subsidy, rather than the net disbursement of cash. However, Treasury still must borrow the full amount of the loan. It is expected that cash disbursements will exceed $70 billion during fiscal year 1995–99. Under House Joint Resolution 1, the debt limit would have to be increased by a three-fifths majority of each House in order to accommodate these disbursements, even if the budgets were balanced in those years and the loans eventually were paid back in full.

In addition, the Federal Government's cash requirements vary from year to year, making it difficult to estimate its revenue needs. For example, a large number of unexpected thrift and bank failures in 1 year could cause the budget to be unbalanced.

Finally, some have argued that given the constraints of a balanced budget amendment and the three-fifths requirement, Congress will look for ways to borrow money off budget, which is usually more costly than on-budget financing. A good example of a more costly off-budget financing scheme was the reliance on REFCORP bonds to finance part of the S&L bailout.

While the above budgetary concerns at first blush would appear problemsome, they should not pose insurmountable obstacles to successful implementation of a balanced budget amendment. Many of these cash management problems can be addressed with more prudential planning. Furthermore, section 8 of House Joint Resolution 1 allows Congress to enact laws to implement this constitutional amendment. Through legislative adjustments Congress retains the flexibility to square the various nuances and vagaries of Federal Government debt management with the constitutional requirement of a balanced budget.

PROPOSING A BALANCED BUDGET AMENDMENT TO THE CONSTITUTION

SPEECH OF

HON. MICHAEL F. DOYLE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 26, 1995

The House in Committee of the Whole House on the State of the Union had under consideration the joint resolution (H.J. Res. 1) proposing a balanced budget amendment to the Constitution of the United States:

Mr. DOYLE. Mr. Chairman, I urge my colleagues on both sides of the aisle to support House Resolution 28, the bipartisan, bicameral balanced budget amendment. We have spent considerable time in this House debating and discussing the merits of competing balanced budget amendment proposals. The message that has resonated through this debate is this country's desperate need to balance its budget.

Currently, our national debt exceeds $4.3 trillion. Since this House last voted on a balanced budget amendment in March 1994, our debt has increased by more than $160 billion dollars. The gross interest payments on this debt alone are costing us $816 million per day. In fact, these interest payments have increased so significantly that 14 percent of the entire Federal budget is devoted to interest payments on the debt. Therein lies the insidious nature of this deficit debacle.

As the interest payments continue to skyrocket. Devouring larger and larger portions of the budget, there is a devastating regressive effect on the rest of the budget. These interest payments are severely hampering our ability to fund important discretionary programs. While future generations will suffer increasingly from this effect, the problem is also very real in the present. Our interest payments this year alone will be 8 times higher than expenditures on education and 50 times higher than expenditures on job training.

My constituents in western Pennsylvania will need continued assistance from job retraining and economic development programs. This is why I stand today in support of this balanced budget amendment. The Mon-Valley needs the help of innovative and intelligent Federal programs to assist in the retraining of displaced workers so they are prepared to join new, high-technology industries. Programs are needed to cleanup the abandoned industrial sites so fresh businesses will locate there bringing with them secure jobs in these growing industries. These are just the types of programs that are being crowded out by the increasing interest payments on our debt.

It is imperative that a balanced budget amendment passes both Houses of this Congress so that it can move to the States for the ratification process. Only then will people throughout the country be afforded the opportunity to closely examine how the amendment would work and what specific actions would be necessary to achieve a balanced budget early in the 21st century. However, the only way our citizens will have that opportunity is if we move now to pass the Stenholm/Schaefer alternative.

It is the only alternative that is purely bipartisan in nature and has a chance of also passing in the Senate. This is a practical reality that cannot be overlooked.

Language in this amendment would require a three-fifths vote in both Houses to allow an increase in our national debt level which gives this alternative the strong safeguard necessary for it to be effective, and I sincerely hope my colleagues will recognize the power of this rigorous balance. The Stenholm/Schaefer amendment unites the underlying principles of all versions of the balanced budget amendment. We cannot let another opportunity to pass this amendment slip away. I urge my colleagues on both sides of the aisle to support the Stenholm/Schaefer alternative now, and when we take a vote on final passage.

HELSINKI COMMISSION HEARING ON DEVELOPMENTS IN BOSNIA AND HERZEGOVINA

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 1, 1995

Mr. SMITH of New Jersey. Mr. Speaker, yesterday the Helsinki Commission, which I chair, convened its third hearing to hear from Dr. Haris Silajdzic, the Prime Minister of Bosnia and Herzegovina. In 1992 and 1993, Dr. Silajdzic testified in his previous position as Foreign Minister, describing the horrors taking place in his country and, knowing they could have been prevented, urgently asking for help. The hearing reviewed the tragic situation that still exists in Bosnia and Herzegovina, as well as the continued relevance of policy options that should have been taken by the international community long ago. Having to do that was frustrating to me, and I cannot begin to imagine how it must frustrate the Prime Minister.

We must not, though, accept the unacceptable. That is exactly what the Serb militants want us to do. It is clear that the people of Bosnia, despite their endurance of a third winter of war, are not prepared to abandon the defense of their homes, their families, their country. Indeed, Bosnia and Herzegovina seems motivated to defend international principles, even if they must do so almost completely alone.

In contrast, much to my dismay, the international community has been beaten back by the Serb militants in what has become a game of bluff. The Serb militants clearly escalate the violence, because they know we are unwilling to escalate in response. Our threats against them lack any credibility. Officials directing United Nations and NATO efforts have failed not only to stop vicious Serb aggression, but also to enforce their own Security Council resolutions. Instead, they have resorted to mutual recriminations, twisted explanations, and even blaming the victims for their fate.

Last summer, the so-called Contact Group—comprising the United States, Russia, the United Kingdom, France, and Germany—offered the Bosnian Government and the Serb militants a plan on a take-it-or-leave-it basis, with a deadline for an unconditional answer and warnings of repercussions for any side rejecting it. Sarajevo accepted it, in time and without condition. The militants effectively rejected it. As sanctions were then eased on Serbia in response, the deadline for Bosnian Serb acceptance was extended indefinitely. Earlier this month, U.S. officials presented this plan as simply a starting point for negotiations, and met with the Bosnian Serb leaders in their stronghold, Pale. To my dismay, the Secretary of State concluded that the ''Bosnian crisis is about Bosnia, but the NATO alliance is far more enduring, far more important than the Bosnian crisis.'' I was amazed and appalled.

Let's keep in mind, Mr. Speaker, that the Secretary's comment refers to what is, in fact, a well-documented genocide, and these diplomatic gestures were made toward those who orchestrated it. Through all the complexities of the Balkans that we must consider, one generic fact remains—you reward the aggressor, and you get more aggression. It is as simple as that.

The Helsinki Commission, through the leadership of the previous cochairs of the Helsinki Commission, noted that calls for a negotiated settlement, however correct, are meaningless if accompanied by an artificial neutrality and not by severe repercussions for those who operate outside acceptable parameters and seek what they want through the use of force. Collective partnerships, however desirable, will erode if partners allow one of their own to be carved into ethnic pieces.

Enunciating international principles, however promising, is empty if countries abandon them for historical affinities and big-power politics. Commemorations of the end of World War II a half century ago, however appropriate, ring somewhat hollow when genocidal acts that stir memories of the Holocaust are allowed to occur. The world's commitment to human

rights, however boldly expressed, is questioned when our collective consciences are unaffected by the horrors that continue to be reported from Bosnia and Herzegovina today.

At the hearing, Prime Minister Silajdzic expressed his gratitude to the U.S. Congress for its strong and consistent support for Bosnia and Herzegovina through this terrible period. He noted that, 50 years after Auschwitz, concentration camps again appeared in Europe, this time in Bosnia, and this time the images are brought into our homes directly, especially through television. Rather than responding on the basis of principle, justice, and order, however, he described realpolitik and pragmatism as the order of the day. When a forceful response is eliminated, he concluded, the Bosnian Serb militants and their supporters in Belgrade are the only ones who benefit.

Given the current dynamics, the Prime Minister presented a reasonable course of action, specifically that the Contact Group meet at the ministerial level and set a deadline for a definite and final answer from the Serb militants. If the Serbs accept the plan in time, changes to the map could be made within 30 days, as long as these changes maintain the 51/49 percentage formula and are adopted by consensus. Negotiations on constitutional arrangements, international guarantees and other items would follow.

If, on the other hand, the Serbs reject the plan, the response adopted last July by the Contact Group foreign ministers should be reaffirmed, specifically the tightening of sanctions, the expansion and better protection of designated safe havens, including the use of air strikes, and lifting the arms embargo on Bosnia and Herzegovina. On the latter, he added that recognition of the right to self-defense is the minimum that must be granted to the victims of this aggression.

I told the Prime Minister that the Helsinki Commission is dedicated not necessarily to the defense of his country, but to the promotion of principles adopted in Helsinki almost 20 years ago. In reality, however, these two different goals have come to mean the same thing. In this new Congress, the Commission will remain true to that goal and I, therefore, support his suggestions. I hope, Mr. Speaker, that the Congress will debate the current policy options.

As we do consider policy options, I would like to repeat a remark made at the hearing by fellow Helsinki Commissioner, Mr. STENY HOYER. He argued that one of the reasons we have allowed aggression and genocide to proceed in Bosnia is that some have convinced themselves that the conflict there is a civil war—an internal ethnic conflict—the inevitable result of age-old hatreds. To correct the picture, Mr. HOYER quoted from a recent book, ''Bosnia, a Short History,'' by Noel Malcolm, the introduction to which states:

> Paradoxically, the most important reason for studying Bosnia's history is that it enables one to see that the history of Bosnia itself does not explain the origins of this war. Of course, the war could not have happened if Bosnia had not been the peculiar thing that it was, which made it the object of special ambitions and interests. But those ambitions were directed at Bosnia from outside Bosnia's borders. The biggest obstacle to all understanding of the conflict is the assumption that what has happened in that country is the product—natural, spontaneous, and at the same time necessary—of forces lying within Bosnia's own internal history. That is the myth which was carefully propagated by those who caused the conflict, who wanted the world to believe that what they and their gunmen were doing was done not by them, but by impersonal and inevitable historical forces beyond anyone's control. * * * And the world believed them.''

Why the world believed them, I do not know. Perhaps naive assumptions about what was happening as Yugoslavia disintegrated; perhaps a cynical realpolitik that cares little about human suffering. Regardless, we cannot allow the resulting disaster to continue.

PERSONAL EXPLANATION

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 1, 1995

Mr. CRANE. Mr. Speaker, yesterday I asked for a leave of absence after 5:30 p.m. to conduct business in my district in Illinois. Because I was in the district I was unable to cast my vote on three amendments. Had I been present I would have cast my vote against the Mink amendment, rollcall No. 77; against the Beilenson amendment, rollcall No. 78; and against the Moran amendment, rollcall No. 79.

THE TAX FAIRNESS FOR AGRICULTURE ACT OF 1995

HON. DAVE CAMP

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 1, 1995

Mr. CAMP. Mr. Speaker, I rise today with my colleague, Mr. PAYNE of Virginia, to introduce H.R. 783, the Tax Fairness for Agriculture Act of 1995, which clarifies the proper application of present tax law to membership payments to tax-exempt agricultural and horticultural organizations.

Agricultural and horticultural organizations are dedicated to the improvement of agriculture and agricultural conditions, products, and efficiency and have been exempt from the Federal income tax since its inception. These organizations are typically composed of first, farmer/rancher members and second, nonfarmer/rancher or associate members. Generally speaking, both classes of members pay the same amounts and enjoy most of the same rights and privileges of membership. Both classes of members pay the same amounts and enjoy most of the same rights and privileges of membership. Both classes of members are also typically entitled to purchase various goods and services, including insurance. The existence of associate members and the availability of various benefits to all members have been common practice among agricultural and horticultural associations for many decades.

Last year, the Internal Revenue Service [IRS] issued technical advice memorandum [TAM] 9416002 in connection with an audit of a State Farm Bureau. The TAM reversed longstanding IRS practice by asserting that the associate members of such organizations were not bona fide and their membership payments were taxable access payments to purchase insurance. Relying principally on the fact that associate members of the Farm Bureau had limited voting and office-holding rights, the IRS concluded that Farm Bureau's facts were indistinguishable from two 1991 court decisions involving unions in which associate members received absolutely no benefits other than access to an insurance program.

Mr. Speaker, the TAM conflicts with the longstanding recognized practice of agricultural and horticultural organizations and contradicts past IRS guidance and practice. At least two prior IRS rulings, technical advice memorandums 8302010 and 8302009, under materially the same facts now at issue, hold that associate membership payments of agricultural organizations are not taxable. These TAMs correctly conclude that membership payments were not taxable because, despite certain differences, the associate members received largely the same rights and benefits as ''regular'' members, whose membership payments are clearly not taxable. The availability of insurance to all members, associates included, was judged insufficient to taint the membership payments generally.

Mr. Speaker, although the TAM literally applies only to one State Farm Bureau, it is now being applied to other agricultural organizations around the country. If the TAM is allowed to stand and is extended to other entities, most county and State agricultural organizations could face potentially huge deficiencies for what has until now been unchallenged and appropriate conduct. These deficiencies and the costs of contesting them could jeopardize the continued economic viability of many agricultural organizations and, thus, the important exempt purposes they serve.

The legislation we introduce today, would effectively restore the historical position taken by the IRS, that the membership payments of associate members of agricultural and horticultural organizations are not taxable. The legislation has two components. First, agricultural organizations that reasonably relied on the prior authorities and practice I discussed before would be shielded from unwarranted and potentially devastating audits. For this purpose, it is recognized that the treatment of associate member payments as tax exempt has been the longstanding recognized practice of agricultural and horticultural organizations and reliance on that practice was reasonable. Also, the legislation would establish a prospective safe harbor for annual payments by members of agricultural organizations of $100 or less. Thus, regardless of whether an organization charged some of its members more than $100 or less were not bona fide members and, therefore, that their membership payments were taxable. This will preclude wasteful and costly disputes in cases involving relatively nominal membership payments.

PERSONAL EXPLANATION

HON. KWEISI MFUME

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 1, 1995

Mr. MFUME. Mr. Speaker, I was, unfortunately, detained in my congressional district in Baltimore earlier today and thus forced to miss a record vote. Specifically, I was not present to record my vote on rollcall vote No. 80, the