negotiations between four foreign ministers of ECOWAS and representatives of the AFRC are now taking place in Abidjan, Cote d'Ivoire. A strong message by the U.S. Congress at this point then could be helpful in restoring power to the democratically elected government. I urge adoption of House Concurrent Resolution 99.

Mr. GILMAN. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. ROYCE], the distinguished chairman of the Subcommittee on Africa.

Mr. ROYCE. Mr. Speaker, I rise in strong support of this resolution.

I want to commend the gentleman from New York [Mr. HOUGHTON] and also the gentleman from Florida [Mr. HASTINGS], coauthors of this resolution, as well as members of the Subcommittee on Africa for their support. They unanimously endorsed this resolution.

When democratic government was restored through elections in Sierra Leone last year, as the gentleman from Florida [Mr. HASTINGS] reminded us, it was counted as a great achievement for the people of west African nations. This country had suffered two coups and 4 years of military rule. It was the scene of a ferocious civil war as we have heard today. The military tried its best to extend its rule, but the people were so eager for democracy that they demanded that elections be delayed no longer, despite threats of reprisal. I remember the gentleman from Florida [Mr. HASTINGS] telling me that some had their hands cut off in reprisal for casting ballots by rebels trying to frustrate a democratic transition in this country. Yet, they had the bravery to go to the polls and cast those votes.

Imagine now how the citizens of Sierra Leone must feel when on May 24 a group of military officers staged another coup. That coup, of course, sent the President into exile. Since then, this group of thugs in uniform have looted the country, virtually holding the nation hostage to their shifting demands.

The long-suffering citizens of Sierra Leone have responded by resisting the coup leaders. They have staged strikes. Labor unions, professional associations, and civic groups have opposed the coup. The Kabbah government is broadcasting to the nation on a secret transmitter to bolster the people's resolve to resist this illegal power grab.

There is a positive trend in Africa today toward political and economic reform. The transition in Sierra Leone often was cited as part of that positive trend. Their very worthy efforts are made meaningless if we accept the undoing of reform in a nation in which the people have supported the democratic process. In many cases they supported it with their lives.

Let us join the Organization of African Unity in supporting a west African diplomatic and military initiative to free Sierra Leone from its unelected leaders. I urge passage of this resolution.

Mr. GILMAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. LUTHER. Mr. Speaker, I yield 3 minutes to the gentleman from Arkansas [Mr. SNYDER], an outstanding new Member of Congress.

Mr. SNYDER. Mr. Speaker, Sierra Leone is a small country. My guess is that many Members of Congress and many folks in America would not be able to find it on a map. I can say that, being from Arkansas, I know that many people cannot find Arkansas on a map. And it was my pleasure to have lived and worked at a mission hospital in Sierra Leone for 6 months a number of years ago.

At that time it was a dictatorship. It was corrupt. We would actually have to bribe the postman to get the mail. Life expectancy was 42 years old. As one of those folks who had lived there, like many Members here would have been overseas, one follows a country closely after that.

I was very excited a year ago when these elections occurred. I have been in that town of Bo where those people had their hands cut off trying to vote. We went there in search of the elusive American cheeseburger when we were trying to find recreation. I know how much that democracy would have meant to those people. It is a terrible tragedy what happened during those elections, but it shows democracy does not come cheap in certain parts of the world. Some of us who have worked in Africa, and I have been there a couple of times to work, were concerned that perhaps with the end of the cold war that we would ignore Africa with our trade policy, with our failure to support an adequate foreign operations budget for Africa, with our failure to support an adequate military to military relationship with Africa, student exchanges. That is our responsibility, to do what we can to nourish democracy. But the responsibility for this coup is those folks in Sierra Leone that did this bloody and brutal act. It is wrong. This body knows who is responsible for it. I commend the folks that put this resolution together and ask every Member to support it.

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

Mr. Speaker, I merely want to conclude by commending the gentleman from New York [Mr. HOUGHTON], also the gentleman from Florida [Mr. HASTINGS] for their sponsorship of the resolution. I certainly want to commend the gentleman from Arkansas [Mr. SNYDER] for bringing his personal experiences to bear on this particular issue. I think it is just outstanding for him to provide us with that kind of insight on this issue.

The Congress by this resolution should send a clear message that this coup against the democratically elected President must not stand and that the United States will work with the international community to restore the legitimate democratic government in Sierra Leone to power. This resolution supports that policy and I am pleased that the President of the United States supports this resolution. I urge its adoption.

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

The SPEAKER pro tempore [Mr. SNOWBARGER]. The question is on the motion offered by the gentleman from New York [Mr. GILMAN] that the House suspend the rules and agree to the concurrent resolution, House Concurrent Resolution 99.

The question was taken.

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

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

REGARDING INTERFERENCE OF EUROPEAN COMMISSION IN MERGER OF BOEING CO. AND McDONNELL DOUGLAS

Mr. GILMAN. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 191) expressing the sense of the House of Representatives regarding the interference of the European Commission in the merger of the Boeing Co. and McDonnell Douglas.

The Clerk read as follows:

H. RES. 191

Whereas the Boeing Company and McDonnell Douglas have announced their merger;

Whereas the Department of Defense has approved the merger as consistent with the national security of the United States;

Whereas the Federal Trade Commission has found that the merger does not violate the antitrust laws of the United States;

Whereas the European Commission has been highly critical of the merger in its consideration of the facts;

Whereas the European Commission is apparently determined to disapprove the merger to gain an unfair competitive advantage for Airbus Industries, a government-owned aircraft manufacturer; and

Whereas this dispute could threaten to disrupt the overall relationship between the European Union and the United States which had a two-way trade in goods and services of approximately $366,000,000,000 in 1996: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that—

(1) any disapproval by the European Commission of the merger of the Boeing Company and McDonnell Douglas would constitute an unwarranted and unprecedented interference in a United States business transaction that would directly threaten thousands of American aerospace jobs and potentially put many more jobs at risk on both sides of the Atlantic; and

(2) the President should take such actions as he considers to be appropriate to protect United States interests in connection with this matter.

The SPEAKER pro tempore. Pursuant to the rule gentleman from New York [Mr. GILMAN] and gentleman from

Minnesota [Mr. LUTHER] each will control on 20 minutes.

The Chair recognizes gentleman from New York [Mr. GILMAN].

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

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

Mr. Speaker, before yielding time to the sponsor of this resolution, the gentleman from Washington [Mr. METCALF], I want to commend him for introducing this resolution and working for its early consideration on the floor and in a very timely manner as the European Union is meeting on this same matter.

I strongly support this resolution. It is the height of irony for the European Union, which has hounded our Nation unmercifully for so-called extraterritorial legislation such as the Helms-Burton Act or the Iran-Libya Sanctions Act, which are not extraterritorial and which were drafted to avoid any extraterritoriality, to attack a merger between two United States-headquartered corporations which do not manufacture in Europe.

It is true that the welfare of the flying public, the price the airlines have to pay for the aircraft and the need for competition in aircraft manufacturing, ought to be considered as mergers are judged by antitrust authorities.

But who is better equipped than the independent U.S. Federal Trade Commission to make that determination? Obviously the United States flying public is most directly affected by this than any other because Boeing and the combined Boeing-McDonnell Douglas Corp. will be so strong in the domestic marketplace.

The European Commission's attitude gives rise to a strong belief, set out in this resolution, that the commission is primarily motivated by questions of industrial policy, the welfare of Airbus Industries, rather than consumer welfare. In other words, the European Commission is apparently using its competition policy hat to threaten to impose barriers to U.S. competition. That is obviously wrong.

I am also concerned that the Commission of the European Union may be taking action at this time in an attempt to establish certain political credentials or make political points in intra-EU disputes. That could be disastrous.

Mr. Speaker, I am known as a friend of warm relations between our Nation and the European Union. The United States and the European Union are one another's largest trading partners. Moreover, we are very close allies on a large range of political, security and other global issues. I am frankly concerned that the EU is going to take an ill-considered step that could lead to a trade war. Too much is at stake for this to occur. I appeal for cooler heads to prevail before the European Commission takes an irrevocable step.

Mr. Speaker, I yield 5 minutes to the gentleman from Washington [Mr. METCALF], sponsor of this resolution.

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

Mr. METCALF. Mr. Speaker, I would like to thank the gentleman from New York [Mr. GILMAN], the chairman, and the gentleman from Indiana [Mr. HAMILTON], the ranking member, for their support in allowing this legislation to come up under suspension. I am pleased that they agree that this is an urgent issue facing Congress and requires immediate action. Their indulgence in allowing a vote today without a markup is appreciated.

Mr. Speaker, tomorrow the European Commission is scheduled to vote on the merger of the Boeing Co. and McDonnell Douglas. It is anticipated that they will vote to disapprove the merger.

Mr. Speaker, any disapproval by the European Commission would constitute an unwarranted and unprecedented interference in a U.S. business transaction. The review by the European Commission has been dominated by Airbus Industries from the outset. It is unfortunate that the European Union would allow their process to be dominated by a government owned and subsidized company.

Mr. Speaker, I want to make sure that my colleagues understand that this is a merger between two wholly owned U.S. defense contractors, consistent with DOD directives issued to downsize our military-industrial complex in the post-cold war era, and it was ratified by the Federal Trade Commission. Any attempt to block this is nothing short of a foreign government trying to dictate America's vital national security policy. As such, it is an assault on our national sovereignty.

The objections raised by the European Commission revolve around the signing of sole provider contracts by Boeing. However, Airbus was an eligible competitor for these contracts. In fact, Airbus signed the first long-term contract with a U.S. carrier. That action started these exclusive type agreements. Throughout the entire bidding process, neither Airbus nor the European Commission raised any objections whatsoever to the bidding on exclusive agreements until they lost out to Boeing.

Another argument used by the European Commission is that the merged company will dominate the commercial airline business. Quite frankly, Boeing's share of the commercial aviation market has remained relatively stable at 60 percent or so for the last decade. It is the heavily subsidized Airbus that has taken market share from McDonnell Douglas. The only antitrust violation in the commercial aviation industry is by Airbus and its European government partners.

While we all agree that more companies in the market would be optimal, the truth is that there are only two viable companies today, even before the merger. Last year, McDonnell Douglas was responsible for less than 5 percent of the total orders in the world.

The Europeans are using this opportunity to obtain a competitive advantage against an American company, which could cost over 14,000 jobs in the near term and many more in the long term. It is vital that the House take this opportunity to send a clear message to the Europeans that this act will not be tolerated.

My legislation provides the President with leverage if it becomes necessary to intervene. He can be confident that he has the support of both the Senate, which passed a similar resolution last week, and the House of Representatives.

The European Community believes that it should have veto authority over U.S. business decisions. The Europeans have stated that they may fine the merged company over $4.5 billion and potentially seize aircraft built by American workers here in the United States.

Mr. Speaker, this is truly an issue of national significance. We must draw a clear line in the sand now to prevent any further infringements by foreign governments on U.S. business decisions.

□ 1615

I urge my colleagues to support this legislation, and I thank the chairman and ranking member again for their support.

Mr. LUTHER. Mr. Speaker, I yield 6 minutes to the distinguished gentleman from Washington, [Mr. DICKS].

Mr. DICKS. Mr. Speaker, I want to thank my friend from Minnesota for yielding me this time, and I want to thank the gentleman from New York [Mr. GILMAN] and the gentleman from Washington [Mr. METCALF] for their outstanding effort on this resolution which I rise in strong support of.

I am pleased, Mr. Speaker, to be able to tell the House that there may have been a breakthrough today between the parties. We were very concerned, my colleagues and I from Washington State, about what would happen if the European Commission turned down the Boeing, McDonnell-Douglas merger. We are hopeful now that, after further negotiating between the Boeing Company and the European Commission, that there may be a prospect for a favorable outcome.

I think all of us have learned a lesson here, and that is I think both sides have to be careful in reviewing agreements, especially when we have two U.S. corporations that have no manufacturing facilities at all in Europe. The idea that the European Commission can exert jurisdiction and say that these two companies cannot merge, especially after this has been approved by the Department of Defense, it has been approved by the Federal Trade Commission, and under our process here in the United States, is wrong.

The Federal Trade Commission does not go out and look and see what the

impact is going to be on Airbus. It goes out and looks at the airlines and says will this merger, in fact, have an anti-competitive impact. What they found was that it would not; that, in fact, McDonnell-Douglas today is declining in terms of its ability to produce and manufacture commercial aircraft. They just do not have the orders.

The real competition out there is between Boeing and Airbus, and it is a healthy competition that will continue into the future. This is what the airlines in Europe should be concerned about; this is what the airlines in the United States should be concerned about.

So what we have here is a situation in which the European Commission used this opportunity to leverage Boeing, to try to realign the competitive field to the benefit of Airbus, not to look at this in terms of anti-competitive behavior but to try to get things from Boeing to help Airbus in its ongoing competition. I think that is wrong.

I am saddened to hear that there may have had to have been some compromise reached. I am always for compromise, but I think in this case forcing Boeing to give up on what we call exclusive, although it is not really exclusive, but exclusion agreements with American, Delta and Continental, after they were competed for, after Airbus and Boeing competed and Boeing won, and now in this process they are making Boeing give those exclusives back, I do not think that is fair. I think that goes beyond what this process should be about.

I hope American companies in the future will be a little more cautious about agreeing in the first instance that the European Commission should have a right to review these mergers, especially when there are no facilities in Europe.

As someone who has served on defense appropriations for 19 years, I would also like to point out that another area of attack came on the question of whether there is indirect subsidy because Boeing or McDonnell-Douglas have contracts with the Defense Department. Well, we have these aerospace companies go out and they bid and compete to do the C–17, the F–18, the F–22, the Joint Strike fighter. And, yes, they may learn some things from that about how to build better airplanes and, in fact, they may even bring their commercial experience to the defense arena and help bring down the cost of our defense products. But to assert that there is somehow an indirect subsidy here is really almost laughable.

So, I think that area of concern is one also that should have been dismissed. I think we have shown that there is no indirect subsidy. Of course, the companies over there, the four companies that comprise Airbus, also receive defense contracts from their various countries, and there has been a record, a historic record of subsidy up to 1992 for Airbus.

So I am glad that the House and my colleague, the gentleman from Washington [Mr. METCALF], have worked together on this. We have taken the floor and made our speeches. I think because of that and because of the good work of this administration, and I want to compliment President Clinton, Stuart Eizenstat, Dan Turallo, the people in the administration who have been working on this for the last several weeks. They stayed with it, they talked to the top officials in the governments of the various countries.

And I am glad to see today in the newspaper, in the press accounts, that Reuters says that the British now see this would have been a mistake and the Germans see that this would have been a mistake. The bottom line is that they recognize, and I am just pleased that the administration said that there will be a major trade problem controversy with the United States if we do not reach agreement, and that has, I think, helped us break the ice here.

So it has been a good combination of congressional support and support from the administration, and again I want to thank the chairman for bringing this out promptly and giving us his help and support, and my colleagues on the Democratic side for cooperating on this. This means a lot.

It is not just in Washington State. If this had gone down, the jobs that would have been lost first are in Long Beach, CA. Fifteen thousand jobs at McDonnell-Douglas in Long Beach, CA would have been on the line. So it is not just Washington State and St. Louis, it is California that have a real stake in this decision.

Mr. GILMAN. Mr. Speaker, I yield 2 minutes to the gentlewoman from Washington [Mrs. LINDA SMITH].

Mrs. LINDA SMITH of Washington. Mr. Speaker, a special thanks to the chairman, the gentleman from New York [Mr. GILMAN].

This is very, very important because it says something more than is before us today. It does not just talk about another country intervening in American politics, it talks about them dictating how we deal in commerce.

Boeing and McDonnell-Douglas are both American corporations. They are not international corporations, they are not other countries. We do not even manufacture in the European market or the Community, and yet they had decided that they are going to protect one of their own, who is already subsidized, and try to change competition.

Well, we believe in competition in America but we also believe in sovereignty. So if this is to go through, and if the President were to roll on this one, as someone said earlier, then we would set a precedent for the future, and that would be a precedent of other countries deciding to direct how we deal with our business in America.

McDonnell-Douglas and Boeing have come together in an honest merger that has been OK in America, is fair, honest and competitive. We should not have another country come in and tell us to do something different.

I think it has been said that this particular merger not going through would jeopardize jobs in California, but I think that it would jeopardize other American jobs, again as we see other countries, including this European Community, making a decision to do this in the future.

Again I want to commend the sponsor of this, he has taken the time to bring it forward, and the committee chair, who has given us this time to make this statement but also to reaffirm the sovereignty of America.

Mr. GILMAN. Mr. Speaker, I yield 2 minutes to the gentleman from Washington [Mr. NETHERCUTT].

Mr. NETHERCUTT. Mr. Speaker, I thank the chairman for yielding me this time, for the opportunity to speak on this very important issue not only to our State but to our entire country.

I support the resolution offered by the gentleman from Everett, WA [Mr. METCALF]. Tomorrow, as we know, the European Commission will rule on the merger of Boeing and McDonnell-Douglas. Several news stories today have noted that the President has spoken with a number of European leaders about the Wednesday decision but, according to Reuters, ''There was virtually no chance that Boeing could produce an offer acceptable to the Commission by then.''

Unfortunately, I think this has characterized the European bargaining position to date. Each time Boeing nears agreement, the Commission escalates its demands, claiming the merger would hurt fair competition in Europe.

The current hang-up involves the so-called exclusive agreements between Boeing and three American carriers. These agreements are wholly unrelated to the merger, and the Federal Trade Commission definitively ruled that no basis exists to challenge them under U.S. law. Yet the European Commission is holding the merger hostage to extort concessions from Boeing on this issue.

The German Economics Minister is reported to have said that current concessions offered by Boeing were clearly not enough, while last week President Chirac of France simply noted the merger could be extremely dangerous to Europeans.

I had the opportunity to visit the Boeing facility in Everett just this last weekend, and I can report to my colleagues that this company represents the best in what the U.S. economy can expect from free trade. It has gained a global reputation by building the best airplanes in the world. The Europeans are not seeking to block the merger because of honest concerns about free trade. In my judgment, they are doing so because they fear their state-subsidized firm cannot hope to compete.

I urge my colleagues to join in disapproving this potentially unprecedented interference by the European Commission and passing this resolution.

Mr. GILMAN. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. HORN].

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

Mr. HORN. Mr. Speaker, I rise in strong support of this resolution. It is vitally important for this body to express our outrage at the European Union's interference in an issue already settled by our Federal Trade Commission. I commend the strong support and actions taken by President Clinton and his staff to protect American jobs by resisting this European pressure.

The approved merger of McDonnell-Douglas and Boeing will provide thousands of solid, high-paying, high-skilled jobs throughout the United States. This new company will not threaten the European Union or Airbus, a company largely subsidized by that consortium's member nations. The Federal Trade Commission has heard the arguments; it has approved the merger.

In its attack upon the merger, the European Union has explicitly targeted more than 11,000 workers at Douglas Aircraft, which is headquartered in the district I have the honor to represent. The European Union is attempting to blackmail the United States into accepting its position. I do not believe we can allow our aviation industry to be shaped by our competitors overseas.

To his credit, the President has stood firm. We all want him to remain so. No one wants a trade war with Europe, but we should not be afraid of that risk if that is what is needed to guarantee American control of our key industries and to protect American jobs.

Mr. LUTHER. Mr. Speaker, I yield 2 minutes to the gentleman from Washington [Mr. DICKS].

Mr. DICKS. Mr. Speaker, I want to compliment the gentleman from California for his statement. He recognizes, as I recognize, that the problem we have here is that this merger is absolutely essential for the commercial part of the McDonnell-Douglas Company which exists down in the gentleman's district, and to protect those jobs there is absolutely crucial. That would be the first casualty if somehow this agreement could not go forward.

I think the gentleman from Washington pointed out one of the things I did not realize, that the European Commission claims it could fine Boeing $4.5 billion if they went ahead with this merger, if the EC turned it down. So this takes on very serious implications. Also, that they can seize Boeing aircraft in Europe and demand payment from the various airlines in Europe. So, hopefully, we can avoid this.

And I appreciate the gentleman's comments regarding the administration, because we have been working with them. We have been talking to Stuart Eizenstat at the State Department and Dan Turallo at the White House and with the President and his immediate staff. They have been there working hard on this, and I think quietly and diplomatically, and we have taken a little higher profile up here in the Congress. But I think together it has worked effectively, and I appreciate the gentleman's comments.

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

Mr. DICKS. I yield to the gentleman from California.

Mr. HORN. Mr. Speaker, I thank the gentleman. It is good we are on the same team from now on. It is sort of sad that the European Community is talking about fines when their countries have subsidized Airbus to the tune of $34 billion or more dollars over the last decade.

Mr. DICKS. Mr. Speaker, reclaiming my time, the gentleman is absolutely correct. Let us hope now, maybe, that they are coming to an agreement and then, after that, the two companies can come together, and the stockholders can meet and approve this merger here in the United States.

Mr. HORN. Mr. Speaker, if the gentleman will continue to yield, I believe it absolutely will be good for the country and good for Washington and California.

Mr. DICKS. And a few other States, too.

Mr. LUTHER. Mr. Speaker, I yield 2 minutes to the gentleman from Washington [Mr. ADAM SMITH], another outstanding new Member of Congress.

□ 1630

Mr. ADAM SMITH of Washington. Mr. Speaker, I too rise in support of this resolution and in opposition to European interference with the Boeing-McDonnell Douglas merger.

What this should be about is competition. I think to the extent we move toward global competition rewarding the best competitor, the most efficient participator in a given market, then that is good and we are moving forward.

The problem that the European Union and Airbus seem to have is that that best competitor right now has been Boeing for the last several years. They have consistently won the better contracts through fair and efficient competition. And we should reward that, not punish it.

If the European Union raised an argument that Boeing was doing something improper, unfair competition on some levels, they would have a point and it would be appropriate. But they do not, and it is not. The type of things that they are raising is basic competition. It is almost like Airbus is negotiating this deal, not the European Union, and that is totally inappropriate.

Airbus should compete on the economic field, in the marketplace with Boeing, not through the use of their government, as has been mentioned. Airbus is subsidized itself. Their complaints in this ring very, very hollow.

The last point that I want to make is that our Government and our country must stand strong on behalf of Boeing, McDonnell Douglas and the entire country and not let the European Union unfairly use trade agreements to push us around and stop our economic advancement. It is in the best interest of the whole marketplace of the world in addition to the United States, and we must do it.

I strongly urge the President to stand strong and stand behind Boeing for fairness, and I support this resolution.

Mr. HASTINGS of Washington. Mr. Speaker, I rise in strong support of the resolution offered by Mr. METCALF. This resolution simply expresses the view that the merger of two American companies should be the concern of regulatory agencies of the U.S. Government, not the European Union. Despite the approval of the Federal Trade Commission, bureaucrats in Brussels have threatened to impose fines on Boeing and McDonnell-Douglas, or even seize their planes in Europe, in order to protect a government-subsidized European manufacturer.

Mr. Speaker, the American people have recognized the actions of the European Union as unjustified and based on obvious self interest. I strongly encourage my colleagues to support this resolution, and protect these American companies and their employees from Europe's efforts to prevent fair competition.

Ms. DUNN. Mr. Speaker, recently, the European Union objected to the merger of McDonnell Douglas and the Boeing Co. I find this decision extremely troubling and rise in strong support of House Resolution 191 as introduced by my colleague from Washington State, Mr. METCALF. These two wholly owned American companies should be allowed to merge without fear of reprisal from a foreign government. The sole reason for the European Union criticism and imminent disapproval of the merger is to gain an unfair competitive advantage for Airbus, a government-owned aircraft manufacturer. It is ridiculous to allow a foreign government to block this merger because they cannot compete with our workers in a fair market.

European Union's opposition to this merger is unacceptable for several reasons. First, there are sovereignty concerns about foreign intervention in an American merger. Second, the parties involved are both wholly owned U.S. companies with an international customer base. Third, this merger between two U.S. companies has already been approved by our Government. Fourth, the objections raised by the European Union regarding the abandonment of exclusive contracts awarded to Boeing is inappropriate. The Boeing Co. should not be punished because it obtains more contracts than Airbus Industries in a competitive market. Airbus has never objected to carrier requests to make the contracts exclusive in return for reduced prices. In fact, the European Commission objected only after the agreements were concluded. It is both irresponsible and inappropriate to risk U.S. jobs because the free market worked its will. Contracts that establish fixed purchase prices are directly related to the number of aircraft the customer agrees to purchase. Any abdication of these contracts is contrary to good commercial practices.

The proposal by the European Union to require Boeing to divest their interest in McDonnell Douglas commercial aircraft business is

unacceptable as well. After the U.S. Federal Trade Commission [FTC] conducted a thorough review of the proposed merger, the FTC concluded that McDonnell Douglas is no longer able to sell enough aircraft to raise significant concerns about the loss of its competitive ability. Last year, McDonnell Douglas was responsible for only 4 percent of the international commercial aircraft business. The divestiture by Boeing of the McDonnell Douglas commercial aircraft business would have severe ramifications worldwide. First, it threatens American jobs that are tied into the continued support of McDonnell Douglas aircraft by the Boeing Co. Further, McDonnell Douglas' commercial aviation division cannot maintain itself as an independent company and previous efforts to sell the commercial aviation division have been unsuccessful. Therefore, any divestiture would threaten the safety of McDonnell Douglas commercial aircraft already in service if the commercial division were to close.

Finally, it is vital to the health of the United States to downsize, through mergers, the military industrial base as we celebrate the end of the cold war period and adjust military budgets accordingly. Due to the large defense business that will be conducted by the Boeing Co., any action by the European Community is an infringement on the sovereign rights of the United States to provide for U.S. national security.

Mr. Speaker, this is not a trend we as Americans should allow to continue. We declared our independence from European rule in 1776 and should not revert to those days in conducting the business of today.

I urge my colleagues to support House Resolution 191 and call upon the President to take all necessary steps to protect American sovereignty and the jobs of hard working Americans.

Mr. PACKARD. Mr. Speaker, I rise today in support of House Resolution 191 because the prospect of the European Union ruling against this merger and effectively cutting an American corporation out of an entire market greatly disturbs me. I am absolutely appalled that leaders of other nations feel bold enough to tell America how to run.

The EU will vote on the $14 billion merger Wednesday morning and comments by leaders from across the Atlantic strongly suggest that a vote of disapproval is imminent. I believe that disapproval would be an unmistakable shot across the bow of American business interests. We know our products can compete and succeed in a fair market. But if the EU would rather play hardball, I won't hesitate to say that we can too. We are heading toward a situation that is bad for American workers, and potentially devastating for States like California that depend on a strong American interest in this industry.

Mr. Speaker, critics of the EU stance on the merger have pointed to the sagging performance of Europe's Airbus, a key competitor to American aerospace interests, as the true cause for EU opposition. European officials insist that the merger would simply create an unfair playing field for all interested parties. This is nothing more than a red herring to mask the fact that these nations have pumped over $26 billion in government subsidies into Airbus and they still don't have a competitive product. They are literally holding this merger hostage for a sweeter deal which allows more government subsidies to keep Airbus afloat. They are not fooling anyone.

The bottom line is, the Federal Trade Commission reviewed over 5 million documents in their approval of this merger and they found no cause for concern. This has nothing to do with fair global markets. It is all about gaining an unfair competitive advantage for a government-owned aircraft manufacturer. We simply cannot afford to let that happen. I encourage all of my colleagues to support House Resolution 191.

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

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York [Mr. GILMAN] that the House suspend the rules and agree to the resolution, House Resolution 191.

The question was taken.

Mr. HORN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

STAMP OUT BREAST CANCER ACT

Mr. MCHUGH. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1585) to allow postal patrons to contribute to funding for breast-cancer research through the voluntary purchase of certain specially issued U.S. postage stamps, as amended.

The Clerk read as follows:

H.R. 1585

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Stamp Out Breast Cancer Act''.

SEC. 2. SPECIAL POSTAGE STAMPS.

(a) IN GENERAL.—Chapter 4 of title 39, United States Code, is amended by adding at the end the following:

''§ 414. Special postage stamps

''(a) In order to afford the public a convenient way to contribute to funding for breast cancer research, the Postal Service shall establish a special rate of postage for first-class mail under this section.

''(b) The rate of postage established under this section—

''(1) shall be equal to the regular first-class rate of postage, plus a differential of not to exceed 25 percent;

''(2) shall be set by the Governors in accordance with such procedures as the Governors shall by regulations prescribe (in lieu of the procedures under chapter 36); and

''(3) shall be offered as an alternative to the regular first-class rate of postage.

The use of the special rate of postage established under this section shall be voluntary on the part of postal patrons.

''(c)(1) Of the amounts becoming available for breast cancer research pursuant to this section, the Postal Service shall pay—

''(A) 70 percent to the National Institutes of Health, and

''(B) the remainder to the Department of Defense.

Payments under this paragraph to an agency shall be made under such arrangements as the Postal Service shall by mutual agreement with such agency establish in order to carry out the purposes of this section, except that, under those arrangements, payments to such agency shall be made at least twice a year.

''(2) For purposes of this section, the term 'amounts becoming available for breast cancer research pursuant to this section' means—

''(A) the total amounts received by the Postal Service that it would not have received but for the enactment of this section, reduced by

''(B) an amount sufficient to cover reasonable costs incurred by the Postal Service in carrying out this section, including those attributable to the printing, sale, and distribution of stamps under this section,

as determined by the Postal Service under regulations that it shall prescribe.

''(d) It is the sense of the Congress that nothing in this section should—

''(1) directly or indirectly cause a net decrease in total funds received by the National Institutes of Health, the Department of Defense, or any other agency of the Government (or any component or program thereof) below the level that would otherwise have been received but for the enactment of this section; or

''(2) affect regular first-class rates of postage or any other regular rates of postage.

''(e) Special postage stamps under this section shall be made available to the public beginning on such date as the Postal Service shall by regulation prescribe, but in no event later than 12 months after the date of the enactment of this section.

''(f) The Postmaster General shall include in each report rendered under section 2402 with respect to any period during any portion of which this section is in effect information concerning the operation of this section, except that, at a minimum, each shall include—

''(1) the total amount described in subsection (c)(2)(A) which was received by the Postal Service during the period covered by such report; and

''(2) of the amount under paragraph (1), how much (in the aggregate and by category) was required for the purposes described in subsection (c)(2)(B).

''(g) This section shall cease to be effective at the end of the 2-year period beginning on the date on which special postage stamps under this section are first made available to the public.''.

(b) REPORT BY THE COMPTROLLER GENERAL OF THE UNITED STATES.—No later than 3 months (but no earlier than 6 months) before the end of the 2-year period referred to in section 414(g) of title 39, United States Code (as amended by subsection (a)), the Comptroller General of the United States shall submit to the Congress a report on the operation of such section. Such report shall include—

(1) an evaluation of the effectiveness and the appropriateness of the authority provided by such section as a means of fundraising; and

(2) a description of the monetary and other resources required of the Postal Service in carrying out such section.

(c) CLERICAL AMENDMENT.—The table of sections for chapter 4 of title 39, United States Code, is amended by adding at the end the following:

''414. Special postage stamps.''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York [Mr. MCHUGH] and the gentleman from California [Mr. LANTOS] each will control 20 minutes.

The Chair recognizes the gentleman from New York [Mr. MCHUGH].