilities. This draconian approach is neither fair nor appropriate. It is also not effective because foreign governments will simply disguise their subsidy payments or find creative ways to evade this bill.

Sadly, the proponents of this legislation are punishing the wrong party because they are either unwilling or unable to penalize those who are the direct recipients of these subsidy payments.

Furthermore, I am deeply concerned that we are moving this legislation in a reckless manner. In less than 3 weeks, the International Trade Commission will issue a report detailing the impacts that H.R. 2056 will have on our economy. Its findings are essential to our deliberations, and I regret we are debating this bill before, rather than after, we have the benefit of this knowledge.

Madam Chairman, H.R. 2056 will not stop foreign subsidies. These practices will continue abroad and the U.S. economy will pay the price. Our products will not be exported, our ports will lose business, cargo will be diverted, our vessels will be idle, and thousands of Americans will lose their jobs. Instead of this flawed approach, I have advocated that the issue of foreign subsidies be resolved in either international negotiations, by amending our trade laws to make section 301 relief mandatory, or by simply prohibiting the importation of products from those countries which are subsidizing their shipyards. Any of these approaches would produce positive results without destroying our economy.

While international negotiations are long, arduous, and do not always produce the desired result, it is premature to write off these negotiations and to simply throw up our hands in disgust. As I have suggested, there are far better ways to solve this problem than H.R. 2056.

As a member of the House Merchant Marine and Fisheries Committee, I find it tragic that this legislation pits shipbuilders against ship operators. Instead of fighting against each other, I would hope one day we could put aside special interest legislation and work together to revitalize this critical sector of our economy.

Madam Chairman, there are over 45 major organizations which have expressed strong opposition to H.R. 2056. These include: the AFL-CIO Maritime Committee; the American Association of Port Authorities; the American Institute of Merchant Shipping; the

American Maritime Congress; the American Petroleum Institute; the International Council of Cruise Lines; the International Longshoremen's and Warehousemen's Union; the International Organization of Masters, Mates, and Pilots; the National Coal Association; the Travel and Tourism Government Affairs Council; and the Port of Houston Authority.

While each of these groups have raised persuasive arguments against H.R. 2056, I was particularly impressed by the testimony of the Port of Houston Authority, which noted that:

This bill is not the answer. Any action that erects barriers to the free movement of vessels in international trade is simply not acceptable to the public port industry.

As a Representative of the Port of Houston, I am well aware of the fact that 126 million tons of cargo moved through our port facilities in 1991, and that Houston ranks first in the United States in foreign waterborne commerce.

The Port of Houston contributes \$3 billion annually to the economy of this Nation. It provides jobs and livelihood to some 138,000 Texans. These jobs are at stake if this bill is approved, and I will not sit idly by while thousands of tons of cargo are diverted to foreign ports.

This legislation is so bad that even the hometown paper of the author of this bill, the Tampa Tribune, wrote that, "The Gibbons proposal would punish ports, businesses, and consumers for the sake of one industry. There must be a better way to revive American shipyards. The bill should be scuttled."

Finally, Madam Chairman, the moment of truth has arrived for the recreational boat fee.

I intend to support the Archer motion to recommit because it is the only way we will succeed in removing this burden on 4 million Americans. Make no mistake. Unless this motion is approved, there is little, if any, likelihood that this fee will be repealed. We must not allow the repeal of the recreational boat fee to be held hostage by the misguided baggage of the Gibbons proposal.

Madam Chairman, I support the removal of foreign subsidies and the restoration of a level playing field for our U.S. shipyards. H.R. 2056, however, is not the answer.

This legislation, which is designed to assist one industry at the expense of many others, not only does not solve the subsidy problem, but it will cost American jobs, damage our trade, cripple our ports, undermine our maritime industry, and invite massive retaliation from our foreign trading partners. In short, H.R. 2056 is the wrong medicine for the shipyard patient and, by taking this prescription, thousands of Americans will suffer greatly.

The bill simply does not go to the source of the problem—foreign ship-

builders and the governments that assist them. Instead, it places the burden entirely on innocent shipowners, who had nothing to do with the subsidies in the first place.

Madam Chairman, I urge an "aye" vote on the Archer motion to recommit and, failing that, a resounding "No" on H.R. 2056.

□ 1650

Mr. JONES of North Carolina. Madam Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. STUDDS].

Mr. STUDDS. Madam Chairman, I listened carefully to what my friend, the gentleman from Texas [Mr. FIELDS], had to say, and while I do not share his conclusion with respect to title I of the bill, he does speak the truth when he says that this is yet the most recent reminder of the miserable experience we have had over the years of a maritime industry split and rent amongst and between itself.

We have, I am painfully aware, the divisions within the merchant marine community over this legislation, and I share the dream announced by the gentleman from Texas that there will come a time hopefully in the next Congress when we can end this annual thing we go through here of having to stand between feuding factions and perhaps bring together an industry in ways that we have not done before.

But, in the meantime, with respect to the problems at hand, which has been well described by those who have spoken in favor of the bill, I frankly do not see any other mechanism to address it or any other way to send a message that I think needs to be sent.

I would hope that Members would vote to retain title I of the bill. We have tried to improve on it, and we will try to continue to try to do so in the legislative process.

With respect to the user fee, I do not think there is much disagreement on this floor. This was a bad idea when it was first promulgated by the Reagan administration. It is a bad idea now. It is not a very well disguised tax. I am surprised to find this administration having trouble with its lip reading in this regard.

There is no justification of it of any kind. It does not even go to the Coast Guard. It just simply disappears into the General Treasury. It has no support anywhere in the country, and is basically a middle-class tax.

I thought that the President had spoken very clearly on that subject before.

I urge the Members to support the bill in its entirety.

Mr. ROTH. Madam Chairman, will the gentleman yield?

Mr. STUDDS. I am happy to yield to the gentleman from Wisconsin.

Mr. ROTH. I agree with the gentleman that the repeal of the recreational boat tax is very important.

There is one glaring omission in this bill, and that is the luxury tax. That has taken thousands of jobs out of our country.

Mr. STUDDS. I agree with the gentleman. Unfortunately we do not have jurisdiction over it in the Committee on Merchant Marine and Fisheries, or the gentleman would see that in the bill, too.

Mr. ROTH. Well, somebody around here must have jurisdiction, because that is something that we could correct in the bill now, because that is something that means a lot of jobs.

Mr. STUDDS. I concur with the gentleman completely.

Mr. DAVIS. Madam Chairman, I yield 2 minutes to the gentleman from New York [Mr. LENT].

Mr. LENT. Madam Chairman, it is a pleasure to rise in support of H.R. 2056, the legislation designed to address the impacts of foreign shipbuilding subsidies.

This legislation is intended to stop foreign countries from providing subsidies to their shipyards that result in unfair cost differences for the construction and repair of commercial vessels.

Madam Chairman, I am firmly committed to the ultimate objective of solving this shipbuilding subsidy problem through international negotiations but since that effort has not succeeded for the last several years, I believe that it is time for Congress to act.

H.R. 2056 will provide some help to our American ship building industry. However, no one should assume that this bill will solve all the problems. Our private ship building companies must recognize that they have to renovate their facilities and become more efficient or else even if foreign subsidies are ended they will still be unable to compete in the world market.

Madam Chairman, this legislation represents a true compromise. It establishes a system to eliminate subsidies—but it also sets up a process that will give ship owners a degree of certainty in dealing with foreign shipyards that will enable them to make corporate financial decisions with regard to the construction and repair of their vessels.

I am aware that some shipowners object to the bill placing a burden on them to pay back any subsidy if the foreign shipyard refuses to pay it back to its own government. However, under the bill, if a shipowner elects to contract with a subsidized shipyard for a new vessel, even knowing the limitations of this bill, that shipowner will be able to include the cost of repaying the subsidy in his mortgage on the ship and finance that cost over the 25-year life of the ship. He will also have the time between placing the order for construction of the ship and the date of its delivery to arrange this financing.

In addition, the Members of this House should be aware of the fact that

this bill eliminates existing burdensome and costly statutory provisions that require U.S.-flag vessels to be built in American shipyards in order to take advantage of the Operating-Differential Subsidy Program, the Cargo Preference Program, and the title XI Loan Guarantee Program for ship construction. Changing these statutory requirements will be a direct benefit to the shipowners and will also conform our U.S. laws to the agreements already reached by the United States Trade Representative and the foreign governments during the OECD multilateral negotiations.

Madam Chairman, not only does this bill address the unfairness of our private shipyards having to compete against foreign governments and all their subsidy money, but it is also truly a jobs bill. Merchant Marine and Fisheries Subcommittee at our M/M Subhearing the Shipbuilders Council of America testified that since 1981 over 40 American shipyards have closed with a loss of over 60,000 shipyard jobs and another 60,000 from related marine equipment and supporting industries. If this bill—or something like it—is not enacted, the shipbuilders tell us that up to 189,000 more taxpaying American citizens will lose their jobs when additional shipyards and the associated industries are forced to close.

Consequently, as I indicated, this legislation will go a long way toward meeting the ultimate goals and objectives that we all share, to help the American shipbuilding industry and simultaneously provide relief to U.S. flag vessel owners from other statutory burdens imposed upon them.

Madam Chairman, I also want to indicate my support for title II of H.R. 2056, the repeal of the Coast Guard user fee on recreational boats. This tax is an unfair, additional burden on the owners of recreational boats whose only fault is that they use a boat for recreation rather than a beachfront cottage or mountain home. The boat owners do not get any benefit from this tax since none of the money raised goes to the Coast Guard. These boaters are already paying their fair share in fishing equipment and motorboat fuel taxes.

In conclusion, H.R. 2056 is a good bill that deserves the support of the Members of this House.

Mr. GIBBONS. Madam Chairman, I yield 1 minute to the gentleman from Maryland [Mr. McMILLEN].

Mr. McMILLEN of Maryland. Madam Chairman, I rise today in favor of H.R. 2056, Shipbuilding Trade Reform Act of 1991. It is imperative that our Nation maintain a viable shipbuilding industry, and this bill is a step in that direction.

The unilateral elimination of U.S. subsidies back in 1981 decimated the commercial shipbuilding industry in the United States. While I generally

consider myself an advocate of free trade, I recognize the realities of the international market place in such areas. Eliminating domestic subsidies, while foreign shipyards continue to their subsidy programs, has led to the elimination of domestic jobs and contributed to the demise of our industrial base.

H.R. 2056 is a reaction to these unwise actions of yesteryear, and it is a necessary step toward reinfusing some balance in the ship building industry before more jobs are sent overseas. With the collapse of the OECD shipbuilding negotiations to end unfair foreign ship building subsidies, it has become imperative for Congress to step in and address the issue with a legislative remedy.

Of particular noteworthiness, this legislation also contains the repeal of the so-called Coast Guard user fee. The repeal of the fee has been one of my top priorities since its enactment as part of the 1990 budget agreement. I have cosponsored legislation to repeal the user fee, and I have also sponsored legislation to provide an extended grace period in 1991 for boaters to comply with the law.

Basically, the user fee is a tax. The term user fee misleads people into thinking that the funds collected will go to help pay for Coast Guard services. This is simply not true. The revenue goes directly into the U.S. Treasury, with no designation, and is a cynical attempt to balance the budget on the back of American boaters. It is a tax, plain and simple.

As many of you know, the fee was adopted at the insistence of the Bush administration during the 1990 budget negotiations. The fee has consistently been a part of the last two administrations' budget packages over the last 10 years. This subterfuge is simply aimed at bringing revenue into the Federal Treasury without increasing taxes.

Unfortunately, it has not worked. For various reasons—ranging from delayed implementation, to the fact that it is just a bad idea—there has been massive noncompliance. Through May 1 of this year, the Coast Guard has collected only a fraction of the \$130 million in projected revenue. Only 15 percent of the 4.1 million boaters subject to the tax have purchased a decal.

I can only imagine that the massive noncompliance of U.S. boaters will entail—aside from the serious shortfall in funding—a considerable amount of antagonism between Coast Guard personnel and irate boaters. This situation does not benefit anyone. It is a waste of limited Coast Guard resources, and a source of aggravation to boaters.

Madam Chairman, getting back the first part of this legislation, let me reiterate the point that this H.R. 2056 is a reaction to unwise decisions and events over the last 12 years. While I support the legislation, I have heard at

great length from seafaring labor, U.S. ports, longshore labor, and others about potential implications over the enactment of the bill. A number of relevant points have been raised, and I am sympathetic to many of these concerns.

I realize that many of the issues were addressed in committee activity, but there remains strong opposition to the specific approach embodied in the bill. If alternative approaches can be found which more directly penalize foreign governments who provide subsidies, or the shipyards which receive the subsidies, this should be explored. One approach which has been suggested would entail a mandatory section 301 investigation and proceeding. This idea may have some merit.

Again, these are important issues regarding the future U.S. shipbuilding capacity, and, consequently, the future of the U.S. industrial base. We cannot continue the present policy of benign neglect. I urge my colleagues to support this effort.

Mr. DAVIS. Madam Chairman, I yield 2 minutes to the gentlewoman from Maryland [Mrs. BENTLEY].

Mrs. BENTLEY. Madam Chairman, I thank the gentleman for yielding me time.

Madam Chairman, I rise in support of H.R. 2056. Last year, JOE GAYDOS and I introduced similar legislation, H.R. 2709, which is cosponsored by 80 of our colleagues. I commend the gentleman from Florida for recognizing the need for such legislation, and for taking the lead on the Ways and Means Committee with this bill.

Enough is enough, Madam Chairman, in 1981, we unilaterally terminated commercial subsidies to American shipyards. And in Maryland, two of our yards have closed in the meantime. Unfortunately, our trade competitors did not follow our lead. Instead, the Governments of Japan, Korea, and Europe poured billions of dollars into their shipyards to capture greater market share.

Today, there is no such thing as free trade in the commercial shipbuilding and repair industry. This is the most distorted market in the world.

The subsidies of these governments reduce the price per ship by an average of 25 percent. No company—regardless of its competitiveness—can compete against such a price advantage provided to foreign shipyards by their governments.

American shipyards can compete with any company in the world but they cannot successfully compete with foreign governments.

Madam Chairman, the average labor rate for American shipbuilders is \$15.50 an hour. Seven countries—Germany, Norway, Denmark, Netherlands, Italy, France, and Japan—pay their shipyard workers more. In fact, the hourly labor rate in Germany is \$11 an hour higher

than in the United States. Shipyards in these countries can pay their workers more and still win contracts because of government subsidies. The annual average subsidy provided by Japan is \$1.3 billion; by Korea, \$1.1 billion; and by Germany, \$1.5 billion. By comparison, U.S. shipyards receive zero subsidies.

With the magnitude of foreign government intervention, it is no wonder that commercial shipbuilding in this country has collapsed.

It is time for foreign governments to recognize that we will no longer condone foreign subsidy practices which are destroying American industries—which are denying Americans jobs.

Enactment of H.R. 2056 will bring free and fair competition to the shipbuilding and repair marketplace. It also will send a very clear message to foreign governments that the United States is willing to fight unfair trade practices which have crippled America's shipyards.

American shipyards, suppliers, and workers are asking only for an opportunity to compete fairly.

Let us put America back to work. Let us pass H.R. 2056 while there is still an American shipbuilding, repair, and supplier industry left.

I urge my colleagues to vote for H.R. 2056 and vote against a motion to recommit. A vote for Mr. ARCHER's motion is a vote for foreign subsidies.

Mr. GIBBONS. Madam Chairman, I yield 1 minute to the gentleman from Maryland [Mr. HOYER].

Mr. HOYER. Madam Chairman, I thank the gentleman for yielding me this time.

Madam Chairman, I rise today in support of H.R. 2056, the Shipbuilding Trade Reform/Boat User Fee Repeal Act.

I believe this legislation has many important provisions which my colleague, the gentlewoman from Maryland [Mrs. BENTLEY], has spoken of.

As a Member from a delegation which represents nearly 4,600 miles of tidal coastland, I want to express my strong support for those provisions of this legislation which will repeal the Coast Guard user fee.

□ 1700

As I stated almost a year ago when the effort to repeal these user fees first started, the term "user fee" is inaccurate. This term implies that the vessel owners are paying for a service which they use. In fact, it has been stated time and time again that the revenue collected from this fee will be used to help reduce the deficit. While I am fully supportive of efforts to reduce the deficit, I cannot support an action that unfairly singles out one group.

Although many of us would have liked to see a complete repeal of this fee last summer, our budget rules did not permit this. The compromise agreement now before us represents the

best chance to repeal the Coast Guard user fee. This legislation will exempt 70 percent of all boaters from this fee next year, it will exempt all boats under 37 feet in 1994, and all other boats by 1995. Let us start this repeal now, and let us give relief to our country's 4.1 million recreational boaters.

Mr. ARCHER. Madam Chairman, I yield 2 minutes to the gentleman from New Jersey [Mr. SMITH].

Mr. SMITH of New Jersey. Madam Chairman, I rise today to urge my colleagues to support the Archer motion to recommit H.R. 2056, the Shipbuilding Trade Reform Act of 1992.

The Archer motion would recommit this measure with instructions to strike title I, the controversial portion of the bill dealing with shipbuilding subsidies.

If passed, the Archer motion would give the Members their only clear chance to repeal the so-called boat user fee without any complications whatsoever.

Madam Chairman, after an almost interminable wait, the House finally can do away with the boat user fee. I have been a strong supporter of H.R. 534, and was pleased that a compromise was finally reached between the Merchant Marine and Fisheries Committee and the Ways and Means Committee to repeal the boat fees; however, boatowners and I have had extensive conversations with boatowners in Monmouth County and Ocean County in my area and have sat around and talked to them about how this has impacted upon them. They will surely be disappointed that the user fee repeal was linked to the doomed shipbuilding subsidies provisions.

Title I, as we all know, is veto bait. Without the Archer motion, the user fee repeal will never see the light of day, and that would be most unfortunate and unnecessary.

I just hope that we will not foul the sails today, Madam Chairman. The boat user fee could finally be on its way to repeal if we support the Archer motion and separate the phased repeal compromise from the shipbuilding subsidies.

Mr. JONES of North Carolina. Madam Chairman, I yield 2 minutes to the gentleman from Louisiana [Mr. TAUZIN].

Mr. TAUZIN. Madam Chairman, I want to thank the chairman of the full committee, my colleague, the gentleman from North Carolina [Mr. JONES].

I want to particularly congratulate the gentleman from Florida [Mr. GIBBONS] for his fine work and for the efforts to bring this issue into focus.

We ought not to have to pass this bill. If the negotiators had done their job, if they would do their job today, it would end this awful mess of foreign subsidies and we would not be in a situation pitting shipyards against those

who own and transport with those ships that come into the United States and leave our ports for foreign shores; but unfortunately, our negotiators have not concluded a fair treaty and we are left with a situation where foreign subsidies are stealing away American jobs and dealing the shipyards of America a blow that some may never recover from.

But I particularly want to highlight what I consider the best feature of this bill, and that is the part that does repeal this so-called boat user fee. It is not a fee. It is a tax. What boatowners get for the payment of this tax is a decal which they stick on their boats.

The money, as someone said, does not go to the Coast Guard. It goes to the U.S. Treasury, and on top of that the Coast Guard has to spend some awfully precious dollars that they ought to be using for search and rescue, fisheries enforcement, environmental cleanup, and all the other many things that Coast Guard does for us and our people. Instead, they are taking those precious dollars and diverting them away to collect this tax which boatowners across America are rightfully objecting to paying every day, every hour, every week.

Repealing that awful tax ought to be something this House, this Congress, accomplishes this year. If we do not accomplish it in this bill, we ought to keep fighting until we add it to some bill that does in fact get a Presidential signature down the line.

I want to remind the Members of the House that this ought not to be the last effort at repeal. Every chance we get, we ought to attach that repeal to another piece of legislation.

Mr. GIBBONS. Madam Chairman, I yield myself 30 seconds.

Madam Chairman, I want to correct the people over on my right who oppose this and say the only chance to rescue the boatowner fee is to separate the boatowner fee from this piece of legislation.

Now, that is just absolutely, totally false.

Let me read you from the Executive Office of the President, addressed to the Congress, dated April 29, 1992, the following statement, and I have it here for anybody who wants to examine it and I hope you will correct your statements, and I read this:

The Administration strongly objects to the repeal of the boat user fee.

How clear can it be that your argument is entirely mistaken.

Mr. ARCHER. Madam Chairman, I yield myself 1 minute in order to respond to my friend, the gentleman from Florida.

The administration strongly supports my motion to recommit and has sent a strong veto signal on the title that relates to the shipbuilding subsidies.

Mr. GIBBONS. Madam Chairman, I yield myself an additional 30 seconds.

Madam Chairman, nothing could be further from the truth. This is a statement of administration policy from the Executive Office of the President, and the title of it is "H.R. 2056, Shipbuilding Reform Trade Act, GIBBONS, Democrat of Florida and 30 others."

Now, it is straightforward. It says, "The Administration strongly objects to the repeal of the recreational boat user fee." But it goes on and tells why they object to it.

Your boat user fee standing alone is just as much veto bait as anything else, and I hope the gentleman will correct his argument.

Mr. JONES of North Carolina. Madam Chairman, I yield such time as he may consume to the gentleman from Georgia [Mr. JENKINS].

Mr. JENKINS. Madam Chairman, I rise in support of the Shipbuilding Trade Reform Act. After nearly 3 years of negotiations in the OECD, the administration has failed to produce an agreement to end foreign shipbuilding and repair subsidies. The future of the American industry rests in the balance. It is time for Congress to act.

Over the past 10 years, foreign subsidies have decimated the American shipbuilding and repair industries, and have caused serious injury in the shipyard supply business as well. Foreign subsidies have already cost 120,000 American jobs, and if we do not act now, could result in the loss of another 180,000 jobs by 1998.

Before 1981, U.S. shipyard business was evenly divided between commercial and military work. U.S. Government assistance to our industry ended in 1981, and it was not long after that U.S. shipyards lost their commercial business to their heavily subsidized foreign competitors. Annual shipbuilding subsidy budgets average \$1.5 billion in Germany, \$1.3 billion in Japan, and \$1.1 billion in South Korea, the countries whose shipyards have by far the largest share of worldwide commercial ship construction business.

Today, American shipyards rely primarily, if not exclusively, on military construction contracts. Prior to 1991, the last order placed for a commercial ship with a U.S. yard was in 1984. And now, of course, military requirements are shrinking. Only five new ships per year will be built for the Navy during the remainder of the 1990's.

This is not enough work to keep America's shipyards in business. Unless our shipyards can make the transition from military to commercial application—unless there is a market in which they can compete—they will go under. And if they go under, we also run the risk of losing our capacity to meet future military needs.

American yards are not asking for Government financial assistance. They are asking us to fight for rules of fair play, rules that will assure a free and fair market in which they can compete. Passage of H.R. 2056, the Shipbuilding Trade Reform Act, will help give them that chance. That is why I will vote yes on

passage and will oppose any motion to recommit.

Mr. JONES of North Carolina. Madam Chairman, I yield 2 minutes to the gentleman from California [Mr. HUNTER].

Mr. HUNTER. Madam Chairman, this is an interesting situation that our administration has placed us in.

First, the President and his administration reject the use of subsidies for American yards, and now we reject the appeal of subsidies for foreign yards.

Basically, the message that we received is that we have to live with this unfairness.

Now, I think this bill acknowledges a basic truth, and I want to commend the authors of this bill. The truth is that no foreign nation is going to repeal a commercial advantage that they hold unless there is some leverage placed against them. This bill places leverages against foreign subsidized yards and their governments. That is the key.

Now, American shipyard workers, including shipyard workers in San Diego and other parts of this great Nation, are now going to have a chance to build the ships that fly the American flag and that carry American goods, and that is a good thing.

I understand that the President has sent a veto message. I think that is absolutely the wrong thing for this President to do. The United States needs more ships built by Americans flying the American flag. We need less foreign lobbyists representing their interests in Washington, DC, and having an effect on legislation like this.

My message to the President is, "Mr. President, don't listen to the foreign lobbyist. Don't listen to the foreign interests. This bill is one in which American interests are maximized. Please sign it."

Mr. GIBBONS. Madam Chairman, I yield such time as he may consume to the gentleman from Massachusetts [Mr. DONNELLY].

Mr. DONNELLY. Madam Chairman, I thank, the gentleman for yielding time to me, and I rise in strong support of H.R. 2056.

Madam Chairman, I rise in strong support of H.R. 2056, the Shipbuilding Trade Reform Act. Passage of this legislation will send a strong message to the administration and to our trading partners after 3 long years of attempts by domestic shipbuilders to resolve this problem.

Madam Chairman, in 1989, the Shipbuilders Council of America filed a 301 petition seeking relief from subsidy practices of Japan, South Korea, West Germany, and Norway in the shipping industry. Later that year, the shipbuilders agreed to withdraw that petition, with the understanding that the U.S. Trade Representative would enter into multilateral negotiations with the other countries to end their subsidy practices.

Three years and four deadlines later, negotiations not only aren't moving forward—in fact, the other nations have committed an additional \$4.5 billion in subsidies. The United States ended its subsidies in the early 1980s.

American shipbuilders cannot compete against these unfair subsidies. My district is living proof of that fact. The shipyard in Quincy, MA—the heart of the 11th Congressional District—has been virtually shut down due in large part to foreign competition. This is a shipyard that has a proud tradition. Tomorrow, Ron Adams, a teacher in Quincy, MA, will be honored for a video he produced documenting that proud tradition. The video describes the role of women working at the shipyard during World War II.

H.R. 2056 would generally deny access to U.S. markets to ships constructed with the use of foreign subsidies after the date of enactment of the legislation. Access could be granted if the subsidy had been repaid to the granting authority within 2 years of enactment, or if the amount of the subsidy were paid to the U.S. Treasury.

The bill provides generous transition rules. It doesn't apply to subsidies that exist today. It doesn't apply to subsidies that were provided before enactment of the legislation. It doesn't apply to vessels on which construction was carried out pursuant to a contract entered into before October 16, 1991, the date that the Committee on Ways and Means approved this legislation.

This bill will send a message to our foreign trading partners that the Congress and America's shipbuilders are serious about ending unfair subsidies. We ask only for a level playing field, and H.R. 2056 is the best guarantee that a level playing field will be achieved.

□ 1710

Mr. DAVIS. Madam Chairman, I yield 2 minutes to the gentleman from Alabama [Mr. CALLAHAN].

Mr. CALLAHAN. Madam Chairman, I rise in support of H.R. 2056. I am particularly pleased there are two vital issues to the people of south Alabama. I come from a community with one of the largest and most successful ports in America.

I rise in support of section 1, phase I, and section 2, phase II. It is only because we have section 2 in this bill because we attached it to section I.

So we are here today with the best of both worlds, an opportunity for us to provide jobs in the boatbuilding, shipbuilding industry, to revitalize the shipbuilding industry in America, to provide desperately needed jobs in America and at the same time to remove this onerous tax that was imposed in the 1990 Budget Reconciliation Act.

Let me tell you here today I wonder what the people of Japan are thinking, because American yards are competing against the Japanese yards. Let me just tell you the contrast: The Japanese, in the past several years, have built 518 commercial ships, while the United States has built only 3. The difference is that the Japanese order book

is so large that they average \$1.3 billion a year in subsidies to Japanese shipbuilding.

How can we compete with those terms? What this bill does, it makes America, puts us on the same level playing field with Japan and at the same time revitalizes our industry and repeals this onerous tax. What more could you ask? We have been asking the Committee on Ways and Means and we have been asking this Congress for literally years to repeal this tax. Suddenly, when we have an opportunity to repeal the user tax, they will tell us, "Let us recommit this, let's strip this out, this shipbuilding part out, and let's give you an opportunity to vote on something that we should have given to you years before."

I ask you to join with me today and defeat the Archer recommendation of recommitment and vote for this package of bills.

Madam Chairman, I rise today in support of H.R. 2056, the Shipbuilding Trade Reform Act. I am particularly pleased that two issues of vital importance to the people of south Alabama are addressed by this measure. Specifically, title I of the bill would stop foreign governments from unfairly subsidizing their shipbuilding industries—a practice that has stymied shipbuilding in this country during the past decade. And title II would phase out the onerous user fee that was imposed by the 1990 Budget Act on recreational boatowners. Both efforts are vitally needed.

Madam Chairman, as I see it, the choice we have to make today is simple. Do we vote to save the U.S. shipbuilding industry or not? Do we save 180,000 American jobs or not?

For 3 years, the United States has attempted to negotiate an international agreement to stop shipbuilding and repair subsidies by foreign governments. Unfortunately, our trading partners are only interested in protecting their domestic industries, and foreign shipyard subsidizing has continued at the expense of the United States shipyard and shipyard supplier base. As a result, American yards are currently building only three commercial ships, after going for 7 straight years without a commercial contract. In contrast, Japan, the world's leading commercial shipbuilding country has 518 commercial ships on order.

I have to wonder if Japan's order book would be so large if the government did not budget an average of \$1.3 billion a year in shipbuilding aid, or if it hadn't allowed Japanese yards to sell their ships at prices significantly below their production costs, or if the Government hadn't created programs and provided funding to help Japanese yards improve their technology and modernize their unproductive facilities? I believe the answer is no. Unfair practices such as these have caused the collapse of commercial shipbuilding in the United States. They have forced over 40 major U.S. shipyards to close, and put 120,000 Americans out of work. I ask my colleagues, do we continue to stand by and let this happen or do we pass H.R. 2056 and stop these practices today?

Another reason we must adopt H.R. 2056 is because it addresses the controversial boat

user fee. Although I am disappointed that we are not voting on a straight repeal of the tax, I understand a phaseout is the best we can do at this time.

Boatowners in this country already pay their fair share of taxes. And, this is indeed a tax, not a user fee as it has been mislabeled. User fee implies that the funds are used for the benefit of a particular user group. But the fees collected when a boatowner purchases a Coast Guard decal do not go to improve Coast Guard services or provide new ones. It goes into the general fund budget—it's a tax.

Madam Chairman, I urge my colleagues to support H.R. 2056 and to vote against the Archer motion to recommit. Let's vote today to stop both unfair competition from foreign governments and unfair taxation of recreational boatowners.

Mr. ARCHER. Madam Chairman, I yield 2 minutes to the gentlewoman from Nevada [Mrs. VUCANOVICH].

Mrs. VUCANOVICH. Madam Chairman, later we will be considering a motion to recommit offered by Mr. ARCHER.

Title I of H.R. 2056 would require a United States or foreign vessel operator to certify that the vessel has not been repaired or constructed with foreign subsidies prior to entering a U.S. port.

These requirements would seriously harm our domestic coal industry's ability to compete in the international marketplace.

As ranking member of the Interior Subcommittee on Mining and Natural Resources, I am opposed to these provisions.

Purchasers of over 100 million tons of U.S. coal in 40 countries rely on our Nation's supply of this high quality low cost source of energy.

Will the countries that now purchase our coal do without this supply? Of course not.

They will go elsewhere and once again our economy will suffer because of ill-conceived notions by this Congress that we can repeal the law of supply and demand.

Madam Chairman, the repeal of the boat user fee portion of this bill is an important component of this bill. That is another reason that I support the motion to recommit; that is, separating these two items.

Madam Chairman, I urge support for the motion to recommit offered by my colleague, the gentleman from Texas [Mr. ARCHER].

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

Madam Chairman, I am ready to close for this side. I want to say that there are some simple truths here. First of all, this bill only applies to ships that are constructed after the effective date of the bill. So it does not do all the horrible things that some people conjure up.

Second, if we do not pass this bill we will continue to discriminate against

180,000 workers, who are the only American workers, the only workers in the United States, who are not protected against subsidies. Every other American worker, every other American business, is protected against subsidies—except shipyard workers and their shipyards.

That is unacceptable.

Why do we need this bill? We need it to help us get an international agreement to get rid of shipbuilding subsidies. We have had no subsidies for 11 years, and that has been a disaster—our unilateral disarmament in that area.

In that time, we have lost several hundred thousand jobs in the shipbuilding industry and the supplying industries. We simply cannot continue down that track.

The shipbuilding people tried to bring a trade action under section 301 and were asked to work with the administration at the negotiating table. They have waited for 3 long years while the administration has gone to the bargaining table time and time again to try to get an international agreement. But we have no leverage because we have nothing to trade in that international agreement. This bill will give us some leverage to try again to get an international agreement to get rid of these harmful subsidies, these disastrous subsidies.

American workers cannot compete against the subsidies of foreign governments. It is just impossible. Foreign shipyards continue to bid the price down on ship contracts until they get the contract and we get nothing because we cannot subsidize and we should not subsidize.

The administration has worn out three sets of negotiators trying to negotiate with our trading partners, but they just sit back and laugh.

We will never get an international agreement in the current circumstances. I hope you will respect the experience that I have had in international negotiations. Unless we have something we can take to the bargaining table to move the negotiations forward, there will be no agreement.

The main governments who keep subsidizing their shipyards are the Germans, the French, and the Italians. They have shown no intention of giving up their subsidies. Asian countries have come to us and signaled that they are ready to give up their subsidies and enter into an agreement with us.

It is us against the European community, the Germans, the French and the Italians, and they will subsidize until there is not a single job left in America if we don't move decisively.

Why should we treat the 180,000 workers who now labor honestly in our shipyards, and not give them the same protection under our unfair trade laws that every other American worker receives?

There is absolutely no reason to single out these people for this sacrifice. This bill will not harm our foreign trade. I hope you will believe me on that. No one has fought harder in this Congress than I for open foreign trade. I think I understand it. You may not agree with me, but I think I understand it. Nobody is a freer trader than I, not even the President of the United States. And I believe this is in keeping with free-trade practices.

However, free trade is not subsidized trade, free trade is not dumped trade. This bill gives every worker in our shipyards and every shipyard owner the same type of protection against unfair competition that every other American is afforded to help him retain his job in this country.

It is ridiculous to argue that this bill is going to be vetoed, but that a self-standing bill repealing boat-user fee will not be vetoed. The administration says here in two letters that I have, not just one but in two letters that I have, one dated April 28, and one dated yesterday, from the Executive Office of the President: "The Administration strongly objects to the repeal of the boat user fee."

In light of that, I cannot accept Mr. ARCHER's argument saying, "Oh, you can get the boat user fee passed by the President if you just pull the subsidy matter out of it." It will not work, it will not work. And I hope that Mr. ARCHER will not continue to make that fallacious argument.

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

Madam Chairman, I would say to my friend from Florida that I do not know which of us can better speak for the President of the United States or for this administration, but a veto threat does lie against title I. A veto threat does not lie against title II. Those are the simple facts that exist today.

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

Madam Chairman, how much time do I have remaining?

The CHAIRMAN. The gentleman from Texas [Mr. ARCHER] has 1 minute remaining.

Mr. ARCHER. Madam Chairman, I yield such time as he may consume to the gentleman from Wyoming [Mr. THOMAS].

Mr. THOMAS of Wyoming. Madam Chairman, I thank the gentleman for yielding this time to me. I rise in support of the Archer substitute.

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

Mr. JONES of North Carolina. Madam Chairman, I yield back the balance of my time.

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The CHAIRMAN. The gentleman from Michigan [Mr. DAVIS] has 2½ minutes remaining.

Mr. DAVIS. Madam Chairman, I yield the balance of my time to the gen-

tleman from Florida [Mr. Goss] who has been a staunch opponent of the boat-user tax and fought side by side with many of us who have been trying to repeal it.

Mr. GOSS. Madam Chairman, I thank the gentleman from Michigan [Mr. DAVIS] for yielding this time to me.

Madam Chairman, it has been a long voyage trying to repeal the recreational boat-user fee, but, thanks to the persistence of the Committee on Ways and Means and the Committee on Merchant Marine and Fisheries, I think we are finally getting to home port. Anyone who has tracked the evolution of this tax would certainly be mystified by its unfairness. But even more bewildering to the people of the United States is the process we have had to endure to wipe the mistake from the books.

Madam Chairman, nothing about this tax ever made sense. Neither the fees, the fines, the collection and distribution scheme, nor the requirement that the Coast Guard take time out from its regular duties to enforce this tax; none of that ever made any sense. But the most ludicrous part of all of this was the expectation that this so-called tax would raise \$750 million over a 5-year period. In actuality, when we factor in the cost to the Coast Guard of \$6.7 million so far to collect this tax, it has only raised a total of \$38 million.

The Coast Guard, as we all know, is an agency that is mightily over-commissioned these days. Right now today it is heavily employed dealing with the Haitian problem along with many other missions.

Madam Chairman, I hope my colleagues remember their overwhelming vote last year for repeal when 412 Members of this body went on record to say this tax was a mistake. Numbers like that would suggest smooth sailing on the course to repeal. Also, with regard to the veto question, actually repeal has been somewhat of a stormy process. But I think, thanks to the persistence, the creativeness and the imagination of the gentleman from Michigan [Mr. DAVIS] primarily, it looks like we are getting there.

H.R. 2056 is not cement shoes, but it is the best way to sink the boat-user fee. I urge my colleagues to support title II of H.R. 2056 and repeal a nonsensical tax. I realize there is an issue with regard to title I, which has been adequately debated, I believe.

With regard to the statement about the administration in opposition, I will only say that the statement that I read from the administration, that "We believe it is unfair to the general taxpayers to bear the entire cost of the Coast Guard services," which puzzles me mightily because they do, by constitutional mandate, bear the cost of the armed services—

Mr. DAVIS. Madam Chairman, will the gentleman yield?

Mr. GOSS. I yield to the gentleman from Michigan.

Mr. DAVIS. Madam Chairman, I might note that we have been talking about the letter today, and the gentleman from Texas [Mr. ARCHER] is right. What the letter says is that the administration opposes the repeal of the boat-user fee, but it does not say that they would repeal it, and I believe the strong commitment from this Congress, the vote that we had that the gentleman referred to, strongly will send a message to the President of the United States on the boat-user fee. He will in fact sign the bill if it gets to his desk.

Ms. PELOSI. Madam Chairman, I rise today in support of H.R. 2056, The Shipbuilding Trade Reform Act. It is imperative that we put our Nation's shipbuilders on an equal footing in the international shipbuilding and ship repair markets. H.R. 2056 would accomplish this by addressing the inherent inequalities in foreign governments subsidizing their own shipyards while U.S. shipyards receive no subsidization.

Cuts in defense spending, the recession and unfair foreign subsidization have contributed to the devastation of our Nation's shipyards over the last couple of years. Today, the Shipbuilding Trade Reform Act provides this body with the opportunity to demonstrate leadership and conviction in support of an important American industry. How can we ask our constituents and the business community to trust our leadership if we stand by and allow unfair foreign trading practices to ruin our industries here at home?

Madam Chairman, my colleagues who support this bill and I would prefer this issue to be resolved through an international agreement. However, absent any leverage, the U.S. Trade Representative [USTR] has been unable to make any progress on foreign shipyard subsidization. By passing this legislation, we provide protection for our shipyards and arm the USTR with ammunition to take back to the negotiating table.

Our colleague, Congressman ANDREWS, spoke eloquently earlier today about the quality of shipyard workers in his district and their ability to compete with any other workers in the world. However, as he mentioned, our Nation's shipyard workers are not asked to compete with just foreign shipyards and foreign workers, but are asked to compete with foreign governments as well.

Madam Chairman, the shipyard worker in my district also can compete with workers across the globe. In fact, I am confident that they would come out ahead in any competition with foreign shipyard workers. However, they cannot come out ahead when we make them compete with their arms tied behind their backs.

It is time to realize that our past efforts on behalf of our shipyards have been ineffective. It is time to chart a new bold course and pass the Shipbuilding Trade Reform Act.

Mr. CAMP. Madam Chairman, I rise today to express my wholehearted support for repeal of the so-called Coast Guard boat user fee.

My State of Michigan has nearly 800,000 of the Nation's 16.2 million registered boats, which is more than any other State. I rise on

behalf of the more than 76,000 boaters of Michigan's 10th District and their need to be heard on this issue. This is not a user fee, its a simple tax on the middle-class citizen who uses his or her boat for pleasure or recreation. The money involved does not go to the Coast Guard. It goes to mask the true size of our escalating Federal deficit. Had I been in Congress when this was included in the 1990 budget agreement, I would have surely opposed the Budget Act on this measure alone.

As a cosponsor of the original legislation that would repeal the user fee, I express my desire to see this body pass legislation that will not damage our trade relationships and still this unnecessary tax. Therefore, I support the effort to recommit H.R. 2056 in order to separate the two unrelated parts so that we can pass the repeal of the user fee on its own merits and avoid a possible Presidential veto.

Ms. OAKAR. Madam Chairman, I rise today in support of legislation to repeal the boat user fee. I want to commend Chairman JONES of the Merchant Marine and Fisheries Committee for bringing this legislation to the floor within the confines of the Budget Enforcement Act, and urge my colleagues to support repealing this unfair fee.

The boat user fee was enacted as part of the 1990 budget agreement simply in order to raise revenues. Americans are not loath to pay their fair share of taxes, Madam Chairman, but the operative word is, "fair." None of the revenues from the boat user fee would go toward improving the Coast Guard or other services available to the boating community in our Nation. Moreover, under the 1990 agreement, the boating community not only had to contend with the boat user fee, but also an increase in the gas tax and a 10-percent luxury tax on new boats. I was proud to cosponsor legislation to repeal the boat user fee, and am pleased to see it before the House today.

We are very fortunate in my hometown of Cleveland to have the beautiful recreational and commercial resource of Lake Erie, many area lakes and rivers, and a strong boating community. In fact, Madam Chairman, my homestate of Ohio ranks eighth in the Nation in retail boating sales. The boat user fee signified another attempt to unfairly single out the boating industry. I applaud the movement to repeal the boat user fee for the thousands of boaters in my area, and urge my colleagues to support it.

Mr. VANDER JAGT. Madam Chairman, I rise today in support of repealing the current boat use fee which was unfairly imposed on our Nation's boat owners, solely for the purpose of adding revenue to the general fund to balance an out-of-control budget. I thought then, and now, that controlling spending is the proper solution, not burdening our citizens with onerous taxes on what little leisure time we leave after covering the cost of government and the debt we have already created.

Michigan has more registered boats than any other State in the Union and I represent over 200 miles of shoreline along Lake Michigan. Needless to say, my constituents have been outraged over this tax and I was pleased to cosponsor this fine legislation, introduced by our colleague, Congressman DAVIS, to repeal the fee.

I commend the Committee on Merchant Marine and Fisheries for their continued efforts

on this particular issue. While that committee was able to identify an alternative revenue source, a true user fee for a service government provides to the private sector. Because the so-called user fee, in law, is properly identified as the tax that it is, I personally was delighted to work within the Committee on Ways and Means to further our repeal effort. While it has been much too slow in coming, I am very pleased that we have finally arrived at a moment in time that will hopefully grant relief to our constituents from this unfair tax.

As all of you are well aware, and as I have noted, I am a strong supporter of the pay-as-you-go provision of the deficit reduction agreement. In this particular case, the tax imposed by the Omnibus Budget and Control Act was totally uncalled for and unfair to the hundreds of thousands of recreational boaters that already pay more than their fair share of taxes and fees. We are grateful to our colleagues on the Committee on Merchant Marine and Fisheries for their work, their cooperation, in riding our Nation of this oppressive tax.

I opposed this boat tax in 1990 and continue to oppose it today, and it is my hope that this body will see fit to support the repeal and end this discrimination against our constituents who fish and sail, who take a moment's respite on our Nation's rivers, lakes, and waters. I urge my colleagues to vote in favor of title II of the bill and commend my colleague and ranking minority member, the gentleman from Texas [Mr. ARCHER], for his leadership in providing the opportunity to focus on this tax and to free our Nation's boaters from this burden.

Mr. HERTEL. Madam Chairman, I rise to support the repeal of the Coast Guard boat user fee. As we can now clearly see, this fee was an indirect way of raising taxes without providing increased services. I was opposed to this fee prior to its enactment. Since it was enacted, I have fought to push this repeal legislation through the Merchant Marine and Fisheries Committee. Today, I am glad to see that this important legislation has finally made it to the floor for consideration by the full House of Representatives.

The State of Michigan has far more recreational boats than any other State, and even more than a number of States combined. This fee increases the already disproportionate outflow of tax dollars from Michigan. Boaters are furious, and with good reason. Boaters and fishermen pay nearly \$300 million per year directly to the Federal Government in a variety of fuel, fishing, and other taxes. Now they are saddled with this additional fee, which is nothing more than another tax. To add insult to injury, this user fee goes directly into the U.S. Treasury, rather, than directly to the Coast Guard.

I have always been opposed to unfair taxes and tax increases for the middle class, and this user fee is both of those. This tax hits middle-income boaters harder than anyone. The repeal of this tax is long overdue; in conjunction with the luxury tax, this tax has hurt recreational boaters, put craftsmen out of work, destroyed the demand for new boats, and disrupted the entire market for American-crafted recreational boats. I urge my colleagues to vote to repeal this unfair tax and to breathe a little life into our staggering boat industry.

Mr. GILCHREST. Madam Chairman, I rise today in support of H.R. 2056. This legislation does two very important things: It repeals the onerous boat user fee and it moves to level the playing field for our shipbuilding industry. The former is not controversial, and I applaud the efforts of both chairmen in repealing this ill-conceived tax. The latter is more controversial, and I will focus on that.

Free trade, by definition, is trade which is not subject to government interference. I support free trade, as I believe open markets maximize competition and consumer choice while minimizing prices.

But the essential message of free trade is that government interference distorts markets; tariffs, quotas, nontariff barriers, and yes, subsidies, are all distortions. The purposes of this legislation is not to create a distortion, but rather, to eliminate one or at least offset its effects.

I am aware that many American industries cry protectionism because they do not want to compete; in this case we are responding to the needs of an industry that just wants a chance to compete, free from the influence of government policies. The bill does not retroactively punish any boatowner or shipping company; its effects are purely prospective.

Many of my colleagues, whose opinions I value and whose positions I share, will argue that this bill will jeopardize our future trade negotiations with the countries in question. However, this industry has exhausted every other free trade option. They have filed section 301 actions, but to no avail. International negotiations have proven fruitless. If this Congress will not act to compensate for the effects of foreign government intervention in the marketplace, we have no basis from which to negotiate, and our partners have no incentive to listen.

Madam Chairman, this bill represents a reasonable effort on the part of the Congress to allow a domestic industry to compete internationally. In removing the effects of foreign government intervention we are not stifling free trade, but rather, taking the first steps toward it.

Mr. HUGHES. Madam Chairman, I rise in support of H.R. 2056, the Shipbuilding Trade Reform Act.

There is a serious imbalance in the commercial shipbuilding and repair industry. Current U.S. law and U.S. trade agreements fail to provide adequate protections for U.S. shipbuilders from the effects of foreign unfair trade practices, particularly subsidies.

These trade practices render it impossible for American shipbuilders to compete with foreign subsidized shipyards for commercial shipbuilding and repair business. The American shipbuilding industry clearly needs some way to respond to this unfair competition.

Ideally, the President and his trade negotiators are in the best position to provide leadership on this issue. However, several years of negotiations in the Organization for Economic Cooperation and Development [OECD] for an international agreement to end foreign subsidies have been unsuccessful. Indeed, further negotiations have been indefinitely postponed.

Consequently, this bill imposes a unilateral solution to the problem. While this is not the

ideal way of achieving compliance and may well not achieve the goal of a level playing field, we must make it clear to those countries which subsidize their shipbuilding industry that the United States does not intend to tolerate the trade imbalance as well as to encourage continued international negotiations for a strong, effective multilateral agreement.

While the bill does not satisfy all interests, it does address several areas of legitimate concern. In particular, the bill grandfathered all vessels in service prior to the date of enactment with respect to previous construction and repair subsidies.

I am also pleased that the bill requires the Department of Commerce to publish a blacklist of shipyards which receive subsidy. This will give vesselowners who intend to bring their vessels into U.S. ports advance notice of payback requirements before they enter into construction contracts.

I also strongly support the provision in the bill to repeal the boat user fee. I, along with my colleagues, have been opposed to this user fee since 1981, when President Reagan first introduced the measure and have been working toward its repeal since its implementation after passage of the 1990 Budget Reconciliation Act. It is, plain and simple, a tax against a select group of individuals.

The fee unjustly targets an already heavily taxed segment of our population. Indeed, recreational boaters pay approximately \$175 million into the Wallop-Breaux fund, through taxes and fees on fishing equipment, motorboat fuel, and imported watercraft.

Furthermore, the recreational vessel fee is deposited directly into the general fund and does not guarantee a single service from the Coast Guard.

In addition, the impact on recreational boaters is tremendous. Indeed, prior to increased fuel costs, New Jersey's 1990 boater registration declined by 14,000 boats. The majority of the recreational boaters have simply not been able to afford to participate in one of the more popular sports for the State of New Jersey. Recreational boating is an important industry and a healthy source of pleasure for the citizens of my home State.

Therefore, I continue to oppose the imposition of these user fees and commend the leadership of both the Merchant Marine and Fisheries and the Ways and Means Committees for their perseverance in attempting to repeal the unfair tax.

I believe H.R. 2056 will have a positive effect on America's shipbuilding trade and I strongly urge my colleagues' support for its passage.

Mrs. UNSOELD. Madam Chairman, I rise in support of this bill.

H.R. 2056 reflects congressional frustration over the failure of our negotiators to eliminate foreign shipyard subsidies.

In 1981, the shipbuilders filed an unfair trade petition under section 301 of the Trade Act seeking United States action against the shipbuilding subsidies of Japan, South Korea, Germany, and Norway. The U.S. Trade Representative [USTR], however, managed to convince the shipbuilders to withdraw their petition to allow multilateral negotiations to end shipbuilding subsidies of other nations.

Today—after 3 years of polite talk—foreign shipyard subsidies continue. None of the es-

tablished deadlines for agreements were met and, in fact, broke down again a couple of weeks ago. No future talks are planned.

That is why we are here today. The administration has failed and Congress must decide what kind of message it wants to send to the administration and the world shipbuilding community. Are we going to brush aside the fact that foreign shipyards remain one of the most highly subsidized in the world and are we prepared to watch the demise of the U.S. shipyard industry?

Opponents of this bill argue it is protectionist legislation that will hurt U.S. interests. Hearing these arguments, Madam Chairman, reminds me of the debate over legislation to end the foreign large-scale drift net fisheries. The administration opposed that legislation for the same reasons. But this House rejected those arguments and passed a very tough bill. As a result, we sent the signal that we were serious about ending large-scale drift net fishing, the administration got the message, the Japanese came to the table, and an agreement was reached.

Passing H.R. 2056 could have the same effect. This is not final approval and I must say that, I, too, have some serious questions over this bill. For example, if this bill is signed by the President, will it result in the diversion of United States origin or destination cargo from Washington State to Canadian ports?

When the Ways and Means Committee reported this bill, the committee also asked the International Trade Commission to conduct an investigation on the likely economic effects of its enactment. A report is due within the next several weeks and will be of significant value to the Congress before this bill should be sent to the President.

Unfortunately, we are being asked to move forward today without all of the information we need and we are faced with a difficult vote. I wish this legislation was not necessary. I wish the U.S. shipbuilding industry was not threatened with the loss of another 100,000 American jobs. An international agreement to end subsidies would be preferable. But 3 years of talks have failed. The administration again appears willing to yield to foreign policy considerations at the expense of U.S. interests. This was their position on drift nets and log exports. Once again, I am prepared to send the signal that this is unacceptable.

Ms. SNOWE. Madam Chairman, I rise in strong support of H.R. 2056 the Shipbuilding Trade Reform Act, and in opposition to any attempts to strike provisions of the bill. I am an ardent supporter of title II to repeal the recreational boat user fee. The boaters of America already pay their fair share for services, and they should not be burdened with yet another tax. But I will focus my comments today on the shipbuilding title which has generated so much controversy.

It seems that whenever a trade issue comes to the floor for debate, this body is divided over questions of whether U.S. trade policies will be free or protectionist. While these questions may have some legitimacy on other issues, any such questions with regard to H.R. 2056 pose a false dilemma. Today, we must address a situation in which good faith efforts by the United States during the past decade to open the international market for shipbuilding

have been met with complete resistance from our competitors. The reason for this stonewalling is simple: Certain countries are trying to protect their interests and, in the case of shipbuilding, that means maintaining massive Government assistance programs to keep the prices of their goods artificially low.

Let's look at the real reasons why the U.S. shipbuilding industry has lost 40 shipyards and 120,000 direct and related jobs since 1981. In 1981, the United States eliminated its construction differential subsidies for the domestic shipbuilding industry—a clear and potent gesture that the United States was willing to make big concessions to open the international shipbuilding market to free competition. But other nations around the world haven't followed suit. They've kept their subsidy programs firmly in place. Since 1987, the world's three largest shipbuilding nations—Japan, South Korea, and Germany—have spent more than \$1 billion each on annual subsidies to their shipbuilders. These foreign subsidies reduce the price of the vessels by an average of 25 percent or more.

Can anyone expect the U.S. shipbuilding industry to compete with this kind of unfair government support? The international marketplace has been faced with an impassable obstacle course for U.S. manufacturers, while our competitors have been reaping a windfall of State sponsorship.

Despite the gross inequities in the international playing field, the United States demonstrated good faith once again in 1989, by organizing multilateral negotiations with other shipbuilding nations. In the course of these negotiations, the administration and the U.S. industry agreed to abolish existing programs that might be construed as indirect subsidies. We also agreed to make concessions on the Jones Act domestic shipping program which actually provides little business to U.S. shipyards, but which might be interpreted as an indirect subsidy. When placed along side of the elimination of direct subsidies in 1981, these examples show clearly that the United States has gone out of its way to encourage truly free trade.

What has been the result of these efforts? U.S. Trade Representative Carla Hills initially set a 1990 deadline for making progress in the multilateral negotiations; that deadline passed without meaningful action on the part of our trading partners. Subsequently, four more deadlines have expired without progress. Now, it appears that the negotiations may have collapsed. The European Community pulled out in April. Last December, Japan stated that it would be unable to sign an agreement on unfair pricing. While our trading partners have stammered and stonewalled, our shipbuilding industry—the only industry not covered by U.S. unfair trade laws—has been smothered by the subsidized competition.

If nothing is done to rectify this imbalance, what will be left for American shipyards—the military? For fiscal year 1992, the Navy announced plans to build 10 ships per year over a 6-year period. In fiscal year 1993, however, the Navy has come back with a plan for only five ships over 6 years. Unless the U.S. industry is allowed to reenter the commercial market, it stands to lose 180,000 direct and industry-related jobs by 1998. Before the elimination

of the U.S. direct subsidy in 1981, commercial vessels accounted for 50 percent of the domestic shipyard business. Now, Navy and Coast Guard contracts account for almost all of the business, making our entire industry acutely vulnerable to shrinking Defense budgets.

Madam Chairman, opponents of this bill have argued that H.R. 2056 is merely another tactic on behalf of a protectionist agenda, that the bill will hurt shipping companies rather than the foreign governments and shipyards engaged in unfair trade practices, and that ship traffic in the United States will grind to a halt if we pass this measure. These are hasty reactions, Madam Chairman. Upon careful review, I believe my colleagues will find that the legislation before us sends a powerful message to our trading partners that we want free trade, but that we will not tolerate continued exploitation of our good faith. This bill reaches the foreign governments by providing a strong disincentive for international shipping merchants to purchase ships manufactured in those countries. And it only seeks to address continued, future subsidies; the bill's grandfather clause allows existing ships to continue doing business in U.S. ports unaffected.

Madam Chairman, seven countries have higher shipbuilding labor costs than the United States, including Japan, Germany, France, and Italy. There is no question that American shipyards can compete in a free market, and our competitors know it. That's why they oppose the bill before us, and that's why we should support it.

Mr. ANDREWS of Texas. Mr. Chairman, today we finally have an opportunity to remove an onerous fee that has unfairly penalized recreational boat users. The boat user fee has not only adversely affected boatowners, it has hurt communities and businesses that cater to the recreational boat user. Because the Coast Guard can impose a fine of up to \$5,000 on boatowners who do not purchase the required decal, many boatowners are electing to take their boats out of the water altogether.

The boat user fee repeal contained in H.R. 2056 will eliminate the fees entirely by fiscal year 1995, a year earlier than they are currently scheduled to expire, with fees on smaller boats eliminated on a more accelerated basis.

Under current law, the Coast Guard is scheduled to impose annual fees, based on the length of the boat, through 1995. This bill will eliminate any annual fees after September 30, 1994, and establish new fee schedules for 1993 and 1994. Beginning October 1, 1993, the bill eliminates the fee for all boats under 21 feet, but keeps the fees on other boats at the current levels. Beginning October 1, 1994, the bill eliminates the fee for boats of 37 feet or less, keeps the fee at \$50 a year for boats between 37 and 40 feet and \$100 a year for boats 40 feet or longer.

The boat user fee provision in this bill will ultimately restore fair tax treatment to recreational boat owners, and I urge passage of the repeal.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the amendment in the nature of a substitute printed in House Report 102-507 is considered as

an original bill for the purpose of amendment under the 5-minute rule and is considered as read.

The text of the amendment in the nature of a substitute is as follows:

H.R. 2056

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—FAIR TRADE FOR THE COMMERCIAL SHIPBUILDING AND REPAIR INDUSTRY

SECTION 101. SHORT TITLE.

This title may be cited as the "Shipbuilding Trade Reform Act of 1992".

SEC. 102. CONGRESSIONAL FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds that—

(1) in 1981, the United States Government terminated funding for the construction differential subsidy program, thereby ending direct subsidization of commercial shipbuilding in the United States;

(2) the international market for shipbuilding and ship repair continues to be distorted by a wide array of foreign subsidies including direct grants, preferential financing, equity infusions, research and development assistance, restructuring aid, special tax concessions, debt forgiveness, and other direct and indirect assistance;

(3) existing United States trade laws and trade agreements provide limited redress to domestic producers of ships for the trade-distorting subsidies and dumping practices of foreign shipbuilders; and

(4) a strong effective multilateral agreement among all shipbuilding nations to eliminate trade-distorting practices in the shipbuilding and repair industry is the best means of providing for fair international competition, however, absent such an agreement, changes in United States trade laws are necessary to provide domestic producers of ships greater protection against unfair trade practices than is provided under current law.

(b) PURPOSE.—It is the purpose of this title to ensure fair trade in the commercial shipbuilding and repair industry by providing for effective trade remedies against subsidized and dumped foreign commercial ships.

SEC. 103. SUBSIDIZED SHIPYARD LIST AND REQUIRED VESSEL ENTRY DOCUMENTATION REGARDING CONSTRUCTION AND REPAIR SUBSIDIES.

(a) Part II of title IV of the Tariff Act of 1930 (19 U.S.C. 1431 et seq.) is amended by inserting after section 435 the following new sections:

"SEC. 435A. LISTING OF SUBSIDIZED SHIPYARDS.

"(a) ESTABLISHMENT OF LIST.—The administering authority shall establish and maintain a list of all foreign shipyards that receive or benefit from, directly or indirectly, a subsidy for the construction or repair of vessels.

"(b) INVESTIGATION.—The administering authority shall conduct an investigation to decide whether there is reasonable cause to believe that a foreign shipyard receives or benefits from a subsidy for the construction or repair of vessels. That investigation shall be initiated when the administering authority has reasonable cause to believe that a shipyard receives or benefits from, directly or indirectly, a subsidy for the construction or repair of vessels—

"(1) on the basis of information available to the administering authority; or

"(2) on petition for an investigation from an interested party.

"(c) DETERMINATION AFTER INVESTIGATION.—

"(1) IN GENERAL.—Based on the investigation conducted under subsection (b), the administering authority shall make a determination as to whether a shipyard receives or benefits from, directly or indirectly, a subsidy for the construction or repair of vessels.

"(2) NOTIFICATION AND PUBLICATION OF LISTING.—If the administering authority determines that a foreign shipyard receives or benefits from, directly or indirectly, a subsidy for the construction or repair of vessels, the administering authority shall—

"(A) add the foreign shipyard to the list established under subsection (a);

"(B) notify that shipyard of its inclusion on that list; and

"(C) publish notice of that determination in the Federal Register.

"(3) TIME LIMIT ON MAKING DETERMINATION.—The administering authority shall make a determination under this subsection within 90 days of receipt of the information or petition that serves as the basis for initiating an investigation under subsection (b).

"(4) PUBLICATION OF LIST.—The administering authority shall publish the list of foreign shipyards receiving or benefiting from a subsidy for the construction or repair of vessels at least once every 6 months.

"(d) EMERGENCY LISTING.—

"(1) IN GENERAL.—If at any time the administering authority finds a reasonable basis to suspect that a foreign shipyard may be receiving or benefiting from a subsidy for the construction or repair of vessels, the administering authority may add that shipyard to the list established under subsection (a). The administering authority shall publish notice of that emergency listing in the Federal Register, which shall also include a schedule for investigation of the alleged subsidy.

"(2) INVESTIGATION AND DETERMINATION OF EMERGENCY LISTINGS.—Within 90 days after publication of a listing under paragraph (1), the administering authority shall conclude the investigation and make a determination under subsection (c) whether the shipyard is receiving or benefiting from a subsidy for the construction or repair of vessels.

"(e) REVIEW OF LISTINGS.—If a foreign shipyard that is listed under subsection (c) requests a review of that determination within 30 days after the date of the publication of the determination in the Federal Register under subsection (c)(2), the administering authority shall review that listing.

"(f) SUBSEQUENT RECONSIDERATION AND REMOVAL OF LISTINGS.—

"(1) RECONSIDERATION.—The administering authority may reconsider a listing under subsection (c)—

"(A) on application from a foreign shipyard added to the list under subsection (c) alleging changed circumstances sufficient to warrant a reconsideration of that listing and notice of that reconsideration is published in the Federal Register; or

"(B) if the administering authority receives information concerning the signing of an agreement between the United States Government and the foreign country in which the shipyard is located that provides for the immediate elimination by that country of construction and repair subsidies for vessels.

"(2) RESTRICTION ON RECONSIDERATION.—A foreign shipyard may not make more than one application for reconsideration under this paragraph in any calendar year.

"(3) BURDEN OF PERSUASION.—In any reconsideration under paragraph (1)(A), the burden

of persuasion with respect to whether there are changed circumstances sufficient to warrant a determination that the foreign shipyard should be removed from the list is on the applicant.

"(4) REMOVAL FROM LIST.—The administering authority may remove a foreign shipyard from the listing only if—

"(A) the foreign shipyard has proven that the foreign shipyard does not receive or benefit from a subsidy, directly or indirectly, for the construction or repair of vessels; or

"(B) there is a signed agreement between the United States Government and the foreign country in which the shipyard is located that provides for the immediate elimination of construction and repair subsidies for vessels.

"(g) PENALTY FOR FALSE INFORMATION AND RENEWAL OF SUBSIDIES.—The administering authority shall place a foreign shipyard on the list established under subsection (a) for a period of not less than 5 years if the administering authority determines—

"(1) that the foreign shipyard, or government of the country in which the shipyard is located, provided the administering authority with false or misleading information during the investigation conducted under subsection (b); or

"(2) after making a determination under subsections (c) of (f) that the shipyard is not subsidized, that the shipyard receives or benefits from, directly or indirectly, any new construction subsidies.

"(h) ACTION AGAINST THE UNITED STATES GOVERNMENT.—An interested party may bring a civil action against the United States Government, in an appropriate district court of the United States, for failure of the administering authority to use due diligence to add a subsidized foreign shipyard to the list established under subsection (a).

"SEC. 435B. CONSTRUCTION SUBSIDY CERTIFICATION REQUIRED OF VESSELS FOR ENTRY.

"(a) CERTIFICATION REQUIRED AT ENTRY.—The master of a vessel shall, at the time of making formal entry of the vessel under section 434 or 435, deposit with the appropriate customs officer a construction subsidy certification for the vessel.

"(b) CONSTRUCTION SUBSIDY CERTIFICATIONS.—

"(1) IN GENERAL.—For purposes of this section, a construction subsidy certification for a vessel is a document that—

"(A) is either—

"(i) issued by the administering authority under subsection (d), or

"(ii) in a form as the administering authority shall prescribe and signed by either the vessel owner or person that constructed the vessel; and

"(B) attests, regarding any construction carried out with respect to the vessel, that the construction meets one of the requirements set forth in paragraph (2).

"(2) CERTIFICATION REQUIREMENTS.—The requirements referred to in paragraph (1)(B) are as follows:

"(A) No construction subsidy was granted or otherwise provided with respect to the construction.

"(B) The construction was carried out with the benefit of one or more subsidies, all of which were granted or otherwise provided before the date of the enactment of this section.

"(C) The construction was carried out pursuant to a specific contract entered into before October 16, 1991.

"(D) The construction was carried out with the benefit of one or more subsidies that

were granted or otherwise provided during the 2-year period beginning on the date of the enactment of this section, but an amount equal to the value of each construction subsidy has been repaid to the agency that granted or otherwise provided the construction subsidy.

"(E) The construction was carried out with the benefit of one or more subsidies that were granted or provided on or after the date of the enactment of this section, but an amount equal to the value of each construction subsidy, reduced by any amount repaid under paragraph (D), has been paid by the Treasury of the United States.

"(F) The construction was carried out in a foreign country which is signatory to a trade agreement with the United States that provides for the immediate elimination of construction subsidies for vessels.

"(G) The construction was carried out in a shipyard that, at the time of contracting for construction of the vessel, was not on the list established under section 435A(a).

"(3) APPLICATION OF CERTIFICATION REQUIREMENTS.—With respect to vessels constructed in a foreign country which is a signatory to a trade agreement with the United States that provides for the elimination of construction subsidies for vessels, the requirements set forth in paragraph (2) shall be applied in a manner consistent with that agreement.

"(c) ENFORCEMENT.—If the Secretary has reason to believe that an unlawful act under section 436 relating to this section has been committed, the Secretary shall—

"(1) undertake any investigation necessary to ascertain whether action authorized under section 436 against the master of the vessel, or the vessel, or both, is warranted; and

"(2) if the vessel is not covered by a construction subsidy certification issued under subsection (d) and the information obtained during that investigation indicates that there is reason to believe that the vessel does not meet any certification requirement under subsection (b), so inform the administering authority and provide that information to the authority.

"(d) ISSUANCE OF CONSTRUCTION SUBSIDY CERTIFICATIONS BY THE ADMINISTERING AUTHORITY.—

"(1) APPLICATIONS.—The owner or lessee of a vessel, or the builder of a vessel, may apply to the administering authority for the issuance of a construction subsidy certification for the vessel. An application shall be accompanied by any documentation that the administering authority may require for purposes of establishing the eligibility of the vessel for that certification, including, if compliance with the requirement in subsection (b)(2)(D) or (E) is alleged, information regarding the amount of each construction subsidy granted or provided with respect to the vessel and the payment or repayment of amounts equal to the value of the construction subsidy.

"(2) ACTION ON APPLICATIONS.—After considering the documentation submitted with an application under paragraph (1), the administering authority, within 90 days after the day on which the application was received, shall decide whether to issue or deny the construction subsidy certification. The administering authority shall make the decision publicly available.

"(3) DENIAL OR CONDITION OF ISSUANCE OF CERTIFICATION.—The administering authority shall, if a construction subsidy certification for a vessel is denied under paragraph (2), provide the applicant with a written statement of the reasons for the denial or condi-

tion. The applicant may, with 14 days after the date of the written statement, request a review of the denial or condition under subsection (e)(3).

"(e) DETERMINATIONS AND REVIEW.—

"(1) PRELIMINARY INVESTIGATION.—The administering authority shall—

"(A) on the basis of information available to the administering authority;

"(B) on the basis of information provided by the Secretary under subsection (c)(2); or

"(C) upon petition therefor from an interested party; initiate a preliminary investigation to decide whether there is reasonable cause to believe that a vessel does not meet the construction subsidy certification requirements under subsection (c).

"(2) DETERMINATIONS AFTER PRELIMINARY INVESTIGATIONS.—If the administering authority makes an affirmative decision under paragraph (1) with respect to a vessel, the administering authority shall determine whether the vessel meets any construction subsidy certification requirement under subsection (b)(2). If the administering authority makes a negative determination on the basis of failure to meet the requirement under subparagraph (D) or (E) of subsection (b)(2), the administering authority shall calculate, and set forth in the determination, the aggregate value of the subsidy or subsidies used in the construction of the vessel.

"(3) REVIEW OF CERTIFICATION DENIALS AND CONDITIONS.—If a person whose application for a construction subsidy certification was denied or conditioned under subsection (d)(3) makes a timely request for review under this paragraph, the administering authority shall review the denial or condition.

"(4) CORRECTIVE ACTIONS.—If the administering authority makes a negative determination under paragraph (2), or upholds any certification denial or condition after review under paragraph (3), the administering authority shall set forth in the determination or review decision the action which must be taken in order to satisfy a requirement for construction subsidy certification for the vessel under subsection (b). The builder of the vessel shall be primarily responsible, and the vessel owner or operator secondarily responsible, for taking any corrective action. If that action is taken, the administering authority shall issue a construction subsidy certification for the vessel and that certification shall be treated as a construction subsidy certification issued under subsection (d).

"(5) CONSEQUENTIAL EFFECTS.—After a negative determination under paragraph (2), or a decision under paragraph (3) upholding a certification denial or condition, becomes final and until a construction subsidy certification for the vessel concerned is issued under paragraph (4), neither that vessel, nor any other vessel that is owned or leased by the owner of that vessel, may—

"(A) arrive at any port or place in the United States; or

"(B) remain at any port or place in the United States.

"SEC. 435C. DECLARATION OF REPAIR SUBSIDIES REQUIRED OF VESSELS FOR ENTRY.

"(a) SUBSIDY DECLARATION AND SURETY REQUIREMENTS AT ENTRY.—

"(1) IN GENERAL.—The owner or master of a vessel shall, at, or before, the time of making formal entry of a vessel under section 434 or 435, deposit with the appropriate customs officer a subsidy declaration for repairs made to that vessel since the vessel since the vessel last entered the United States.

"(2) INFORMATION IN DECLARATION.—The subsidy declaration made under paragraph

(1) shall include a statement attesting to whether any repairs were made in a foreign shipyard since the vessel last entered the United States and, if repairs were made in a foreign shipyard, include—

"(A) a list and description of each repair made;

"(B) an identification of each foreign shipyard in which a repair was made and the date of that repair;

"(C) the dollar value of the repair made in that shipyard; and

"(D) any other information required by the administering authority.

"(3) SURETY REQUIREMENTS.—

"(A) REQUIREMENT ON ENTRY.—On or before entry, the owner or master of the vessel shall file with the customs officer a bond, proof of insurance, or any other surety, as the administering authority may require, in an amount equal to at least 2 times the dollar value of the repairs declared under paragraph (2) that were made in a shipyard listed on the list established under section 435A(a) at the time of the repair.

"(B) FORM OF SURETY.—A bond, proof of insurance, or any other surety filed under paragraph (A) shall be in a form determined by the administering authority to be satisfactory to insure the financial responsibility of that vessel owner to pay for any repair subsidies. Any bond submitted under this section shall be issued by a surety company found acceptable by the Secretary.

"(C) CLAIMS AGAINST SURETY.—A bond, insurance, or other surety filed under paragraph (A) shall be available to pay for any repair subsidiary determined by the administering authority of any penalty assessed under section 436.

"(b) APPLICATION FOR REPAIR SUBSIDY DETERMINATION.—Within 30 days after the filing of the bond, proof of insurance or other surety under subsection (a)(3), the vessel owner may apply to the administering authority for the issuance of a repair subsidy determination for that vessel. An application shall be accompanied by any documentation that the administering authority may require for purposes of making the determination, including information regarding the amount of each repair subsidy granted and any repayment of the repair subsidy to the foreign government.

"(c) REPAYMENT OF REPAIR SUBSIDY.—

"(1) IN GENERAL.—A vessel owner shall pay to the United States Government an amount equal to any repair subsidy from which the vessel owner by that person has received or benefitted.

"(2) PRELIMINARY FINDING.—Within 30 days after the application, the administering authority shall make a preliminary finding as to the amount of repair subsidy which is to be paid to the Treasury of the United States. Notice of this finding shall be provided to the owner or his agent and published in the Federal Register. At any time before the preliminary finding is made, an interested party may file information with the administering authority regarding the validity or accuracy of the information provided by the vessel master or owner.

"(3) PETITION FOR REVIEW.—Unless a petition for review of that determination is received within 15 days after the date of notification under paragraph (2), from either the owner or an interested party, the finding by the administering authority is final.

"(d) FINAL REPAIR SUBSIDY DETERMINATIONS.—If the owner or interested party files a petition for review of the preliminary determination within the 15 days, the administering authority shall make a final deter-

mination within 30 days after the date the petition is filed.

"(e) FORFEITURE OF SURETY.—Unless a repair subsidy payback payment is made within 30 days of the final order, the face amount guaranteed by the bond, insurance, or other surety shall be forfeited to the United States Government.

"(f) INSUFFICIENT SURETY.—If the amount of the surety is insufficient to cover the amount of the repair subsidy ordered to be repaid, then the vessel, and any other vessel owned by that owner, may not enter to clear the United States until the full amount of the repair subsidy is paid to the United States Government.

"SEC. 435D. DEFINITIONS AND ADMINISTRATIVE PROVISIONS RELATED TO DETERMINATIONS AND REVIEWS UNDER SECTIONS 435A, 435B AND 435C.

"(a) DEFINITIONS.—As used in this section and sections 435A–435C:

"(1) The term 'administering authority' means the officer of the United States responsible for determining under subtitle A of title VII whether subsidies are provided with respect to imported merchandise.

"(2) The term 'construction' includes reconstruction.

"(3) The term 'interested party' means—

"(i) a person that engages in ship construction in the United States;

"(ii) a certified union or recognized union or group of workers which is representative of an industry that engages in ship construction in the United States;

"(iii) a trade or business association, a majority of whose members engage in ship construction in the United States; and

"(iv) an association, a majority of whose members is composed of interested parties described in clauses (i), (ii), and (iii) with respect to ship construction.

"(4) The term 'foreign shipyard' includes a ship construction or repair facility located in a foreign country that is directly or indirectly owned, controlled, managed, or financed by a foreign shipyard that receives or benefits from a subsidy.

"(5) The term 'subsidy' includes, but is not limited to, any of the following:

"(A) Officially supported export credits and development assistance.

"(B) Direct official operating support to the commercial shipbuilding and repair industry, or to a related entity that favors the operation of shipbuilding and repair, including—

"(i) grants;

"(ii) loans and loan guarantees other than those available on the commercial market;

"(iii) forgiveness of debt;

"(iv) equity infusions on terms inconsistent with commercially reasonable investment practices;

"(v) preferential provision of goods and services; and

"(vi) public sector ownership of commercial shipyards on terms inconsistent with commercially reasonable investment practices.

"(C) Direct official support for investment in the commercial shipbuilding and repair industry, or to a related entity that favors the operation of shipbuilding and repair, including the kinds of support listed in clauses (i) through (v) of subparagraph (B), and pay restructuring support, except public support for social purposes directly and effectively linked to shipyard closures.

"(D) Assistance in the form of grants, preferential loans, preferential tax treatment, or otherwise, that benefits or is directly related to shipbuilding and repair for purposes of re-

search and development that is not equally open to domestic and foreign enterprises.

"(E) Tax policies and practices that favor the shipbuilding and repair industry, directly or indirectly, such as tax credits, deductions, exemptions and preferences, including accelerated depreciation, if the benefits are not generally available to persons or firms not engaged in shipbuilding or repair.

"(F) Any official regulation or practice that authorizes or encourages persons or firms engaged in shipbuilding or repair to enter into anticompetitive arrangements.

"(G) Any indirect support directly related, in law or in fact, to shipbuilding and repair at national yards, including any public assistance favoring shipowners with an indirect effect on shipbuilding or repair activities, and any assistance provided to suppliers of significant inputs to shipbuilding, which results in benefits to domestic shipbuilders.

"(H) Any export subsidy identified in the Illustrative List of Export Subsidies in the Annex to the Agreement on Interpretation and Application of Articles VI, XVI, and XXIII of the General Agreement on Tariffs and Trade or any other export subsidy that may be prohibited as a result of the Uruguay Round of trade negotiations.

"(6) The term 'vessel' means any self-propelled, sea-going vessel—

"(A) of not less than 100 gross tons, as measured under the International Convention of Tonnage measurement of Ships, 1969; and

"(B) not exempt from entry under section 441.

"(b) HEARING AND REVIEW PROCEDURES.—The administering authority shall make determinations under sections 435A(c), 435B(e)(2), and 435C(d) and conduct reviews under section 435A (b), (e), (f), section 435B(e)(3), and section 435C(c), under the hearing procedures applied by the administering authority under section 774 with respect to hearings required or permitted under title VII. A determination by the administering authority under section 435A(c), 435B(e)(2), or 435C(d) is subject to judicial review under section 516A under the applicable procedures and standards applied under that section for reviewable determinations described in subsection (a)(2)(B) of that section.

"(c) PROPRIETARY INFORMATION.—Information submitted to the administering authority in regard to the making of any determination under sections 435A(c), 435B(e)(2), and 435C(d) and reviews conducted under section 435A (b), (e), (f), section 435B(e)(3), and section 435C(c), shall be treated as proprietary if it fulfills the requirements of section 777(b). Access to proprietary information under protective order shall be permitted under, and governed by, section 777(c).

"(d) INFORMATION USED IN MAKING DETERMINATIONS OR REVIEWS.—The administering authority shall verify all information relied upon in making any determination under sections 435A(c), 435B(e)(2), and 435C(d) or review under section 435A (b), (e), (f), section 435B(e)(3), and section 435C(c). If the administering authority is unable to verify the information submitted, the authority shall use the best information available as the basis for action. Whenever a party refuses or is unable to produce information requested in a timely manner and in the form provided, the administering authority shall use the best information otherwise available.

"(e) PUBLIC AVAILABILITY OF DETERMINATIONS AND REVIEW DECISIONS.—The administering authority shall make available for public inspection the text of all determina-

tions and review decisions made under sections 435A–435C."

(b) SPECIAL PROVISIONS RELATING TO THE SUBSIDIZED SHIPYARD LIST.—

(1) STATUTORY LISTINGS.—For purposes of section 435A(a) of the Tariff Act of 1930 (as added by subsection (a)), unless the administering authority determines, with clear and convincing evidence, that a foreign shipyard does not receive or benefit from, directly or indirectly, subsidies, a foreign shipyard (including a shipyard in a country that was a party to negotiating a multilateral agreement for the elimination of shipbuilding subsidies in the Organization for Economic Cooperation and Development Working Party 6 on October 16, 1991) is deemed to be on the list established under that section until the earlier of the date—

(A) the administering authority publishes the list of subsidized shipyards under subsection (c); or

(B) the foreign country in which the shipyard is located signs a trade agreement with the United States that provides for the immediate elimination of subsidies for that shipyard.

(2) TIME LIMIT ON INITIAL LISTINGS.—Within 120 days after the date of enactment of this Act, the administering authority shall—

(A) conduct an investigation under section 435A(b) of the Tariff Act of 1930 (as enacted by subsection (a)) with respect to all foreign shipyards;

(B) make a determination under section 435A(c) of that Act; and

(C) publish in the Federal Register a list of the foreign shipyards that have been determined to be receiving or benefiting from a subsidy for the construction or repair of vessels.

(c) ENACTMENT OF CIVIL ACTION REMEDIES.—Section 435A(i) of the Tariff Act of 1930 (as added by subsection (a)) takes effect one year after the date of enactment of this Act.

(d) GRANDFATHERED REPAIRS.—Section 435C of the Tariff Act of 1930 (as added by subsection (a)) applies to repairs made to a vessel under a contract entered into after the date of enactment of this Act.

SEC. 104. CONFORMING AMENDMENTS.

(a) ENTRY REQUIREMENTS FOR VESSELS.—Section 434 of the Tariff Act of 1930 (19 U.S.C. 1934) is amended by inserting "its subsidy certification (if required under section 435B," after "or document in lieu thereof."

(b) PENALTIES FOR VIOLATIONS OF ARRIVAL, REPORTING, AND ENTRY REQUIREMENTS.—Section 436(a) of the Tariff Act of 1930 (19 U.S.C. 1436(a)) is amended—

(1) by redesignating paragraph (4) as paragraph (7);

(2) by striking "or" at the end of paragraph (3);

(3) by inserting after paragraph (3) the following:

"(4) to present any forged, altered, or false subsidy certification to a customs officer under section 435B(a) or 435C(a) without revealing the facts:

"(5) to enter, or to attempt to enter, any vessel to which a prohibition on arrival in the United States applies under section 435B(e)(5);

"(6) to fail to remove promptly from the United States any vessel to which a prohibition on remaining in the United States applies under section 435B(e)(5); or"; and

(4) by striking "(3) in paragraph (7) (as redesignated by paragraph (1)) and inserting "(6)".

SEC. 105. TREATMENT OF VESSELS UNDER THE COUNTERVAILING AND ANTIDUMPING DUTY LAWS.

(a) IN GENERAL.—Subtitle D of title VII of the Tariff Act of 1930 is amended by adding after section 771B the following new section:

"SEC. 771C. SPECIAL RULES IN APPLYING TITLE TO FOREIGN-MADE VESSELS.

"(a) DEFINITION.—The term 'vessel' means any vessel of a kind described in heading 8901 or 8902.00.00 of the Harmonized Tariff Schedule of the United States of not less than 100 gross tons, as measured under the International Convention on Tonnage Measurement of Ships, 1969.

"(b) VESSELS CONSIDERED AS MERCHANDISE.—Vessels are merchandise for purposes of this title.

"(c) APPLICATION OF SUBTITLES A AND B.—

"(1) IN GENERAL.—In applying subtitles A and B with respect to vessels constructed, reconstructed, or repaired in foreign countries—

"(A) a vessel shall be treated as sold for importation into the United States when a United States person enters into a contract for—

"(i) the construction or reconstruction of the vessel by, or the purchase (or leasing, if the equivalent of a purchase) of the vessel after construction or reconstruction from, the builder; or

"(ii) the repair of the vessel; and

"(B) a vessel sold for importation into the United States shall be treated as being offered for entry for consumption under the tariff laws at the time of its first arrival at a port or place in the United States after construction, reconstruction, or repair, regardless of where the vessel is registered or documented.

"(2) DEFINITION.—For purposes of paragraph (1), the term 'United States person' means—

"(A) any individual or entity described in subsection (a) of section 12102 of title 46, United States Code;

"(B) any agent or other person acting on behalf of any individual or entity referred to in subparagraph (A); or

"(C) any person directly or indirectly owned or controlled by any individual or entity referred to in subparagraph (A)."

(b) PROSPECTIVE APPLICATION TO CONTRACTS.—The amendments made by subsection (a) of this section apply to a vessel built or repaired under a contract entered into after the date of enactment of this Act.

SEC. 106. UNITED STATES CONSTRUCTION SUBSIDY PROGRAMS.

(a) GOVERNMENT-IMPELLED CARGO.—Section 901(b) of the Merchant Marine Act, 1936 (46 App. U.S.C. 1241(b)) is amended—

(1) in paragraph (1), by striking "For purposes of this section, the term 'privately owned United States-flag commercial vessels'" and all that follows through the end of the paragraph and inserting a period; and

(2) by adding at the end the following new paragraph:

"(3) In this section, 'privately owned United States-flag commercial vessels' does not include vessel (until the vessel has been documented under chapter 121 of title 46, United States Code, for a period of 3 years) that—

"(A)(i) was built and, if rebuilt, rebuilt outside the United States; or

"(ii) for a vessel operated by an ocean common carrier (as defined in section 3 of the Shipping Act of 1984 (46 App. U.S.C. 1702)), is built under a contract entered into after October 16, 1991 and has not been issued a construction subsidy certification under section 435B of the Tariff Act of 1930; or

"(B) was registered under the laws of a foreign country."

(b) CONSTRUCTION RESERVE FUND.—Section 511(a)(2) of the Merchant Marine Act, 1936 (46 App. U.S.C. 1161(a)) is amended to read as follows: "(2) constructed in the United States after December 31, 1939," and all that follows through "insured under title XI of this Act as amended;" and inserting "(2)(A) constructed in the United States, or (B) the construction of which has been aided by a mortgage insured under title XI of this Act, or (C) if constructed in a foreign shipyard under a contract entered into after October 16, 1991, has been issued a construction subsidy certification under section 435B of the Tariff Act of 1930; and".

(c) OPERATING-DIFFERENTIAL SUBSIDY.—Section 601(a)(1) of the Merchant Marine Act, 1936 (46 App. U.S.C. 1171(a)) is amended by striking "and that such vessel or vessels were built in the United States," and all that follows through "prior to such date;" and inserting "and that the vessel was built in the United States or, if constructed in a foreign shipyard under a contract entered into after October 16, 1991, has been issued a construction subsidy certification under section 435B of the Tariff Act of 1930;"

(d) CONSTRUCTION LOAN GUARANTEES.—Section 1103(b) of the Merchant Marine Act, 1936 (46 App. U.S.C. 1273(b)) is amended—

(1) after "(b)" by inserting "(1)"; and

(2) by adding at the end the following new paragraph:

"(2) The Secretary may not guarantee an obligation under this title unless the vessel—

"(A) was built in the United States; or

"(B) if constructed in a foreign shipyard under a contract entered into after October 16, 1991, has been issued a construction subsidy certification under section 435B of the Tariff Act of 1930;"

(e) PRIORITY LOAN GUARANTEES FOR VESSELS IN COASTWISE TRADE.—Section 1103 of the Merchant Marine Act, 1936 (46 App. U.S.C. 1273) is amended by adding at the end the following new subsection:

"(g) When making guarantees, or commitments to guarantee, under this title, the Secretary of Transportation shall give priority for guarantees or commitments for vessels that will be engaged in the coastwise trade over guarantees or commitments for vessels that will be engaged in the foreign commerce."

(f) TRADE-IN OF OBSOLETE VESSELS.—Section 510(a)(2)(B) of the Merchant Marine Act, 1936 (46 App. U.S.C. 1160(a)(2)(B)) is amended to read as follows: "(B) is built in the United States or, if constructed in a foreign shipyard under a contract entered into after October 16, 1991, has been issued a construction subsidy certification under section 435B of the Tariff Act of 1930, and documented under chapter 121 of title 46 United States Code."

SEC. 107. COST ESTIMATE.

The applicable cost estimate of this title for all purposes of sections 252 and 253 of the Balanced Budget and Emergency Deficit Control Act of 1985 shall be as follows:

	Fiscal year—				
	1991	1992	1993	1994	1995
Changes in outlays	NA	NA	NA	NA	NA
Changes in receipts	0	0	0	0	0

TITLE II—REPEAL OF COAST GUARD RECREATIONAL BOAT USER FEE

SEC. 201. REPEAL OF COAST GUARD RECREATIONAL BOAT USER FEE.

(a) MANDATORY FEE TO TERMINATE ON SEPTEMBER 30, 1994.—Paragraph (1) of section

2110(b) of title 46, United States Code, is amended by striking "1994, and 1995" and inserting "and 1994".

(b) FEE SCHEDULE FOR FISCAL YEARS 1993 AND 1994.—Subsection (b) of section 2110 of such title 46 is amended by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively, and by inserting after paragraph (2) the following new paragraph:

"(3) In the case of fiscal years 1993 and 1994, the fee or charge established under paragraph (1) shall be as follows:

"(A) In fiscal year 1993—

"(i) for vessels of 21 feet or less in length, zero;

"(ii) for vessels of more than 21 feet in length but less than 27 feet, not more than \$35;

"(iii) for vessels of at least 27 feet in length but less than 40 feet, not more than \$50; and

"(iv) for vessels of at least 40 feet in length, not more than \$100.

"(B) In fiscal year 1994—

"(i) for vessels of 37 feet or less in length, zero;

"(ii) for vessels of more than 37 feet in length but less than 40 feet, not more than \$50; and

"(iii) for vessels of at least 40 feet in length, not more than \$100."

(c) TECHNICAL AMENDMENTS.—

(1) Paragraph (1) of such section 2110(b) is amended—

(A) by striking "paragraph (2)" and inserting "paragraphs (2) and (3)"; and

(B) by striking "that is greater than 16 feet in length".

(2) Paragraph (2) of such section 2110(b) is amended—

(A) by striking "The fee or charge" and inserting "In the case of fiscal years 1991 and 1992, the fee or charge"; and

(B) by adding at the end thereof the following new sentence:

"No fee or charge may be imposed under this paragraph on any vessel of 16 feet in length or less."

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1992.

SEC. 202. AUTOMATED TARIFF FILING AND INFORMATION SYSTEM.

(a) DEFINITIONS.—In this section—

(1) "Commission" and "conference" have the meaning given those terms under section 3 of the Shipping Act, 1984 (46 App. U.S.C. 1702);

(2) "common carrier" has the meaning given that term under section 3 of the Shipping Act, 1984 (46 App. U.S.C. 1702), and includes a "common carrier by water in interstate commerce" under the Shipping Act, 1916 (46 App. U.S.C. 801 et seq.), and a "common carrier by water in intercoastal commerce" under the Intercoastal Shipping Act, 1933 (46 App. U.S.C. 843 et seq.);

(3) "essential terms of service contracts" has the meaning given that term under section 8 of the Shipping Act, 1984 (46 App. U.S.C. 1707); and

(4) "tariff" has the meaning given that term under section 3 of the Shipping Act, 1984 (46 App. U.S.C. 1702), and includes the rates, fares, and charges filed under the Shipping Act, 1916 (46 App. U.S.C. 801 et seq.) and the Intercoastal Shipping Act, 1933 (46 App. U.S.C. 843 et seq.).

(b) TARIFF FORM AND AVAILABILITY.—Notwithstanding any other law, according to the schedule under subsection (c)—

(1) common carriers and conferences shall file electronically with the Commission all tariffs and essential terms of service contracts required to be filed by section 8 of the Shipping Act, 1984 (46 App. U.S.C. 1707), the Shipping Act, 1916 (46 App. U.S.C. 801 et seq.), and the Intercoastal Shipping Act, 1933 (46 App. U.S.C. 843 et seq.); and

(2) the Commission shall make available electronically to any person, without time, quantity, or other limitation, both at the Commission Headquarters and from remote terminals, all tariff information and essential terms of service contracts filed in the Automated Tariff Filing and Information System database and all tariff information in the system enhanced electronically by the Commission at any time.

(c) FILING SCHEDULE.—

(1) New tariffs and essential terms of service contracts shall be filed electronically not later than June 1, 1992; and

(2) All other tariffs and essential terms of service contracts shall be filed not later than September 1, 1992.

(d) FEES.—

(1) Beginning June 1, 1992, and subject to paragraph (3), the Commission shall charge—

(A) a fee of 46 cents for each minute of remote computer access by any person of the information available electronically under this section; and

(B) (i) for electronic copies of the Automated Tariff Filing and Information System database (in bulk), or any portion of the database, a fee equal to the cost of duplication, distribution, and user-dedicated equipment; and

(ii) a person operating or maintaining information in a database that has multiple tariff or service contract information obtained directly or indirectly from the Commission a fee of 46 cents for each minute that database is subsequently accessed by computer by any person.

(2) A Federal agency is exempt from paying a fee under this subsection.

(3) No fee may be charged under paragraph (1) after September 30, 1995.

(e) ENFORCEMENT.—The Commission shall use systems controls or other appropriate methods to enforce subsection (d) of this section.

(f) PENALTIES.—

(1) A person failing to pay the fees established under subsection (b) of this section is liable to the United States Government for a civil penalty of not more than \$5,000 for each violation.

(2) A person that willfully fails to pay the fees established under subsection (b) of this section commits a class A misdemeanor.

(g) AUTOMATIC FILING IMPLEMENTATION.—

(1) Software that provides for the electronic filing of data in the Automated Tariff Filing and Information System shall be submitted to the Commission for certification. Not later than 14 days after a person submits software to the Commission for certification, the Commission shall—

(A) certify the software if it provides for the electronic filing of data; and

(B) publish notice of that certification.

(2)(A) The Secretary of the Treasury shall make available to the Commission, as a repayable advance in fiscal year 1992, not more than \$4,000,000, to remain available until expended. The Commission shall spend these funds to complete and upgrade the capacity of the Automated Tariff Filing and Information System to provide access to information under this section.

(B)(i) Any advance made to the Commission under subparagraph (A) shall be repaid (with interest thereon) to the general fund of the Treasury by not later than September 30, 1995.

(ii) Interest on any advance made to the Commission under subparagraph (A) shall be at a rate determined by the Secretary of the Treasury (as of the close of the calendar month preceding the month in which the advance is made) to be equal to the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the anticipated period during which the advance will be outstanding and shall be compounded annually.

(3) Out of amounts collected by the Commission under this section, amounts shall be retained and expended by the Commission for fiscal year 1992 and each subsequent fiscal year, without fiscal year limitation, to carry out this section and pay back the Secretary under paragraph (2) of this subsection.

(4) Except for the amounts retained by the Commission under paragraph (3) of this subsection, fees collected under this section shall be deposited in the general fund of the Treasury as offsetting receipts.

(h) CONFORMING AMENDMENT.—Effective June 1, 1992, section 2 of the Act of August 16, 1989 (Public Law 101-92; 103 Stat. 601), is repealed.

The CHAIRMAN. No amendment to the substitute is in order except the amendment printed in section 2 of House Resolution 443. Said amendment shall be debatable for 30 minutes, equally divided and controlled by the proponent and an opponent of the amendment.

AMENDMENT OFFERED BY MR. GRADISON

Mr. GRADISON. Madam Chairman, I offer an amendment made in order under the rule.

The Clerk read as follows:

Amendment offered by Mr. GRADISON: Strike section 107. Make such conforming changes as are necessary.

The CHAIRMAN. Pursuant to the rule, the gentleman from Ohio [Mr. GRADISON] will be recognized for 15 minutes, and a Member opposed to the amendment offered by the gentleman from Ohio will be recognized for 15 minutes.

The Chair recognizes the gentleman from Ohio [Mr. GRADISON].

Mr. GRADISON. Madam Chairman, I rise to offer an amendment to strike section 107 from title I of H.R. 2056. Section 107 is so-called directed scoring provision. If enacted, this section would direct the Office of Management and Budget to use the Congressional Budget Office cost estimate for the purpose of ascertaining the impact of title I on the pay-as-you-go scorecard.

This directed scoring section is abused in the context of this bill for several reasons. I am baffled as to why the majority even included directed scoring since both CBO and OMB agree that title I will be scored at zero costs.

Title I would require a listing of subsidized foreign shipyards and a construction certificate for all vessels entering a U.S. port. According to the ad-

ministration, it could violate U.S. obligations under GATT, harm U.S. exporters and importers, and result in retaliation against U.S. exports.

Directed scoring for title I is all the more puzzling because it is title II that affects PAYGO. And it is title II that is estimated differently by CBO and OMB. Title II partially repeals the boating fees and establishes a new user fee for the automatic tariff filing and information system. While both CBO and OMB agree that these fee changes would increase PAYGO balances, they disagree dramatically on the levels. CBO estimates that title II would reduce the deficit through fiscal year 1995 by \$466 million. OMB calculates the savings to be only \$8.6 million, all in 1995.

Ironically, title II—over which there is a substantive disagreement regarding magnitude of savings—does not include directed scoring language. One can only wonder what led the bill's drafters to include directed scoring in the section which all agree has no measurable budget impact, and then to omit it later on from the section over which there is disagreement.

I have offered amendments striking directed scoring from other legislation in the 102d Congress and will continue to do so as long as the House continues to include directed scoring in its bills. Believe me, I am getting as tired of offering these amendments as you are of listening to me. But, directed scoring clearly contravenes the Budget Enforcement Act adopted as a result of budget negotiations in 1990.

In the 1990 negotiations, proposals to use CBO estimates were explicitly rejected. Instead, the Budget Enforcement Act specifically designated OMB as the arbiter of PAYGO scoring. Almost before the ink was dry on that act, the House adopted rule XXI requiring PAYGO legislation to include provisions compelling OMB to use CBO's estimate. Not surprisingly, the President wrote to Congress on December 21, 1990, that he would veto any bill containing such language. Accordingly, the statement of administration policy for H.R. 2056 indicates that this bill would be vetoed because it includes directed scoring language.

Madam Chairman, inclusion of directed scoring language in title I is nonsense. It has no substantive effect at all. But it would defeat this legislation by assuring a veto. Inclusion of directed scoring in general is a violation of the letter and spirit of the Budget Enforcement Act. I urge a vote for my amendment to eliminate this needless language and send the bill on its way without this unnecessary impediment.

Madam Chairman, I reserve the balance of my time.

Mr. GIBBONS. Madam Chairman, I rise in opposition to the amendment offered by the gentleman from Ohio [Mr. GRADISON].

The CHAIRMAN. The gentleman from Florida [Mr. GIBBONS] is recognized for 15 minutes.

Mr. GIBBONS. Madam Chairman, I would like to assure my colleague, the gentleman from Ohio [Mr. GRADISON], that we are very aware of his concern of the inclusion of the CBO cost estimates in this bill, and I can also assure him that his concerns, if he is not successful here on the floor, will be fully considered in the conference and the provision will probably be dropped there. But I would like to say, just to reinforce what the gentleman has said, this:

In the administration's statement of policy concerning the provision in the bill which the gentleman seeks to strike relating to a key element of the Federal spending control mechanism enacted pursuant to the 1990 budget agreement, the administration clearly expresses its opposition to this provision.

□ 1730

The statement goes on to say, "The President stated that he would veto any bill that contained this language."

So I recognize that as his veto threat. But I would like to point out that that is his most explicit veto threat in this whole statement of administration policy. When he talks in this letter about the provisions that I put in here on subsidies and dumping, he just says he opposes that, not even strongly opposes it. He opposes the provision you seek to strike. He says he will veto the bill if that provision is in there. He says simply that he opposes my shipbuilding provisions. But he says with regard to repeal of the boat user fee that he strongly opposes such repeal.

So I hope we will not seek to try to divide this bill all up under the false impression that if we strike out my shipbuilding language, the boat user fee will be repealed. It will not, because the President strongly opposes such repeal.

Mr. GRADISON. Madam Chairman, will the gentleman yield?

Mr. GIBBONS. I am happy to yield to the gentleman from Ohio.

Mr. GIBBONS. Madam Chairman, my amendment is limited to the scorekeeping with regard to title I.

Mr. GIBBONS. I understand that.

Mr. GRADISON. I appreciate the concerns of the gentleman from Florida about the bill as a whole. I am not trying to trivialize this discussion. I am trying to make sure I understand the gentleman. I have no desire to put words in the mouth of the chairman.

My understanding is the gentleman from Florida [Mr. GIBBONS] anticipates in conference this provision might be dropped. Do I correctly understand the gentleman?

Mr. GIBBONS. Madam Chairman, reclaiming my time, if the gentleman

from Ohio [Mr. GRADISON] does not win here on the floor, I think it is going to be dropped in conference, yes.

Mr. GRADISON. Madam Chairman, I thank the gentleman.

Mr. GIBBONS. Madam Chairman, I yield such time as he may consume to the gentleman from New York [Mr. DOWNEY].

Mr. DOWNEY. Madam Chairman, I wish to commend the gentleman from Florida [Mr. GIBBONS], our chairman, for his work on the boat user fee, and especially my friend, the gentleman from Michigan [Mr. DAVIS], who will be leaving us after this Congress, who has been a real champion on this issue. I appreciate the work these gentlemen have done.

Madam Chairman, if there is one thing my constituents loathe, and I live on 41 miles of coastline, it is the boat user fee. The sooner its demise, the better, in their view.

While this does not do all of the things I would like to do, like totally repeal it immediately, it moves in the right direction, so that people will get what little time they have to use their boats unencumbered by a user fee that they do not appreciate, little understand, and know not to be in their interest.

Madam Chairman, I rise in strong support of this legislation, and in strong support of the work done by the gentleman from Florida [Mr. GIBBONS] and the gentleman from Michigan [Mr. DAVIS].

Mr. GIBBONS. Madam Chairman, I include for the RECORD the statement of administration policy I referred to earlier.

OFFICE OF MANAGEMENT AND BUDGET,
Washington, DC, May 12, 1992.

STATEMENT OF ADMINISTRATION POLICY

H.R. 2056—SHIPBUILDING TRADE REFORM ACT OF 1991 (GIBBONS (D) FLORIDA AND 30 OTHERS)

If H.R. 2056 is presented to the President as reported by the House Rules Committee, his senior advisers would recommend a veto.

First and foremost, the scorekeeping language in section 107 is unacceptable. This section contains the CBO scoring language required by House Rule XXI. In a letter of December 21, 1990, the President stated that he would veto any bill containing such language. The effect of this provision is to overturn a key element of the Federal spending control mechanisms enacted pursuant to the 1990 Budget Agreement.

Second, this bill requires a listing of subsidized foreign shipyards and a construction certificate (verifying construction in a non-listed shipyard or payback of any subsidy received) for all vessels entering a U.S. port. The bill also amends the antidumping and countervailing duty laws to authorize the imposition of duties on dumped or subsidized sales of commercial vessels. The Administration opposes enactment of these provisions of H.R. 2056 because they: could violate U.S. obligations under the General Agreement on Tariffs and Trade (GATT); would harm U.S. exporters and importers upon whom the increased cost of shipping will be assessed, and could result in retaliation against U.S. exports; and would present administrative and legal difficulties to enforce.

Third, title II of H.R. 2056 provides for a phased repeal of the Coast Guard recreational boating fees and establishment of a new user fee for remote computer access to the Automated Tariff Filing and Information (ATFI) system of the Federal Maritime Commission (FMC). The Administration strongly objects to repeal of recreational boating user fees. We believe it is unfair for general taxpayers to bear the entire cost of Coast Guard services, such as search and rescue, boating safety, and aids to navigation, that provide substantial benefits to recreational boaters.

Finally, the Administration opposes charging fees for access to ATFI services in the manner provided for in H.R. 2056. This provision would place the FMC in unfair competition with private sector information providers. In addition, by requiring fees to be paid for the resale of government information, this provision is inconsistent with the intent of the Copyright Act. Any person who wishes to provide enhanced information services using ATFI should be able to do so without restriction.

Scoring for the Purpose of PAYGO and Discretionary Caps

H.R. 2056 would affect receipts; therefore it is subject to the pay-as-you-go requirement of the Omnibus Budget Reconciliation Act (OBRA) of 1990. OMB's preliminary scoring estimates of this bill are presented in the table below. Final scoring of this proposal may deviate from this estimate. If H.R. 2056 is enacted, final OMB scoring estimates would be published within five days of enactment, as required by OBRA. The cumulative effects of all legislation on direct spending and revenue will be issued in monthly reports transmitted to Congress.

ESTIMATES FOR PAY-AS-YOU-GO

Receipts (millions) 1992, 0; 1993, 0; 1994, 0; 1995, \$8.6; 1996, 0; 1997, 0; 1998-97, \$8.6.

Mr. GRADISON. Madam Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. GIBBONS. Madam Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. GRADISON].

The amendment was agreed to.

The CHAIRMAN. The question is on the amendment in the nature of a substitute, as amended.

The amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. McNULTY) having assumed the chair, Ms. PELOSI, 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. 2056) to amend the Tariff Act of 1930 to require that subsidy information regarding vessels be provided upon entry within customs collection districts and to provide effective trade remedies under the countervailing and antidumping duty laws against foreign-built ships that are subsidized or dumped, pursuant to House Resolution 443, she reported the bill back to the House with an amendment 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 the amendment to the amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment in the nature of a substitute.

The amendment in the nature of a substitute was 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.

MOTION TO RECOMMIT OFFERED BY MR. ARCHER

Mr. ARCHER. Mr. Speaker, I offer a motion to recommit with instructions.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. ARCHER. Mr. Speaker, I am opposed to the bill in its present form.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. ARCHER moves to recommit H.R. 2056 to the Committee on Ways and Means with instructions to report the bill back forthwith with an amendment striking title I of the bill.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Texas [Mr. ARCHER].

Mr. ARCHER. Mr. Speaker, my motion is straight-forward. It strikes title I which contains the shipbuilding subsidy provisions and leaves intact the repeal of the user fees on recreational boats, along with its financing mechanism. Simply stated, this motion puts aside the ill-fated shipbuilding provisions and allows the House to vote for a clean repeal of the Coast Guard user fees on recreational boats.

An overwhelming majority of House Members support repeal of these nuisance fees. Constituents should rightfully question our sincerity if the repeal language is stuck on a bill which will never become law.

During the general debate, we heard about the problems associated with the shipbuilding subsidy title. Title I is well-intentioned but fails miserably to correct international shipbuilding subsidies. Instead, the remedies proposed in this bill penalize our ship operators and ports while holding harmless the foreign governments and their shipyards. H.R. 2056 will not stop international subsidies. It will only hurt our flag vessels, U.S. exports, and more importantly, American jobs.

The opposition to title I is broad and diverse. The nearly 50 organizations fighting the shipbuilding provisions range from maritime labor groups to coal and agricultural interests, to ports up and down our shores. They include the National Marine Engineers' Beneficial Association—America's oldest and largest maritime labor organi-

zation; the American Maritime Congress; the Great Lakes Shipping Association and the Port of Chicago; the National Coal Association and the Pacific Northwest Waterways Association.

It's no wonder, then, that the President supports my motion to recommit, and will veto this bill if it reaches his desk in its current form.

Let me assure my colleagues that this motion does not kill efforts to end international shipbuilding subsidies and to fashion a rational maritime policy. On the contrary, the motion will give the House time to assess two important studies, both due next month. In response to a request made by the Committee on Ways and Means, the International Trade Commission plans to report its analysis of H.R. 2056 by June 1. In addition, a Cabinet-level working group is currently assessing U.S. maritime policy and programs. To act on this bill before these studies are reviewed would be, at best, premature.

Repeal of the recreational boat fees can be accomplished this session, but not if it is abroad a bill which is destined to run aground.

I say to the Members do not sink the chances for repealing the recreational boat fees. Support the motion to recommit.

Mr. GIBBONS. Mr. Speaker, I rise in opposition to the motion.

Mr. Speaker, I first want to rebut again the argument that has just been made by the gentleman from Texas [Mr. ARCHER] about the veto threat. I have here the letter from the President.

□ 1740

It says he will veto the bill if the provision that we just struck out 2 minutes ago on an amendment by the gentleman from Ohio [Mr. GRADISON] is in the bill. So that issue has been dealt with.

Then the President says he opposes the language in title I on shipbuilding subsidies. But then he goes on to say that, as for repeal of the boat user fee, which is title II, that he strongly opposes that.

That definitively rebuts the argument of the gentleman from Texas [Mr. ARCHER]. There is no substance to it. Dividing this bill will only hurt 180,000 American workers who make their living legitimately in shipyards. These are the only American workers that have no legal remedies against subsidized and dumped goods. This is not new law. Every other American has legal remedies against subsidized and dumped goods. We also levy the penalties in the only way we can, which is against the people who import the goods. That is the only way we can do it.

We have tried legitimately and diligently to negotiate this the elimination of shipbuilding subsidies.

The President himself has tried to negotiate this. Regrettably, it is a fact of life that we cannot get anywhere with the Europeans in this negotiation. The Germans, the French, and the Italians are stalling, and they are not going to do a thing until we put their feet to the fire and they finally realize we mean business about subsidies.

I have followed these negotiations closely, as I follow all international negotiations. I know what I am talking about.

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

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

Mr. McGRATH. Mr. Speaker, I thank the gentleman for yielding to me.

I want to ask whether or not the gentleman could tell us how many employees of the shipbuilding business would be out of business, unemployed, if this bill does not pass?

Mr. GIBBONS. Mr. Speaker, it is apparent that in a short period of time at least 180,000 people in the shipbuilding business will be out of work unless we do something. There is no way they can compete in world commerce as long as our competitors are heavily subsidized.

Mr. McGRATH. Mr. Speaker, if the gentleman will continue to yield, perhaps he could tell us how many years the U.S. Trade Representative has had this item for negotiation without any result?

Mr. GIBBONS. Mr. Speaker, we repealed unilaterally our subsidies 11 years ago. For the past three years, we have tried in vain to negotiate on this issue. We wore out 3 negotiators in the process, sending them back and forth to Paris to negotiate on this. Contrary to what some of my colleagues have said, we are nowhere in these negotiations. They ended in worst disarray after the last negotiating session that was just finished a couple of weeks ago than they were when they started this.

There is no way to solve this problem except by bringing some leverage against our negotiating partners and then pushing our point home.

Mr. McGRATH. Mr. Speaker, if the gentleman will continue to yield, is it not the understanding of the chairman that by 1998, there will be no shipbuilding yards in this country if this bill is not passed?

Mr. GIBBONS. Mr. Speaker, we are not building any commercial ships now. One of the gentlemen here earlier in the debate said we were building 80 commercial ships just 10 years ago. We are building none now.

The foreigners simply reduce their prices by the use of subsidies until our people are frozen out of the market.

Mr. McGRATH. Mr. Speaker, with the advent of the double-hulled tanker, if this bill does not pass and we have no shipyards to build those double-hulled tankers, is it not true that all of that

business will go to Japan, South Korea, and our German friends?

Mr. GIBBONS. Mr. Speaker, it will. There is no doubt about it. That is where it has been going.

We have unilaterally disarmed, and we relied upon the good will of our trading partners to negotiate. Good will just does not work in this type of negotiation. We cannot, unless we take something to the negotiating table that is a hit or muscle, we cannot get an agreement. We are going to lose all of our jobs, and it is rank discrimination to say to 180,000 good, honest American workers who do good work, very competitive work that we are going to sacrifice them but we will not sacrifice any other American workers.

We protect all the other American workers against subsidized goods and dumped goods, but we just do not protect the shipyard workers.

Mr. McGRATH. Mr. Speaker, I totally agree with the gentleman.

Mr. LAGOMARSINO. Mr. Speaker, on motion to recommit H.R. 2056, I rise in strong support of repealing the so-called Coast Guard user fee charged against recreational boaters, and I urge my colleagues to support the Archer motion to allow the House to vote on this repeal without extra add-ons.

I voted against the Coast Guard user fee in 1990, and I am a cosponsor of legislation to repeal it. There is strong support for the repeal of the fee—261 cosponsors on the bill and a favorable report by two committees.

Unfortunately, the repeal of the Coast Guard user fee is being made a political hostage by attaching it to this foreign subsidy bill.

Make no mistake about it, a vote for the Archer motion is a vote to allow the House to consider repealing the Coast Guard user fee on its own merits, without add-ons.

I urge my colleagues to support the Archer motion.

Mr. SHAW. Mr. Speaker, today I rise in strong support of the Archer motion to recommit H.R. 2056, the Shipbuilding Trade Reform Act of 1992. I urge my colleagues to support this measure being offered by the ranking minority member of the Ways and Means Committee, the distinguished gentleman from Texas, because this may be the only opportunity this Congress has to vote for a clean repeal of the boat user fee.

Mr. Speaker, this tax disguised as a user fee was a loser when David Stockman first proposed it in 1981, and is still a loser today. The only difference is that today we have definite evidence proving this tax should have never been enacted in the first place.

I ask my colleagues to consider the following facts: During 1991 the Office of Management and Budget estimated that the boat user fee would generate \$130 million. In fact, it raised only about \$18.5 million. Additionally, only 15 percent of our Nation's 4.1 million boaters subject to the user fee have purchased a decal. The miserable compliance record for this tax is perhaps only surpassed by the compliance record of the often-skirted 55-mph speed limit.

Mr. Speaker, the boat user fee is unfair and counterproductive. Unfair because it singles

out a particular group of people, namely recreational boaters, who already pay nearly \$300 million alone in Federal taxes a year, while not taxing other people's avocations. It is counterproductive because it raises little revenue while it burdens the Coast Guard, which has more important missions to fulfill, such as search and rescue operations, drug interdiction, and boating safety education.

This user fee on boats is similar to the luxury tax on boats, another tax enacted as part of the 1990 budget deal. Like the user fee, the boat luxury tax too went over like a lead zeppelin. The luxury tax on boats has helped destroyed a proud American industry, and has thrown blue collar workers out of their jobs. I am hopeful that the House will act quickly to repeal that onerous tax too. Today, however, we must tend to the vote at hand and vote to sink the boat user fee.

I urge my colleagues to support the Archer motion to recommit H.R. 2056.

Mr. SANTORUM. Madam Chairman, Having long supported the repeal of the boat user fee, I rise today in support of H.R. 2056, the Shipbuilding Trade Reform Act.

H.R. 2056 offers the best opportunity for Congress to repeal what is really an unnecessary tax. Both the user fee and its twin, the luxury tax, have led to a depressed boating industry. Moreover, in Pittsburgh and the rest of Allegheny County the user fee has proved an unwanted burden to more than 29,000 registered boaters. As a fiscal tool, the user fee has proved especially ineffective contributing to, at best, insignificant revenue gains.

For these reasons, I am pleased that this legislation affords us the opportunity to vote on repealing this unfair tax. My only regret is that we are phasing the tax out over time instead of repealing it outright. Although we must acknowledge that this vote is the best we can do at the moment, the fact that we are repealing what only passed into law a couple of years ago should serve as a reminder to Congress that politics of the moment is a poor substitute for prudence in government.

I urge my colleagues to repeal the boat user tax—vote for this legislation.

Mr. SWIFT. Madam Chairman, the vote today, on the Shipbuilding Trade Reform Act, is a most difficult one. No one can deny that our shipbuilding industry is in real trouble, and that foreign subsidies of overseas shipyards have created an uneven playing field on which it is most difficult to compete. Likewise, no one can deny that the administration has dropped the ball in failing to resolve this issue over the last several years.

Situations such as this can and should be handled through international negotiations. In fact, the administration has repeatedly promised our shipbuilders that these issues will be resolved, but 3 years of supposed negotiations have netted no agreement. Thus, those shipyards turned to Congress to do the administration's work for it.

I wish I could support this measure as a way to help our shipyards and our economy, but I don't believe that its long-term effect will be to help either. Its goals are laudible, but it simply goes too far. Approaching this problem through this type of legislation, rather than the more effective international negotiating process, would likely result in decreased exports

from this country. That result hurts everyone in the process, making the administration's unwillingness to resolve this issue all the more irresponsible.

I urge the administration to keep their promise to our shipyards and hammer out an international agreement to address this problem. I will continue to press for this result so that our shipbuilding workers can stop getting beaten up by unfair subsidies.

The SPEAKER pro tempore (Mr. McNULTY). All debate time on the motion to recommit has now expired.

Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

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

Mr. ARCHER. 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 179, nays 237, not voting 18, as follows:

[Roll No. 120]

YEAS—179

Allard	Franks (CT)	McCollum	Swift	Walsh
Anderson	Galleghy	McCurdy	Synar	Weber
Andrews (TX)	Gallo	McDade	Tallon	Williams
Anthony	Geren	McEwen	Thomas (CA)	Wilson
Archer	Gillmor	McMillan (NC)	Thomas (OR)	Wolf
Army	Gingrich	Meyers	Thomas (GA)	Wylie
Aspin	Glickman	Michel	Thomas (WY)	Young (AK)
Bacchus	Goss	Miller (OH)	Upton	Young (FL)
Ballenger	Gradison	Miller (WA)	Valentine	Zelliff
Barnard	Grandy	Mink	Vander Jagt	Zimmer
Barrett	Green	Moorhead	Vucanovich	
Barton	Gunderson	Morrison	Walker	
Bereuter	Hall (TX)	Myers		
Berman	Hamilton	Nagle		
Bliley	Hammerschmidt	Nichols		
Boucher	Hancock	Nussle		
Brewster	Hansen	Obey		
Broomfield	Hastert	Ortiz		
Bunning	Hayes (LA)	Oxley		
Burton	Henry	Panetta		
Bustamante	Herger	Paxon		
Camp	Hobson	Penny		
Campbell (CA)	Hopkins	Peterson (FL)		
Chandler	Horton	Peterson (MN)		
Chapman	Houghton	Petri		
Clinger	Hubbard	Porter		
Coble	Huckaby	Price		
Coleman (MO)	Hyde	Pursell		
Combest	Inhofe	Rahall		
Cox (CA)	James	Ramstad		
Crane	Johnson (TX)	Ravenel		
de la Garza	Johnston	Rhodes		
DeLay	Kasich	Riggs		
Dicks	Klug	Roberts		
Doolittle	Kolbe	Rogers		
Dorgan (ND)	Kostmayer	Rohrabacher		
Dorman (CA)	Kyl	Ros-Lehtinen		
Dreier	LaFalce	Rose		
Durbin	Lagomarsino	Sarpallus		
Eckart	Laughlin	Schaefer		
Edwards (OK)	Leach	Schiff		
Edwards (TX)	Lehman (FL)	Schumer		
English	Lewis (FL)	Sensenbrenner		
Ewing	Long	Sharp		
Fascell	Lowe (NY)	Shaw		
Fawell	Machtley	Shays		
Fields	Marlenee	Shuster		
Fish	Martin	Skaggs		
Frank (MA)	McCandless	Slattery		

NAYS—237

Abercrombie	Gibbons	Orton
Ackerman	Gilchrest	Owens (NY)
Alexander	Gilman	Owens (UT)
Allen	Gonzalez	Packard
Andrews (ME)	Goodling	Pallone
Andrews (NJ)	Gordon	Pastor
Annuzio	Guarini	Patterson
Applegate	Hall (OH)	Payne (NJ)
Atkins	Harris	Payne (VA)
Baker	Hayes (IL)	Pease
Bateman	Hefley	Pelosi
Beilenson	Hefner	Perkins
Bennett	Hertel	Pickett
Bentley	Hoagland	Pickle
Bevill	Hochbrueckner	Poshard
Bilbray	Holloway	Quillen
Bilirakis	Horn	Rangel
Blackwell	Hoyer	Ray
Boehlert	Hughes	Reed
Boehner	Hunter	Regula
Bonior	Hutto	Richardson
Borski	Jacobs	Ridge
Boxer	Jefferson	Rinaldo
Brooks	Jenkins	Ritter
Browder	Johnson (CT)	Roe
Brown	Johnson (SD)	Roemer
Bruce	Jones (GA)	Rostenkowski
Byron	Jones (NC)	Roth
Callahan	Jontz	Rowland
Campbell (CO)	Kanjorski	Roybal
Cardin	Kaptur	Russo
Carper	Kennedy	Sabo
Carr	Kennelly	Sanders
Clay	Kildee	Savage
Clement	Kleczka	Sawyer
Coleman (TX)	Kopetski	Saxton
Collins (IL)	Lancaster	Scheuer
Collins (MI)	Lantos	Schroeder
Condit	LaRocco	Schulze
Conyers	Lehman (CA)	Serrano
Cooper	Lent	Sikorski
Costello	Levin (MI)	Siskiy
Coughlin	Lewis (CA)	Skeen
Cox (IL)	Lewis (GA)	Skelton
Coyne	Lipinski	Slaughter
Cramer	Livingston	Snowe
Cunningham	Lloyd	Solarz
Darden	Lowery (CA)	Spratt
Davis	Lukens	Stallings
DeFazio	Manton	Stark
DeLauro	Markey	Stokes
Dellums	Martinez	Studds
Derrick	Matsui	Swett
Dickinson	Mavroules	Tanner
Dingell	Mazzoli	Tauzin
Dixon	McCloskey	Taylor (MS)
Donnelly	McDermott	Taylor (NC)
Dooley	McGrath	Thornton
Downey	McHugh	Torres
Duncan	McMillen (MD)	Torricelli
Dwyer	McNulty	Towns
Early	Mfume	Traficant
Edwards (CA)	Mineta	Traxler
Emerson	Mollinari	Unsoeld
Engel	Mollohan	Vento
Erdreich	Montgomery	Visclosky
Espy	Moody	Volkmer
Evans	Moran	Washington
Fazio	Morella	Waters
Feighan	Murphy	Waxman
Flake	Murtha	Weiss
Foglietta	Natcher	Weldon
Ford (MI)	Neal (MA)	Whitten
Ford (TN)	Neal (NC)	Wise
Frost	Nowak	Wolpe
Gaydos	Oakar	Wyden
Gejdenson	Oberstar	Yates
Gekas	Olin	Yatron
Gephardt	Oliver	

NOT VOTING—18

AuCoin	Kolter	Mrazek
Bryant	Levine (CA)	Parker
Dannemeyer	Lightfoot	Roukema
Dymally	McCrery	Sangmeister
Hatcher	Miller (CA)	Santorum
Ireland	Moakley	Staggers

□ 1807

The Clerk announced the following pair:

On this vote:

Mrs. Roukema for, with Mr. AuCoin against.

Messrs. BORSKI, SKEEN, OLVER, SERRANO, FOGLETTA, and HEFLEY changed their vote from "yea" to "nay."

Messrs. MCCURDY, VALENTINE, DE LA GARZA, HORTON, SMITH of Iowa, BARNARD, NAGLE, HALL of Texas, SCHUMER, BUSTAMANTE, ROSE, WILSON, BERMAN, VANDER JAGT, and EDWARDS of Texas changed their vote from "nay" to "yea."

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. (Mr. McNULTY). The question is on the passage of the bill.

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

RECORDED VOTE

Mr. WALKER. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device and there were—ayes 339, noes 78, not voting 17, as follows:

[Roll No. 121]

AYES—339

Abercrombie	Camp	Dwyer
Ackerman	Campbell (CO)	Early
Alexander	Cardin	Eckart
Allen	Carper	Edwards (CA)
Andrews (ME)	Carr	Edwards (TX)
Andrews (NJ)	Chapman	Emerson
Annuzio	Clay	Engel
Anthony	Clement	Erdreich
Applegate	Clinger	Espy
Atkins	Coble	Evans
Bacchus	Coleman (MO)	Fazio
Baker	Coleman (TX)	Feighan
Ballenger	Collins (IL)	Fish
Barnard	Collins (MI)	Flake
Bateman	Condit	Foglietta
Bellenson	Conyers	Ford (MI)
Bennett	Cooper	Ford (TN)
Bentley	Costello	Frank (MA)
Berman	Cox (IL)	Frost
Bevill	Coyne	Gallegly
Bilbray	Cramer	Gaydos
Bilirakis	Cunningham	Gedjenson
Blackwell	Darden	Gekas
Bliley	Davis	Gephardt
Boehert	de la Garza	Geren
Boehner	DeFazio	Gibbons
Bonior	DeLauro	Gilchrest
Borski	Dellums	Gillmor
Boxer	Derrick	Gilman
Brewster	Dickinson	Gingrich
Brooks	Dicks	Glickman
Broomfield	Dingell	Gonzalez
Browder	Dixon	Goodling
Brown	Donnelly	Gordon
Bruce	Dooley	Goss
Burton	Dorgan (ND)	Guarini
Bustamante	Downey	Gunderson
Byron	Duncan	Hall (OH)
Callahan	Durbin	Hall (TX)

Hamilton	McGrath	Sarpallius
Hammerschmidt	McHugh	Savage
Hancock	McMillan (NC)	Sawyer
Harris	McMillen (MD)	Saxton
Hayes (IL)	McNulty	Schaefer
Hayes (LA)	Meyers	Scheuer
Hefley	Mfume	Schroeder
Hefner	Miller (CA)	Schulze
Henry	Mineta	Serrano
Herger	Mink	Sharp
Hertel	Mollinari	Shaw
Hoagland	Molloy	Shays
Hobson	Montgomery	Shuster
Hochbrueckner	Moody	Sikorski
Holloway	Moran	Sisk
Horn	Morella	Sisk
Houghton	Morrison	Skelton
Hoyer	Murphy	Slaughter
Huckaby	Murtha	Smith (NJ)
Hughes	Natcher	Smith (TX)
Hunter	Neal (MA)	Snowe
Hutto	Neal (NC)	Solarz
Jacobs	Nowak	Solomon
James	Oakar	Spence
Jefferson	Oberstar	Spratt
Jenkins	Obey	Stallings
Johnson (CT)	Olin	Stark
Johnson (SD)	Olver	Stearns
Jones (GA)	Ortiz	Stokes
Jones (NC)	Orton	Studds
Jontz	Owens (NY)	Stump
Kanjorski	Owens (UT)	Sundquist
Kaptur	Packard	Swett
Kasich	Pallone	Swift
Kennedy	Panetta	Synar
Kennelly	Pastor	Tallon
Kildee	Patterson	Tanner
Kiecicka	Paxon	Tauzin
Klug	Payne (NJ)	Taylor (MS)
Kopetski	Payne (VA)	Taylor (NC)
Kostmayer	Pease	Thomas (CA)
LaFalce	Pelosi	Thomas (GA)
Lagomarsino	Penny	Thomas (WY)
Lancaster	Perkins	Thornton
Lantos	Peterson (FL)	Torres
LaRocco	Peterson (MN)	Torricelli
Laughlin	Petri	Towns
Leach	Pickett	Trafficant
Lehman (CA)	Pickle	Traxler
Lent	Poshard	Unsoeld
Levin (MI)	Price	Upton
Lewis (CA)	Pursell	Valentine
Lewis (GA)	Quillen	Vander Jagt
Lipinski	Ramstad	Vento
Livingston	Rangel	Visclosky
Lloyd	Ravenel	Volkmer
Long	Ray	Vucanovich
Lowery (CA)	Reed	Walker
Lowey (NY)	Regula	Walsh
Lukens	Richardson	Washington
Machtley	Ridge	Waters
Markley	Rinaldo	Waxman
Marlenee	Ritter	Weldon
Martin	Roe	Wheat
Martinez	Roemer	Whitten
Matsui	Rohrabacher	Wise
Mavroules	Rose	Wolf
Mazzoli	Rostenkowski	Wolpe
McCandless	Roth	Wyden
McCloskey	Rowland	Yates
McCollum	Roybal	Yatron
McCurdy	Russo	Young (AK)
McDade	Sabo	Young (FL)
McDermott	Sanders	Zeliff

NOES—78

Allard	Dornan (CA)	Inhofe
Anderson	Dreier	Johnson (TX)
Andrews (TX)	Edwards (OK)	Johnston
Archer	English	Kolbe
Armey	Ewing	Kyl
Aspin	Fascell	Lehman (FL)
Barrett	Fawell	Lewis (FL)
Barton	Fields	Manton
Bereuter	Franks (CT)	McEwen
Boucher	Gallo	Michel
Bunning	Gradison	Miller (OH)
Campbell (CA)	Grandy	Miller (WA)
Chandler	Green	Moorhead
Combest	Hansen	Myers
Coughlin	Hastert	Nagle
Cox (CA)	Hopkins	Nichols
Crane	Horton	Nussle
DeLay	Hubbard	Oxley
Doolittle	Hyde	Porter

NOT VOTING—17

AuCoin	Kolter	Parker
Bryant	Levine (CA)	Roukema
Dannemeyer	Lightfoot	Sangmeister
Dymally	McCrery	Santorum
Hatcher	Moakley	Staggers
Ireland	Mrazek	

□ 1825

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GIBBONS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks, and include therein extraneous material, on H.R. 2056, the bill just passed.

The SPEAKER (Mr. McNULTY). Is there objection to the request of the gentleman from Florida?

There was no objection.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 5132, DIRE EMERGENCY SUPPLEMENTAL APPROPRIATIONS ACT, 1992, FOR DISASTER ASSISTANCE TO MEET URGENT NEEDS BECAUSE OF CALAMITIES SUCH AS THOSE WHICH OCCURRED IN LOS ANGELES AND CHICAGO

Mr. DERRICK, from the Committee on Rules, submitted a privileged report (Rept. No. 102-519) on the resolution (H. Res. 454) providing for the consideration of the bill (H.R. 5132) making dire emergency supplemental appropriations for disaster assistance to meet urgent needs because of calamities such as those which occurred in Los Angeles and Chicago, for the fiscal year ending September 30, 1992, and for other purposes, which was referred to the House Calendar and ordered to be printed.

HOURLY OF MEETING ON THURSDAY, MAY 14, 1992

Mr. DERRICK. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 10 a.m. tomorrow, Thursday, May 14, 1992.

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

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 4111, SMALL BUSINESS CREDIT CRUNCH RELIEF ACT OF 1992

Ms. SLAUGHTER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 452 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 452

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 the consideration of the bill (H.R. 4111) to amend the Small Business Act to provide additional loan assistance to small businesses, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and which shall not exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Small Business, the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Small Business now printed in the bill as an original bill for the purpose of amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House, and 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 committee amendment in the nature of a substitute. 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 gentlewoman from New York [Ms. SLAUGHTER] is recognized for 1 hour.

□ 1830

Ms. SLAUGHTER. Mr. Speaker, during consideration of this resolution, all time yielded is for the purpose of debate only. At this time I yield the customary 30 minutes, for the purpose of debate only, to the gentleman from California [Mr. DREIER]. Pending that, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 452 is an open rule providing for the consideration of H.R. 4111, the Small Business Credit Crunch Relief Act of 1992. The rule provides 1 hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the Small Business Committee.

The rule makes in order the Small Business Committee amendment in the nature of a substitute now printed in the bill as an original bill for purposes of amendment.

Finally, the rule provides for one motion to recommit with or without instructions.

The purpose of H.R. 4111 is to increase the authorization levels for loan

guarantees under section 7(a) of the Small Business Act, and to permit up to 10 percent of the total amount authorized to be utilized annually for pilot programs.

Section 7(a) loans are presently authorized through fiscal year 1993. However, due to the prolonged economic recession, many credit worthy small business borrowers are unable to secure financing.

During the first 6 months of fiscal year 1992, demand for section 7(a) and other Small Business Administration loans were up substantially as compared to the same time the previous year.

If SBA Loan Program participation continues at its present rate, they will run out of funds before the end of this fiscal year. If fact, as Chairman LAFALCE testified before the Rules Committee, the program would have already shut down but for the Office of Management and Budget's approval allowing the Small Business Administration to borrow loan funds which are held in reserve for the fourth quarter.

Mr. Speaker, I encourage my colleagues to support House Resolution 452.

Mr. DREIER of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as I told the chairman of the Committee on Small Business last week in the Committee on Rules, any time we get an open rule I am extraordinarily enthusiastic. Mr. Speaker, I was here earlier today decrying the fact that the rule that we had to consider the shipbuilding bill was, unfortunately, a closed rule. This is only the second open rule of this year, Mr. Speaker.

In other words, out of 13 rules considered this year, this is only the second time Members will be able to come to the well of this Chamber and fully participate in the legislative process.

For the record—and I have said it here more than once—Mr. Speaker, 65 percent of all the rules have come out of the Committee on Rules in this Congress have been restricted. That is why I want to again congratulate Chairman LAFALCE and the ranking Republican, the gentleman from Florida [Mr. IRELAND], for requesting this increasingly rare resolution known as the open rule.

Mr. Speaker, this bill provides \$1.3 billion in new lending authority for the SBA's Guaranteed Loan Program for fiscal year 1992. These funds will allow banks to make more small-business loans while maintaining higher capital reserves mandated by Congress. This bill is bipartisan, and the greatest thing, once again, is this open rule. As I say, wonders will never cease. Mr. Speaker, we have this great chance to allow Members to exercise their constitutional right to participate in the legislative process.

Mr. Speaker, I should say I have no request for time. Everyone here is ec-

static at the prospect of being able to amend this bill.

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

Ms. SLAUGHTER. Mr. Speaker, I have no requests for time, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMUNICATION FROM THE REPUBLICAN LEADER

The SPEAKER pro tempore (Mr. McNULTY) laid before the House the following communication from the Honorable BOB MICHEL, Republican leader:

HOUSE OF REPRESENTATIVES,
Washington, DC, May 12, 1992.

Hon. THOMAS S. FOLEY,
Speaker of the House, House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: Pursuant to section 203(b)(1)(D) of Public Law 102-166, I hereby appoint the following individual to serve as a member of the Glass Ceiling Commission: Ms. Lynne O'Shea, Vice President/Business Development, Gannett Company, Inc., 444 North Michigan Avenue, Chicago, Illinois 60611.

Sincerely,

BOB MICHEL,
Republican Leader.

COMMUNICATION FROM THE REPUBLICAN LEADER

The SPEAKER pro tempore (Mr. McNULTY) laid before the House the following communication from the Honorable BOB MICHEL, Republican leader:

HOUSE OF REPRESENTATIVES,
Washington, DC, May 12, 1992.

Hon. THOMAS S. FOLEY,
Speaker of the House, House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: Pursuant to sec. 1081(c)(1)(E) of Public Law 102-240, I hereby appoint the following individual to serve as a member of the Commission to Promote Investment in America's Infrastructure: Mr. Francis X. Lilly, Bear, Stearns & Co. Inc., 805 15th Street, N.W., Suite 1120, Washington, DC 20005.

Sincerely,

BOB MICHEL,
Republican Leader.

STOP THE FLOOD OF TAX DOLLARS

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

Mr. SENSENBRENNER. Mr. Speaker, there is another bill where we ought to separate the question, and that is the supplemental appropriation bill that will come up tomorrow. Unlike the statement of the gentlewoman from Illinois [Mrs. COLLINS], the flood

in Chicago was a manmade disaster, and it was caused by the gross negligence and incompetence of the Chicago building inspection department. Chicago city officials knew that the freight tunnels under the Chicago River were leaking as early as February 27, and yet they refused to inspect the problems. They took pictures and did not pick them up for a week, and one inspector did not do a required inspection because he could not find a parking place.

So, Mr. Speaker, a little leak became a big leak, and on April 13, 6 weeks later, there was a flood.

The question is whether we should charge our taxpayers in Wisconsin and California and New York and elsewhere to indemnify the incompetence of the Chicago city government. Even Mayor Richard Daley recognized that the government did not work and that this was caused by a gross failure of his inspection department.

Mr. Speaker, I show the House a copy from the Chicago Tribune, "Daley bags 4 bureaucrats. Mayor tells of incredible flood fiasco." I am placing that article in the CONGRESSIONAL RECORD, and I hope that the House will have a vote to stop the flood of tax dollars to the manmade flood in Chicago.

[From the Chicago Tribune, Apr. 23, 1992]

DALEY BAGS 4 BUREAUCRATS: MAYOR TELLS OF INCREDIBLE FLOOD FIASCO

(By John Kass)

Mayor Richard Daley sketched a frightening but familiar portrait of a sluggish and indifferent city government on Wednesday as he stood five floors above a basement still full of stinking Chicago River water, flooded because a bungling bureaucracy didn't bother to take action.

To anxious taxpayers who will undoubtedly cover the costs of the Great Chicago Flood that swamped the Loop last week, the mayor offered the heads of four more City Hall bureaucrats and promised to suspend three others.

He told a detailed account about deceit and laziness that reinforced every legendary negative stereotype of city workers, then added that he did not intend to indict the system or his government. Still, the mayor said Chicagoans had lost faith in a City Hall that ignored warnings in February that an underground tunnel would burst and cause a catastrophe.

"Perhaps worst of all, the people of Chicago have experienced an understandable loss of confidence in their government and that's something we can't fix with cement trucks or with federal disaster funds or with all the experts in the world," Daley said, reading a statement during a press conference in his office and recounting the months leading up to the April 13 flood.

The leaking underground tunnel was first observed on Jan. 14 by a surveying crew from Chicago Cable Television, which runs cables through the underground network. And while attempting to resolve some questions of how that company's pleas for action were ignored, the city unveiled a new mystery in the case.

City Corporation Counsel Kelly Welsh said that when the cable company crew was in the tunnel, which was filling with river silt

and water, they observed fresh footprints in the mud. But Welsh could give no reason as to who left those tracks.

The events related by the mayor show a stifling bureaucracy where workers took months to decide a course of action and where supervisors were unconcerned. One waited for days to pick up important photographs of the underground tunnel that were left at a Northwest Side Osco drug store, and others didn't inspect key construction projects because, they said, they couldn't find a place to park their cars.

"You know, it's just very upsetting, given the consequences," Daley said. "There are a lot of things [that are] incredible."

But when asked whether his government discouraged workers from kicking problems up the bureaucratic ladder the mayor said city workers should inform him personally of any problems.

"First of all, there's a whole process to go through. Go right to the supervisor. Write me a letter," he said.

Wednesday's resignations, planned firings and suspensions of seven city workers were to show that Daley would not accept shoddy work from his bureaucrats—as was his firing last week of former acting Transportation Commissioner John LaPlante, who received on April 3 a memo dated the day before that warned the tunnel would crack and flood the Loop.

Some Daley advisers have been concerned for several days that LaPlante, fired the day after the flood began, would be tuned into a sympathetic character in the drama before it played itself out.

And by the end of the press conference, their fears were realized as the administration's own account showed LaPlante acted on the suggestions of his subordinates and ordered work to begin immediately, but ran out of time.

While LaPlante, a career bureaucrat with no political clout, was having his image reshaped by events, a top political aide to Daley, General Services Commissioner Ben Reyes, was left unharmed Wednesday. Reyes is a top Hispanic political operative of the mayor.

Daley said Wednesday that Reyes had offered his resignation hours earlier, but the mayor declined to accept it pending the outcome of the investigation. Political allies of Daley, including (26th), have been lobbying the mayor to keep Reyes and bolster the white-ethnic and Hispanic coalition.

Reyes' department first learned of the tunnel problems in February, but Reyes said he had no knowledge of the leak. On Tuesday, a former chief engineer for Reyes said he told the commissioner about the tunnel, that it was filling with river silt and leaking water.

In the stacks of memos, documents and workers' diaries handed out to reporters, there were two memos from LaPlante to Reyes. The LaPlante memos informed Reyes that inspection of the tunnels was the responsibility of General Services.

When asked if LaPlante had been fired for convenience and if Reyes was being kept on because he had political contacts, the mayor bristled:

"I don't worry about politics. I did not fire anyone who is a Democrat, Republican or independent. I do not look at their political affiliations or where they live, who they are, what sex they are, what race or creed or religion. I did not look at any of those. I just want to emphasize. I did not look at any of that."

Welsh began the press conference with a 40-minute briefing in which he positioned the

city's defense against civil lawsuits for flood damage. Welsh said that under state law, the city cannot be held responsible for the discretionary acts of its employees. Welsh also defended his investigation against criticism from some aldermen that he was trying to protect top Daley aides.

Welsh also laid out the case against the seven workers. The mayor then took over and dropped the hammer for six Department of Transportation workers and one from the Department of General Services.

Daley said he had received the resignations of chief Bridge Engineer Louis Koncza, 70, who knew of the damage to the tunnel on March 25. Koncza wrote an urgent April 2 memo to LaPlante. But Daley painted Koncza as a "paper shuffler" who failed to act quickly to repair the damage.

The mayor said it took Koncza a week to hold a meeting on the issue and another week to get construction estimates.

"He was still looking for more estimates when the flood broke," Daley said, adding that the April 2 memo does not absolve Koncza of responsibility. "He should have acted on it. Bureaucratic paper-shuffling in the face of such a monumental threat is unacceptable."

Daley also took the resignation of supervising engineer Dennis Sadowski, 41, who the mayor said "dropped the ball" when he did not inspect the construction of pilings driven into the riverbed at the Kinzie Street bridge. The piling construction last year, by Great Lakes Dredge & Dock Co., is targeted by the city as the reason the underground tunnel wall cracked.

Sadowski learned of the tunnel damage by March 18, but waited a week before he informed Koncza, his superior.

The mayor said Sadowski was to have inspected pilings at five city bridges along with James Bolster, the on-site engineer technician. But they only inspected one bridge, at Cermak Road, and admitted later they ignored the Kinzie Street site because they couldn't find a place to park.

"This was his project, and he should have acted quicker," the mayor said.

The mayor said he is seeking to fire two other city employees, Frank Ociepka, a supervising engineer who allowed Great Lakes to alter the position of the river pilings but never inspected the work; and James McTigue, the General Services employee who first inspected the tunnel on March 13 after learning about the damage in late February.

It was Ociepka's job to know that the underground tunnels were near the site of the new river pilings, Daley said.

HOUSE SHOULD CONSIDER H.R. 5132, DIRE EMERGENCY SUPPLEMENTAL APPROPRIATION FOR DISASTER RELIEF

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

Mrs. COLLINS of Illinois. Mr. Speaker, I again rise to express my regret that the gentleman from Wisconsin [Mr. SENSENBRENNER] has chosen to work his ire upon the people of Chicago and my congressional district by attempting to eliminate Federal disaster assistance from emergency appropriation legislation which we should be considering in the near future.

As you know, Mr. Speaker, 1 month ago tomorrow, a weakened wall along

the Chicago River collapsed into an abandoned freight tunnel system, subsequently flooding the basements of the buildings of Chicago's Loop. While property damage alone has been estimated at \$300 million, total combined business losses are expected to top \$1 billion. That not only includes losses to such Chicago institutions as the Board of Trade, the Mercantile Exchange, and Marshall Fields, but losses suffered by hundreds of small- and medium-sized businesses who woke up on April 13, to find the Chicago River flowing through their basements. Many of these smaller businesses remain closed today; and many others will never be financially able to reopen. And let us not forget about those employees who still have been unable to return to work in those businesses and others who will join the ranks of the unemployed.

Regardless of who is to blame for this tragedy, and I would like to say that blame has not yet been fully assessed in this matter, nobody can deny that this is indeed a disaster of epic proportions. Not since the great fire of 1871 has one single event so paralyzed Chicago and affected the lives of so many.

Further, the Vice President, Mr. QUAYLE, came to Chicago, saw for himself the havoc the flood wreaked upon our city and agreed that Chicago should be declared a disaster area.

However, there is nothing out of the ordinary in requesting some Federal relief for Chicago. Mr. Speaker to do so is in fact, quite in accordance with the law and with prior precedent. If I might quote from the statute upon which our Federal disaster assistance program is based—legislation supported by Mr. SENSENBRENNER in the 100th Congress if I might add—section 102, subsection 2 of Public Law 100-707 specifically states that a disaster shall be defined as "any fire, flood, or explosion regardless of cause."

Let me repeat: It says any disaster and by God this certainly falls into that category and is deserving of Federal relief and assistance. Mr. SENSENBRENNER's assertion that the Federal Government should not be involved in the Chicago disaster because of possible negligence is baseless, mean-spirited, and without precedent. Would the good gentleman from Wisconsin's concern for the American taxpayer be just as strong if a similar disaster befell Sheboygan or Milwaukee? I wonder!

It is my sincere plea that Members in this House will no longer continue the divide-and-conquer politics of Ronald Reagan and George Bush by pitting one group of Americans against another in an attempt to balance the budget on the backs of those who have already been beaten down by the recession, and now a most unfortunate disaster in Chicago.

Mr. SENSENBRENNER asks, "Why should the people in my Wisconsin pay

for something that happened in Chicago?" Well why should the people in my inner-city Chicago district pay for dairy subsidies, something which is probably important to the State of Wisconsin and perhaps to his district? For that matter, why should anyone in the United States care what happens elsewhere in the country? Such an attitude is one of self-interest, is not of the national interest, and is a dangerous road to travel. We must not allow ourselves to become so self-absorbed and so self-righteous that it clouds our vision as to what is the moral thing to do in this situation, if not the legal course of action as well.

I cannot speak for Mr. SENSENBRENNER's Wisconsin constituents, but I do know the people I represent in Chicago. They certainly would not begrudge anyone in the country Federal aid if a similar calamity struck elsewhere.

Hundreds of small businesses in Chicago, Mr. Speaker, businesses who had no idea what was happening 50 feet below the surface of the street, have suffered due to this flood. These are hard-working shopkeepers and businessmen who had nothing to do with the events which led up to the flood. Yet, if the gentleman from Wisconsin has his way, they will be denied the disaster benefits to which they are entitled under the law.

This body has a long history of helping communities recover from floods, fire, earthquakes, drought, and a host of other disasters, both natural and of man's own doing. Let's not play politics with people's livelihoods. Let us get on with H.R. 5132; the dire emergency supplement appropriations for disaster relief.

□ 1840

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. HOCHBRUECKNER). The Chair reminds all Members to avoid personalities in debate.

BUILD THE V-22

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

Mr. WELDON. Mr. Speaker, I take out this special order this evening to discuss what we have just completed in the House Committee on Armed Services. After 9 hours of intense back and forth through the committee process we marked up the 1993 Defense authorization bill, and I should stand here tonight saying that I am totally pleased with that bill, and I am in a general way. But unfortunately we had to insert one provision I would like not to

have inserted, and that deals with the top priority of the Marine Corps, the V-22 Osprey.

Mr. Speaker, in last year's defense authorization bill the administration and the Congress agreed to a 2-year program to build six production representative aircraft. Unfortunately Secretary of Defense Dick Cheney and Comptroller Sean O'Keefe have chosen, not only to ignore the law of the land, but to patently disregard what the Congress and the President have agreed to.

I would like to enter at this point in time in the RECORD a copy of an editorial from Defense News this last week entitled: "An Unproductive Fight." It outlines the negative aspects of Dick Cheney's attempt to totally disregard the will of the Congress and the law of the land.

The article referred to is as follows:

AN UNPRODUCTIVE FIGHT

The standoff between U.S. Defense Secretary Dick Cheney and Congress over funding for the V-22 tilt-rotor aircraft is reaching a dangerous threshold.

Mr. Cheney, arguing that the futuristic aircraft that can take off like a helicopter then shift its rotors to fly like a fixed-wing airplane is too expensive for today's declining defense budgets, refuses to spend money that Congress already has appropriated for the aircraft.

By choosing not to spend the money on the aircraft, Mr. Cheney gives himself de facto line-item veto power over the defense budget, a power U.S. presidents, particularly Ronald Reagan, have been trying unsuccessfully to get for years.

This sets a dangerous precedent. If the defense secretary's unilateral decision not to spend \$790 million appropriated by Congress in 1992 and earlier years for the V-22 goes unchallenged, it is possible that any member of the Cabinet can have veto power more absolute than that of the president.

This would make the U.S. government more unwieldy and unproductive than it already is.

Mr. Cheney's independent action angers many in Congress, who argue in return that he is in violation of the law.

To counter, some in Congress are generating support to tack an amendment onto a supplemental appropriation bill in the 1992 budget that would freeze all funds needed to run the vast bureaucracy of the Office of the Secretary of Defense.

While it is important to determine the fate of the V-22 program and to resolve the question of who has the power to determine how defense dollars can be spent, the drama unfolding over the V-22 is overwrought and unproductive.

Overtures from Congress threatening to shut down major elements of the Defense Department in a contest of wills with the defense secretary is not in the best interest of the taxpayer or the contractors working to develop the V-22.

American government and politics are based on a system of checks and balances. The V-22 debacle has exposed a flaw in that system.

This is not the first time the power of the administration has been tested. The Nixon administration attempted to withhold spending of billions of dollars on various projects for which funds already had been appropriated.

The argument was concluded with the passage of the Budget Impoundment and Control Act of 1974.

With this act, Congress limited the powers of the president not to spend appropriated funds. Under the act, the president can choose to rescind, defer or reprogram funds if he decides not to spend them on a particular program.

In the case of the V-22, the president had a variety of options if he wished not to spend money on the V-22. He could have simply vetoed the defense appropriations bills that included V-22 funding. He also could have formally acted to rescind, defer or reprogram the funds.

While Congress could override a veto and must concur with rescissions, the administration did not even attempt to follow these normal political channels.

Rather, Mr. Cheney has challenged Congress' right to have a role in the shaping of defense policy in anything more than setting ceilings on spending for defense programs.

If the administration is intent on killing the V-22, it should do so through the established channels. If the administration chooses to keep the program going, the White House should tell Mr. Cheney to stop dragging his feet and end the power struggle with Congress that could result in a major disruption of Pentagon operations over a single weapon program.

Mr. Speaker, the Secretary of Defense knows the President has the option to ask for rescission of funds that have been appropriated by the Congress. He did not choose to do that. And yet the Secretary chooses to have line item veto to take away those funds that we have legitimately appropriated to continue with this revolutionary aircraft. This is an outrage. We have corrected that in this year's defense bill by taking away on a monthly basis 5 percent of the staff and the support for the Comptroller General of DOD's office until such time as he sees fit to comply with the law.

Mr. Speaker, at this time I yield to the gentleman from Texas [Mr. GEREN].

Mr. GEREN of Texas. Mr. Speaker, I thank the gentleman from Pennsylvania [Mr. WELDON] for yielding. I want to applaud my colleague and the Committee on Armed Services under the leadership of the gentleman from Wisconsin [Mr. ASPIN] for the fine work they have done in marking up the defense authorization bill for fiscal year 1993. As my colleague mentioned, it is unfortunate that we have reached a point in our dealings with Secretary Cheney that we were forced to put language in this bill that forces him to obey the law. He is one of the highest officers in the land, and we are having to force him to obey the law, a law that Congress passed, a law that the President signed.

Mr. Speaker, over the last 2 years we have had a very healthy debate in this Congress and around this country on the V-22, and we have seen observer after observer study the issue, thoughtful observers, and they came down on the side of the Marines and of the critical program, the V-22.

Mr. Speaker, I enter into the CONGRESSIONAL RECORD a recent editorial

from an unlikely source, one that certainly has been a supporter of the administration and many of its battles, but it is the Washington Times of May 4, 1992, in which it exhorts Secretary Cheney to, and I quote, "Build the V-22." The article is as follows:

BUILD THE V-22

In 1982, the Pentagon asked defense contractors to design a replacement for the aging helicopters the armed services used to transport Marines, insert Special Forces and fly search-and-rescue missions. The Bell Boeing Tiltrotor Team came back with the V-22 Osprey. Congress supports the aircraft, having appropriated \$2.5 billion to develop and build it. President Bush signed the appropriations into law. But Secretary of Defense Dick Cheney doesn't want to spend the money for the Osprey. What, members of Congress ask, is going on?

It's not as if there's much debate about the utility of or need for the V-22. Designed to replace 30-year-old CH-46s and CH-53s, the V-22 tiltrotor, a propeller driven craft that can take off like a helicopter and fly like an airplane, meets every specification of American war planners and then some. Through the V-22 was originally designed to perform seven missions, its utility extends to 26 specific areas, including special operations, medium-lift amphibious assault, search and rescue, airborne refueling, signals warfare and electronic intelligence gathering, close air support and anti-submarine warfare. It can fly twice as fast and three times as far as the military's existing helicopters. Had it been available for the Iran hostage rescue mission in 1980, it would have taken eight hours with no refueling to complete the mission, instead of 35 hours with a refueling stop.

The V-22 enjoys wide support. Adm. Paul Yost of the U.S. Coast Guard has said, "The V-22 is the most exciting technology to come on the scene. . . . That aircraft is the answer to a Coast Guard commander's prayer." Former Marine Corps Commandant Al Grey told a congressional committee last year that it "is the most cost-effective idea over time." In the Persian Gulf, it would have "facilitated rescues" because "there were [downed airman] up by Baghdad that we may have gotten," another flag officer said. These officials, along with nearly every member of the armed services who has spoken publicly on the subject, want the V-22.

The tiltrotor aircraft has more than military applications. It has considerable potential for relieving the growing congestion in American airports. Of 16 major airports serving American cities, up to 70 percent of the flights are 300 miles or less. Yet these short hops take the same support infrastructure as coast-to-coast or international flights. The V-22 would require only "vertiports" covering 4.5 acres—370 feet by 545 feet—that could be built in cities. As former FAA Administrator Donald Engen said, because most of a traveler's time is spent on the ground getting to and from the airport and waiting for taxis and the like, "tiltrotor travel will be faster than commercial jet travel for millions of passengers. We could fly intercity—not interairport—at reasonably high speeds and relatively low costs." For Washingtonians traveling to New York or Boston, a vertiport at Union Station would save the trip to National or Dulles airports.

Defense analyst Philip Gold notes that the V-22 would also be useful for travel in remote places like Alaska, where many people must travel by airplane inside the state, and as a drug interdiction aircraft.

How good is the V-22? One Japanese industrialist was mightily impressed at what he saw. "If you produce this aircraft, I guarantee you we will buy it," he said. "If you do not, I guarantee you we will build it." Two weeks ago, the Philadelphia Inquirer reported that "a tiny Japanese firm has set up shop just 15 miles from [Boeing Bell] and is hiring key Bell workers to build its own version." Unless the military builds the V-22 (military application being the signal for private sector companies to buy the new technology) the tiltrotor aircraft may well be merely the latest in a line of products invented here but made in Japan.

Mr. Cheney says the V-22 is too expensive. That may be true in the short run. But not building the V-22 isn't going to get around the military's current problem of aging helicopters. Those aircraft can't perform their missions because they are too old. Even performing at peak they couldn't exceed the capability of the V-22, and they are not performing at peak. The aging CH-46s cannot fly to their original specifications without endangering crewmen. In early April, a CH-46 crashed (only one of many that have), killing four of the 14 crewmen aboard. Though the CH-46 can supposedly carry 20, the Pentagon capped the number it will allow on board at nine. In short, at 70 percent carrying capacity, it was overloaded. The Pentagon will spend the money on the mission requirements of the CH-46 anyway, and the V-22 is available now to fill that gap. All this, of course, ignores the tremendous potential for civilian application.

But none of this, really, should matter. Congress passed legislation and President Bush signed it. Mr. Cheney doesn't have the veto, line-item or otherwise. Several congressmen have threatened court action if Mr. Cheney doesn't proceed with the V-22. That would be ugly, unnecessary and an embarrassing spectacle. Mr. Cheney got bad advice on the V-22. The time to build it is now.

Mr. Speaker, Congress passed legislation. President Bush signed it. Mr. Cheney does not have the veto, line item or otherwise. If Mr. Cheney does not proceed with the V-22, this would result in an ugly, unnecessary, and embarrassing spectacle for the administration.

Mr. Cheney got bad advice on the V-22. The time to build it is now. I hope that we are able to move forward with this program. I hope that Mr. Cheney has a change of heart, and I regret that we have reached this point where Congress is forced to exercise its prerogatives to force him to obey the law.

Mr. WELDON. Mr. Speaker, I thank the gentleman from Texas [Mr. GREEN], my good friend and colleague, for those comments and for entering into the RECORD the editorial from the Washington Times.

I would just urge all of our colleagues in the House to support this defense bill when it comes to the floor, including the provision that requires the Secretary of Defense to comply with the law. All of us have to comply with the law. The Secretary of Defense is no different, and I would ask that he follow the law and allow the contracts to go forward on the V-22 program.

□ 1850

THIS NATION NEEDS A JOB BILL

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

Mr. HAYES of Illinois. Mr. Speaker, I was disappointed that as the President traveled to Los Angeles to view the hopeless devastation due to the Rodney King verdict, that he did not truly look beyond the physical destruction and attempt to address the emotional destruction that the people of Los Angeles have suffered. Mr. Speaker, the President ought to take a closer look at what the policies of his administration have created.

The most significant message that the President could have returned to Washington with was his commitment to create jobs to help alleviate the crisis in Los Angeles, as well as in other cities nationwide. Instead of such a message, the President is proposing an urban agenda which essentially incorporates every old proposal he has touted for the last 4 years—parental choice in education, a voucher system for low-income housing, welfare reform, and tax incentives for business.

Once again, the President embraces the basic trickle-down theory that has never worked. We must provide direct aid to communities suffering in crisis like Los Angeles, Chicago, the Bronx, and Harlem, as well as other urban and rural centers. The President's efforts to enhance the economy with his probusiness programs instead of directly funding programs which address the real hard core issues of poverty, homelessness, joblessness, lack of educational opportunities, and access to health care are inadequate at best. Band aid solutions have never worked, and will not work now. The wound is now too severe.

People are distraught and are suffering. The disturbance in Los Angeles should be a sign for the leaders of this country. This Nation, this Government must assist in improving the quality of life for all Americans, and that means jobs. I have introduced in the House H.R. 4122, the Infrastructure Improvement and Job Opportunity Act which directly addresses the crisis in Los Angeles and in other cities with high jobless rates.

As the President and the leadership of this Congress continue in their efforts to draft an urban agenda, I want to recommend that efforts are made to secure knowledgeable advice on the needs of this nation's cities. While jobs are critical, the people of Los Angeles and other cities have a lot to say about their needs. Let us not shove down their throats solutions which in no way relate to the problems.

In addition, let us not politicize this crisis. We must remember, Mr. Speaker, that lives have been lost in this struggle for justice—and that is what all of this is really about. Many more lives hang in the balance. The mere fact that the President, as well as many leaders of this body, are looking to maintain their jobs in November ought not impact on doing the right thing.

The short-term assistance is critical. However, we must not forget the incident which sparked this debate. This Nation must address the broader issue of our unjust justice system

or we will merely repeat history next month or next year. The uneven application of our system of justice is what ignited the fuse in Los Angeles. Our President's record on basic civil rights issues is certainly not stellar, but we must continue to fight. Rodney King was tried and found guilty—and that is not my understanding of justice and democracy.

Funds to create jobs for this Nation ought to be our top priority. We must begin to address the issues of concern to this Nation, and we must do it now before we are graphically confronted with disturbances similar to Los Angeles, nationwide. I call on this Congress to pass a jobs bill before the end of this session. Despair breeds hopelessness. We must help give people hope.

DEPARTMENT OF JUSTICE FISCAL YEAR 1993 APPROPRIATIONS

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

Mr. BROOKS. Mr. Speaker, today I am introducing a bill to authorize appropriations for the Department of Justice to carry out its activities for fiscal year 1993. This bill authorizes the appropriations of \$9.603 billion for the Department to carry out its law enforcement, prosecutorial, civil, and custodial functions. The Department recently submitted proposed legislation requesting an authorization of \$8.15 billion. One of the principal differences between the two bills is that the Department proposal fails to provide any authorization for the U.S. Marshals Service, the U.S. trustee system, or the asset forfeiture fund. The Justice Department believes it has permanent authorization for these programs. The committee believes that these important programs should be subject to oversight by the legislative branch through the authorization process and thus should be considered as part of the overall DOJ authorization bill.

In addition, the committee's bill provides for funding over and above the Department's proposal by \$350.2 million for the Federal prison system, \$228.5 million for the Drug Enforcement Administration, \$13.5 million for the Anti-trust Division, and \$24.4 million for the Immigration and Naturalization Service. The committee's bill also authorizes the appropriation of \$500 million in funding for organized crime drug enforcement. This surpasses the \$399.12 million proposed by the Department by approximately 25 percent. It is absolutely essential that Congress provide the men and women of law enforcement, who risk their lives daily in order to protect the citizens of this country, with the necessary resources and support to do their job. This legislation also authorizes funding for drug education programs—which are an indispensable element in our Nation's war against drugs. While the enforcement operations targeting traffickers of illegal drugs are essential, we must not neglect the programs which educate our children to the dangers of drug abuse. It is through these programs that we can hope to inoculate future generations and hereby protect them from the violence and suffering that illicit drugs have brought to so many of our citizens.

The bill that I am introducing today is significant in another important aspect: It provides

congressional oversight through the authorization and appropriations process, an essential element of our democratic system. Virtually all of the agencies within the executive and judicial branches of Government were created by an act of Congress. While these agencies operate independent of the legislative body, they must return to Congress on an annual basis to receive funding and if necessary, explicit authorization for their continued existence. This constitutionally mandated procedure is an integral part of our democratic process and ensures that nonelected officials of the executive and judicial branches of Government remain accountable to the legislative branch and, through us, to the citizens.

It has been almost 12 years since a Department of Justice authorization bill has been passed by Congress and signed into law. The Department has been operating on the implicit authorization provided by annual appropriations legislation. In my view, this situation has impaired Congress' ability to properly oversee the management and operations of the Department. The Department's proposed bill recommends giving Justice a permanent authorization for all its activities. I believe that going from an implicit annual authorization status to a permanent authorization would be an abdication of the legislative branch's responsibilities. I sincerely hope that Attorney General Barr will support our efforts to restore the Department to an annual or 2-year authorization cycle. This bill is the first important step in this process. If we are successful in these efforts, then later we may consider a longer authorization period.

H.R. 5149

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE.

This Act may be cited as the "Department of Justice Appropriations Authorization Act, Fiscal Year 1993".

TITLE I—1993 FISCAL YEAR AUTHORIZATION

SEC. 101. AUTHORIZATIONS.

There is authorized to be appropriated for the fiscal year ending September 30, 1993, \$9,603,935,750 to carry out the activities of the Department of Justice (including any bureau, office, board, division, commission, or subdivision thereof) which shall include the following sums authorized to be appropriated:

(1) For General Administration, Salaries and Expenses: \$132,909,000;

(2) For the Office of Inspector General: \$31,770,000; which shall include—

(A) not to exceed \$10,000 to meet unforeseen emergencies of a confidential character, to be expended under the direction of the Attorney General, and to be accounted for solely on the certificate of the Attorney General; and

(B) funds for the acquisition, lease, maintenance and operation of motor vehicles without regard to the general purchase price limitation;

(3) For the United States Parole Commission: \$9,309,000;

(4) For General Legal Activities: \$419,525,000; which shall include—

(A) not to exceed \$20,000 for expenses necessary in the collection of evidence, to be expended under the direction of the Attorney General and accounted for solely on the certificate of the Attorney General;

(B) funds for the rent of private or Government owned space in the District of Columbia; and

(C) not to exceed \$2,762,000 for the Office of Legal Counsel;

Provided, That notwithstanding any other provision of law, not to exceed \$2,000,000 for expenses of the Department of Justice associated with processing cases under the National Childhood Vaccine Injury Act of 1986 shall be reimbursed from the Special fund established to pay judgments awarded under the Act;

(5) For the Antitrust Division: \$67,658,750;

(6) For the Foreign Claims Settlement Commission: \$898,000;

(7) For the United States Attorneys: \$813,510,000;

(8) For the United States Marshals Service: \$341,471,000; which shall include—

(A) funds for the acquisition, lease, maintenance, and operation of vehicles and aircraft; and

(B) funds for the purchase of passenger motor vehicles for police-type use without regard to the general purchase price limitation for the current fiscal year;

Provided, That notwithstanding the provisions of section 3302 of title 31, United States Code, for fiscal year 1992 and hereafter the Director of the United States Marshals Service may collect fees and expenses for the service authorized by section 1921 of title 28, United States Code, as amended by Public Law 100-690, and credit not to exceed \$1,000,000 of such fees to this appropriation to be used for salaries and other expenses incurred in providing these services;

(9) For the Support of United States Prisoners in the custody of the United States Marshals Service and as authorized in section 4013 of title 18, United States Code, but not including expenses otherwise provided for in appropriations available to the Attorney General, \$268,481,000, to remain available until expended; of which not to exceed \$15,000,000 shall be available under the Cooperative Agreement Program;

(10) For Fees and Expenses of Witnesses: \$81,010,000; which shall remain available until expended; and which shall include—

(A) funds for expenses, mileage, compensation, and per diem of witnesses, for private counsel expenses, and for per diem in lieu of subsistence, as authorized by law, including advances; and

(B) not to exceed \$2,000,000 for planning, construction, renovation, maintenance, remodeling, and repair of buildings and the purchase of equipment incident thereto for protected witness safesites;

(11) For the Community Relations Service: \$36,570,000;

(12) For the United States Trustee System Fund: \$100,216,000; to remain available until expended and to be derived from the Fund, provided that deposits to the fund are available in such amounts as may be necessary to pay refunds due depositors;

(13) For the Assets Forfeiture Fund: \$439,000,000; to be derived from the Fund, as may be necessary for the payment of expenses as authorized by subparagraphs (A)(ii), (B), (C), (F), and (G) of section 524(c)(1) of title 28, United States Code;

(14) For Organized Crime Drug Enforcement: \$500,000,000; for expenses, not otherwise provided for, for the investigation and prosecution of individuals involved in organized crime drug trafficking; *Provided*, That any amounts obligated from appropriations under this heading may be used under authorities available to the organizations reimbursed from this appropriation;

(15) For the Federal Bureau of Investigation: \$2,013,000,000; which shall include—

(A) funds for the purchase for police-type use of passenger motor vehicles without regard to the general purchase price limitation for the current fiscal year, and for the hire of passenger motor vehicles;

(B) funds for the acquisition, lease, maintenance and operation of aircraft;

(C) not to exceed \$70,000 to meet unforeseen emergencies of a confidential character to be expended under the direction of the Attorney General and to be accounted for solely on the certificate of the Attorney General; and

(D) not to exceed \$30,000 for official reception and representation expenses;

(16) For the Drug Enforcement Administration: \$1,000,000,000; which shall include—

(A) funds for the purchase for police-type use of passenger motor vehicles, without regard to the general purchase price limitation for the current fiscal year, and for the hire of passenger motor vehicles;

(B) funds for the acquisition, lease, maintenance and operation of aircraft;

(C) funds for conducting drug education programs, including travel and related expenses for participants in such programs and the distribution of items of token value that promote the goals of such programs; and

(D) not to exceed \$70,000 to meet unforeseen emergencies of a confidential character to be expended under the direction of the Attorney General and to be accounted for solely on the certificate of the Attorney General;

(17) For the Immigration and Naturalization Service: \$1,066,577,000; which shall include—

(A) funds for the purchase for police-type use of passenger motor vehicles, without regard to the general purchase price limitation for the current fiscal year, and for the hire of passenger motor vehicles;

(B) funds for the acquisition, lease, maintenance and operation of aircraft;

(C) funds for the purchase of uniform without regard to the general purchase price limitation for the current fiscal year; and

(D) not to exceed \$50,000 to meet unforeseen emergencies of a confidential character to be expended under the direction of the Attorney General and to be accounted for solely on the certificate of the Attorney General;

(18) For the Federal Prison System: \$2,246,031,000; including \$11,055,000 for the National Institute of Corrections and \$339,225,000 for buildings and facilities; and

(19) The Federal Prison Industries, Incorporated is authorized to make expenditures, within the limits of funds and borrowing authority available, and in accord with the law, and to make such contracts and commitments, without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the program set forth in the budget for the current fiscal year for such corporation, including purchases of and hire of passenger motor vehicles.

TITLE II—GENERAL PROVISIONS

SEC. 201. RECEPTIONS AND REPRESENTATION.

A total of not to exceed \$95,000 from funds appropriated to the Department of Justice in this Act shall be available for official reception and representation expenses in accordance with distribution, procedures, and regulations established by the Attorney General.

SEC. 202. TRANSFERABILITY OF FUNDS.

(a) IN GENERAL.—Except as provided in subsection (b) and subject to section 203, the Attorney General may transfer up to 2 per centum of any appropriation made to the Department of Justice to any other such appro-

priation, but no such appropriation shall be increased by more than 2 per centum by any such transfers.

(b) EXCEPTION.—Under the authority of subsection (a), the Attorney General may not transfer—

(1) funds appropriated under section 101(5);

(2) funds so as to increase the amount of funds available for expenditure by the Office of Legal Counsel; or

(3) funds so as to decrease the minimum amount of funds required by section 101(1) to be expended.

SEC. 203. NOTIFICATION OF REPROGRAMMING.

During fiscal year 1993, each organization of the Department of Justice, through the appropriate office within the Department of Justice, shall notify in writing the Committee on the Judiciary of the Senate, the Committee on the Judiciary of the House of Representatives, other appropriate committees, and the ranking minority members thereof, not less than 15 days before—

(1) reprogramming of funds in excess of \$250,000 or 10 per centum of the amount available for such fiscal year to carry out a program, whichever is less, between the programs within the offices, divisions, and boards as defined in the Department of Justice's program structure submitted to the Committees on the Judiciary of the Senate and House of Representatives;

(2) reprogramming of funds in excess of \$500,000 or 10 per centum of the amount available for such fiscal year to carry out a program, whichever is less, between programs within the Bureaus as defined in the Department of Justice's program structure submitted to the Committees on the Judiciary of the Senate and House of Representatives;

(3) any reprogramming action which involves less than the amounts specified in paragraphs (1) and (2) if such action would have the effect of making significant program changes and committing substantive program funding requirements in future years;

(4) increasing personnel or funds by any means for any project or program for which funds or other resources have been restricted;

(5) creation of new programs or significant augmentation of existing programs;

(6) reorganization of offices or programs; and

(7) significant relocation of offices or employees.

SEC. 204. DELEGATION.

The Attorney General may not delegate any power, duty, or function expressly conferred by this Act on the Attorney General.

SEC. 205. UNDERCOVER OPERATIONS.

(a) CRIMINAL PROSECUTIONS; COLLECTION OF INTELLIGENCE.—With respect to any undercover investigative operation of the Federal Bureau of Investigation, or the Drug Enforcement Administration, which is necessary for the detection and prosecution of crimes against the United States or for the collection of foreign intelligence or counterintelligence—

(1) sums authorized to be appropriated for the Federal Bureau of Investigation and for the Drug Enforcement Administration, for fiscal year 1993, may be used for purchasing property, buildings, and other facilities, and for leasing space, within the United States, the District of Columbia, and the territories and possessions of the United States, without regard to section 1341 of title 31 of the United States Code, section 3732(a) of the Revised Statutes (41 U.S.C. 11(a)), section 305 of the Act of June 30, 1949 (41 U.S.C. 255), the

third undesignated paragraph under the heading "Miscellaneous" of the Act of March 3, 1877 (40 U.S.C. 34), section 3324 of title 31 of the United States Code, section 3741 of the Revised Statutes (41 U.S.C. 22), and subsections (a) and (c) of section 304 of the Federal Property and Administrative Service Act of 1949 (41 U.S.C. 254);

(2) sums authorized to be appropriated for the Federal Bureau of Investigation, and for the Drug Enforcement Administration, for fiscal year 1993 may be used to establish or to acquire proprietary corporations or business entities as part of an undercover investigative operation, and to operate such corporations or business entities on a commercial basis, without regard to section 9102 of title 31 of the United States Code;

(3) sums authorized to be appropriated for the Federal Bureau of Investigation and for the Drug Enforcement Administration, for fiscal year 1993, and the proceeds from such undercover operation, may be deposited in banks or other financial institutions, without regard to section 648 of title 18 of the United States Code and section 3302 of title 31 of the United States Code; and

(4) proceeds from such undercover operation may be used to offset necessary and reasonable expenses incurred in such operation, without regard to section 3302 of title 31 of the United States Code;

only in operations designed to detect and prosecute crimes against the United States, upon both the written certification of the Director of the Federal Bureau of Investigation (or, if designated by the Director, a member of the Undercover Operations Review Committee established by the Attorney General in the Attorney General's "Guidelines on Federal Bureau of Investigation Undercover Operations", as in effect on July 1, 1983) or the Administrator of the Drug Enforcement Administration, as the case may be, and the written certification of the Attorney General (or, with respect to Federal Bureau of Investigation undercover operations, if designated by the Attorney General, a member of such Review Committee), that any action authorized by paragraph (1), (2), (3), or (4) is necessary for the conduct of such undercover operation. Notwithstanding the preceding sentence, if the undercover operation is designed to collect foreign intelligence or counterintelligence, a written certification that any action authorized by paragraph (1), (2), (3), or (4) is necessary for the conduct of such undercover operation shall be made by both the Director of the Federal Bureau of Investigation (or, if designated by the Director, the Assistant Director, Intelligence Division) and the Attorney General (or, if designated by the Attorney General, the Counsel for Intelligence Policy). A certification shall continue in effect for the duration of the undercover operation for which such certification is made, without regard to fiscal year.

(b) DEPOSIT OF PROCEEDS.—As soon as the proceeds from an undercover investigative operation with respect to which an action is authorized and carried out under paragraphs (3) and (4) of subsection (a) are no longer necessary for the conduct of such operation, such proceeds or the balance of such proceeds then remaining shall be deposited in the Treasury of the United States as miscellaneous receipts.

(c) DISPOSITION OF BUSINESS ENTITIES.—If a corporation or business entity established or acquired as part of an undercover operation under subsection (a)(2) with a net value of over \$50,000 is to be liquidated, sold, or otherwise disposed of, the Federal Bureau of In-

vestigation or the Drug Enforcement Administration, as much in advance as the Director of the Federal Bureau of Investigation or the Administrator of the Drug Enforcement Administration, or the designee of the Director or the Administrator, determines is practicable, shall report the circumstances to the Attorney General and the Comptroller General of the United States. The proceeds of the liquidation, sale, or other disposition, after obligations are met, shall be deposited in the Treasury of the United States as miscellaneous receipts.

(d) AUDITS; REPORT.—(1) The Federal Bureau of Investigation or the Drug Enforcement Administration, as the case may be, shall—

(A) conduct a detailed financial audit of each undercover investigative operation which is closed in fiscal year 1993;

(B) submit the results of such audit in writing to the Attorney General; and

(C) not later than 180 days after such undercover operation is closed, submit a report to the Congress concerning such audit.

(2) The Federal Bureau of Investigation and the Drug Enforcement Administration shall each submit a report annually to the Congress specifying, by program, as to their respective undercover investigative operations—

(A) the number of undercover investigative operations pending as of the end of the 1-year period for which such report is submitted;

(B) the number of undercover investigative operations commenced in the 1-year period preceding the period for which such report is submitted; and

(C) the number of undercover investigative operations closed in the 1-year period immediately preceding the 1-year period for which such report is submitted and, with respect to each such closed undercover operation, the results obtained. With respect to each such closed undercover operation which involves any of the sensitive circumstances specified in the Attorney General's "Guidelines on Federal Bureau of Investigation Undercover Operations" (as in effect on July 1, 1983), such report shall contain a detailed description of the operation and related matters, including information pertaining to—

(i) the results;

(ii) any civil claims; and

(iii) identification of such sensitive circumstances involved that arose at any time during the course of the operation.

(e) DEFINITIONS.—For purposes of subsection (d)—

(1) the term "closed" refers to the earliest point in time at which—

(A) all criminal proceedings (other than appeals) are concluded; or

(B) covert activities are concluded; whichever occurs later;

(2) the term "employees" means employees, as defined in section 2105 of title 5 of the United States Code, of the Federal Bureau of Investigation; and

(3) the terms "undercover investigative operation" and "undercover operation" mean any undercover investigative operation of the Federal Bureau of Investigation or the Drug Enforcement Administration (other than a foreign counterintelligence undercover investigative operation—

(A) in which—

(i) the gross receipts (excluding interest earned) exceed \$50,000; or

(ii) expenditures (other than expenditures for salaries of employees) exceed \$150,000; and

(B) which is exempt from section 3302 or 9102 of title 31 of the United States Code;

except that subparagraphs (A) and (B) shall not apply with respect to the report required under paragraph (2) of subsection (d).

ORDER OF BUSINESS

Mr. DREIER of California. Mr. Speaker, I ask unanimous consent that I be allowed to precede my distinguished colleagues who have very generously said I can precede them.

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

There was no objection.

GENERAL LEAVE

Mr. DREIER of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the special order I am about to give.

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

There was no objection.

TRIBUTE TO THE LATE HONORABLE DELWIN MORGAN CLAWSON

The SPEAKER pro tempore (Mr. HOCHBRUECKNER). Under a previous order of the House, the gentleman from California [Mr. DREIER] is recognized for 60 minutes.

Mr. DREIER of California. Mr. Speaker, I have taken this time to inform our colleagues of news which most of us have already received, but it was very sad news that we received earlier this week, when we heard of the passing of our very distinguished former colleague, Del Clawson of California.

Del was an incredible individual, and I would like to take just a moment to talk about his background. Then I am going to yield briefly to my friend from Texas [Mr. GONZALEZ].

Del Clawson was born in Thatcher, AZ, on January 11, 1914. He attended Gila College in Thatcher in 1933 and 1944. He served as an interviewer with the U.S. Employment Service in 1941, and was with the Federal Public Housing Authority in Arizona and California from 1942 to 1947.

Del also served as manager of the Mutual Housing Association of Compton, CA, and was a member of the Compton City Council from 1953 to 1957. From 1957 to 1961 he served as mayor of Compton. He was reelected in 1961 for another 4-year term as mayor, and then was director of three Los Angeles County sanitation districts from 1957 to 1963.

Mr. Speaker, Del was elected to the 88th Congress in 1962, and came to fill the vacancy caused by the death of Congressman Clyde Doyle. He was reelected to seven succeeding Congresses, and then retired in 1978.

Mr. Speaker, Del died on the 5th of May in his hometown of Downey, CA. He was 78 years old.

Del was a real inspiration to me. When I was running for the Congress myself in 1978, he came and addressed several events. He went around and campaigned vigorously. I lost that election, but I never blamed Del for the fact that I lost, the fact that he had campaigned for me.

Del was one who then picked it up, and when I decided to run again in 1980, in large part due to encouragement that came from Del, he once again came and campaigned. He got his due. I was able to win that election, and he provided me continually with encouragement.

Del came back here to the Congress on at least an annual basis. Many of us recall that he would play his saxophone. He was very famous for the saxophone that he had here. Every St. Patrick's Day he would come and play at the Capitol Hill Club. Members of both parties would gather around as he began to perform there.

In the Congress I will never forget reading the analysis in one of the almanacs that came out talking about Members. It said that Del Clawson did not come to Congress to pass laws; he came to repeal them.

Mr. Speaker, he represented an area which had many Democrats, and yet he had bipartisan support. He had support of Democrats and Republicans in his area.

Right now we look at Compton, CA, where he was mayor in the 1950's and 1960's. That area tragically is one of the hardest hit in the Los Angeles riots that took place just in the last couple of weeks.

□ 1900

One of the reasons I am here is not only the fact that I am privileged to represent part of the area, Whittier, CA, which was one of the cities that Del had represented at one point, but also the fact that I had the chance to succeed him on the Committee on Rules. And he and I have had many lengthy conversations over the past couple of years about work on the Committee on Rules.

Del also served, as my friend from Oklahoma does today, as chairman of the Republican Policy Committee. And he provided a very, very high level of idealism which he continued to carry on on a regular basis.

I will say, however, that he helped me keep some perspective on this place. Four or 5 years ago, when he was here for his St. Patrick's Day visit, he and I sat here. He looked at me and he said, "David, I want you to know that while you and your colleagues may be very wrapped up with all of the legislation that you are working on here, I have come from the home front and most people could care less about what you are working on here right now."

That does help us when we continue to believe that we are the center of the universe here on the floor of the House of Representatives, that there are other concerns that people have out there.

I want to extend my condolences to his wife, Marjorie, and his son, James, and a brother and four sisters and four grandchildren he has left behind.

Mr. Speaker, I yield briefly to the gentleman from Oklahoma [Mr. EDWARDS].

Mr. EDWARDS of Oklahoma. Mr. Speaker, as the gentleman pointed out, Del was one of my predecessors as the chairman of the Republican Policy Committee. I had the opportunity to serve with him for some time.

I felt and I know the Members of this side of the aisle and I think on both sides of the aisle felt a real sense of loss not only now but when he left the Congress, because he was a man who believed that the job of a Congressman is to be a legislator first. He believed that his principal responsibility was to try to address the real problems in the country, and he did that very, very well.

I just wanted to say, it is fitting that the gentleman from California would take this time to honor him because, as the public looks at this institution and wonders about this institution, we can hold our colleague, Mr. Clawson, up as a real example of why the Congress has, in fact, earned over the years the respect of the American people.

Mr. DREIER of California. Mr. Speaker, I thank my friend for his very nice contribution.

Mr. Speaker, I yield to the gentleman from California [Mr. ANDERSON], another former mayor of a great city in southern California, the gentleman who was mayor of Hawthorne, CA, the former Lieutenant Governor of California.

Mr. ANDERSON. Mr. Speaker, I first want to congratulate the gentleman for giving the leadership to our paying respects to Del and his family.

I did like Del very much. We were very different but also very similar. I always thought he was older than I was. Then I find out that I am older than he was. He died at 78, and I was then 79. Obviously I am older than him. Yet I know that all the years that we served together, I thought that he was older than I was, and I think he felt the same way.

It is true that he was mayor of the city of Compton, which is very close, I suppose the difference in miles between the city of Hawthorne and the city of Compton is probably 6, 8, 10 miles at the longest, relatively close. I got to meet him out there many times. We go along very well.

I was the youngest mayor in the United States at the time, and he was, so even then he was younger than I was. I have enjoyed working with him,

and I know we worked together. I know that I felt many times I contributed to him, and I know that many times he contributed to me.

I wanted to say that I, too, want to join in paying our best respects to his wife and family and also giving our best respects to his memory.

Mr. DREIER of California. Mr. Speaker, I yield to the gentleman from California [Mr. DORNAN].

Mr. DORNAN of California. Mr. Speaker, when the gentleman told me that Del had gone to the most important legislature of all, the one where all the laws are already written and signed off by God, that he was in heaven, I was shocked because I was thinking about him during this last tragedy of rioting in L.A.

I saw a man on the screen. It said, "Mayor of Compton." I wanted to hear what he had to say about the rioting.

He came up with the most racist, vicious thing I have ever heard. He said, "We invited these Koreans in here," he should have said Korean-Americans, "and I guess we made a mistake. So it is time for them to move on."

So Compton has come a long way since it had a great mayor, Del Clawson.

Del was not only a father figure around here but someone who could delight all of us from both parties with that saxophone of his. I was not here during the days when he would actually bring it to the Cloakroom. Somebody must have exercised some rule, no loud music in the Cloakroom, but he took it over to our Capitol Hill Club, entertained us. And he was about as solid a citizen as I have ever served with.

He and his brothers at the time, Don Clawson, Del Clawson, Bob Wilson, I was lucky enough to get here in 1976 when a lot of the older guard of our party that really know how to make rules with the older guard of the other party, when there was a lot more of that comity and comedy, but mostly comity and friendship really existed around here.

Del, I know, is going to be missed by all his sisters, family, friends, and everybody. I just miss him.

Mr. DREIER of California. Mr. Speaker, I thank my friend for his very able contribution. I yield to the distinguished chairman of the Committee on Banking, Finance and Urban Affairs, the gentleman from Texas [Mr. GONZALEZ].

Mr. GONZALEZ. Mr. Speaker, I want to thank my colleague for yielding to me and for giving us this opportunity to evoke the memory of a former Member that in my case I happened to know.

He came one Congress after I did, but in this great work and in this great body known as the U.S. House of Representatives, we find that there are lines of intersection that cause Mem-

bers to meet on grounds that one would not conceive possible, given the partisan distinctions and labels.

He was a Republican. I was a Democrat. But we had some common background experiences.

He was mayor of a town. He had also served on the board of the public housing authority of his district. I had been the deputy mayor of the city of San Antonio and had also worked for a 3-year period with the San Antonio Housing Authority. So we met and discussed.

He was not a Member that was active in processing bills, but since I was a member of the Housing Subcommittee, before we had this variety of programs that are so popular today, he would consult and ask about some authorizations that he heard were being offered to the public housing section of the housing authority, reauthorizations of those years. He was a very kindly man. He was very friendly.

We both more or less shared the newness of the institution, but I want to evoke the memory of a man who, though he was not a great participant in debate, did leave his tracks in the sands of time that has seen several thousand, quite a number of thousands of Members since the first House of Representatives.

I again want to thank the gentleman for evoking the memory of Del Clawson. It rests for me to say that I wish to offer my sincere condolences for the members of his family that he has left.

Mr. DREIER of California. Mr. Speaker, I thank my distinguished friend from Texas for his contribution.

Mr. Speaker, I yield to the gentleman from Texas [Mr. PICKLE], my very good friend.

Mr. PICKLE. Mr. Speaker, one of the most thoughtful and kind men who ever served in this body is our friend Del Clawson from California. He was a member of the 88th club. That is the Members who came in during the 88th session.

It is hard to believe that that was some 25, 26 years ago. Del Clawson was one of our founders and one of our leaders and indeed one of the most active Members our group ever had.

□ 1910

Every year on or around St. Patrick's Day our 88th Club always gathered. We would have a big reunion and used to have quite a show. Del Clawson would not only be there but he would parade from table to table with his saxophone, and nobody ever played sweeter music this side of heaven than Del Clawson. But he was also extremely well accepted and was a bridge between the Democrats and Republicans, the liberals and conservatives. He was just a gentle and a kind person.

Mr. DREIER of California. If I could reclaim my time just a moment, Mr. Speaker, I would like to ask my friend

one question. As I read the obituary in the Washington Post, it said his saxophone playing just off the House floor relieved tension during more than one tedious all-night session. I wonder if my friend can recall any instances.

Mr. PICKLE. Yes, I was here that evening. He got right out, outside the House door here on the balcony, and he would play. People would go outside the floor into the hallway onto the balcony and hear Del playing. In tense moments, even at 2 or 3 in the morning, Del would still have his saxophone and he would play and entertain people. He was not just putting on a show, he was just kind of playing to soothe people's feelings and have a little music around. But he was music to Members' hearts and souls who served with him in this body. We have lost a kind, gentle person. I pay my respects to him.

Mr. DREIER of California. Mr. Speaker, I thank my friend, the gentleman from Texas, for his contribution. And again, the condolences from all of us here to the family members of Del Clawson.

Mr. QUILLEN. Mr. Speaker, it's an honor and a privilege for me to pay tribute to our former colleague from California, Del Clawson, and we mourn his passing.

Del and I both came to Congress in 1963, and we served together on the House Rules Committee for a number of years. He was a great individual and a good friend. His leadership abilities earned him the chairmanship of the Republican Policy Committee.

Del was an accomplished legislator and musician, and all of us who served with him remember his frequent saxophone serenades just off the House floor and at all of the 88th class reunions.

Del devoted many years to the Mormon Church, and his dedication and many accomplishments will keep his memory alive for years to come. I'll always have a warm spot in my heart for Del, and my condolences go out to his family, whom he loved very much.

Mr. LAGOMARSINO. Mr. Speaker, today I rise to pay tribute to my former colleague and good friend, Congressman Del Clawson, who recently passed away.

Born January 11, 1914, in Thatcher, AZ, Del moved to California in the 1940's, where he quickly became an active member of the Compton community of Los Angeles. He was a member of the Compton City Council starting in 1953, and was later twice elected mayor of Compton. He left that position in mid-term to join the 88th Congress, filling the vacancy caused by Clyde Doyle's death in 1963, and serving until his retirement at the end of 1978.

I had the privilege of serving my first two terms with Del. He was a fine man, a distinguished Member of Congress, an asset to his party, and a great help to me. He will be sorely missed.

SETTING A FIRM COURSE FOR AMERICAN DOMESTIC POLICY

The SPEAKER pro tempore (Mr. HOCHBRUECKNER). Under a previous

order of the House, the gentleman from New York [Mr. SCHEUER] is recognized for 60 minutes.

Mr. SCHEUER. Mr. Speaker, I noted that in the last several weeks we have heard the riots in Los Angeles, and that beautiful example of urban angst and agony and pain, we have heard that, if you can believe it, Mr. Speaker, blamed on the failed programs, and I say that in parentheses, the failed programs of the 1950's and the 1960's. President Bush's press secretary, Marlin Fitzwater, blamed the riots on social welfare programs, if you can believe that, and Attorney General Barr characterized the riots as "the grim harvest of the Great Society, the breakdown of the family structure, largely contributed to by welfare policies."

Mr. Speaker, these astonishing suggestions reverberated around this country, and I think many citizens were offered and outraged by those suggestions. In accepting the Democratic nomination for President in 1964, Lyndon Johnson set a course for America's domestic policy. He called his agenda the Great Society, and he described it as a nation where "every citizen could find reward in work and satisfaction in the use of his talents; where Americans could seek knowledge and touch beauty and rejoice in the closeness of family and community," where, and I continue quoting, "in the words of our oldest promise, Americans could follow the pursuit of happiness, not just security."

Incidentally, I would invite my friend, the gentleman from Brooklyn, and my friend, the gentleman from Michigan, to join in with me as the spirit moves me, and also my friend, the gentleman from Texas, too. I would ask my friend from Texas to please interrupt me when the spirit moves him.

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

Mr. SCHEUER. I yield to the gentleman from Texas.

Mr. GONZALEZ. Mr. Speaker, I very much appreciate the gentleman not only yielding but arranging for this special order. It so happens that there was no more offended individual than I when I read those outrageous statements on the part of these spokesmen and the President himself.

One of the most offensive, perhaps reprehensible, if not outright despicable traits that I have denounced, when I have had occasion to, of both former President Reagan as well as President Bush, it was their constant tendency to blame somebody else for whatever problems they were not focusing on, but who, when they ran for office, impliedly were telling the American people they wanted the opportunity to resolve.

In the case of President Reagan, he was blaming Jimmy Carter to the very end. Now we have a President that goes

20 years, because it was 20 years ago that Lyndon Johnson died, try to blame for an occurrence that my committee, in the name of the committee and subcommittee, I took to Los Angeles on February 10, of this year. We knew the conditions that were being reflected in testimony as well as in statements given to us here in Washington, DC, throughout the country.

Beginning on January 7, in the name of the Committee on Banking, Finance and Urban Affairs, and the Subcommittee on Housing and Community Development, we took the committee to Bridgeport, CT, on January 7. About a week or so later we went to Spartanburg, SC, where you also have problems, believe it or not; maybe a little differently, but essentially problems.

We went to Baltimore, MD, where anybody being at that hearing would know that we should not be surprised if we have social problems sooner or later, and in my opinion sooner than later. We went to Cleveland, OH, the following month, in March. There, in the last 10 or 11 years, Cleveland has lost 33 percent of its production capacity, manufacturing and industrial, in just 10 or 11 years.

Did those things happen during the era of President Johnson? No, they did not. In the case of the loss of these jobs and manufacturing in Cleveland, over 60 percent of them have gone across the border, right across the border. I am very well aware of that.

When we had our hearing on February 10, in Los Angeles, our hearing took place in the building around which all these reports of rioting and violence have been received by the American public. The testimony we heard was clear, limpidly clear, disturbing, but very, very, very definite, reflecting a very sensitive situation, an explosive situation, and one which we were addressing as a result of the bill I introduced and which we have marked up out of the subcommittee, passed it out of the full committee, targeting the downfall of the infrastructure, the conditions, the physical conditions of our cities, and to try to rev up production of housing, affordable housing for every American.

It was our estimate, and it still is, that had we adopted that and were we in the process of adopting it, it would produce over, over 600,000 jobs in the creative, constructive processes of our country and society. In the case of the infrastructure we targeted to the structure that is there now, the framework, which is a community development block system, we have had the support of the Association of Governors, the National Association of Mayors, the League of Cities, but I have yet to get a signal from our leaders in the House.

□ 1920

We wrote a report after we visited L.A. We have had it printed. I sent it to

the Speaker. I sent it to others placed as cochairs in this House. I have had no reaction. I wanted it to be one of those things that were offered as a matter of priority rather than tax, which Members know where we have ended up on that. Unfortunately, I cannot say that we have even now any kind of evidence of real significant support and interest.

The testimony in the report we have given on just the hearing in L.A. was clear evidence, as I wrote the Speaker before the riot, of a very serious situation that needed immediate attention as far as we could give it in the legislative process.

If the gentleman will allow me just another half minute, meanwhile I received a most eloquent message and an informative one from one of the gentleman Senators from New York, Senator DANIEL PATRICK MOYNIHAN, and in that letter, which I will place that and appended to that letter in the RECORD a reprinted copy of that Lyndon Johnson address made at Howard University on the eve of the adoption of this basic program known as the Economic Opportunity Act.

The correspondence and speech referred to follow:

HOUSE OF REPRESENTATIVES,

Washington, DC, May 13, 1992.

DEAR SENATOR: Thank you most sincerely for your kind thoughtfulness in providing me with your most valuable memo and enclosure, just received.

The most despicable trait of both Presidents Bush and Reagan has been to blame someone else for all the ills, yet never themselves assuming any responsibility for this resolution. But this last one—to blame a man dead for 20 years is the most reprehensible.

Your note and material is most timely, for some of us will be having "special orders" this afternoon to discuss this.

Sincerely,

HENRY.

U.S. SENATE,

Washington, DC, May 7, 1992.

HON. HENRY B. GONZALEZ,
House of Representatives, Washington, DC.

DEAR HENRY: Yesterday the Washington Post reprinted President Johnson's Howard University Address on its Op-Ed page. It was a simple and yet startling way of responding to the depraved charge that the Great Society is somehow to blame for our present disaster.

I am told that young staffers at the Post were astounded by the speech. They had not known a President had ever talked to the American people in such terms.

It happens I wrote the first draft of the Howard address. We knew what was starting up in our cities. But then we found ourselves unable really to respond. But it was not for lack of caring, not for lack of a President with "an understanding heart." I spoke of this yesterday morning.

Best,

DANIEL PATRICK MOYNIHAN.

[From the CONGRESSIONAL RECORD, May 6, 1992]

A DEPRAVED ACCUSATION

MR. MOYNIHAN. Mr. President, a week ago Sunday, on the widely regarded, widely

viewed television program "This Week With David Brinkley," the Attorney General of the United States, discussing the problem of crime in the context of the new preliminary FBI report of last year, made one of the most depraved statements I have ever heard from an American official. Having said, that the problem of crime was the problem of family structure, illegitimacy, and instability in our inner cities, he went on to charge that the problem of family structure, of the socialization of children, illegitimacy, can be ascribed to the programs of the Great Society.

He thus took one of the most profoundly serious issues this country faces and, with a reckless disregard for evidence, truth, and history, said it was the work of a group of persons, in government, thirty years ago. That this would come from a candidate for office in some kind of extremity is, I suppose, believable. But it comes from the attorney general: an untruth, a lie.

And then, just two days ago, the President's spokesman repeated the lie, ascribing the situation in our country which Lyndon Johnson—President Kennedy before him, President Nixon after him—really did seek to address, saying that because they recognized that those problems existed they are somehow responsible for their existence. If our public discourse descends to that level, public life becomes impossible, as in some ways it has been becoming.

In order to be quite specific as to what I am addressing, this is what Attorney General William P. Barr said on April 26 on "This Week With David Brinkley." He said:

"What we are seeing in the inner city is essentially the grim harvest of the great Society *** because we are seeing the breakdown of the family structure, largely contributed to by welfare policies."

"We now have a situation in the inner cities where 64 percent of the children are illegitimate, and there's a very small wonder that we have trouble instilling values and educating children when they have their home life so disrupted."

In his view this begins in the period of the Great Society. When, in fact, sir, it was first recognized in that period. Recognized by an administration of extraordinary openness and courage.

This morning, The Washington Post, with an unmistakable disdain for the corruption of language, for the depravity of thought of such statements, chose to reprint on its editorial page one of the great speeches by an American President in our time. It was President Lyndon Johnson's address at Howard University, which was given on June 4, 1965. The Post printed it under a quotation from the President in which he said, "Freedom is Not Enough." And then there follows this editorial comment by the editors of the Post:

"The Great Society is back in the news. The White House says the programs it spawned a quarter of a century ago helped cause the Los Angeles riots. Others cite the opposite cause—in recent years a turning-away from such programs. Here, as a reminder of what the Great Society was about, and of how another President approached the issues that recurred last week in Los Angeles, are extensive excerpts from a commencement address entitled "To Fulfill These Rights," which Lyndon Johnson delivered at Howard University on June 4, 1965."

To fulfill these rights. I would like, sir, at this point to ask unanimous consent the excerpts as printed in the Post be printed in the RECORD.

[From the Washington Post, May 6, 1992]

FREEDOM IS NOT ENOUGH

"The Great Society is back in the news. The White House says the programs it spawned a quarter of a century ago helped cause the Los Angeles riots. Others cite the opposite cause—in recent years a turning-away from such programs. Here, as a reminder of what the Great Society was about, and of how another president approached the issues that recurred last week in Los Angeles, are extensive excerpts from a commencement speech entitled "To Fulfill These Rights," which Lyndon Johnson delivered at Howard University on June 4, 1965.)

"In far too many ways American Negroes have been another nation: deprived of freedom, crippled by hatred, the doors of opportunity closed to hope.

"In our time change has come to this Nation, too. The American Negro, acting with impressive restraint, has peacefully protested and marched, entered the courtrooms and the seats of government, demanding a justice that has long denied. The voice of the Negro was the call to action. But it is a tribute to America that, once aroused, the courts and the Congress, the president and most of the people, have been the allies of progress.

"Thus we have seen the high court of the country declare that discrimination based on race was repugnant to the Constitution, and therefore void. We have seen in 1956, and 1960, and again in 1964, the first civil rights legislation in the Nation in almost an entire century * * *.

"And now very soon we will have * * * a new law guaranteeing every American the right to vote * * *.

"The voting rights bill will be the latest, and among the most important, in a long series of victories. But his victory—as Winston Churchill said of another triumph for freedom—is not the end. It is not even the beginning of the end. But is, perhaps, the end of the beginning."

"That beginning is freedom; and the barriers to that freedom are tumbling down. Freedom is the right to share, share fully and equally in American society—to vote, to hold a job, to enter a public place, to go to school. It is the right to be treated in every part of our national life as a person equal in dignity and promise to all others.

"But freedom is not enough. You do not wipe away the scars of centuries by saying: Now you are free to go where you want, and do as you desire, and choose the leaders you please.

"You do not take a person who, for years, has been hobbled by chains and liberate him, bring him up to the starting line of a race and then say, 'you are free to compete with all the others' * * *.

"This is the next and the more profound stage of the battle for civil rights. We seek not just freedom but opportunity. We seek not just legal equity but human ability, not just equality as a right and a theory but equality as a fact and equality as a result.

"For the task is to give 20 million Negroes the same chance as every other American to learn and grow, to work and share in society, to develop their abilities—physical, mental and spiritual—and to pursue their individual happiness.

"To this end equal opportunity is essential, but not enough, not enough. Men and women of all races are born with the same range of abilities. But ability is not just the product of birth. Ability is stretched or stunted by the family that you live with, and the neighborhood you live in—by the school

you go to and the poverty or the richness of your surroundings. It is the product of a hundred unseen forces playing upon the little infant, the child, and finally the man.

"Thirty-five years ago the rate of unemployment for Negroes and whites was about the same. Tonight the Negro rate is twice as high.

"In 1948 the 8 percent unemployment rate for Negro teenage boys was actually less than that of whites. By last year that rate had grown to 23 percent, as against 13 percent to 53 percent * * *.

"Between 1949 and 1959, the income of Negro men relative to white men declined in every section of this country. From 1952 to 1963 the median income of Negro families compared to white actually dropped from 57 percent to 53 percent * * *.

"The infant mortality of nonwhites in 1940 was 70 percent greater than whites. Twenty-two years later it was 90 percent greater.

"Moreover, the isolation of Negro from white communities is increasing rather than decreasing as Negroes crowd into the central cities and become a city within a city.

"Of course Negro Americans as well as white Americans have shared in our rising national abundance. But the harsh fact of the matter is that in the battle for true equality too many—far too many—are losing ground every day.

We are not completely sure why this is. We know the causes are complex and subtle. But we do know the two broad basic reasons. And we do know that we have to act.

"First, Negroes are trapped—as many whites are trapped—in inherited, gateless poverty. They lack training and skills. They are shut in, in slums, without decent medical care and our other health programs, and a dozen more of the Great Society programs that are aimed at the root causes of this poverty.

"We will increase, and we will accelerate, and we will broaden this attack in years to come until this most enduring of foes finally yields to our unyielding will.

"But there is a second cause—much more difficult to explain, more deeply grounded, more desperate in its force. It is the devastating heritage of long years of slavery, and a century of oppression, hatred and injustice.

"For Negro poverty is not white poverty. Many of its causes and many of its cures are the same. But there are differences—deep, corrosive, obstinate differences—radiating painful roots into the community, and into the family, and the nature of the individual.

"These differences are not racial differences. They are solely and simply the consequence of ancient brutality, past injustice, and present prejudice. They are anguishing to observe. For the Negro they are a constant reminder of oppression. For the white they are a constant reminder of guilt. But they must be faced and they must be dealt with.

"* * * Nor can we find a complete answer in the experience of other American minorities. They made a valiant and a largely successful effort to emerge from poverty and prejudice.

"The Negro, like these others, will have to rely mostly upon his own efforts. But he just cannot do it alone. For they did not have the heritage of centuries to overcome, and they did not have a cultural tradition which had been twisted and battered by endless years of hatred and hopelessness, nor were they excluded—these others—because of race of color—a feeling whose dark intensity is matched by no other prejudice in our society.

"Nor can these differences be understood as isolated infirmities. They are a seamless web. They cause each other. They result from each other. They reinforce each other.

"Much of the Negro community is buried under a blanket of history and circumstance. It is not a lasting solution to lift just one corner of that blanket. We must stand on all sides, and we must raise the entire cover if we are to liberate our fellow citizens.

"One of the differences is the increased concentration of Negroes in our cities. More than 73 percent of all Negroes live in urban areas compared with less than 70 percent of the whites. Most of these Negroes live in slums. Most of these Negroes live together—a separated people.

"Men are shaped by their world. When it is a world of decay, ringed by an invisible wall, when escape is arduous and uncertain, and the saving pressures of a more hopeful society are unknown, it can cripple the youth and it can desolate the men.

"There is also the burden that a dark skin can add to the search for a productive place in our society. Unemployment strikes most swiftly and broadly at the Negro, and this burden erodes hope. Blighted hope breeds despair. Despair brings indifference to the learning which offers a way out. And despair, coupled with indifference, is often the source of destructive rebellion against the fabric of society.

"There is also the lacerating hurt of early collision with white hatred or prejudice, distaste or condescension. Other groups have felt similar intolerance. But success and achievement could wipe it away. They do not change the color of a man's skin * * *.

"Perhaps most important—its influence radiating to every part of life—is the breakdown of the Negro family structure. For this, most of all, white America must accept responsibility. It flows from centuries of oppression and persecution of the Negro man. It flows from the long years of degradation and discrimination which have attacked his dignity and assaulted his ability to produce for his family.

"This, too, is not pleasant to look upon. But it must be faced by those whose serious intent is to improve the life of all Americans. * * *.

"The family is the cornerstone of our society. More than any other force it shapes the attitude, the hopes, the ambitions, and the values of the child. And when the family collapses it is the children that are usually damaged. When it happens on a massive scale the community itself is crippled. * * *.

"There is no single easy answer to all of these problems.

"Jobs are part of the answer. They bring the income which permits a man to provide for his family.

"Decent homes in decent surroundings and a chance to learn—an equal chance to learn—are part of the answer.

"Welfare and social programs better designed to hold families together are part of the answer.

"Care for the sick is part of the answer.

"An understanding heart by all Americans is another big part of the answer.

"And to all of these fronts—and a dozen more—I will dedicate the expanding efforts of the Johnson administration.

"But there are other answers that are still to be found * * *."

MR. MOYNIHAN. Mr. President, I would like to acknowledge that I wrote the first draft of this speech. I wrote it on the second of June 1965. I have a copy here of that draft. (In those days, it was a carbon copy.) Written in

the Department of Labor. I was then assistant Secretary of Labor for Policy Planning, and sent the draft to Mr. Bill Moyers at the White House.

The next day, June 3, Mr. Richard Goodwin, the President's speechwriter, took the first draft and with his magic, his catalytic magic with words, turned it overnight into the speech that was given late in the afternoon of the fourth of June. A very short compass for an address of this kind. The address had one central theme. We were at the height of the civil rights movement in our country, and we were talking about rights. The Civil Rights Act of 1964 had passed in this Senate after an agonizing decade. And in a few weeks from that point in June of 1965 the Voting Rights Act would pass.

President Johnson wanted to go beyond that to seize that moment of hope and opportunity and say, very well, rights are important but they have to be fulfilled. There has to be the substance of like circumstance, that rights ought to provide. And that is the neat and higher stage of the effort we were then engaged in.

His sub-theme was the problem of family structure, which is not an issue of race but of class. I had prepared a report, and Secretary Wirtz, the Secretary of Labor, had sent it to the President on the fourth of May. It was from the fourth of May 1965 to the fourth of June, that this policy decision was made.

The theme of the report to the President on family structure was that something critical was happening in our inner cities, that the number of children being born out of wedlock, the amount of crime, the amount of disorganized behavior, was going up; and that if it continued to go up, we were going to have a genuine crisis.

I would say to you, sir, at that time, 75 percent of black children living in the United States lived in a household where their mother and father were present. Last year, this had declined to about 37.4 percent, dropped in half in a generation.

The rate of illegitimacy, which was about 24 percent, is now at 64 percent, as Mr. Barr said. The only accurate thing he did say, albeit he said it was the inner city rate which is often 80 percent.

But we are not talking about a racial issue. We are talking about a class issue which I, at about that time, described in an article in *America* magazine, which I think tells you something of what I was thinking, and what I believe Lyndon Johnson was agreeing to, when Harry McPherson, Bill Moyers and Dick Goodwin brought this argument to him. I wrote this in *America* magazine, a publication of the Society of Jesus, which is say the Jesuits. I wrote:

"From the wild Irish slums of the nineteenth-century Eastern seaboard, to the riot-torn sections of Los Angeles, there is one unmistakable lesson in American history: a community that allows a large number of young men to grow up in broken families, dominated by women, never acquiring any stable relationship to male authority, never acquiring any set of rationale expectations about the future—that community asks for and gets chaos. Crime, violence, unrest, disorder—most particularly the furious, unrestrained lashing out at the whole social structure—that is not only to be expected, it is very near to inevitable. And it is richly deserved."

This is how President Johnson addressed the matter. After describing the bitter experience of black Americans in our country, a past of oppression, cruelty, deprivation unlike any other group that came to this coun-

try had known—he said we can get back beyond this but we have another issue. He said, and I quote him from the passage in this morning's Post:

"There is also the lacerating hurt of early collision with white hatred or prejudice, distaste or condescension. Other groups have felt similar intolerance. But success and achievement could wipe it away. They could not change the color of a man's skin." * * *

"Perhaps most important—its influence radiating to every part of life—is the breakdown of the Negro family structure. For this, most of all, white America must accept responsibility. It flows from centuries of oppression and persecution of the Negro man. It flows from long years of degradation and discrimination which have attacked his dignity and assaulted his ability to produce for his family.

"This, too, is not pleasant to look upon. But it must be faced by those whose serious intent is to improve the life of all Americans." * * *

"The family is the cornerstone of our society. More than any other force it shapes the attitude, the hopes, the ambitions and the values of the child. And when the family collapses it is the children that are usually damaged. When it happens on a massive scale, the community itself is crippled." * * *

"There is no single easy answer to all of these problems.

"Jobs are part of the answer. They bring the income which permits a man to provide for his family.

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"An understanding heart by all Americans is another big part of the answer.

"And to all these fronts—and a dozen more—I will dedicate the expanding efforts of the Johnson administration.

"But there are other answers that are still to be found." * * *

Other answers still to be found, looked for with an understanding heart.

Would you describe, sir, the remarks of the Attorney General or the press spokesman as those of an understanding heart * * *? But in 1965 the President was persuaded. We offered the proposition that we had to deal with this, and he said we would. He called a White House Conference "To Fulfill These Rights." He later sent word to me to say that he thought his speech at Howard University, the commencement address, was the greatest civil rights speech he had ever made. It had a curious aftermath. The original response was wonderfully positive. And then, a few months later on August 11 the riot in Watts broke out, a riot of exactly the kind we were talking about, the disorder, the lashing out, the unrest and instability. It was what he said was coming. It came too soon.

The next day his press secretary, Mr. Moyers, addressed a White House press corps asking: What is happening? What is going on? He handed out the policy paper that we had produced. Roland Evans and Robert Novak, who were very much on top of events, then as now, published a column the next day that described the policy paper behind the President's thesis of family stability. And that proved unacceptable to the civil rights movement of the time. They were talking about rights. We were talking about fulfilling those rights. That is a historic loss,

a very hard one. Even President Johnson, in the end, had to abandon the effort.

But those problems did not begin with him and are not caused by things he did. You could say some of them were brought about by things that were not done. But to say, as Mr. Fitzwater said, and I am quoting now from the Associated Press of two days ago, "We believe that many of the root problems that have resulted in inner city difficulties were started in the 1960s and 1970s and that they have failed," is depraved. It is a slander on a great President, and a fine moment in our history, as moments go. Twenty-seven years ago this June 4, Lyndon Johnson stood up and laid out what was coming to the country. The country did not respond, and it has come. But to blame him is to lower the policies of race to a degree I have not seen in my time.

Lyndon Johnson is owed an apology. He will not get one. People who do this have so little sense of their history and, perhaps, an insufficient degree of honor that no apology will be forthcoming. But the record should be straight.

Our very able and learning friend and colleague, John Kerry, spoke at Yale University on these matters just a short while ago, on March 30, in which he goes back to this history and says what we did not do. He cites that passage which I just read about any society that allows a large number of young men to grow up in broken families, never acquiring any stable relationship to authority, never requiring any rational expectation, asks for and gets chaos, crime, violence, unrest.

Those are the records, sir, of the black children born in 1967, '68 and '69. Seventy-two percent were on welfare before they reached age 18. That meant they not only lived in a single-parent family, but they were paupers—not a pretty word, not a pretty condition. A family on welfare can have \$1,000 in resources, plus a home, a car worth less than \$1,500. Pots and pans, a television set, and a few couches. That is the childhood of what is approaching probably over four-fifths of these children—four-fifths.

But we saw it coming. Many denied it when it came. Many denied it was going to come. That is what Senator Kerry and Senator Bradley have been talking about.

On our side, we have a responsibility as Democrats. We have become very good at denial. In an address on this subject at the University of Chicago on Saturday, the very able professor of Sociology, William Julius Wilson, spoke at some length about that. Professor Wilson is the author of the *Truly Disadvantaged*. He picked up some of the research which we had been doing into this field in the early 1960s, he and Katherine Neckerman began to explore the aftermath of this data series and found things that are important.

He said on Saturday in a paper at the Dean's Forum, University of Chicago, on the subject of social science and the making of public policy, and I quote him:

"* * * sociologists working in the field of urban poverty have felt pressure from their colleagues to consider the political and/or social implications of their work, even to the point of suppressing results or of avoiding certain research topics. The vitriolic attacks and acrimonious debates that characterized the controversy over the Daniel Patrick Moynihan report on the Negro family in the late 1960s and early 1970, a controversy which emerged because his ideas were seriously misrepresented in the media and the work of some social scientists, is a case in point. The

controversy following the report intimidated many sociologists and other social scientists conducting research on poverty and family structure. Indeed, in the aftermath of this controversy and in an effort to protect their work from the charge of racism or "blaming the victim," sociologists, like other liberal social scientists tended to avoid describing any behavior that could be construed as unflattering or stigmatizing to racial minorities. Accordingly, for a period of several years, and well after the controversy had subsided, the problems of social dislocation in the inner-city ghetto did not attract serious research attention. From the early 1970s to the mid-1980s, there was minimal contribution from sociology in particular and the social scientists in general to the public-policy agenda on combating inner-city poverty."

That is William Julius Wilson of the University of Chicago saying that on "our" side people who care about these issues dropped the main subject 25 years ago in the aftermath of that controversy and have only just now started to return to it. As his words very ably demonstrate from the point of view of a professional social scientist and as the addresses of Senators Kerry and Bradley demonstrate from the point of view of people who have to carry forward public policy as legislators.

We are past that period of denial. We are also, however, with a problem far worse today than it was a generation ago, and no nearer any true understanding. It is perhaps useful to point out that if we avoided discussing the matter for 25 years it is not surprising we do not understand it any better now than we did when we first encountered it.

And no one is more firm on this matter than James Q. Wilson, who is the president of the American Political Science Association this year, a man of great commitment and understanding of urban problems. He was the second director of the Joint Center of Urban Studies of MIT and Harvard. His first book published at the University of Chicago, *Negro Politics*, is a classic. He has since gone on to become the leading student of crime in America and of bureaucratic organizations. His book *Bureaucracy* is the harvest of a long career and a classic already. He is acknowledged by his peers as a man to be president of the American Political Science Association.

He writes in this morning's *Wall Street Journal* a tough-minded, necessary article about the way in which the onset of that behavior I was talking about earlier, the onset, of crime and disorder, has been absorbed by Americans in the way Lyndon Johnson anticipated. It is class behavior. It is the wild Irish slums of the 19th century Eastern Seaboard to the riot torn Watts section of Los Angeles. The one lesson in American history. A class lesson.

But in America today, this class behavior has a black face. And that behavior is so destructive, not just to the communities involved—most black crime is committed against blacks, as we know—but the fear of black crime extends and passes over to the white side.

Senator Bradley in a speech on this floor spoke of fear covering the cities like a sheet of ice. We have to address it. The stability of this society is at stake.

Here is what James Q. Wilson concludes in his article this morning in the *Wall Street Journal*. He says:

"The best way to reduce racism real or imagined is to reduce the black crime rate to

equal the white crime rate which God knows is high enough.

"To do this may require changing, in far more profound and all encompassing ways than anything we now contemplate, the lives of black infants, especially boys from birth to age 8 or 10. We have not yet begun to think seriously about this, and perhaps never will. Those who must think about it the hardest are those decent black people who must accept, and ideally should develop and run, whatever is done."

That is James Q. Wilson in this morning's *Wall Street Journal* saying exactly what Lyndon Johnson said 27 years ago come June 4. That we must seek not just equality but equality as a fact and as a result.

There are many who have objected to the term, the idea of equality of results, and I can understand it. I know that if you want to have equality of results just by decreeing them you get all kinds of problems.

But, Mr. President, seeing it as a necessary objective is very different thing than decreeing it. I will conclude, sir—I see the very able Senator from Oregon is here and I know he wished to speak as well. But I would conclude thus: We are in a defining moment in the present age. We may have another opportunity to look reality in the face as Lyndon Johnson did 27 years ago. It may slip away.

Twenty-seven years ago it was people who favored racial progress and harmony who denied reality. This time it is being denied by those who have yet to prove their bona fides.

It harms and hurts us all to demean the memory of a President who at very least tried, tried to understand, tried to make people understand, committed himself to equality as a fact and as a result. Surely, we can address that problem again. Possibly we can. But not by the Orwellian rewriting of history which is going on in this administration today. The President should say stop it. Those who will not stop should be asked to resign out of the decent respect for the history of their own country and of the Presidency which they served in their brief authority.

Mr. President, I thank you for your kindness in allowing me to speak in extended morning business.

I thank my friend from Oregon for his patience as well. And I yield the floor.

I am one of the original coauthors and cosponsors of that act of 1964. I also joined enthusiastically in the first national education act, the Elementary and Secondary School Act of 1965, the higher education act that year. I was in on the ground floor of those programs, and in my own district I can give statistics, I have reports of how these programs targeted and reversed dropout rates among the Mexican-American youth. From over 78 percent we dropped in a matter of 8 years to less than 20 percent. Let anybody tell me that those programs that for once in its history the Congress responded to did not have the desired effect as we intended in Congress, and I will ask them to come and consult with me.

I want to thank the gentleman again for giving me this opportunity. I will present for the RECORD this testimony that the great Senator MOYNIHAN gave us, because it is the best thing that we can do tonight, just to go back and see what Lyndon Johnson said, what his aims were, what his objectives were, and how faithfully he adhered to them.

I was first elected to Congress in 1961, and thus I served during the years when the Great Society programs were proposed, debated, and passed. I know about these programs, I know that they were—and are—an effective approach to improving the condition of the American people, and I know that they greatly and very positively affected the lives of many people, especially the people of the 20th Congressional District of Texas in San Antonio which I represent.

I find it rather incredible that attacks are being made on the Great Society programs, allegations such that these programs are the cause of the recent riots in Los Angeles. How can an administration which, just as recently as last year in the Persian Gulf war, has shown the American people that the way to solve problems is through the use of violence not look at itself and understand the responsibility it bears for this crisis? Violence begets violence, and the example set by those with power in this country will be followed by those without power. After more than a decade of neglect of the cities, of the needs of those who reside in the inner cities, and of the growing racial and economic-class tension, there can be no wonder tempers finally boiled over.

Earlier this year, on February 10, I took the Banking Committee to Los Angeles for a hearing which was one in a series of hearings I have held in the past 6 months designed to solicit testimony from the American people, who are the real experts, on the economic problems facing our country. In Los Angeles, our hearing was held in a building that was in the midst of the recent riots, and at this hearing we heard testimony that was very disturbing because it indicated that there was a likelihood of social unrest. We examined the effects of the decade-long neglect and drastic Federal budget cuts during the Reagan and Bush administrations, and we found that municipalities are so overburdened that they can no longer keep citizens from falling through the cracks. The result of the neglect is a dire situation: Families are desperate for good jobs, safe neighborhoods, good schools, and decent housing.

This reality is very troubling to those of us who worked for passage of the Great Society programs in the 1960's, as we see programs that we know helped to create a strong middle class by lifting people out of poverty caused by lack of education, lack of job training, and a lack of basic decent housing being blamed for the problems we now face. And the Los Angeles riots will not be the end of it—there is much unrest still simmering and it will not take much to reignite.

The Great Society improved the conditions of Americans, and thus also created hope and a sense of control over one's own life. Take my district, for instance. In 1950, the census showed that the average 14-year-old Mexican-American male child in Texas reached only the fourth grade in school. By the late 1960's, these young men became the targets of most of the retraining and reeducational projects that we were able, during the Presidency of Lyndon Johnson, to approve in the war against poverty. I believed in these programs, and in 1964 I worked hard for passage of the Economic Opportunity Act, which included the Job Corps Program, the first Federal work-

study program for college students, and the Community Action Program. In 1965, I worked closely with President Johnson for passage of the Medicare and Medicaid Programs. We passed legislation to create the Head Start Program; we enacted the first major Federal aid program for elementary and secondary schools serving children from poor families; and we created the Model Cities Program which helped stabilize and revitalize communities such as the west side of San Antonio. In 1968, we passed a huge bill authorizing over \$5 billion for low-income housing. As a direct result of these programs, instead of a greater than 70-percent dropout rate among Mexican-American children in my district, we had a greater than 80 percent high school graduation rate. Now, because of the Reagan administration's cutbacks in student aid programs, there have been between 2,300 and 2,600 students in my district each year who cannot afford to go into even a community college, let alone a university.

During the Reagan administration, Federal assistance to housing was also cut—by 83 percent; as a result, in San Antonio we have over 18,000 families—not individuals, but families—on the waiting list for section 8 housing assistance. Add to this the number who are waiting for admission to federally funded housing projects and those who have not bothered to put their names on a waiting list because of the sense of hopelessness that anything will ever materialize for them, and you have a tremendous housing crisis. Also during the Reagan administration, Federal job training was cut 63 percent; one only needs to look at our unemployment rate over the past few years, and add to it the number of people who are underemployed in menial service jobs rather than employed in manufacturing jobs which were exported by the Reagan administration, to realize that we are not only, not meeting today's needs, but we are not anywhere close to addressing the future job-training needs of this country as competition from abroad is increased. Now, no nation can suffer that for long without some grave consequences.

The underlying reason for the effectiveness of the Great Society was its approach to poverty, disease, injustice, illiteracy, and other social problems. It treated the causes, not just the symptoms, and thus truly empowered people to rise above the traditional barriers to education, training, and housing that had barred them from improving their lives.

Instead of blaming the Great Society for today's ills, it would be wise to consider what condition our country would have been in without these programs. Without the movement into the middle class by a vast number of people through the Great Society programs, the widening of the gap between the rich and poor in our country that we experienced so drastically in the 1980's would have been exacerbated, making the current situation even more explosive. But if the Great Society had been continued and supported throughout the 1980's, we would not now have a housing crisis, a return to the high dropout rate, our job-training crisis, and the resultant terrible crime wave we are experiencing.

I have introduced two bills—one to provide emergency loan assistance specifically to Los

Angeles to rebuild the riot-torn areas, and one to provide funding for emergency community development projects to restore the vitality of our cities. These are measures that will provide good jobs as well as much needed assistance to the cities. The time is long overdue for the administration to learn that addressing problems in a peaceful manner through programs such as I have introduced—programs akin to those of the Great Society—will alleviate the underlying causes of problems that have given rise to the tension, the despair, and the sense of hopelessness that are the true causes of the unrest in our inner cities.

Mr. SCHEUER. I thank my colleague from Texas.

I yield to another colleague from Texas, Mr. JAKE PICKLE.

Mr. PICKLE. Mr. Speaker, I commend the gentleman from New York for asking for this time. It gives many of us a very special feeling of pride to make comments about this program.

I was impressed with the comments of my colleague from Texas, Mr. GONZALEZ. I am glad he mentioned the letter he received from Senator MOYNIHAN of New York, because Senator MOYNIHAN sent me a copy of that speech as well, and I am glad the gentleman is going to put that in the RECORD, because the Howard University speech of Lyndon Johnson is a marvelous speech, and is probably one of the best speeches the President ever made.

I rise this evening to take issue on some of the things which have been said about the Great Society in the past week or so. The events in Los Angeles have been nothing short of a national tragedy. Rebuilding south-central Los Angeles and taking steps to make sure that the scenes of 2 weeks ago are not repeated in Los Angeles or elsewhere will require resources far greater than just money from the Government. It will require the resources of the human spirit in conjunction with all the talent of the public and private sector to begin the job of healing Los Angeles. In recent days, I think that some consensus has emerged on the nature of the effort that we will need to address the problems of Los Angeles and many other cities, namely a spirit of healing, unity, and compassion for the people of the inner city. It will also require significant Government resources to create hope and opportunity among our poorest citizens.

It is good to see such a consensus emerging around these values from the administration, so it is with some disbelief and consternation that we observed the same administration criticizing the period in our history which most embodied these values and which sought most to help the disadvantaged among us. I refer of course to the Great Society. Like many Members who are speaking tonight, I was proud to serve in Congress when Great Society programs were enacted and when this institution, with President Johnson's leadership, was as productive as it has

been in any other period in our history. Both the Congress and the President would do well to look to the Great Society both for inspiration and lessons as we fashion new policies for our inner cities. The Great Society in no way caused the tragedy in Los Angeles. Its spirit can only be part of the solution.

Two years ago, the LBJ Presidential Library and the LBJ School of Public Affairs at the University of Texas at Austin conducted a 3-day symposium discussing the Johnson Presidency and the Great Society. I was privileged to participate in that event, which included many people who served in the Johnson administration and other Johnson associates. One of the most remarkable things I took away from that gathering was the spirit of compassion which went into so much of the development of Great Society programs. First and foremost, the Great Society was based on the idea that Government must be a compassionate and positive force in providing the opportunity for the disadvantaged among us, so that they can become the best and most productive citizens they can be. The Great Society was a set of ideals first, a set of programs second. When President Johnson outlined his goals for the Great Society at the University of Michigan in 1964, he remarked that the Great Society would be "a place where men are more concerned with the quality of their goals than the quantity of their goods." The Great Society was "a challenge constantly renewed, beckoning us toward a destiny where the meaning of our lives matches the marvelous products of our labor."

Meeting these challenges would permit all Americans to realize the fruits of the American dream: freedom, equality, and the chance at prosperity. It is to Lyndon Johnson's enduring credit that he put the force and power of this Presidency behind the lofty goals of the Great Society. Johnson knew that a life without hope could quickly degenerate to bitterness and anger, and that anger could easily lead to violence. This vicious circle certainly was at work in Los Angeles 2 weeks ago. In his Great Society programs, Johnson sought to place the weight of history's most prosperous Nation behind efforts to tear down the barriers which led to hopelessness in our society.

Now, it is possible to agree with the wonderful rhetoric of the Great Society but still believe that the programs of that era were failures. The record, however, is quite to the contrary. It is hard for us to imagine an America without programs like Head Start, one of President Bush's favorite programs because of its long record of success. It is hard to imagine an America without Medicare and Medicaid, without a well-funded National Cancer Institute, or where it is possible for minority groups to be denied the right to vote. This

House just recently reauthorized the Higher Education Act and it is right that we feel good about that. But during the Johnson years, Congress passed 45 education bills, setting up things like the Guaranteed Student Loan Program and the College Work Study Program. Another successful Great Society program which deserves mention is Job Corps, which has given thousands of disadvantaged youths the training to become productive members of our work force and has consistently been found to be an excellent expenditure by the Government. I am proud to have the Gary Job Corps of San Marcos, TX, in my district, which is among the better Job Corps anywhere. In short, any serious analysis of the Great Society would conclude that, while not perfect, it was successful in reducing poverty, promoting civil rights, and improving opportunity in this country.

The Great Society and the legacy of the Great Society has done much more good than harm in this country. When discussing the events in Los Angeles, the proper question is not: Did the Great Society cause the tragedy there? It is instead: how much worse, or how much sooner, would these events have occurred without the Great Society? And, might these events been avoided had Great Society programs not seen their funds cut in the past 12 years? If, in 1990, we were to redirect our spending priorities to 1979 levels, we would have spent \$18 billion more for labor training, \$13 billion more for social services, \$11 billion more for transportation, \$8 billion more for education, \$7 billion more for housing, and a total of \$17 billion more for programs like economic development, health and hospitals, natural resources, education and culture, and others. I will not suggest here that this Government can or should spend these additional amounts today. But in light of the problems in Los Angeles and other cities, these figures suggest that we ought to reevaluate some of our spending priorities.

One of the most enlightening discussions at the symposium on Johnson at the LBJ Library was the event at which we heard from people who had directly benefited from Great Society programs. We heard from a young man from the Rio Grande Valley in Texas who had received his earliest education in the Head Start Program. He went on to be the president of the student body at Stanford University and to receive a law degree from the University of California at Berkeley. This young man told us of other beneficiaries of Head Start, such as a young lady from a poor town in Mississippi who has gone on to become an engineer working on some of our most advanced weapons technologies. We heard from a man who had grown up in a number of foster homes in New York City who, with the help of the Higher Education Act, received his college degree from West Virginia Uni-

versity and now owns his own broadcasting company. This man now has a son who receives all A's in school and wants to go to Harvard. And we heard from a man who began life in a wood shack in Arkansas and took advantage of the Upward Bound Program to receive a doctorate from Harvard University and become a member of the Ohio Legislature. The Great Society was about helping people, and the stories I have just shared with you have been duplicated countless times by people who took advantage of the opportunities presented to them by a compassionate government. But, as President Johnson knew well and said many times, the struggle to ensure opportunity for all people is not something that begins and ends with a set of programs which can be enacted in one administration. It is an ongoing effort; after all, it has taken and will take years of effort to eradicate discrimination that has existed for centuries. After the Civil Rights Act passed in 1964, I told the President that I was glad the vote was behind me. The President replied to me that we had just begun the fight against discrimination, and that as long as I was in the House, Congress would be passing civil rights legislation. Of course he was right.

That same spirit ought to animate the discussion of what we ought to do about our cities in the aftermath of Los Angeles. We can add to the Great Society programs, and we can employ new approaches. But most of all, we need a vision as broad and expansive as Lyndon Johnson's to restore a sense of optimism and purpose about Government's role in helping to revive our inner cities. Unjustifiable criticism of the past will surely leave us far short of the mark. I will close by quoting Lyndon Johnson who said, "I do not intend that second-rate visions will set the course for a second-rate America." More than 25 years later, neither should this President, and neither should this Congress.

Mr. Speaker, I know others want to speak on this subject, but I think it is good for this Nation to pause on occasion and to remember the programs that have served us well. I think had we considered or enlarged on many of the programs that started back in those years, the events in Los Angeles may not have occurred. Whether that would have happened or not, no one knows. But we do know that we must reapproach the problems that society has, and programs like the Great Society program can help us immeasurably.

I would hope that we address this problem with a spirit of commitment and encouragement and that we can help find better answers, and it is good for this Nation to remember that in the years of the Johnson Presidency more productive, good programs were passed than ever before in a similar pe-

riod of time in the history of this Nation. So I commend President Johnson and his administration's programs, and again I thank the gentleman for yielding.

Mr. SCHEUER. I thank the gentleman for this fine contribution. He was there when all of this was happening.

We must have learned some lessons, my colleagues, from the horror of the Los Angeles riots. The Bush administration seems to have learned that programs aimed to enrich and improve the lives of disadvantaged Americans are nothing but well-intentioned failures, those "failed programs of the fifties and sixties." The administration has focused on an easy target, those tragic riots in Los Angeles of a week or so ago.

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This response to those riots was hardly surprising, because the Bush administration has had no domestic policy of its own to examine and evaluate. The Bush administration's initial response to the Los Angeles riots was nothing more than a cynical attempt to exact political capital from a tragic situation.

It is an insult to one of our great Presidents who did possess the vision and the courage to set a firm course for American domestic policy at a time when it was sorely needed. And Lyndon Johnson, my colleagues, did not have to search for, and I quote, "the vision thing"; "the vision thing" sprang out from his roots, sprang from his very guts and his brains and his heart, from his origins in the Pedernales River in Texas where he spent his first adult years as a teacher.

Mr. Speaker, I now yield to my distinguished colleague, the gentleman from New York [Mr. OWENS].

Mr. OWENS of New York. Mr. Speaker, I thank the gentleman.

Mr. Speaker, I want to congratulate the gentleman for this special order which relates to educating the American people about what the Great Society programs were really all about.

The gentleman just mentioned Lyndon Johnson, who was the creator of the Great Society programs. I think it is important for us to take note of the fact that we have a generation that probably remembers Lyndon Johnson only for the Vietnam war. The memory of Lyndon Johnson, I think, is sort of overwhelmed by the Vietnam war and all the problems that were related to the Vietnam war, but we have to also set history in perspective and understand that of all of the Presidents that this Nation has ever known, Lyndon Johnson understood the great American dilemma better than any others.

Lyndon Johnson was a Southerner. He spent a large part of his career, certainly in the Congress, fighting civil rights legislation very successfully, but

he grew and matured, and he responded to the call of the times. I think most Americans will agree with me that when you examine the record you will find that no one has done more for African-Americans in this Nation from the level of a seat of power than Lyndon Johnson.

I think it is important for everybody to go back and look at the words of Lyndon Johnson himself. The Washington Post did us a great service by publishing on Wednesday, May 6, a set of excerpts from Lyndon Johnson's speech at Howard University on June 4, 1965. I think that this speech, or if you want to just take this set of excerpts that appeared in the Washington Post, should be a part of the curriculum of every high school history textbook, woven somehow into the discussion of what is going on right now.

I am not going to read it all.

Mr. SCHEUER. I would ask that those excerpts from the Washington Post be printed in the RECORD at this very point.

Mr. OWENS of New York. I was going to ask for that also.

I am not going to read it all, but I do want to read just some parts of it, because I think every policymaker in America, every legislator ought to be listening to these words. It is all summed up by a man who understood the problem very well.

He was a Southern white, and if you want to ask Southern blacks why they trust Southern whites, I think the best answer to that is that it is not that Southern whites necessarily have better hearts than other whites. The kind of heart and the kind of outlook a person has does not have anything to do with geography, but the Southern whites and the Southern blacks understand the race problem very well. Regardless of what they decide to do about it, what kind of decisions are made, at least the understanding, the level of comprehension is always there. And Lyndon Johnson understood the problem very well.

Let me just read a few of his words at Howard University on June 4, 1965:

But freedom is not enough. You do not wipe away the scars of centuries by saying: Now you are free to go where you want, and do as you desire, and choose the leaders you please.

You do not take a person who, for years, has been hobbled by claims and liberate him; bring him up to the starting line of a race and then say, "you are free to compete with all the others" . . .

This is the next and the more profound stage of the battle for civil rights. We seek not just freedom but opportunity. We seek not just legal equity but human ability, not just equality as a right and a theory but equality as a fact and equality as a result.

For the task is to give 20 million Negroes the same chance as every other American to learn and grow, to work and share in society, to develop their abilities—physical, mental and spiritual—and to pursue their individual happiness.

To this end equal opportunity is essential, but not enough, not enough. Men and women of all races are born with the same range of abilities. But ability is not just the product of birth. Ability is stretched or stunted by the family that you live with, and the neighborhood you live in—by the school you go to and the poverty or the richness of your surroundings. It is the product of a hundred unseen forces playing upon the little infant, the child, and finally the man.

Of course Negro Americans as well as white Americans have shared in our rising national abundance. But the harsh fact of the matter is that in the battle for true equality too many—far too many—are losing ground every day.

We are not completely sure why this is. We know the causes are complex and subtle. But we do know the two broad basic reasons. And we do know that we have to act.

First, Negroes are trapped—as many whites are trapped—in inherited, gateless poverty. They lack training and skills. They are shut in, in slums, without decent medical care. Private and public poverty combine to cripple their capacities.

We are trying to attack these evils through our poverty program, through our education program, through our medical care and our other health programs, and a dozen more of the Great Society programs that are aimed at the root causes of this poverty.

We will increase, and we will accelerate, and we will broaden this attack in years to come until this most enduring of foes finally yields to our unyielding will.

But there is a second cause—much more difficult to explain, more deeply grounded, more desperate in its force. It is the devastating heritage of long years of slavery, and a century of oppression, hatred and injustice.

For Negro poverty is not white poverty. Many of its causes and many of its cures are the same. But there are differences—deep, corrosive, obstinate differences—radiating painful roots into the community, and into the family, and the nature of the individual.

These differences are not racial differences. They are solely and simply the consequence of ancient brutality, past injustice, and present prejudice. They are anguishing to observe. For the Negro they are a constant reminder of oppression. For the white they are a constant reminder of guilt. But they must be faced and they must be dealt with.

... Nor can we find a complete answer in the experience of other American minorities. They made a valiant and a largely successful effort to emerge from poverty and prejudice.

The Negro, like these others, will have to rely mostly upon his own efforts. But he just cannot do it alone. For they did not have the heritage of centuries to overcome, and they did not have a cultural tradition which had been twisted and battered by endless years of hatred and hopelessness, nor were they excluded—these others—because of race or color—a feeling whose dark intensity is matched by no other prejudice in our society.

Nor can these differences be understood as isolated infirmities. They are a seamless web. They cause each other. They result from each other. They reinforce each other.

Much of the Negro community is buried under a blanket of history and circumstance. It is not a lasting solution to lift just one corner of that blanket. We must stand on all sides, and we must raise the entire cover if we are to liberate our fellow citizens.

There is also the burden that a dark skin can add to the search for a productive place

in our society. Unemployment strikes most swiftly and broadly at the Negro, and this burden erodes hope. Blighted hope breeds despair. Despair brings indifference to the learning which offers a way out. And despair, coupled with indifference, is often the source of destructive rebellion against the fabric of society.

There is also the lacerating hurt of early collision with white hatred or prejudice, distaste or condescension. Other groups have felt similar intolerance. But success and achievement could wipe it away. They do not change the color of a man's skin. . . .

Perhaps most important—its influence radiating to every part of life—is the breakdown of the Negro family structure. For this, most of all, white American must accept responsibility. It flows from centuries of oppression and persecution of the Negro man. It flows from the long years of degradation and discrimination which have attacked his dignity and assaulted his ability to produce for his family.

This, too, is not pleasant to look upon. But it must be faced by those whose serious intent is to improve the life of all Americans.

The family is the cornerstone of our society. More than any other force it shapes the attitude, the hopes, the ambitions, and the value of the child. And when the family collapses it is the children that are usually damaged. When it happens on a massive scale the community itself is crippled. . . .

There is no single easy answer to all of these problems.

Jobs are part of the answer. They bring the income which permits a man to provide for his family.

Decent homes in decent surroundings and a chance to learn—an equal chance to learn—are part of the answer.

Welfare and social programs better designed to hold families together are part of the answer.

Care for the sick is part of the answer.

An understanding heart by all Americans is another big part of the answer.

And to all of these fronts—and a dozen more—I will dedicate the expanding efforts of the Johnson administration.

But there are other answers that are still to be found . . .

□ 1940

That is the end of Lyndon Johnson's speech at Howard University on June 4, 1965. It has a familiar ring, some of the same things that are being said today by the present President, but in a different context. The present President would make it appear that the collapse of the Negro family, that the unemployment and joblessness in our communities among Negro males is all their fault, a matter of lifestyle, something they choose to do.

The present President ignores that fact that when there were 1,000 jobs available at the Marriott Hotel in Chicago, 9,000 people lined up for those jobs and most of those 9,000 people were Afro-Americans.

It is all here in a very compact and succinct statement. It was not delivered by some wild-eyed radical on a street corner in Harlem. It was delivered by a man who sat at the very head of our Government. We should be proud of a President like Lyndon Johnson.

History should take a close look at his record and not let it be overwhelmed by the Vietnam war or foreign policy.

Here is a man who understood the most pressing problems in this country. He understood the American dilemma. He had the greatness, the fortitude, he had the wisdom, he had the soul to deal with the problem of racism in America.

Mr. Speaker, I thank the gentleman for allowing me to participate in this special order.

Mr. Speaker, in the wake of the recent tragic events in Los Angeles and other cities stemming from reactions to the verdict in the Rodney King case, the Bush administration has chosen to attack the war on poverty programs initiated in the 1960's under the Johnson administration, charging that these so-called failed programs are to blame for the massive, simultaneous destruction which took place over the last few days.

I was a New York City Deputy Administrator for Community Development under former Mayor John Lindsay, and I take strong issue with that view. On the contrary, programs such as Model Cities, the Job Corps, CETA, and others gave people hope for the future. They empowered residents of inner cities, giving them for the first time a sense of control over their lives and destinies.

Throughout my years as an elected official, particularly as a member of the House Committee on Education and Labor, and as an administrator of social programs, I have always viewed education and employment as the two most important concerns facing the nation. Education and employment are intertwined; without a quality education, Americans all ill equipped to function in the work world of high technology, increasingly specialized professions. One of the most successful holdovers from the Great Society, "War on Poverty" years is the Job Corps, a program that for 30 years has recognized the important linkage between education and employment.

Job Corps is our Nation's only proven Federal program that helps our at-risk youth finish their education, learn lifetime skills and build up our country. Eighty-one percent of Job Corps graduates go to work, enter the military or seek more education.

I was outraged when in 1986 the Reagan administration sought to eliminate Job Corps and I am outraged today that the Bush administration wants to cut this proven program at a time when local elected officials all over this country are in desperate need of it. Communities from Compton, CA to the delta area in Mississippi, to Nashville, TN, to right here in Prince Georges County, MD, near Washington, DC, are urging the administration to fully fund and expand Job Corps. They know, as we in the Congress know, that it is pathetic that one of the most successful Great Society Programs, which has helped young people for 30 years, serves less than 2 percent of those who could benefit from it the most.

The administration and its supporters argue that Job Corps costs too much money. But we spend billions on exotic weaponry and military gadgets that the end of the cold war have rendered unnecessary and obsolete. One Seawolf submarine costs \$2 billion, slightly

less than the total request for Job Corps' 50-50 plan for fiscal year 1993. The 50-50 plan is a well thought out, long-term initiative to add 50 new Job Corps centers to reach 50 percent more youth at a cost of \$1.26 billion. And the Job Corps is, to use a favorite administration phrase, "cost effective," returning \$1.46 on every dollar we invest in it.

Another important Great Society measure that acknowledged the important education-employment link was the Vocational Education Act of 1963, which was signed into law by President Johnson on December 18 of that year. The act initiated Federal aid to low- and middle-income youth for the purposes of vocational education and job training. It was designed to update and expand old programs that were considered insufficient and not geared to the problems of rapid technological change. It was hoped that increased vocational education could help satisfy the Nation's need for manpower with industrial, and technical skills, and at the same time reduce unemployment, especially among youth. As enacted, the measure authorized \$731 million over a 5-year period for a broader, more flexible program to help workers learn new skills and upgrade old ones. A large part of the funds were directed toward unemployed young people and school dropouts, which included many African-Americans. The bill was initially envisioned by President Kennedy as one of many employment and education programs aimed at assisting African-Americans. As President Kennedy noted in his June 19, 1963 civil rights message to the Congress, employment opportunities would play a major role in determining whether civil rights gains for African-Americans would be meaningful. In signing the Vocational Education Act of 1963, President Johnson said:

This bill * * * is dramatic evidence of our commitment to education as the key to our social and economic and technological and moral progress * * *. For the first time Federal funds are going to be available to construct new vocational schools.

Such Federal commitment to education and employment has been woefully lacking during the years of the Reagan and Bush administration. Instead, we have seen a commitment to destroying all of the efforts toward social change and equity between classes and races in this country that the Great Society programs were designed to bring about.

Enterprise zones and housing projects residents owning their units are not the only solutions to such problems, nor is attempting to assign blame to the Great Society Programs for the state of or cities the answer. Unless we want to see more urban death and destruction we must reinstitute the war on poverty and stop making war on the poor.

Mr. SCHEUER. Well, Mr. Speaker, I want to thank my colleague, the gentleman from Brooklyn, NY Mr. OWENS for his truly moving and beautiful words. They should inspire all of us to rethink some of our prejudices and rethink our assumptions and get down to the basics that Lyndon Johnson addressed and that the gentleman from New York [Mr. OWENS] addressed. I am truly grateful to the gentleman from New York [Mr. OWENS].

The time is late, Mr. Speaker, and I do not want to take the time to review each and every one of Lyndon Johnson's Great Society programs. I do want to echo one thing that the gentleman from New York [Mr. OWENS] said, that sometimes in the miss of memory we tend to look upon Lyndon Johnson as the bad guy, so called, for his involvement in the Vietnam war, for his immersing us more deeply, trapping us in the swamps of despair and futility of the Vietnam war.

Yes, there was a certain amount of ego involved here. Yes, this represented a character flaw on the part of President Johnson, but if you can just excise from your memory Johnson and the Vietnam war and think about Johnson's enormous contributions to our domestic society, you will rapidly come to the conclusion that as far as Lyndon Johnson's vision for America, the domestic America, all of us, black, white, rich, poor, Eastern, Western, urban, and rural, he was truly one of our all-time great Presidents in the vision and the powerful leadership that he provided in forcing this country to address our urban problems, the American dilemma of race. We should never forget his extraordinary contribution to helping us face up to the problems of America that was doing less than it was capable of doing for all its citizens.

Let me talk about just one or two programs and then I will yield my time.

The Head Start Program, we referred to that with the President. President Bush supports the Head Start Program, no question about it. He thinks it is a fine program. It is just that he does not want to pay for it. He does not want to pay to make it available to all American kids who are at the cutting edge of education failure. At the present time only about less than 1 in 4 kids at urgent education risks gets the benefit of Head Start. Now, that is a true tragedy.

I might tell my colleagues that I am a Head Start kid. In 1923, when I want to prekindergarten, we did not call an enriched preschool experience Head Start. We called it nursery school or prekindergarten. When I was 3 years old I was in one of those classes.

Now, most of the Members in this room, most of the Members of this House come from homes that are themselves education factories. They do not need a Head Start Program to learn, to value books and magazines and newspapers and cerebral thought. They do not need a Head Start Program to teach them how to tell time, the days of the week, the months of the year, the difference between silk and wool. Those are part of their family growing up experiences, but there are kids from disadvantaged homes in this country whose background is bleak compared to the kids who come from much more fortunate middle class backgrounds; so

for those kids, it is absolutely essential to have an enriched preschool program in order to enter the schoolhouse doors at age 6 for the first grade learning ready.

We have found that there is very little else that we can do to give these kids the promise of making it in school that works as well as the Head Start Program.

Let me give you a few elements of facts. The disadvantaged Head Start kids who enjoyed that preschool experience over their colleagues and friends who did not have the benefit of Head Start.

First of all, children who did not receive a Head Start service developed mental retardation or failed to shuck off the effects of mental disability at twice the rate of children who received preschool services of all kinds. Almost twice as many of the kids who did not enjoy the benefits of a Head Start experience were likely to drop out of school prior to graduation. Only two-thirds as many of the kids who did not have the benefit of an enriched preschool experience, only two-thirds of them became employed after high school.

Now, on the other hand, children who did get the benefit of an enriched preschool experience got jobs at a 60 percent higher rate than the non-Head Start kids, after high school that is. More than two-thirds of the Head Start kids developed literacy skills of all kinds, far more than their non-Head Start colleagues.

□ 1950

Almost 50 percent of the Head Start kids are likely to attend college and vocational school than non-Head Start kids. Overall, just to indicate that these programs were not an exercise in futility, were not a big black hole into which we poured taxpayers' money, studies show that society's return from an investment in Head Start, an investment in our Nation's most precious asset, its young kids, a dollar invested in Head Start returned anywhere from \$7 to \$12 to our Government in costs avoided, more success in school, more success on the job, and higher rates on the job.

What was the product for our society? Well, during the Johnson administration, the national poverty rate fell from 19 percent of the population to 12 percent of the population. How do you put a dollar value on that? How do you put a price tag on a society that has succeeded in cutting drastically the percentage of its people who are poor?

The poverty rate for elderly Americans has plummeted from 35 percent in 1960 to 25 percent in 1970 and to only 12 percent today, as a result of these so-called failed programs of the 1970's.

During the 1960's, the poverty rate for children was virtually cut in half, to 12 percent.

Mr. Speaker, I would like to quote a very distinguished conservative econo-

mist, Mr. Herbert Stein, who was chairman of President Nixon's Council of Economic Advisers. He supports using the peace dividend for domestic programs. He supports every possible effort to reduce the poverty and to increase the education among our youngsters.

Mr. Speaker, I would like to quote Herbert Stein:

I would ask what is the most important use of the tens of billions of dollars of potential output that is not being used and should be used if the economy is to recover?

My answer would be not to increase the consumption of middle America, that means by reducing taxes, "I would rather fund Head Start fully to make sure States have the money to provide the training, social services, and the jobs to beef up the struggle against crime and to keep our schools and libraries open.

Now, this is a conservative Republican economist who chaired President Nixon's Council of Economic Advisers.

President Johnson once said, Mr. Speaker, that you cannot take a person who for years has been hobbled by chains and bring him up to the starting line of a race and then say, "You are free to compete with the others."

In the same sense, you cannot initiate a promising social program and expect it to prosper without adequate funding and continuous nourishment and support.

I am afraid, Mr. Speaker, this is what two previous administrations have done.

We cannot blame Lyndon Johnson for lacking the omniscience to see the Republican administrations would ignore and underfund these programs during the entire period of the 1980's. President Johnson could not have anticipated that the top 1 percent of families in America would receive 75 percent of the growth of the incomes during the 1970's. President Johnson could not have anticipated that incomes for the bottom 60 percent of the families would fall during that same period.

He would have responded with utter disbelief, mind-boggling disbelief, to the slanderous rumor that his domestic policies would be held responsible for riots that would occur three decades later.

Now, President Bush visited south central Los Angeles after the riots, and it is only fair to say that he brought compassion and sympathy and promise to rebuild the city and clean up the wreckage. But, my colleagues, this is not enough.

The President did not bring up a coherent domestic agenda to his analysis of the problems. As a matter of fact, at no time did he refer to a single specific domestic proposal which might perhaps rehabilitate our cities and promote real economic growth.

Now, this is not surprising, Mr. Speaker, because the Bush administration has not produced a viable domestic agenda in 3 years. As one senior

Member of the other body said last week, one could be a U.S. Senator for the past 3 years without knowing that there was a Bush domestic policy.

Mr. Speaker, it is time to stop shifting the blame for the problems that beset us, from the cities to the programs.

President Johnson took decisive action when he perceived a similar crisis nearly three decades ago. I understand that the administration is taking some tentative steps toward renewal of our urban blight, toward facing up to the challenge of urban America and the problems of urban America. I congratulate them for recognizing the problem. We should all come together and use the peace dividend and whatever other resources that we can liberate to fund these programs, which have clearly demonstrated their use and their widespread benefits for low-income Americans as well as middle-income Americans. We should cast aside our partisan problems to create new programs which respond to the changing demographics and social trends of our era and of our cities.

Like in the early 1960's, Mr. Speaker, today too is a rare opportunity to heal the wounds and to provide a new base of progress, especially for our kids. We must seize it before it disappears.

As I have said this evening, we cannot afford not to invest in our children, we cannot afford not to invest in our strained and agonizing cities, we cannot afford not to invest in the future of America.

Let us work together, reason together, to do just exactly this.

Mr. FASCELL. Mr. Speaker, I rise to join our colleagues in recognizing the success stories of the Great Society programs of President Lyndon Johnson's administration. I have no doubt that our colleagues, on both sides of the aisle, were shocked at both the substance and timing of the recent criticisms of Great Society programs. However, we should put this indiscretion behind us and focus our attention on our cities and their problems.

Some people continue to find it easier to condemn the Great Society by singling out individual programs or instances as failures, rather than recognizing the significant role that a great many of these programs have played in improving the lives of our citizens and, in the process, improving our Nation. The fact is that, when judged as a complete package, the Great Society programs have had enormous benefits which cannot be measured.

Many of us in Congress have been urging the administration to pay more attention to the pressing problems in our cities. I believe that the President was deeply moved by his meetings in Los Angeles last week and I believe that he is ready to work with the Congress to alleviate the crisis in our cities. With so much to lose we ought not to become engaged in a battle of who is to blame because people's lives are at stake. It is a time to come together and do everything we can to solve the problems which confront us.

As a sponsor and the floor manager of the legislation which established the Department

of Housing and Urban Development [HUD], I take great pride in my participation in enacting Great Society legislation. In 1900, 40 percent of the population lived in urban areas; in 1965, the year this measure was enacted, 70 percent lived in urban areas. Yet, there was not a coordinated Federal commitment or program designed to address the mounting problems created by the urbanization of our Nation.

HUD is the principal Federal agency responsible for programs concerned with the Nation's housing needs, fair housing opportunities, and improvement and development of the Nation's communities. In carrying out its responsibilities, HUD administers a wide variety of programs, including Federal Housing Administration [FHA] mortgage insurance programs that help families become homeowners and facilitate the construction and rehabilitation of rental units; rental assistance programs for lower income families who otherwise could not afford decent housing; programs to combat housing discrimination and, affirmatively, further fair housing; programs that aid community and neighborhood development and preservation; programs to assist the homeless population; and programs to help protect the home buyer in the marketplace. HUD also takes steps to encourage a strong private sector housing industry that can produce affordable housing, and to stimulate private sector initiatives, public/private sector partnerships, and public entrepreneurship.

Without HUD, I believe it is safe to say that millions of Americans would be without adequate and affordable housing and the communities they live in would not have benefited from economic development programs. Make no mistake, the coordination which HUD has brought to urban policymaking has improved the lives of millions of Americans.

I believe that it is time to renew and expand the commitment that the Great Society has made to education, nutrition, housing, and health care, but we should not be afraid to try different approaches to solve these problems. It is in our best interest to implement programs aimed at improving and enriching the lives of our citizens if we wish to remain competitive and continue our role as a world leader.

"THEY" ARE US

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

Mr. WOLPE. Mr. Speaker, Los Angeles didn't just happen by accident. The explosion of rage and violence, with all of its self-destructive fury, was as predictable as any human event can be. The only uncertainty was the precise nature of the spark that would ignite the conflagration.

We have a choice now. We can either allow our Nation to descend further into the hell of racial conflict and deepening racial polarization—or we can approach the immediate crisis as an opportunity to address the underlying causes of the rage and the violence that are erupting all around us.

If we are to use the immediate moment in a constructive way, we must—

all of us—come to terms with four key realities. The first is that the Los Angeles explosion is really the legacy of years of national leadership that set the tone for the dehumanization that Rodney King experienced. When the President, attempting to display his new awareness, pleads for tolerance of differences, he reveals his continued insensitivity to deep-seated white prejudices and paternalism. For Americans to come together on the basis of equality, we must genuinely respect, not merely tolerate, our differences.

But it is not mere insensitivity that is at issue here; it is, also, the self-conscious use of race as a political weapon—as in the manipulation of racial fears through the now infamous Willie Horton commercial, and the White House's more recent demagogic attack on civil rights legislation—that gave implicit legitimacy to the kind of brutality a nation viewed on videotape.

Second, we need to understand that in a very real sense the law enforcement community has itself been victimized by the policies of neglect and manipulation pursued at the national level. As a former police officer recently put it, we constantly call on the police to intervene to quell the symptoms of injustice and neglect. They are called upon, time and time again, to do our dirty work, sent into alien communities to do the job of suppression so that those of us who live in more affluent neighborhoods might continue to go about our lives in relative security, blissfully removed from the degradation of our neighbors.

Third, we must recognize that the economic and social policies that underlie today's urban crisis are threatening the lives and futures of Americans everywhere—suburbanites no less than city dwellers, whites no less than minorities. All Americans are paying increasingly high costs for decades of social and economic neglect. An eroding industrial base, a declining real standard of living, failing school systems, widening economic inequalities, increased crime and explosive violence, heightened fears and insecurities—these are the other consequences of those economic and social policies that have advantaged a very few of our wealthiest citizens at the expense of the middle class and the poor.

It needs to be underscored that all Americans will suffer more and more if our Nation's economic decline is not arrested. And it is clear that the only means by which America will be able to hold its own in international competition in the years ahead will be the development of a better educated, more highly skilled workforce. It will not matter whether the uneducated and unskilled are black or white or Hispanic: If American industries cannot recruit workers that are well-educated and trained, our economy will continue to lose ground to our trade competitors

in Europe and Asia, and we will all pay an increasingly heavy price.

In short, the future of those who live in America's suburbs and rural areas is inextricably linked to those who live in America's cities. Indeed, in the years ahead an increasing percentage of the national workforce will be drawn from minority groups. America's economic future—and the well-being of whites no less than nonwhites—will depend increasingly on the educational and skill levels of our minority population. Our lives and our futures are interdependent. That means that sound social and economic policies—policies designed to attack the root causes of urban despair and hopelessness—would benefit all of us. A renewed attack on urban problems, if it is to succeed, must be framed not as something “we” are doing for “them.” It must be understood not as a moral response to the problems facing minorities and the poor, but as a matter of enlightened self-interest and expediency for Americans everywhere.

We must stop thinking and talking about the urban crisis as the problem of the poor and the minorities. To solve the problems of the cities is not to do something “for blacks” or for “the poor;” it is to do something for all of us. And unless we understand this essential truth, we will never be able to develop the national consensus necessary to effect and sustain a redirection of national policy.

Thinking about issues of social conflict in inclusive, “win-win” terms is often difficult. As leadership and management expert Stephen Covey observes, most of us “have been deeply scripted in the win/lose mentality since birth.” It is often taken as a given that one person's victory is another person's defeat. Yet, in Covey's words, “* * * Most of life is not a competition. We don't have to live each day competing with our spouse, our children, our coworkers, our neighbors, and our friends. ‘Who's winning in your marriage?’ is a ridiculous question. If both people aren't winning, both are losing.”

And so it is with a city, a State and a nation. The degradation of some comes, ultimately, at the expense of all. This is the real lesson of Los Angeles. As Americans have come to see politics as a zero sum game, in which one person's benefit must be at the expense of another person's loss, we have become increasingly divided—unable to see the larger picture of our interdependence and our common interest. Whenever we think minority gains mean white losses, or that the security of whites depends upon continued subordination of minorities, we are still in a win/lose mentality—which ultimately means we all lose. The solution to our economic crisis is not to fight over who gets the limited number of jobs available, but to develop new national poli-

cies that will create more jobs and insure that we have enough well-educated and trained workers to fill them.

The fourth and final key to a successful redirection of America's creativity and resources will be coming to terms with the self-destructiveness of the recent wave of public cynicism and alienation. We have produced our own self-fulfilling prophecy; feeling powerless, we have become powerless. In Pogo's immortal words, "We have met the enemy, and he is us." It is we, the American people who, in our anger and despair, have walked away from the political process and thereby given a free hand to those leaders and special interests who have produced the economic and social policies that have caused such pain and anguish for Americans everywhere. Rather than come together in powerful multiracial coalitions of common interest to hold our leaders accountable, we have allowed ourselves to be played off against each other.

We have not only created a huge political vacuum into which powerful economic interests have moved, but we have also become increasingly aggressive in pursuing zero-sum political strategies. Believing that no one cares about the larger picture, about the whole, Americans have focused on securing their own discrete piece of the pie. And that pursuit of narrow self-interest has produced little more than an increased sense of national—and personal—vulnerability.

But it doesn't have to be this way. If we can develop a deeper appreciation of the power individual citizens have in a democracy, and of the need to move from a politics of narrow self-interest to a politics that recognizes our essential interdependence as Americans, we will be able, at long last, to renew our political system, to forge a new sense of community and national purpose, and to build the foundation for a far more secure and a more hopeful future.

It has been 22 years since I first ran for elected office. And I continue to believe with as much conviction as ever that none of the problems we face is beyond solution, that this political system of ours can be made to work, that each of us can make a difference, a real difference. The challenge before us is to reject leaders that seek to manipulate our fears and frustrations for their own self-serving political purposes and, in their place, to affirm leaders that work to bring people together in a united effort to renew our society.

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

Mr. WOLPE. I am pleased to yield to my distinguished colleague, the gentleman from Michigan [Mr. BONIOR].

Mr. BONIOR. Mr. Speaker, I thank my colleague for yielding, and I will not take long. I know the gentleman from Oklahoma [Mr. EDWARDS] wishes to speak, and I just wanted to com-

ment the gentleman from Michigan [Mr. WOLPE] for his comments and his remarks today, and I want to add a few thoughts of my own.

Mr. Speaker, we are engaged this week in trying to deal with some of the problems in our society that we, quite frankly, have not addressed here in a long, long time. And I listened to the remarks of the gentleman, and he talked about interdependence; he talked about the link that each of us in the suburban and rural areas, and the city, have with each other and the fact that the division thought of as win/lose between us is ultimately going to be the destruction of all of us.

Mr. Speaker, I could not agree with the gentleman more.

□ 2010

Sometimes I think when things of the magnitude of Los Angeles happen, we have to personally examine where each of us individually has been coming from, from what we have been advocating in terms of programs, what we have been saying in terms of our own language, how we have been saying it, and what we have been doing and not doing to build coalitions to try to make things better.

This has been a very interesting week for me. I have attended this week and last week a large number of meetings to address the urban crisis in America. It has been enlightening, because I have heard things which I wish I would have heard years, and certainly months ago, when we were engaged in some of the most important debates we have had here on tax legislation and social policy.

There has been a lot of talk, and I have been, I suspect, at the forefront of it, in terms of dealing with the needs of, quote/unquote, the middle class.

That is a language concern that I think needs to be talked about and discussed. It is a term by its very nature you would think would encompass the vast majority of Americans. In fact, I have seen polls that indicate that 93 percent of Americans consider themselves middle class. It is a phenomenal number. But in fact we know in reality that that, indeed, is not the case.

I think that those of us who have used that term, some of us with the hope that the broadening of the problem by defining it in such a way would help bring us to the realization that we need to do certain things and that we ought to address certain people that have been neglected, may have in fact exacerbated and created some of the tensions and the problems that we are seeing, because by its very nature it excludes, for some people, being part of reaching a resolution to the problems that we have.

So I guess I am saying that I am prepared to broaden my language in terms of how I address these issues in the future. That is not to say the needs are

not there for the middle class. I represent a district that feels terribly squeezed on an incredible number of fronts, just like the poor feel squeezed. But the sense of hopelessness for them, while running away, is not there. That sense of hopelessness is not there like it is in many of our urban areas today for many of our people.

There is always the hope that the education opportunities will be there. There is always the hope that they will be able to own a home. There is always the hope that they will be able to have decent health care and a future for their kids, because it was in their immediate experience to have that.

When we talk about the poor and the hopelessness, and I will not use the term "underclass" because it is not a term I feel comfortable with, nor do I think people feel comfortable with the term being ascribed to them, but when we talk about the poor and those who are without hope, and when you are without hope you have nothing to lose, as we have seen recently, I think it is important for us as a Congress and as a people who are concerned about the problems in the country to understand basically who we are talking about.

We are talking about, to a large extent, and not exclusively, but to a large extent males, African-American and Hispanic males, 17 to 30 years of age, who sit and congregate on our street corners all over our urban centers today, who really have a sense of hopelessness because no attention has been paid to them.

I am reminded, when I talk about attention, to the Arthur Miller play "Death of a Salesman."

In the final act of that play, Willie Loman's wife is scolding her son Biff because he has not paid enough attention to his father and laughs at his father and does not take his father seriously and considers him a failure. She says to him, "Attention must be paid to this man. He is a good person. He is a human being."

We have to pay more attention to those people who are without hope, and we have got to, it seems to me, in terms of community, reach out in a coalition-building way that the gentleman referred to in his remarks to bring together those who are not as desperate, but are feeling that same sense of alienation in our society today, many of whom live in suburban areas and rural areas, to get people to understand that we are all in the same boat together.

I am pleased that the President is finally addressing, or at least discussing, the needs of people in our inner city and our urban areas.

We had a meeting at the White House yesterday that I was at. It was a beginning. It was not as productive as I would have hoped. The programs offered were not as broad and as sweeping as I think are needed, but at least we sat down and talked about the need.

We still have a way to go on language. To the President's credit, he talked about healing in the last week, but they are still using downtown language that bothers me.

They have got this program called Weed and Seed. While it may have some very positive aspects to it, just the name Weed and Seed, as one of my colleagues mentioned to me today, evokes a plantation mentality. That is the type of language we have to be careful with, that we have to reach out and try to understand.

I am hopeful in the coming weeks, and I hope it is no longer than coming weeks, that institutionally here we can move on an agenda that will do several things, that will reach out in a dialog with the good people on this side of the aisle, the people here that want to resolve this issue, that want to try to understand where we are all coming from.

I do not want to have another Los Angeles, another Detroit, another Newark, or Washington, DC, before we get to that point. Let us do it now. Let us sit down and talk about the needs, to understand where each of us is coming from.

There are ideas on the other side concerning the private sector and empowerment that I think have some merit. I do not dismiss them. I think they are worth exploring, implementing.

But there is also a need to understand that some of the things that have been historically tried in our country, especially some of the programs that we attempted during the sixties, were successful, that they worked.

The Head Start Program; the Women, Infant, and Children's Program; the Medicare Program; the programs that deal with training and giving people some hope that they can get training by providing them with a stipend so they can indeed participate, like we did with the programs in the sixties and seventies.

We can do more in Head Start. We can do more in training. We can rebuild our cities through an accelerated public works bill.

All of these things cost money though. But to not do them, so say that they are too expensive, to say that we do not have the resources, will only I think exacerbate the problem that we have, will continue to feed the hopelessness that is out there, and increase the rage in our country.

I am hoping in the coming weeks and months ahead, especially weeks, that we will be able to address these issues as well as extension of unemployment compensation. We have much to do in this country. I could stand here as I have on numerous special order occasions and tick off all the needs that we have.

□ 2020

We have got plenty of people who want to do them. We have just got to

develop the will to finance it, either through additional revenues, switching our budget priorities, or in this particular case, in some instances declaring it a state of an emergency.

The President declared an emergency for helping people in other countries at the beginning of this legislative session. We can help people here in this country have a sense of hope, and we can reach out to each other to understand that these problems that we face are not insurmountable, that working together, Members of good will on both sides of the aisle, we can make a new beginning in terms of addressing the needs of the other forgotten Americans that sometimes those of us who do not represent core urban areas tend to forget.

I thank my colleague for his comments, his insights, and his message of interdependence that I think all Members of this body and all Americans would be wise to heed.

Mr. WOLPE. Mr. Speaker, let me thank the gentleman for his contribution just now.

I am personally enormously grateful both for his words this evening and for the efforts he has made over many months to try to get a number of these questions on the national agenda before Los Angeles erupted. The gentleman referred a moment ago to the possibility that we now have an opportunity, at least, to begin to debate some of these questions in a serious way. We have a crisis right now. There now. There is no question about that.

I believe, though, that out of the crisis there can emerge a new opportunity. We do have a choice at this point.

Now that we have seen the consequences of the decades, and literally decades of neglect and what that has caused one city but is also costing really an entire Nation, we can choose either to continue the neglect or to begin to take advantage of this opportunity to begin to move in a different direction.

I think the key is that we have to get out of the mentality, as the gentleman says, of thinking of this Nation of ours as a lot of discrete elements, discrete classes, groups. We are all, indeed, one community. We are on the same economic boat. We are all paying dearly, whether we live in the suburbs or in rural areas, for the consequences of the poverty that exists in our society, for the failing school systems that are not producing skilled workers.

This economy of ours continues to slide. Everyone is going to pay for that, if we cannot maintain our ability to compete in the international markets. If we continue to produce people that do not have the skills so they can be gainfully employed, and we are going to pay for that in terms of not only lost productivity and declining economic strength, we are also going

to pay for it in terms of all the prisons that we have to build and all the additional resources that must go out in terms of maintaining the law in the face of that kind of instability.

Mr. BONIOR. The long-term costs are becoming quite apparent to us all right now. The health care issue is a good example. If people do not have health care, and we have 34 million Americans who do not have health care, they are going to get health care. And they get health care. They go to the emergency room. They get taken care of.

Where does that bill get sent on to? It gets put on the backs of the people who are working through their insurers, because the insurance rates go up for the companies that are insuring people that are working. They have to pass that cost on to someone, that insurance cost goes up for automobile workers, health insurance costs. What happens? The cost of an automobile goes up.

We are spending, as the gentleman from Michigan well knows, over \$1,000 per automobile just to cover the insurance costs of producing that, health insurance costs of producing that automobile. The Japanese, about \$225; the Canadians, about \$200. And we are being noncompetitive.

It is hurting all of us. Infrastructure, the same thing. We are letting our cities go, our roads, bridges, and highways to the point where we are losing our competitive edge. There is study after study that shows that if we would take care of the basic infrastructure of the country, we would be between 30 and 60 percent more competitive. Of course, the last example that the gentleman has given with respect to prisons, are we going to end up as a society just locking people up?

We have more people in prisons in the United States of America than any other nation on the face of the Earth. The overall cost of keeping someone in prison—prosecuting them, sending them—all those dollars could be more productively used to train, to educate, and to bring people into the community of citizens that we all hope.

So this long-range thinking in terms of where we are going with respect to the poor has vast implications for all of us.

Mr. WOLPE. There is one last point I would like to make, because there is a political dimension to this division among Americans of people that should be united because we have basically the same common interests, because we are so frequently divided. It makes it much more difficult for us to really devise the policies that would be far more fair and far more productive for our society.

I think, for example, we have seen a lot of comment in recent months about the sudden awareness that somehow in the past decade a very wealthy few in our society have cleaned up at the ex-

pense of the rest of society, the top 1 percent of Americans today making more income than the bottom 40 percent. The top 2½ million making more than the bottom 100 million.

Mr. BONIOR. They take more in income each day, each month, each year. That is not to begrudge them for being successful. But what I think we were suggesting in the debate we have had earlier is that they share in the sacrifice to get things moving again.

Mr. WOLPE. Exactly. The point that I would like to make is that I do not think that economic statistic was an accident. I think it was the direct consequence of tax and economic policies that were put in place a dozen years ago.

What happened is the very people that should have been engaged in this political process have been so divided amongst themselves and so alienated from the process that they have even stopped participating, voting, lobbying, participating in the political process. So that the economic policies that were put in place were shaped disproportionately by the people that had the money and had the wealth and the access.

Mr. BONIOR. The challenge was not there to correct the inequities.

Mr. WOLPE. Which really goes to the other issue. It is not just a question of division. We have to get people united. But beyond that, that it is also this issue of a sense of powerlessness that is felt by poor people in urban centers, that is felt also by working-class people in the suburbs.

People everywhere have come to feel so powerless that they really have kind of given up on the process, not voting, not lobbying, not even reading newspapers, so that they are kind of removed from the political debate.

That is why, I think, in some ways in feeling powerless, we have become powerless. The real challenge and opportunity now, because of this new awareness of what all this neglect has meant, is that we can galvanize this extraordinary political coalition of suburbs, and cities, and rural areas, working together in recognition that we are one national community and we have got to conceive of ourselves as a team in which any team members that are hurting are going to bring down the success of the overall team effort.

Mr. BONIOR. Time is of the essence.

Mr. WOLPE. Time is of the essence.

Mr. BONIOR. The opportunities to do these types of things have a very short window. That is why I implore my colleagues, the rest of the leadership, and the President to move as quickly and as expeditiously as possible on those things we can agree on. And those things that we cannot agree, we ought to reach out to try to reach some accommodation because we have before us an opportunity. I think the Amer-

ican people want us to act. They want us to act in concert badly; they want us to do something now. So it is wise that we do.

□ 2030

CRISIS IN AMERICA'S OIL AND GAS INDUSTRY

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

GENERAL LEAVE

Mr. EDWARDS of Oklahoma. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks on the subject of my special order today.

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

There was no objection.

Mr. EDWARDS of Oklahoma. Mr. Speaker, the workers in an important American industry, the energy industry, are in serious trouble. Since 1986, we have lost 300,000 energy jobs. Only 1 out of 10 oil rigs which operated a decade ago, operates today.

Bigger producers in my district have been forced to lay off thousands of workers. The number of smaller independent producers has declined by 7,000 in the past decade. Fewer than half of the men and women who owned and worked small energy businesses 10 years ago are still doing so today.

As we have lost jobs; as small businesses have been forced to close, there has been a serious decline in oil production. Today we will produce 2 million barrels of oil less than we did on the same day in 1986. Tomorrow we will produce even less—and we will have fewer jobs and fewer businesses—unless we do something today.

We can replace the oil—and we have, to the point that oil imports now account for more than half of the U.S. trade deficit—but the jobs and businesses we have lost cannot be replaced.

The oil and gas industry in America is in a state of crisis and if we do not do something soon there will be nothing we can do later. This is our opportunity for action.

The House will soon consider an energy bill but the first thing the Congress must do is to make sure it does no further harm. It has already done enough of that to last the oil and gas industry a lifetime. Federal regulations alone will cause oil and gas producers to spend potentially up to \$23 billion annually by the decade's end to come into compliance.

Congress has a chance this year to stop penalizing U.S. producers for developing and exploring for energy in our own country. It's imperative for Congress to adopt a production-driven energy policy with additional tax relief

to allow U.S. producers to justify operating more wells. Failure to adopt a real national energy policy will mean a continued loss of American jobs and a loss of capital to foreign countries.

But Mr. Speaker, we're losing more than jobs and capital, we're losing any glimmer of hope that we have of reducing our dependence on foreign energy. On average, 12 supertankers carrying foreign oil enter U.S. ports every day. That Mr. Speaker, is a cost to the American consumer of \$142 million a day, more than \$4 billion a month. This is the cost of a do-nothing energy policy.

Nowhere is the cost of a do-nothing energy policy more evident than in my own State of Oklahoma. Since 1981, Oklahoma has lost more than 40,000 oil field jobs. Annual oil production is on the brink of dropping below 100 million barrels for the first time since 1919. Wells are being plugged at a rate of 2,000 a year because they're not economical to drill. Those wells which haven't been plugged produce an average of only 3 barrels per day—that's 7 barrels less than the 10 barrel number generally used to define a marginal, or stripper, well. Oklahoma oil and gas production has dropped precipitously in the past 10 years: 6,000 oil wells in 1982; 917 oil wells in 1991 and nearly 3,000 gas wells in 1982; 831 in 1991.

Last year alone, Oklahoma lost 3,100 oil and gas jobs. There were 900 applicants for 66 job openings at the Conoco refinery in Ponca City earlier this spring; Phillips Petroleum Co. will lay off 950 employees, almost 20 percent of the overall work force of the small city of Bartlesville.

For all the damage Government has done to energy production in Oklahoma and the Nation, it's not too late to begin to turn Government energy policies around so producers can have a fighting chance to stay in business and begin putting our country on the road to energy independence.

The Ways and Means Committee took two important steps recently which could begin this much-needed turnaround in policy.

First, it eliminated what could amount to a tax of up to \$15 billion on oil companies to pay for filling the Strategic Petroleum Reserve. Second, it provided some relief from the alternative minimum tax by eliminating percentage depletion allowance and intangible drilling costs as tax preference items under the AMT.

The AMT relief provided by ways and means is critical if we are going to bring the alternative minimum tax into line with its original purpose. The AMT was designed to erase inequities in the Tax Code through which some companies escaped paying anything at all on their corporate income, but the AMT was never intended to make sure that companies made no profit at all. Yet in the case of oil and gas produc-

ers, it often does just that by including intangible drilling costs and the percentage depletion allowance as preference items. That's why the Ways and Means Committee action is so vital and why the committee's provisions must remain as part of the bill. Without them this bill does not come close to being an energy bill.

Elimination of production barriers is crucial. We must stop taxing and regulating U.S. energy producers out of business. If we can bring more small producers back into the business, we can create jobs. Each independent producer with wells to drill could put 100 people to work, and if we could bring back the independent producers we've lost in the past 10 years, those producers could create more than 1 million jobs.

I have recommended to President Bush that if the Ways and Means Committee's tax relief and production incentives are dropped, the energy bill should be vetoed.

Our need for economic growth and energy security is obvious. We will not accomplish these goals without a vibrant oil and gas industry, including the independent producers who account for more than 85 percent of the exploratory rigs drilled in this country. The energy industry is made up of geologists, engineers, roughnecks, truck drivers, and technicians. Since 1981, 40,000 of these people have creased to be part of this industry.

Many see the oil and gas industry as a series of corporate giants. The energy industry, my friends, is the hundreds of workers Phillips has had to lay off in my district this year.

We must eliminate the impediments to domestic production; we must replace them with incentives; it is time that Washington accept responsibility for its role in what has happened to the oil & gas industry and work to remove all the barriers it can. We have an opportunity to pass an energy bill which will promote energy for America and jobs for Americans. The Congress must recognize this opportunity and seize it.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. SANTORUM (at the request of Mr. MICHEL) for today and May 14, on account of a death in the family.

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

Mr. SANGMEISTER (at the request of Mr. GEPHARDT) for today, on account of illness.

SPECIAL ORDERS GRANTED

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

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

Mr. DELAY, for 60 minutes each day, on May 19, 20, 21, 27, and 28, and on June 2, 3, 4, 9, 10, 11, 16, 17, 18, 23, 24, 25, and 30, and on July 1 and 2.

Mr. DREIER of California, for 60 minutes each day, on July 1 and 2.

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

Mr. BROOKS, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. BROWDER, for 60 minutes, on May 14.

Mr. OWENS of New York, for 60 minutes each day, on June 1, 2, 3, 4, 5, 8, 9, 10, 11, 12, 15, 16, 17, 18, 19, 22, 23, 24, 25, 26, 29, and 30.

EXTENSION OF REMARKS

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

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

Mrs. ROUKEMA.

Mr. COMBEST.

Mr. COX of California.

Mr. VANDER JAGT.

Mr. LAGOMARSINO in two instances.

Mr. CAMP.

Mr. SUNDQUIST.

Mr. SOLOMON in two instances.

Mr. STUMP.

(The following Members (at the request of Mrs. COLLINS of Illinois) and to include extraneous matter:)

Mr. MURTHA, in two instances.

Mr. DE LA GARZA.

Mr. YATRON.

Mr. KANJORSKI, in two instances.

Mr. COLORADO, in two instances.

Mr. HAMILTON.

Mr. SCHUMER.

Mr. VENTO.

Mr. NEAL of Massachusetts.

Mr. HARRIS.

Mr. McMILLEN of Maryland, in two instances.

Mr. FASCELL, in two instances.

Mr. LIPINSKI, in two instances.

Mr. ASPIN.

Mr. MANTON.

Mr. PASTOR, in two instances.

ADJOURNMENT

Mr. EDWARDS of Oklahoma. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 38 minutes p.m.) under its previous order, the House adjourned until Thursday, May 14, 1992, 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:

3507. A letter from the Secretary of Transportation, transmitting a report of a violation of the Anti-Deficiency Act which occurred in the Coast Guard's operating expenses appropriation for fiscal year 1991, pursuant to 31 U.S.C. 1517(b); to the Committee on Appropriations.

3508. A letter from the Secretary of Education, transmitting a copy of the annual report of the Helen Keller National Center for Deaf-Blind Youths and Adults [HKNC] for the 1991 program year, pursuant to 29 U.S.C. 1903(b)(2); to the Committee on Education and Labor.

3509. A letter from the Assistant Secretary, Department of the Interior, transmitting a draft of proposed legislation to reauthorize titles I and II of the Tribally Controlled Community College Assistance Act of 1978, as amended (25 U.S.C. 1801, et seq.), and for other purposes; to the Committee on Education and Labor.

3510. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notification of a proposed transfer of major defense equipment from the Federal Republic of Germany to Turkey and Greece (Transmittal No. DRSA-1-92), pursuant to 22 U.S.C. 2776(d); to the Committee on Foreign Affairs.

3511. A letter from the Secretary of Commerce, transmitting a progress report regarding contracting for the rebuilding of Kuwait, pursuant to Public Law 102-25, section 606(f) (105 Stat. 111); to the Committee on Foreign Affairs.

3512. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting copies of the original report of political contributions of William Thornton Pryce, of Pennsylvania, to be Ambassador to the United Republic of Honduras; of Princeton Nathan Lyman, of Maryland, to be Ambassador to the Republic of South Africa; of Teresita Currie Schaffer, of New York, to be Ambassador to the Democratic Socialist Republic of Sri Lanka and to service concurrently as Ambassador to the Republic of Maldives; of David C. Fields, of California, to be Ambassador to the Republic of the Marshall Islands; of William H.G. Fitzgerald, of the District of Columbia, to be Ambassador to Ireland, and members of their families, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

3513. A letter from the Director, Office of Policy and Communications, Department of Justice, transmitting a report of activities under the Freedom of Information Act for calendar year 1991, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3514. A letter from the Secretary of Housing and Urban Development, transmitting the fiscal year 1991 Federal Housing Administration annual management report, pursuant to Public Law 101-576, section 306(a) (104 Stat. 2854); to the Committee on Government Operations.

3515. A letter from the Commissioner, Bureau of Reclamation, Department of the Interior, transmitting a report on the necessity to construct further modifications to the Mormon Island Auxiliary Dam, Central Valley Project, CA, in order to preserve its structural safety, pursuant to 43 U.S.C. 509; to the Committee on Interior and Insular Affairs.

3516. A letter from the Deputy Associate Director for Collection and Disbursement, Department of the Interior, transmitting notice of proposed refunds of excess royalty

payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

3517. A letter from the General Counsel, Department of the Treasury, transmitting a draft of proposed legislation to authorize the Secretary of the Interior to transfer certain lands in the Shenandoah National Park to the Secretary of the Treasury for use as a U.S. Customs Service Canine Enforcement Training Center, and for other purposes; to the Committee on Interior and Insular Affairs.

3518. A letter from the Chairman, Northeast Interstate Low-Level Radioactive Waste Commission, transmitting the 1991 annual report of the Northeast Interstate Low-Level Radioactive Waste Commission; jointly, to the Committees on Energy and Commerce and Interior and Insular Affairs.

3519. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the Hazardous Materials Transportation Act, and for other purposes; jointly, to the Committees on Public Works and Transportation and Energy and Commerce.

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. BEILSON: Committee on Rules. House Resolution 454. Resolution providing for the consideration of H.R. 5132, a bill making dire emergency supplemental appropriations for disaster assistance to meet urgent needs because of calamities such as those which occurred in Los Angeles and Chicago, for the fiscal year ending September 30, 1992, and for other purposes (Rept. 102-519). Referred to the House Calendar.

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. BROOKS:

H.R. 5149. A bill to authorize appropriations to carry out the activities of the Department of Justice for fiscal year 1993, and for other purposes; to the Committee on the Judiciary.

By Mr. RANGEL (for himself, Mr. VANDER JAGT, and Mrs. KENNELLY):

H.R. 5150. A bill to amend the Internal Revenue Code of 1986 to extend and modify certain expiring tax provisions; to the Committee on Ways and Means.

By Mr. CONYERS:

H.R. 5151. A bill to provide for the collection of data relating to police misconduct; to the Committee on the Judiciary.

By Mr. CRANE:

H.R. 5152. A bill to suspend until January 1, 1995, the duty on certain toys representing trolls or troll figures; to the Committee on Ways and Means.

By Mr. DUNCAN:

H.R. 5153. A bill to amend the Internal Revenue Code of 1986 to repeal the income tax check-off which provides funding for Presidential election campaigns and to provide a checkoff to reduce the public debt; to the Committee on Ways and Means.

By Mr. McMILLEN of Maryland:

H.R. 5154. A bill to amend the Internal Revenue Code of 1986 to encourage a reduction of

interest rates on tax-exempt bonds by providing an incentive for qualified retirement plans to acquire tax-exempt bonds; to the Committee on Ways and Means.

By Mr. MURTHA:

H.R. 5155. A bill to authorize the Administrator of the National Highway Traffic Safety Administration to make loans to assist units of local government acquire and maintain equipment for use in the enforcement of alcohol-related traffic laws, and for other purposes; to the Committee on the Judiciary.

By Ms. OAKAR (for herself, Mrs.

LLOYD, Mr. LAFALCE, Mr. FRANK of Massachusetts, Mrs. MINK, Mr. PETERSON of Minnesota, Mr. HORTON, Mr. HOCHBRUECKNER, Mr. McNULTY, Mr. BEILSON, Mrs. JOHNSON of Connecticut, Mrs. SCHROEDER, Mr. ROE, Ms. PELOSI, Mr. THOMAS of Georgia, Mr. GUARINI, Mr. HUGHES, Mr. MURTHA, Mr. KOLTER, Ms. SLAUGHTER, Mr. FAZIO, Mr. LENT, Mr. IRELAND, Mr. LAUGHLIN, Mrs. UNSOELD, Mr. KILDEE, Ms. KAPTUR, Mr. McGRATH, Mr. MACHTEY, Mr. KOPETSKI, Ms. WATERS, Mr. OWENS of New York, Mrs. COLLINS of Illinois, Mr. LEVINE of California, Mr. FOGLIETTA, Ms. NORTON, Mr. DIXON, Mr. EVANS, and Mr. WILLIAMS):

H.R. 5156. A bill to amend the Public Health Service Act with respect to research on breast cancer; to the Committee on Energy and Commerce.

By Mr. ORTON (for himself, Mr. ACKERMAN, Mr. GILMAN, Mr. JONES of Georgia, Mr. KOPETSKI, Mr. LIPINSKI, Mr. OWENS of Utah, Mr. PAYNE of New Jersey, and Mr. ZELIFF):

H.R. 5157. A bill to amend the Internal Revenue Code of 1986 to provide assistance to first-time home buyers; to the Committee on Ways and Means.

By Mrs. ROUKEMA:

H.R. 5158. A bill to improve enforcement of the Employee Retirement Income Security Act of 1974, by adding certain provisions with respect to the auditing of employee benefit plans; to the Committee on Education and Labor.

By Mr. THOMAS of California:

H.R. 5159. A bill to amend the Internal Revenue Code of 1986 and the Social Security Act to reduce Social Security taxes and to provide for Social Security individual retirement accounts funded by Social Security payroll deductions; to the Committee on Ways and Means.

By Mr. WOLF:

H.R. 5160. A bill to provide for pilot programs in State and local prison systems that allow the interstate trade of goods, produced by State prisoners in conjunction with U.S. firms, that would otherwise be produced by foreign labor; to the Committee on Education and Labor.

By Mr. OLIVER:

H.R. 5161. A bill to establish a Small Business Manufacturing Extension Service, and for other purposes; jointly, to the Committees on Banking, Finance and Urban Affairs and Science, Space, and Technology.

By Mr. OWENS of Utah (for himself,

Mr. GILMAN, Mr. McDERMOTT, Mr. ATKINS, Mr. ANDREWS of New Jersey, Mr. PENNY, and Mr. RICHARDSON):

H.R. 5162. A bill to promote implementation of the sustainable development agenda of the United Nations Conference on Environment and Development; jointly, to the Committees on Foreign Affairs, Banking, Finance and Urban Affairs, Ways and Means, and Energy and Commerce.

By Mr. McGRATH:

H. Res. 455. Resolution concerning recognition of the U.S. merchant marine by the U.S. House of Representatives; to the Committee on Merchant Marine and Fisheries.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

416. By the SPEAKER: Memorial of the Legislature of the State of California, relative to the California Army National Guard; to the Committee on Armed Services.

417. Also, memorial of the Legislature of the State of California, relative to the dual banking system; to the Committee on Banking, Finance and Urban Affairs.

418. Also, memorial of the Legislature of the State of California, relative to the reauthorization of the Rehabilitation Act of 1973; to the Committee on Education and Labor.

419. Also, memorial of the Legislature of the State of California, relative to railroad safety; to the Committee on Energy and Commerce.

420. Also, memorial of the Legislature of the State of California, relative to family planning; to the Committee on Energy and Commerce.

421. Also, memorial of the Legislature of the State of California, relative to inmate health care; to the Committee on Energy and Commerce.

422. Also, memorial of the Legislature of the State of California, relative to Medicaid; to the Committee on Energy and Commerce.

423. Also, memorial of the Legislature of the State of California, relative to the Assyrian/Chaldean Life Line; to the Committee on Foreign Affairs.

424. Also, memorial of the Legislature of the State of California, relative to the boundaries of Alaska; to the Committee on Foreign Affairs.

425. Also, memorial of the Legislature of the State of California, relative to Israeli prisoners of war; to the Committee on Foreign Affairs.

426. Also, memorial of the Legislature of the State of California, relative to equal treatment of Americans; to the Committee on the Judiciary.

427. Also, memorial of the Legislature of the State of Minnesota, relative to motor vehicle safety; to the Committee on Public Works and Transportation.

428. Also, memorial of the Legislature of the State of California, relative to the Foothill Freeway; to the Committee on Public Works and Transportation.

429. Also, memorial of the Legislature of the State of California, relative to toll roads; to the Committee on Public Works and Transportation.

430. Also, memorial of the Legislature of the State of California, relative to airline safety; to the Committee on Public Works and Transportation.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. COX of California:

H.R. 5163. A bill to authorize issuance of a certificate of documentation for employment in the coastwise trade of the United States for the vessel *Wild Goose*; to the Committee on Merchant Marine and Fisheries.

By Mr. OWENS of Utah:
H.R. 5164. A bill for the relief of Craig B. Sorensen and Nita M. Sorensen; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 23: Mr. CAMPBELL of California, Mr. INHOFE, Mr. RHODES, Mr. BARRETT, Mr. EMERSON, Mr. MILLER of Washington, Mr. GOODLING, Mr. SENSENBRENNER, Mr. MORAN, and Mr. MCCREERY.

H.R. 118: Mr. SHAYS, Mr. SWETT, Mr. DOOLEY, Mr. BURTON of Indiana, Mr. RINALDO, and Mr. TOWNS.

H.R. 150: Mr. MINETA.
H.R. 187: Mr. TORRES and Mr. KOPETSKI.
H.R. 301: Mr. ALLEN.
H.R. 1115: Mr. LEVIN of Michigan and Mr. SHAW.

H.R. 1145: Mr. WELDON.
H.R. 1188: Mr. WYDEN, Mr. SWETT, and Mr. OWENS of Utah.

H.R. 1218: Mr. PETERSON of Minnesota, Mr. SWIFT, Mr. MCCURDY, and Mr. SCHUMER.
H.R. 1348: Mr. SIKORSKI, Ms. SNOWE, and Mr. BILIRAKIS.

H.R. 1414: Mr. TAYLOR of North Carolina.
H.R. 1468: Mr. ALLEN.
H.R. 1515: Mr. MRAZEK.

H.R. 1573: Mr. ORTIZ, Mr. MCCOLLUM, Mr. STALLINGS, Mr. CAMPBELL of Colorado, and Mr. NAGLE.

H.R. 1886: Mr. INHOFE, Mr. COYNE, and Mr. COLEMAN of Missouri.
H.R. 2299: Mr. RICHARDSON.

H.R. 2534: Mr. CLEMENT, Mr. EDWARDS of Oklahoma, Mr. GLICKMAN, Mr. VALENTINE, Mr. HOAGLAND, and Mr. THOMAS of Georgia.
H.R. 2598: Mr. LEHMAN of California.

H.R. 2695: Mr. SEXTON, Mr. FASCELL, Mr. MINETA, Mr. DICKS, Mr. GALLEGLY, and Mr. HUCKABY.

H.R. 2772: Mr. FAZIO, Mr. SANDERS, Mr. SABO, Mr. HYDE, Mr. BRUCE, Mr. WHEAT, Mr. PORTER, Mr. DURBIN, and Mr. CALLAHAN.

H.R. 2872: Mr. FAZIO, Mr. HASTERT, and Mr. RICHARDSON.

H.R. 2922: Mrs. UNSOELD, Mr. LAFALCE, Mr. ENGEL, Mr. DIXON, Mr. LEVINE of California, Mr. MATSUI, Mr. LEWIS of Georgia, Mr. BACCHUS, Mr. HAYES of Illinois, Mr. GUARINI, Ms. PELOSI, Mr. HOCHBRUECKNER, and Mr. MILLER of California.

H.R. 2966: Mr. BALLENGER, Mr. MURPHY, and Mr. HOBSON.

H.R. 3030: Mr. RIGGS, Mr. ATKINS, Mr. BILIRAKIS, Mr. MCCURDY, Mr. McNULTY, and Mr. ROE.

H.R. 3063: Mr. ENGEL.
H.R. 3112: Mr. HOAGLAND.
H.R. 3393: Mr. ENGEL and Mr. BONIOR.

H.R. 3427: Mr. KOPETSKI.
H.R. 3450: Mrs. BOXER and Mr. OLIN.
H.R. 3741: Mr. TAUZIN.
H.R. 3780: Mr. ARMEY.

H.R. 3781: Mr. RAY, Mr. ANTHONY, Mr. BURTON of Indiana, Mr. GEREN of Texas, Mr. ZELIFF, Mr. BARNARD, Mr. SOLOMON, Mr. OBERSTAR, Mr. SISISKY, Mr. RIGGS, Mr. JEFFERSON, Mr. CRAMER, Mr. GILCHREST, and Mr. HORTON.

H.R. 3836: Mr. JOHNSON of South Dakota.
H.R. 3871: Mr. SKAGGS and Mr. SIKORSKI.
H.R. 4007: Mr. JAMES.

H.R. 4045: Mr. SABO and Mr. PAYNE of New Jersey.
H.R. 4073: Ms. KAPTUR.

H.R. 4178: Mr. BORSKI and Mr. LAGOMARSINO.

H.R. 4198: Mr. JONTZ, Mr. BACCHUS, Mr. MACHTLEY, Mr. LEWIS of Florida, and Mr. PARKER.

H.R. 4211: Mr. SWETT.
H.R. 4271: Mr. MANTON, Mr. HUCKABY, Mr. TAUZIN, and Mr. ENGLISH.

H.R. 4280: Mr. HEFLEY.
H.R. 4303: Mr. ECKART.
H.R. 4436: Mr. PAYNE of New Jersey, Mr. ZELIFF, Mr. ATKINS, Mr. STARK, and Mr. HUGHES.

H.R. 4457: Mr. RAVENEL, Mr. QUILLEN, Mr. DWYER of New Jersey, Mr. CLINGER, Mrs. MINK, Mr. TOWNS, and Mrs. COLLINS of Illinois.

H.R. 4472: Mr. GILLMOR.
H.R. 4476: Mr. BRUCE.
H.R. 4528: Mr. DELLUMS, Mr. PAYNE of New Jersey, Mr. BLACKWELL, and Mr. ROYBAL.

H.R. 4538: Mr. ALEXANDER and Ms. SLAUGHTER.
H.R. 4539: Mr. ROHRBACHER, Mr. HARRIS, Mr. TANNER, Mr. SENSENBRENNER, Mr. HORTON, Mr. BALLENGER, Mr. MCCREERY, Mr. SCHIFF, Mr. NEAL of North Carolina, Mr. HOLLOWAY, Mr. DORNAN of California, Mr. POSHARD, Mr. HUGHES, Mr. EMERSON, Mrs. VUCANOVICH, Mr. TOWNS, Mr. MCGRATH, Mr. HUTTO, Mr. RAY, Mr. HANCOCK, Mr. BROWDER, Mrs. KENNELLY, Mr. WEISS, Mr. FROST, Mr. PAXON, Mr. MARTINEZ, Mr. FAZIO, and Mr. SANGMEISTER.

H.R. 4607: Mr. JONTZ.
H.R. 4608: Mr. JONTZ.
H.R. 4609: Mr. JONTZ.
H.R. 4713: Mr. SOLOMON.

H.R. 4724: Mr. BENNETT, Mr. BROWN, Mr. CRAMER, Mr. FASCELL, Mr. FEIGHAN, Mr. FRANKS of Connecticut, Mr. GORDON, Mr. GUNDERSON, Mr. HUBBARD, Mr. JOHNSON of South Dakota, Mr. MACHTLEY, Mr. McNULTY, and Mr. PERKINS.

H.R. 4727: Mr. KOSTMAYER.
H.R. 4736: Mr. ANNUNZIO, Mr. SMITH of Florida, and Mr. ZELIFF.

H.R. 4900: Mr. WYDEN.
H.R. 4918: Mr. PERKINS.
H.R. 4941: Mr. SANDERS and Mr. CONDIT.
H.R. 4944: Mr. ALLEN.

H.R. 4991: Mr. HOYER, Mrs. MORELLA, and Mr. DICKS.

H.R. 5100: Mr. VISCLOSKEY, Mr. FOGLIETTA, Ms. NORTON, Mr. MURTHA, Mr. WILSON, Ms. KAPTUR, Mr. KILDEE, Mr. CARDIN, Mr. JONTZ, Mrs. PATTERSON, Mr. CONYERS, and Mr. MOODY.

H.J. Res. 353: Mr. BENNETT, Mr. BLILEY, Mr. CAMP, Mr. CHAPMAN, Mr. CLINGER, Mrs. COLLINS of Illinois, Mr. DELLUMS, Mr. DOWNEY, Mr. FALEOMAVAEGA, Mr. FRANKS of Connecticut, Mr. MAZZOLI, Mrs. PATTERSON, Ms. SLAUGHTER, and Mr. WALSH.

H.J. Res. 391: Mr. GILMAN, Mr. HAYES of Louisiana, Mr. JOHNSON of South Dakota, Mr. SHUSTER, and Mr. ROSE.

H.J. Res. 404: Mr. BOEHLERT, Mr. WISE, Mr. GORDON, Mr. SUNDQUIST, Mr. LEWIS of California, Mr. DIXON, Mr. HALL of Texas, Mr.

DUNCAN, Mr. KOPETSKI, Mr. MILLER of Washington, Mr. ANDERSON, Mr. HAYES of Louisiana, Mr. MORAN, Mrs. VUCANOVICH, Mr. GILLMOR, Mr. THOMAS of California, Mr. BROOMFIELD, Mr. JACOBS, Mr. DREIER of California, and Mr. WILSON.

H.J. Res. 442: Mr. LIVINGSTON, Mr. WALSH, Mrs. MORELLA, Mr. DOOLITTLE, Mr. PORTER, Mr. SPENCE, Mr. KLUG, Mr. LENT, Mr. MYERS of Indiana, Mr. DIXON, Mr. NATCHER, Mr. KOSTMAYER, Mr. FALEOMAVAEGA, Mr. SPRATT, Mr. CARR, Mr. CRAMER, Mr. HUGHES, Mr. TALLON, Mr. GIBBONS, Mr. LEWIS of California, Mr. FISH, Mr. COUGHLIN, Mrs. LOWEY of New York, Mr. GUNDERSON, Mr. MURPHY, Mr. HALL of Ohio, Mr. HAYES of Louisiana, Mr. STALLINGS, Mr. HYDE, Mr. SIKORSKI, Mr. BUSTAMANTE, Mr. SHARP, Mr. OWENS of Utah, Mr. DINGELL, Mrs. VUCANOVICH, Mr. DWYER of New Jersey, Mr. ESPY, and Mr. SOLOMON.

H.J. Res. 444: Mr. SCHUMER, Mr. WASHINGTON, Mr. WEBER, Mr. WISE, Mr. RUSSO, Mr. REGULA, Mr. MORAN, Mr. UPTON, Mr. MONTGOMERY, Mr. NICHOLS, Mr. PAYNE of New Jersey, Mr. PURSELL, Mr. ENGEL, Mr. NOWAK, Mr. MRAZEK, Mr. LEWIS of Georgia, Mr. BALLENGER, and Mr. HOCHBRUECKNER.

H.J. Res. 449: Mr. GUARINI, Mr. ATKINS, Ms. NORTON, Mr. ALEXANDER, Mr. ENGEL, Mr. QUILLEN, Mr. PURSELL, and Mr. FROST.

H.J. Res. 469: Mr. VANDER JAGT, Mr. HORTON, Mr. MAZZOLI, Ms. HORN, Mr. MCCLOSKEY, Mr. MINETA, Ms. PELOSI, Mr. GORDON, Mr. STUDDS, Mr. GUARINI, Mr. FAZIO, Mr. MFUME, Mr. SKEEN, Mr. CHAPMAN, Mr. FROST, Mr. DORGAN of North Dakota, Mr. RICHARDSON, Mr. QUILLEN, Mr. DE LUGO, Mrs. COLLINS of Michigan, Mr. BENNETT, Mr. RANGEL, Mr. NEAL of Massachusetts, Mr. SERRANO, Mr. ATKINS, Mr. BUSTAMANTE, and Mr. SCHUMER.

H.J. Res. 470: Mr. BUSTAMANTE, Mr. DINGELL, Mr. MCDERMOTT, Mr. BILBRAY, Mr. CLINGER, Mr. DICKS, Mr. HUGHES, Mr. ANNUNZIO, Mr. ECKART, Mr. FEIGHAN, Mr. SAWYER, Mr. LEWIS of Georgia, Mr. OXLEY, Mr. HOBSON, Mr. HENRY, Mr. FRANKS of Connecticut, Mr. LENT, Mr. ALLEN, Mr. BENNETT, Mrs. ROUKEMA, Mr. WEBER, Mr. OWENS of New York, Mr. MCHUGH, Mr. WILSON, Mr. TAYLOR of Mississippi, Mr. TAUZIN, Mr. HAYES of Illinois, Mr. SMITH of Florida, Mrs. UNSOELD, Mr. HUTTO, Mr. PETRI, Mrs. MORELLA, Mr. MARTINEZ, Ms. SNOWE, Mr. RHODES, Mr. HARRIS, Mr. WELDON, Mr. SCHAEFER, Mr. RAHALL, Mr. GREEN of New York, Mr. GUNDERSON, Mr. HEFLEY, Mr. KILDEE, and Mr. CRANE.

H.J. Res. 475: Mr. MONTGOMERY, Mr. SKEEN, Mr. MCGRATH, Mr. SPENCE, Mr. LIPINSKI, Mr. RANGEL, Mr. FRANKS of Connecticut, Mr. BARNARD, Mr. STUMP, Mr. SKELTON, Mr. HUNTER, Mr. WOLPE, Mr. BLILEY, and Mr. WILSON.

H. Con. Res. 285: Mr. MCCANDLESS.
H. Res. 387: Mr. MOODY.

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. 3221: Mr. OWENS of New York.