HOUSE OF REPRESENTATIVES—*Wednesday, October 23, 1985*

The House met at 10 a.m.

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

I will lift up my eyes to the hills, from whence does my help come? My help comes from the Lord, who made heaven and earth.—Psalm 121:1, 2.

Help us, gracious God, to focus not only on the immediate things of daily life, but through our communion with You, to meditate on those things that make us Your people, that allow us to be human. Enable us to sense our destiny and our place in Your providence, to recognize our relationship with You. May we through our prayers see You more clearly, love You more dearly, follow You more nearly, day by day. Amen.

THE JOURNAL

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

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

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

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

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. KOLBE. 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. 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 273, nays 117, answered "present" 1, not voting 43, as follows:

[Roll No. 366]

YEAS—273

Ackerman
Akaka
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Aspin
Atkins
AuCoin
Barnard
Barnes
Bateman
Bedell
Beilenson
Bennett
Berman
Bevill
Biaggi
Boggs
Boland
Boner (TN)
Bonker
Bosco
Boucher
Boxer
Breaux
Brooks
Broomfield
Brown (CA)
Broyhill
Bruce
Bryant
Burton (CA)
Bustamante
Byron
Carper
Carr
Chapman
Chappell
Clinger
Coats
Coelho
Coleman (TX)
Collins
Combest
Cooper
Coyne
Crockett
Daniel
Darden
Daschle
de la Garza
Derrick
Dicks
Dingell
DioGuardi
Donnelly
Dornan (CA)
Downey
Dreier
Duncan
Dwyer
Early
Eckart (OH)
Eckert (NY)
Edgar
Edwards (CA)
English
Erdreich
Evans (IL)
Fascell
Fazio
Feighan
Fish
Flippo
Florio
Foglietta
Foley
Ford (TN)
Fowler
Frank
Franklin
Frost
Fuqua
Gaydos
Gejdenson
Gephardt
Gibbons
Gilman
Glickman
Gonzalez
Gordon
Gradison
Gray (PA)
Green
Guarini
Hall, Ralph
Hamilton
Hammerschmidt
Hartnett
Hatcher
Hawkins
Hayes
Henry
Hertel
Hillis
Hopkins
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Hyde
Jeffords
Jenkins
Johnson
Jones (NC)
Jones (OK)
Jones (TN)
Kanjorski
Kaptur
Kastenmeier
Kemp
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Lantos
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lipinski
Livingston
Loeffler
Long
Lowry (WA)
Lujan
Luken
Lundine
MacKay
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCain
McCloskey
McCollum
McCurdy
McDade
McHugh
McKinney
McMillan
Mica
Mikulski
Miller (CA)
Miller (WA)
Mineta
Mollohan
Montgomery
Moody
Moore
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Natcher
Neal
Nichols
Nielson
Nowak
Oberstar
Olin
Ortiz
Owens
Packard
Panetta
Pashayan
Pease
Pepper
Perkins
Pickle
Porter
Price
Pursell
Quillen
Rahall
Rangel
Ray
Regula
Reid
Richardson
Ritter
Robinson
Roe
Rostenkowski
Rowland (CT)
Rowland (GA)
Roybal
Rudd
Russo
Sabo
Savage
Scheuer
Schneider
Schulze
Schumer
Sharp
Shelby
Shumway
Sisisky
Skelton
Slattery
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Snyder
Solarz
Spratt
St Germain
Staggers
Stallings
Stark
Stenholm
Stokes
Stratton
Studds
Sweeney
Swift
Synar
Tallon
Tauzin
Taylor
Thomas (GA)
Torres
Torricelli
Traficant
Traxler
Udall
Valentine
Vento
Visclosky
Volkmer
Watkins
Waxman
Weiss
Wheat
Whitehurst
Whitley
Whitten
Wirth
Wise
Wolpe
Wortley
Wright
Wyden
Wylie
Yates
Yatron
Young (FL)

NAYS—117

Armey
Badham
Bartlett
Barton
Bentley
Bereuter
Bilirakis
Bliley
Boehlert
Boulter
Brown (CO)
Burton (IN)
Callahan
Campbell
Chandler
Chappie
Cheney
Clay
Cobey
Conte
Coughlin
Courter
Craig
Crane
Dannemeyer
Daub
Davis
DeWine
Dickinson
Durbin
Edwards (OK)
Emerson
Evans (IA)
Fawell
Fields
Frenzel
Gallo
Gekas
Gingrich
Goodling
Gregg
Grotberg
Gunderson
Hansen
Hendon
Hiler
Holt
Hunter
Ireland
Jacobs
Kasich
Kindness
Kolbe
Kramer
Lagomarsino
Latta
Leach (IA)
Lewis (CA)
Lewis (FL)
Lightfoot
Lloyd
Lott
Lungren
Mack
Madigan
Marlenee
Martin (IL)
Martin (NY)
McCandless
McEwen
McGrath
McKernan
Michel
Miller (OH)
Molinari
Monson
Moorhead
Oxley
Parris
Penny
Petri
Ridge
Roberts
Roemer
Rogers
Roth
Roukema
Saxton
Schroeder
Schuette
Sensenbrenner
Shaw
Shuster
Sikorski
Siljander
Skeen
Slaughter
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solomon
Spence
Stangeland
Strang
Stump
Swindall
Tauke
Thomas (CA)
Vander Jagt
Vucanovich
Walker
Weber
Whittaker
Wolf
Young (AK)
Zschau

ANSWERED "PRESENT"—1

Dymally

NOT VOTING—43

Addabbo
Alexander
Bates
Bonior (MI)
Borski
Carney
Coble
Coleman (MO)
Conyers
DeLay
Dellums
Dixon
Dorgan (ND)
Dowdy
Dyson
Fiedler
Ford (MI)
Garcia
Gray (IL)
Hall (OH)
Hefner
Heftel
Leath (TX)
Lowery (CA)
Meyers
Mitchell
Moakley
Nelson
O'Brien
Oakar
Obey
Rinaldo
Rodino
Rose
Schaefer
Seiberling
Sundquist
Towns
Walgren
Weaver
Williams
Wilson
Young (MO)

□ 1015

Mr. PASHAYAN changed his vote from "present" to "yea."

So the Journal was approved.

The result of the vote was announced as above recorded.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H.J. Res. 407. Joint resolution designating the 12-month period ending on October 28, 1986, as the "Centennial Year of Liberty in the United States."

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 3424. An act making appropriations for the Departments of Labor, Health and

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Human Services, and Education, and related agencies, for the fiscal year ending September 30, 1986, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 3424) "An act making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies, for the fiscal year ending September 30, 1986, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. WEICKER, Mr. HATFIELD, Mr. STEVENS, Mr. ANDREWS, Mr. RUDMAN, Mr. SPECTER, Mr. MCCLURE, Mr. DOMENICI, Mr. PROXMIRE, Mr. BYRD, Mr. HOLLINGS, Mr. CHILES, Mr. BURDICK, Mr. INOUYE, Mr. HARKIN, and Mr. STENNIS to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 71. Concurrent resolution to commemorate the accomplishments of Public Law 94-142, the Education for All Handicapped Children Act on the 10th anniversary of its enactment.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 2942, LEGISLATIVE BRANCH APPROPRIATIONS ACT, 1986

Mr. FAZIO. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on the bill (H.R. 2942) making appropriations for the legislative branch for the fiscal year ending September 30, 1986, and for other purposes.

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

There was no objection.

AUTHORIZING SECRETARY OF THE INTERIOR TO CONVEY CERTAIN LAND IN MARYLAND TO MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Mr. VENTO. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3003) to authorize the Secretary of the Interior to convey certain land located in the State of Maryland to the Maryland National Capital Park and Planning Commission, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

Mr. LAGOMARSINO. Mr. Speaker, reserving the right to object, I do so to ask the gentleman from Minnesota to explain the bill.

Mr. VENTO. Mr. Speaker, this measure is a measure that transfers a small land parcel to the Maryland-National Capital Park and Planning Commission, which has been introduced by our distinguished colleagues, the gentleman from Maryland [Mr. HOYER] and the gentlewoman from Maryland [Mrs. HOLT].

It is a small bill of local interest that will facilitate the development and use of a private parcel and the use of some land that reverted from the old roads department to the Park Service.

At the desk is an amendment in the nature of a substitute to the measure. I think, though, the bill is really of little controversy and a good measure. I want to commend the gentlewoman and the gentleman from Maryland for their work. They have done an outstanding job on this measure, and I would hope we could act on it today.

Mr. LAGOMARSINO. Mr. Speaker, further reserving the right to object, I yield to the gentleman from Maryland [Mr. HOYER].

Mr. HOYER. I thank the gentleman from California for yielding.

Mr. Speaker, I want to very briefly thank Mr. VENTO and Mr. LAGOMARSINO and their staffs for their excellent work on this bill and their inclination to bring H.R. 3003 to the floor in an expeditious manner.

This legislation, which transfers Federal property located in Prince Georges County to the Maryland-National Capital Park and Planning Commission, is a first step in a process that will bring a beautiful, environmentally sound, and economically stimulating development to the shores of the Potomac River.

Mrs. HOLT, the bill's other sponsor and I have worked closely with Mr. Jim Lewis, the developer of Port America, the Federal Government, and most important, the members of the National Parks and Recreation Subcommittee in developing this bipartisan legislation.

There is no cost to this legislation and, in fact, the development itself will be a considerable revenue raiser for Prince Georges County due to the thousands of individuals who will be employed by and pay visits to Port America.

I again thank the chairman and ranking member for their willingness to move this legislation and I look forward to the day when I can invite my colleagues to the shores of the Potomac for the opening of Port America.

Mr. LAGOMARSINO. Mr. Speaker, I strongly support the measure and I urge its passage.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The Clerk read the bill, as follows:

H.R. 3003

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a)(1) notwithstanding any other provision of law, the Secretary of the Interior is authorized to convey, without consideration, to the Maryland National Capital Park and Planning Commission all right, title, and interest of the United States to a parcel of land comprising approximately fifty-five acres located in Prince Georges County, Maryland.

(2) Except as provided in subsection (b), the land conveyed pursuant to paragraph (1) shall be used solely for park and waterfront recreation purposes in accordance with a land use plan for the property prepared by the Maryland National Capital Park and Planning Commission and submitted to the National Capital Planning Commission for review and comment. The instrument for conveyance for real property conveyed pursuant to subsection (a) shall set forth all terms and conditions on the conveyance and the grant of access provided in this Act. Such instrument shall further provide that all right, title, and interest conveyed to the Maryland National Capital Park and Planning Commission pursuant to such instrument, except such access as is authorized by subsection (b)(1), shall revert to the United States if such land is used for any purpose other than as stated in this paragraph.

(3) As soon as practicable after the date of enactment of this Act, the Secretary shall file a map and legal description of the area designated under paragraph (1) with the Committee on Interior and Insular Affairs, United States House of Representatives, and with the Committee on Energy and Natural Resources of the United States Senate. Such map and description shall have the same force and effect as if included in this Act, except that the correction of clerical and typographical errors in such legal description and map may be made. Such map and legal description shall be on file in the office of the regional director, National Park Service and the National Capital Park Region.

(b)(1) Subject to the provisions of paragraphs (2) and (3), the Maryland-National Capital Park and Planning Commission may grant access to the real property conveyed pursuant to subsection (a) to the owner of any proposed property development adjacent to such real property.

(2) The grant of access authorized by paragraph (1) shall be contingent upon—

(A) the submission by the owner of the real property seeking such access of a land use and development plan, incorporating the provisions of the memorandum of understanding entered into between the owner of the adjacent property and the National Capital Planning Commission on May 7, 1985, to the National Capital Planning Commission for review and comment;

(B) the approval of the terms and conditions of the memorandum of understanding of May 7, 1985, by the Prince Georges County Council; and

(C) compliance by the owner of real property seeking access with the terms and conditions of the memorandum of understanding of May 7, 1985, referred to in clause (A), except that after approval of a proposed amendment by both of the parties to the memorandum, the proposed amendment shall be published in the Federal Register and concurrently submitted to the appropriate congressional committees for comment.

The amendment shall not be effective until sixty (60) calendar days after it has been transmitted to the Congress. The compliance required by the owner of real property seeking such access shall be determined on or before the date of the grant of access referred to in subsection (a)(1).

(3) The National Capital Planning Commission and the Maryland National Capital Park and Planning Commission shall make a copy of the memorandum of understanding of May 7, 1985, referred to in paragraph (2)(A) available for public inspection in the offices of each commission during business hours.

(c) Prior to the granting of access across the real property conveyed pursuant to subsection (a), as authorized by paragraph (1) of subsection (b), the owner of real property adjacent to thereto receiving said grant of access shall convey to the National Capital Planning Commission an easement in perpetuity, which shall run with the land, and which shall incorporate the restrictions on development contained in the memorandum of understanding of May 7, 1985, referred to in subsection (b)(2)(A), and which shall incorporate any other land restrictions imposed by Prince Georges County.

COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

The SPEAKER. The Clerk will report the committee amendment in the nature of a substitute.

The Clerk read as follows:

Committee amendment in the nature of a substitute: strike all after the enacting clause and insert the following in lieu thereof:

That (a)(1) notwithstanding any other provision of law, the Secretary of the Interior is authorized to convey, without monetary consideration, to the Maryland-National Capital Park and Planning Commission all right, title, and interest of the United States to a parcel of land comprising approximately fifty-five acres located in Prince Georges County, Maryland.

(2) Except as provided in subsection (b), the land conveyed pursuant to paragraph (1) shall be used solely for park and outdoor recreation purposes in accordance with a land use plan for the property prepared by the Maryland-National Capital Park and Planning Commission and submitted to the National Capital Planning Commission for review and comment. The instrument for conveyance for the real property conveyed pursuant to subsection (a) shall set forth all terms and conditions of the conveyance. Such instrument shall further provide that all right, title, and interest conveyed to the Maryland-National Capital Park and Planning Commission pursuant to such instrument, except such access as is authorized by subsection (b)(1), shall revert to the United States if such land is used for any purpose other than as stated in this paragraph.

(3) As soon as practicable after the date of enactment of this Act, the Secretary shall file a map and legal description of the area designated under paragraph (1) with the Committee on Interior and Insular Affairs, United States House of Representatives, and with the Committee on Energy and Natural Resources of the United States Senate. Such map and description shall have the same force and effect as if included in this Act, except that the correction of clerical and typographical errors in such legal description and map may be made. Such map and legal description shall be on file in the office of the regional director, National Park Service and the National Capital Park Region.

(4) The Maryland-National Capital Park and Planning Commission shall reimburse the Secretary of the Interior for the costs of the land conveyance described in paragraph (1).

(b)(1) Subject to the provisions of paragraphs (2) and (3), the Maryland-National Capital Park and Planning Commission may grant access across the real property conveyed pursuant to subsection (a) to the owner of any proposed property development adjacent to such real property.

(2) The grant of access authorized by paragraph (1) shall be contingent upon each of the following:

(A) Submission by the owner of the real property seeking such access of a land use and development plan, incorporating the provisions of the memorandum of May 7, 1985, to the National Capital Planning Commission for review and comment.

(B) Approval of the terms and conditions of the memorandum of May 7, 1985, by the Prince Georges County Council.

(C) Compliance by the owner of real property seeking such access with the terms and conditions of the memorandum of May 7, 1985, as determined by the National Capital Planning Commission.

(D) Conveyance by the owner of real property seeking such access to the National Capital Planning Commission of an easement in perpetuity. The easement shall run with the land and shall incorporate the restrictions on development contained in the memorandum of May 7, 1985. The easement shall also incorporate any other land restrictions imposed by Prince Georges County.

(3)(A) The National Capital Planning Commission and the Maryland-National Capital Park and Planning Commission shall make a copy of the memorandum of May 7, 1985, available for public inspection in the offices of each commission during business hours.

(B) Upon approval of a proposed amendment by both of the parties to the memorandum of May 7, 1985, the proposed amendment shall be published in the Federal Register and concurrently submitted to the congressional committees referred to in subsection (a)(3) for comment. The amendment shall not be effective until 60 calendar days after it has been transmitted to the Congress.

(c) For purposes of this section, the term "memorandum of May 7, 1985" means the memorandum of understanding entered into on May 7, 1985, between the National Capital Planning Commission and the owner of the real property adjacent to the land to be conveyed pursuant to subsection (a)(1).

Mr. VENTO (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment in the nature of a substitute be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The SPEAKER. The question is on the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONGRESSMAN CHARLES E. BENNETT CASTS 15,000TH ROLLCALL VOTE IN HOUSE OF REPRESENTATIVES

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

Mr. BENNETT. Mr. Speaker, it is wonderful to serve in this great body and to be able to cast votes with my colleagues on important issues. I have just cast my 15,000th rollcall vote here in the House of Representatives. The people who worked this up for me advise me that this is more votes than any other Member of Congress in history.

I have cast every rollcall vote on the passage, defeat, or amendment of legislation since June 5, 1951. That means that for more than 34 years I have not missed a single legislative vote on any rollcall in the House; and that I know is a record on legislative votes.

My record started accidentally, having missed some votes early in my career due to a broken leg. After I recovered, not missing a vote became a habit for me. I believe that voting is the cutting edge of a Member's responsibility to his or her constituents. I am proud to serve in the House and I thank my constituents and my colleagues for this opportunity.

FEDERAL HOUSING POLICY

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

Mr. McCANDLESS. Mr. Speaker, today we will have an opportunity to make certain that one of the Federal Government's largest programs—one that reaches into nearly every city and county in the Nation—will receive the full and open consideration it deserves. For, not-so-neatly tucked-away in the budget reconciliation package, is the entire Federal housing authorization bill.

This is not the bill on which the Housing Subcommittee and the full Banking Committee spent 20 legislative days in hearings and markup. This is a bill that has been significantly altered and one on which the alterations were made by just a few Members of this House.

Having actively participated in most of the 150 hours of hearings and markup, I am both frustrated and alarmed by this attempt to circumvent the regular legislative process. Unless we adopt the Latta amendment today, most of us will have absolutely no say on this massive piece of legislation. Therefore, I urge you to join me in

supporting the Latta amendment so that Federal housing policy gets the scrutiny that we give to every other major authorization.

NICARAGUA

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

Mr. YATRON. Mr. Speaker, as the chairman of the Subcommittee on Human Rights and International Organizations and as a Member who opposes U.S. assistance to the Contras, I find the recent announcement by Daniel Ortega that the Sandinistas are suspending a wide range of civil and political rights to be further evidence that the revolution in Nicaragua has been betrayed.

The Sandinistas are using the threat of the Contras as a convenient excuse to impose what a recent Washington Post editorial characterized as "Cuban-type police-state rules". There is no room for playing an apologist role for the Sandinistas. Their form of governing violates many international human rights agreements to which they are signatories including the universal declaration of human rights.

Mr. Speaker, whether it is atrocities committed by the Pinochet regime in Chile, or the persecution of Jews in the Soviet Union, we must keep in mind that human rights belong to individuals not governments. The new restrictions imposed by the Nicaraguan Government demonstrate that anyone who speaks out or opposes the Sandinistas, including the leaders of the Catholic Church in Managua, will suffer the consequences.

Mr. Speaker, Daniel Ortega has called on President Reagan to make peace with Nicaragua. I certainly hope that the President will take this opportunity to commit his administration, at the highest levels, to reaching an accommodation with the Sandinistas. But at the same time let us make it clear to Mr. Ortega that the Congress and the American people reject his assertion that everything wrong in Nicaragua is the fault of the United States. Responsibility for the repressive measures implemented in Nicaragua today fall squarely on Daniel Ortega's shoulders.

□ 1030

THE TRUE NATURE OF THE COMMUNIST REGIME IN NICARAGUA

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

Mr. LAGOMARSINO. Mr. Speaker, the Tuesday night massacre of human rights and civil liberties imposed by Communist leader Daniel Ortega leave no doubt about the true nature of the Communist regime in Nicaragua.

Ortega blames imperialist aggression for the brutally repressive measures his regime has instituted. His actions, however, only reinforce what has been happening in that nation for the last 6 years: The erosion of freedom of expression, the right to assembly, the right to collective bargaining, freedom of religion and the basic principles of human rights.

Ortega blames these actions as reaction for the imperialist aggression of the United States and those opposing his regime internally. However, as the AFL-CIO clearly states in its views on the El Salvador and Nicaragua controversy, "the sequence is not that the 'Contras' led to repression. The Sandinista restrictions on and violations of human and trade union rights began long before the 'Contras' became a significant problem for the FSLN * * *. The actual sequence, based on the historical record, was that FSLN repression produced the 'Contras' (and voluntary exile for countless others)."

DECIDE FOR YOURSELF WHERE THE TRUTH LIES

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

Mr. VOLKMER. Mr. Speaker, as every Member of this body knows, what you read ain't always so. In an editorial in today's Washington Post there is a prime example of what ain't so.

The Post time and again has made perfectly clear where it stands on gun legislation. I, time and again, have made it clear where I stand on gun legislation. We just do not agree. But the Post has stooped to the level of not telling the truth to sway Members of this body to their side. They are using deliberate lies.

The Post says S. 49 would undercut State handgun laws. That is not true. The Post says this legislation would undercut State gun registration laws. That is not true. The Post says this legislation would undercut States' waiting periods. That is not true. The Post says this legislation would affect States' criminal background checks. That is not true. The Post says this legislation would undercut States' gun licensing laws, and that is also not true.

What the Post is saying in today's editorial is just simply not true; it is that simple. This bill does not change these local or State laws. Look at my legislation, there are nearly 160 cosponsors, and you decide for yourself where the truth lies. When you see the truth, I urge all of the Members to sign Petition No. 4 to discharge this legislation so that we can discuss it on the floor. Then we will surely see where the truth lies.

SOME MORE FANCY FOOTWORK

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

Mr. McMILLAN. Mr. Speaker, I thought when we took up the budget reconciliation bill today we might begin to redeem this House from the laughingstock it has become on reducing the deficit. Now we've got some more fancy footwork. The majority is again asking us to follow that Biblical admonition: "Let not the right know what the left doeth." This budget reconciliation bill will give us a number of new programs. These new programs, along with some major changes in existing ones, are included in title II, which is H.R. 1, the entire Federal housing authorization bill.

The bill that the majority leadership had decided was its key legislation, worthy of the H.R. 1 designation, has been slipped in here so very neatly and we will have to vote it up or down. Why not just consider all 227 pages and $16 billion of H.R. 1 as a separate issue. For those of you who want to examine this huge piece of legislation, I urge my colleagues to join me in supporting the amendment of the gentleman from Ohio [Mr. LATTA], which would require consideration of the housing bill in full under regular order.

VOTE "NO" ON THE RULE ON RECONCILIATION

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

Mr. SHARP. Mr. Speaker, if we are as serious as most Members in the House claim we are on reducing the deficit, our first step today will be to vote "no" on the rule on reconciliation. The Rules Committee, by a very narrow vote of 7 to 6, has prevented us from voting on a critical, long-term issue that will make a difference in Federal financing in the future. That issue is how we will divvy up Outer Continental Shelf revenues which belong to the Federal Government.

Going way beyond what was envisioned in the budget resolution, the provision in reconciliation will give away far more dollars in the future than it claims to save in Federal deficit reduction today. We will have bigger deficits in the future to get a claimed paper savings in the present.

If we are serious about deficit reduction, we must stop this and stop it now. It is against what the administration wants; it is against what the Democratic chairman of the Interior

Committee wants; it is against good, sound fiscal policy.

DO AWAY WITH FISCAL INSANITY—ABOLISH SYNFUELS

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

Mr. FRANKLIN. Mr. Speaker, as we consider the Omnibus Reconciliation Act today, I would like to bring your attention to that part of this legislation which abolishes the Synthetic Fuels Corporation.

With the soaring national debt, we, in Congress, have attempted to effect austerity measures and in July, the House, during consideration of the fiscal year 1986 Interior appropriations bill, voted to close down Synfuels. Our colleagues, Messrs. WOLPE and SYNAR, among others, are to be congratulated for their efforts in this regard.

However, since that time, it is my understanding that the Chairman of Synfuels has announced plans to sign several billion dollars worth of contracts for new production. Upon hearing this, I immediately voiced my strong opposition to the President of the Synfuel Corporation about this inappropriate expenditure.

The House voted to strip the Synfuels Corporation of most of its $7.9 billion budget and the Senate is presently considering similar plans. Clearly, the mood in Congress is to abolish Synfuels.

Mr. Speaker, I personally think it is unconscionable to disburse such an exorbitant sum of money after the House has issued a vote of no-confidence. We have already voted to cut $7.9 billion and they are about to spend $3.8 billion on contracting. Let's do away with this fiscal insanity here and now.

ARMS SALES TO JORDAN

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

Mr. AUCOIN. Mr. Speaker, in the name of peace, the White house has asked Congress to approve a $2 billion weapons sale for Jordan.

Secretary Shultz claims that the sale, which includes highly sophisticated aircraft and missiles, will "encourage" King Hussein to negotiate with Israel.

How much encouragement does Hussein need? Just 4 short months ago, Congress approved $250 million in emergency economic aid to Jordan. No negotiations occurred. Weeks later, another $120 million was passed. Still, there were no talks.

Though Hussein has made a series of conciliatory remarks in recent days, he has not yet recognized Israel's right to exist. Nor has the King made a clear commitment to direct, bilateral negotiations with Israel.

Congress must not approve this arms sale. Swapping real weapons for phantom peace proposals is no bargain for the United States—and no help for the Middle East.

□ 1040

A BLUEPRINT FOR CONGRESSIONAL ACCOUNTABILITY

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

Mr. DIOGUARDI. Mr. Speaker, Congress now has a unique opportunity to dispel the notion that it does not care for the long-term health of the Nation and is more worried about offending special interests than balancing the budget. The Gramm-Rudman/Mack-Cheney proposal is a blueprint for congressional accountability, and I believe that is what concerns my reluctant colleagues. Congress cannot borrow forever without having to pay the bills. We must only spend as much money as we raise through taxes. That means that tough decisions will have to be made. I am prepared to make those decisions, but I believe that we, in Congress, need the discipline this process will bring about if we are to balance the budget. There is a great deal of talk about the willingness to balance the budget around here; now we have a chance to make good on that promise.

Many Members have raised the dire prospect of having Congress surrender some of its prerogatives if this legislation is passed. What I doubt here is that this proposal offers an avenue to avoid that problem. Instead of surrounding our prerogatives, we can start exercising them. If Congress took the necessary steps to eliminate the horrendous deficit, none of the provisions of this bill would ever be brought into effect. If this is bitter medicine to swallow, perhaps it is time to ask how we got so sick in the first place. The answer is clear—we, in Congress, have failed in our job as stewards of the public trust.

The question we must address is whether this Congress will make the hard decisions that will lead to a balanced budget. If not, let's stop kidding the American public. Let's stop giving lip service to deficit reduction. Our constituents are saying: Stop talking about it and do it.

Mr. Speaker, the American public wants action now. The American Public wants Gramm-Mack.

TV COMMENTATOR'S APOLOGY TO ORTEGA IN BAD TASTE

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

Mr. RUDD. Mr. Speaker, Phil Donahue does not, I repeat, does not offer a public apology on behalf of this Congressman or his constituents for trying to contain communism and promote freedom in Central America.

In one of the worst ever displays of journalism and bad taste, the television commentator played host and sympathizer yesterday to Daniel Ortega, the Marxist dictator of Nicaragua, and his wife. He provided Ortega with a forum on national television, a friendly defense of the policies of his repressive regime, and proceeded to apologize for America's efforts to support the freedom fighters and contain Ortega's aggressive rule over Nicaragua.

Mr. Speaker, my constituents were outraged and immediately on the telephone to me and my office to express their indignation, Mr. Donahue does not represent my views, nor those of the people of Arizona's Fourth Congressional District. We do not apologize to Daniel Ortega nor shrink from supporting American policy in Central America.

MEMBERS URGED TO OPPOSE DISCHARGE PETITION ON GUN DECONTROL BILL

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

Mr. HUGHES. Mr. Speaker, there is nothing that invokes more emotionalism in this Chamber than does the subject of guns. Members have been asked to sign a discharge petition on S. 49. I would ask the Members not to do that. That would be a serious error.

The Subcommittee on Crime, which I chair, will begin hearings next Monday on a whole host of bills, including the so-called McClure-Volkmer bill. My colleague, the gentleman from Missouri, suggests to us that the bill does not have the flaws alluded to by the Washington Post. I say, read the bill. Read S. 49.

Last year, we passed a major crime initiative. One of the provisions in that was a provision requiring a mandatory 5-year prison term for those using a handgun in the commission of a violent crime. S. 49, as presently written, would undermine that law and make it more difficult to establish that particular offense. In addition, it does undercut State licensing laws and would make it more difficult to prosecute those who have committed crimes by the use of a handgun.

We are going to develop consensus legislation. It is my hope that we can have a balanced bill, one that would balance the rights of the legitimate handgun owner, the sportsman, and the rest of society, one that will in fact give our police the tools they need to prosecute those who commit violent crime by the use of a handgun.

WE NEED TO PRESERVE JOBS BY PASSING MIXED CREDITS BILL

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

Mrs. JOHNSON. Mr. Speaker, it is high time we began taking specific constructive actions necessary to protect American jobs against unfair competition.

Mr. Speaker, I am pleased to see that an initiative I proposed last year to counter foreign financial subsidies is being seriously considered and will be enacted into law before the end of this session.

After years of unsuccessful negotiations to end mixed credit financing and despite the establishment in 1983 of a program to counter unfair export subsidies, mixed credits continue to be "the most significant remaining loophole" in our negotiated export credit guidelines with the OECD.

We are losing major contracts and major follow-on business, and we are faced with long-term erosion of our market position worldwide.

The President's recent recognition of the mixed credit problem and his willingness to commit resources to correct it provides a welcome new impetus toward relief for our exporters who face this competition.

The threat to U.S. jobs posed by foreign mixed credits is recognized in both the Republican trade package and the Democratic trade package. I hope the Members will join me in cosponsoring H.R. 3296 to insure the success of this reform.

NOBEL PRIZEWINNER HONORED, BUFFALO SHARES SPOTLIGHT

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

Mr. NOWAK. Mr. Speaker, we in western New York are proud that one of our fellow citizens, Dr. Herbert A. Hauptman, has been selected cowinner of this year's Nobel Prize in Chemistry.

Dr. Hauptman is executive vice president and research director of the Medical Foundation of Buffalo Research Laboratories, in Buffalo, NY. He and Dr. Jerome Karle of the Naval Research Laboratory in Washington, DC, were honored for work they did in the 1950's to develop a mathematical approach to solving the structure of crystals.

Clearly this is a moment of great personal satisfaction and professional pride for Dr. Hauptman. But it also is a moment of great pride for us who reside in the Buffalo area—as Dr. Hauptman has since 1970.

As the Buffalo News noted in its editorial, Dr. Hauptman's selection "has won instant worldwide recognition for himself and for Buffalo * * *. It's an indication of the excellence of Buffalo's academic and research facilities that a researcher of Hauptman's caliber should come here to contribute the work he began in Washington. This recognition he has brought to Buffalo should have the practical result of boosting Buffalo's image as a research center * * *."

We in the Buffalo area indeed are proud of our community's contributions to research, via institutions like the Medical Foundation of Buffalo, the State University of New York at Buffalo, and Roswell Park Memorial Institute.

Dr. Hauptman's Nobel Prize has added luster to our city's reputation. We wish him continued success.

HALLOWEEN AND RECONCILIATION MAY LEAD TO A HAUNTED HOUSE

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

Mr. McCOLLUM. Mr. Speaker, assuming a rule is adopted, we will consider the budget reconciliation bill today and it's probably fitting as we near Halloween, but the Members should be aware that there's a ghoulie lurking in the language of this bill. Title II of the reconciliation bill is the entire 227 page contents of the Federal housing authorization bill, which adds five brand new programs totaling $235 million and increases seven existing programs by $574 million over the bill reported last year by the Banking Committee.

More spooky yet, these reconciliation changes were approved in the dark by a closed caucus of only the majority Members.

There is no reason for this complicated and controversial housing bill to be cloaked in the disguise of reconciliation and to be considered under the mask of cutting the deficit.

While this complex bill certainly represents a treat for some beneficiaries, the trick is to find out how it would affect your own district, something you'll have a hard time doing under this closed rule.

I urge my colleagues to support the Latta amendment which would provide for regular order consideration of the housing bill. Some daylight consideration of this massive bill will, I guarantee you, prevent a House haunted later.

□ 1050

VUCANOVICH SUPPORTS YOUTH EMPLOYMENT OPPORTUNITY ACT

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

Mrs. VUCANOVICH. Mr. Speaker, today I rise to support H.R. 1811, the Youth Employment Opportunity Wage Act. This legislation provides for a temporary program allowing employers to hire a person under age 20 and pay a subminimum wage of $2.50 an hour for work during the summer months.

H.R. 1811 contains provisions prohibiting the firing, transferring, or demoting of adults and youth already employed, as well as prohibiting the lowering of wages during that period of time for those youth already employed. The penalty is a fine of up to $10,000, imprisonment up to 6 months, and payment of back wages.

Youth employment can cause serious problems later on for some individuals as they reach adulthood. All youth, but particularly disadvantaged youth, are in dire need of the work experience that this bill would provide. For many of them, it has not been a choice of a job paying between $3.35 per hour and $2.50 per hour, but between a lower minimum wage or no job at all.

This proposed legislation has bipartisan support, and has been endorsed by numerous businesses and minority organizations. It is estimated that this bill would create up to 400,000 new jobs. In addition, such jobs provide the opportunity for unskilled, inexperienced young people to earn experience necessary for later employment.

Billions of taxpayer dollars have been spent on Government spending programs for youth, but the unemployment rate continues to increase for young people. This bill contains no cost to the taxpayer.

I strongly support this measure and urge the House to enact this bill.

PERSONAL EXPLANATION

Mr. CONTE. Mr. Speaker, yesterday, during the vote on rollcall 365, I was at a meeting at the White House with the President and members of the Appropriations Committee.

As a prime sponsor of H.R. 2095, and as one who strongly supports extension of daylight saving time, I would have certainly voted "yes" on this measure had I not been off the Hill at this important meeting.

Fortunately, Mr. Speaker, Mr. MOORHEAD was kind enough to let me

make a statement in strong support of this legislation before I left for my meeting, and I am just sorry that I was not able to couple my statement with a strong vote for this important and beneficial legislation.

PROVIDING FOR CONSIDERATION OF H.R. 3500, OMNIBUS BUDGET RECONCILIATION ACT OF 1985

Mr. DERRICK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 296 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 296

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. 3500) to provide for reconciliation pursuant to section 2 of the First Concurrent Resolution on the Budget for the fiscal year 1986, and the first reading of the bill shall be dispensed with. All points of order against the consideration of the bill are hereby waived, all points of order for failure to comply with the provisions of clause 5(b) of rule XXI are hereby waived against subtitle C of title III of the bill beginning on page 267, line 19 through page 351, line 15, and all points of order against the bill for failure to comply with the provisions of clause 5(a) of rule XXI are hereby waived except against section 4110 of the bill, beginning on page 379, line 20 through page 380, line 17. After general debate, which shall be confined to the bill and shall continue not to exceed four hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Budget, the bill shall be considered as having been read for amendment under the five-minute rule. The following amendment shall be considered as having been adopted in the House and in the Committee of the Whole: on page 15, strike out lines 8 through 10 and insert in lieu thereof the following: "which become available during fiscal year 1986, the Secretary shall, to the extent approved in appropriations Acts, reserve authority to enter into obligations aggregating—". No other amendment to the bill shall be in order in the House or in the Committee of the Whole except the following amendments, which shall not be subject to amendment or to a demand for a division of the question in the House or in the Committee of the Whole, and which shall be in order any rule of the House to the contrary notwithstanding:

(1) a motion, if offered by Representative Fazio of California, to strike subtitle B of title VIII of the bill beginning on page 481, line 1 through page 486, line 6, and said amendment shall be debatable for not to exceed thirty minutes, to be equally divided and controlled by Representative Fazio and a Member opposed thereto;

(2) an amendment printed in the Congressional Record of October 17, 1985, by, and if offered by, Representative Latta of Ohio, and said amendment shall be debatable for not to exceed one hour, to be equally divided and controlled by Representative Latta and a Member opposed thereto; and

(3) an amendment printed in the Congressional Record of October 17, 1985, by, and if offered by, Representative Florio of New Jersey, and said amendment shall be debatable for not to exceed thirty minutes, to be equally divided and controlled by Representative Florio and a Member opposed thereto. 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 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.

The SPEAKER pro tempore. The gentleman from South Carolina [Mr. DERRICK] is recognized for 1 hour.

Mr. DERRICK. Mr. Speaker, I yield the customary 30 minutes, for the purpose of debate only, to the gentleman from Ohio [Mr. LATTA], and pending that, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 296 is a modified closed rule providing for consideration of H.R. 3500, the Omnibus Budget Reconciliation Act of 1985.

The rule provides 4 hours of general debate on H.R. 3500, to be equally divided between the chairman and ranking minority member of the Committee on the Budget.

House Resolution 296 waives all points of order against consideration of the bill, and waives points of order for failure to comply with clause 5(b) of rule XXI against subtitle C of title III of the bill. Clause 5(b) of rule XXI prohibits the inclusion of tax or tariff measures in bills or resolutions reported from committees not having jurisdiction to report tax and tariff measures.

Title III of this 10-title bill contains the reconciliation recommendations reported from the Committee on Education and Labor. Subtitle C of this title, which deals with amendments to the single-employer termination insurance system, contains provisions which may represent a violation of clause 5(b) of rule XXI. Therefore, this resolution waives points of order for failure to comply with this rule of the House.

This rule also waives points of order against the provisions of the bill for failure to comply with clause 5(a) of rule XXI, except for those provisions in section 4110 of the bill. These provisions, found in title IV of the bill, the Energy and Commerce Committee's title, include a rescission of all but $500 million of previously appropriated funds for the energy security reserve, the Synthetic Fuels Program, as well as an appropriation of $500 million for a scaled-down synfuels program.

Mr. Speaker, as our colleagues are aware, the House overwhelmingly approved a rescission of funds for the Synthetic Fuels Program during consideration of H.R. 3011, the Interior and Related Agencies Appropriation Act for fiscal year 1986. That bill, which passed the House on July 31, is awaiting action by the other Chamber.

In light of the action taken on the Interior appropriations bill, the Committee on Appropriations objected to the inclusion of this language as part of the reconciliation package reported by the Committee on Energy and Commerce. Therefore, this rule does not protect this language from a point of order.

This rule provides that no amendments to H.R. 3500 are in order except the four amendments referenced in the rule. The first amendment made in order amends language on lines 8 through 10 of page 15 in title II, the Banking Finance and Urban Affairs Committee's title.

This amendment, which will be considered as adopted in the House and in the Committee of the Whole upon adoption of this rule, seeks to ensure that funding earmarks contained in this section are subject to future appropriations acts. This amendment is primarily technical and clarifying in nature. The amendment is agreeable to both the Committees on Appropriations and Banking.

Next, this rule makes in order a motion, by, and if offered by, Mr. FAZIO of California. The motion would strike subtitle B of title VIII, the Public Works and Transportation Committee's title of H.R. 3500. This amendment is debatable for 30 minutes, with the time being equally divided and controlled by Mr. FAZIO and a Member opposed thereto.

Mr. Speaker, the Fazio amendment would delete those provisions in title VIII which remove certain trust funds from the unified budget. Numerous Members, including myself, have considerable concern over the impact of removing these trust funds from the budget, and the precedent such action will have for future reconciliation bills. Moreover, it is the view of the proponent of this amendment and others that a reconciliation bill is not the appropriate vehicle to address this substantive budget policy issue.

This rule, therefore, will give the membership of the House an up-or-down vote on this issue. I should also note, Mr. Speaker, that the Committee on Appropriations strongly opposes the removal of these trust funds from the unified budget.

An amendment is also made in order, by, and if offered by, Mr. LATTA of Ohio. This amendment, which was required to have been printed in the CONGRESSIONAL RECORD of October 17, 1985, is debatable for 1 hour, with time being equally divided and controlled by Mr. LATTA and a Member opposed thereto.

The Latta amendment seeks to delete from H.R. 3500 all new authorizations or so-called add-ons in the bill.

This amendment would delete authorizations for housing programs in title II; authorizations for coastal zone management and a Coastal Resources Block Grant Program in title VI; provisions removing the highway and airport trust funds from the unified budget in title VIII; and authorizations for two studies of the veteran population in title X. The Latta amendment would also amend authorizations for Federal pay adjustments contained in title VII of the bill.

Finally, Mr. Speaker, the rule makes in order an amendment by, and if offered by, Mr. FLORIO of New Jersey. This amendment is debatable for 30 minutes, with time being equally divided and controlled by Mr. FLORIO and a Member opposed thereto. The Florio amendment contains a 1-year reauthorization of Amtrak. As our colleagues are aware, this authorization was approved by the House on September 19, 1985, on a vote of 290 to 128. I would also note that the other Chamber has included an Amtrak reauthorization measure in S. 1730, the Consolidated Omnibus Budget Reconciliation Act of 1985.

Mr. Speaker, as chairman of the Budget Committee task force on the budget process and reconciliation, as well as being the sponsor of H.R. 3500, I can tell you that the process of putting together a reconciliation bill is never an easy one.

This bill contains the reconciliation recommendations of 10 committees of the House of Representatives. The additional reconciliation recommendations of several other committees are carried in separate legislation.

During general debate, there will be a full discussion of the savings achieved in H.R. 3500 versus the reconciliation instructions contained in the first concurrent resolution on the budget. I am pleased to note, however, that the savings achieved by the 10 committees whose recommendations are contained in H.R. 3500 are 6 percent above the instructions contained in the first budget resolution.

Mr. Speaker, the Rules Committee has recommended a modified closed rule for consideration of H.R. 3500. The rule permits a very limited number of amendments: an amendment to resolve an unintended drafting problem in the banking title; an amendment on a budget policy issue in the public works title; a comprehensive amendment, offered by the minority, to delete various authorizations in the bill; and an amendment to add a 1-year authorization for Amtrak in order to have a House position on this issue in conference on the reconciliation bill.

I believe this is a good rule. The Committee on Rules heard testimony for some 6 hours from over 40 witnesses. While every request for amendments to H.R. 3500 was not made in order under this resolution, the rule does make in order several major policy questions while keeping the integrity of the reconciliation package intact.

The reality of the reconciliation process is that it is a somewhat painful process. If considered under an open rule, this package simply could not be passed, and the savings we must achieve would not be realized.

Mr. Speaker, I urge adoption of the rule, and subsequently, adoption of H.R. 3500.

□ 1105

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

Mr. LATTA. Mr. Speaker, let me say I agree with the statements just made by the gentleman from South Carolina about this rule, and I do not want to rehash the provisions of the rule other than to say something about the reconciliation process that I think ought to be said.

Certainly before we become too involved in the details on this, we ought to step back 1 minute and consider the overall purpose of budget reconciliation. The purpose of budget reconciliation is to make the reductions in spending or changes in revenue directed by the House in its budget resolution. As Members recall, we passed that resolution in this body and in the other body in August.

The budget resolution for fiscal year 1986 directed 14 committees to take steps to reduce the deficit, and yet, Mr. Speaker, H.R. 3500 as we have it today, made in order by this rule, does include a number of provisions which do not reduce the deficit but, in fact, will bring on new spending.

In one title of this budget reconciliation bill, the Committee on Banking, Finance, and Urban Affairs tacked on the provisions of a major—and I repeat major—authorization bill, H.R. 1. This has been hanging around for quite some time. It has been in the Committee on Rules since the forepart of August and no movement has been made on that bill, but we find it now being included in reconciliation.

Let me also say that the Budget Act does not give the Committee on the Budget any authority to change any of the recommendations under reconciliation after they are submitted by the committees, meaning all we do in the Committee on the Budget is bundle up all of these committee recommendations and present them to the Committee on Rules and subsequently, then, to the floor. So the only way we can make changes is on the floor of the House. That is the reason we have made several amendments in order, and I might say some of the amendments that were not made in order I could support, and I am referring to the Udall amendment, for example. I am very sorry that the Committee on Rules did not see fit to make that particular amendment in order.

Mr. Speaker, using the budget reconciliation bill as a vehicle for deficit add-ons or as a vehicle for major authorization legislation is contrary to the purpose of reconciliation. In order to correct this abuse of the process, I have drafted an amendment, which has been made in order to eliminate the deficit add-ons and the provisions of the housing authorization bill itself.

Let me make clear, Mr. Speaker, that I am not opposed to the consideration of these bills per se. I am just opposed to the way they are being brought forth; that is, in the reconciliation bill. If it is given a rule by the Committee on Rules, I think H.R. 1 should be debated and amended on the floor of the House and not be brought forward in this manner.

Let me say, Mr. Speaker, that my amendment would retain all of the actual reconciliation measures which are in this bill, but we would be eliminating the add-ons, which would result in a total savings of $3.5 billion. Let me repeat that. My amendment would amount to savings of $3.5 billion in add-ons over the next 3 years, and this does not include another $1 billion in savings which could be achieved later by eliminating deficit add-ons in a separate reconciliation bill, H.R. 3128, under consideration by the Committee on Rules from the Committee on Ways and Means.

Mr. Speaker, the rule before us today provides a reasonable procedure for the consideration of the Budget Reconciliation Act. First, there will be 4 hours of general debate. Then the rule provides for separate consideration of three specified amendments which are not amendable.

The first amendment listed in this rule is to be offered by the gentleman from California [Mr. FAZIO], and it will strike the provision in the bill which takes the highway and airport trust funds off budget, and this will be debated for 30 minutes.

Let me pause at this point to lay aside some of the arguments that are being used as to whether or not this trust fund should be on or off budget. I have heard people say in this Chamber that if we do not make these highway trust funds off budget, they are going to lose some projects in their districts or in their States. That is ridiculous. Those projects will move through this Congress just the same as they do now, whether they are on budget or off budget. It is a bookkeeping matter, and by taking them off budget, we are going to add $580 million to the deficit in 1 single year.

If, for example, we were to take Social Security off budget, the figure of $60 billion in new deficits would be added to our total debt in one swoop,

and I do not know too many people who want to do that.

The second amendment listed is my amendment which would eliminate the deficit add-ons in H.R. 1. This will be debated for 1 hour.

There is a third amendment listed, to be offered by the gentleman from New Jersey [Mr. FLORIO]. The Florio amendment would add—and I want to emphasize this—would add the authorization for Amtrak to this budget reconciliation bill. This amendment will be debated for 30 minutes.

Mr. Speaker, the rule waives all points of order to protect certain parts of the bill, naturally. During the Committee on Rules hearings on this rule, 37 Members of Congress testified, seeking to have various amendments made in order. Many of these dealt with problems or conflicts between committees, which can be more easily resolved in conference than on the House floor.

Let me also say, Mr. Speaker, and to emphasize that if I had had my way in the Committee on Rules, which I did not have on all of these questions, certainly I would have made some of these amendments that Members sought to have made in order, made in order. But the votes were not there and they were not made in order. But I think we have the best rule we could possibly get out of the Committee on Rules on a very complicated matter.

Mr. Speaker, I support the passage of this rule so that the House may proceed to deal with the budget reconciliation bill, and I cannot emphasize too much how important this reconciliation bill is to deficit reduction. Deficit reduction in this Congress is most dependent upon the passage of a budget reconciliation bill like we have before us today.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 1 minute to the gentleman from Louisiana [Mr. BREAUX].

Mr. BREAUX. I thank the gentleman for yielding this time to me.

Mr. Speaker, I thank the chairman for allowing me to address one particular issue. I support the rule. I think it is a good rule.

The issue I would like to speak to very briefly is the issue of the so-called 8(g) settlement. I think it is a fair settlement. It gives to the States 27 percent of the bonuses, the rents, and the royalties that come from Federal lands. Interior States get 50 percent of the same bonuses and rents and royalties from Federal lands within their area.

Three committees in Congress have looked at this problem. All three of them have come back and reported legislation which handles the problem basically in the same way. I think the committee process has worked. It should be protected. I think it is a fair settlement to the Federal Treasury and that it gives to the Federal Government somewhere between $4.3 billion and $4.48 billion to help reduce the deficit to the Federal Government, with the States getting 27 percent. The States originally fought for 50 percent, so a 27-percent settlement, I think, is fair, it is certainly equitable. It is substantially less than what interior States already get from Federal lands and I cannot believe that anyone would think that coastal States should somehow be treated less fairly than the interior States of the United States.

I think this is a good settlement and we should not open it up. The rule is a good rule and I strongly support it.

□ 1115

Mr. LATTA. Mr. Speaker, I yield 3 minutes to the gentleman from Mississippi [Mr. LOTT].

Mr. LOTT. Mr. Speaker, I rise in support of this rule. It was a very finely crafted rule. It is not perfect, but it was a difficult issue because you have a lot of conflict between a lot of committees around here.

It is getting to where the Rules Committee is getting to be a constant battleground between this committee, that committee, jurisdiction, turf, and sooner or later, we have to vote. We have to try to find a way to get a rule to the floor that is fundamentally, basically fair, even though some committee or the other feels like they have been abused. That is not the intent. We wanted to try to get a rule here that would bring this issue to the floor for consideration, for a vote, that would give everybody a crack on the issue.

Now speaking to our side of the aisle, the Latta amendment was made in order. There may be a point or two that you do not like in the Latta amendment. But remember this: If you do not get an opportunity to pass the Latta amendment, this is not going to be a reconciliation bill. This is going to be a shell game again.

Are we going for a reconciliation bill that allows for raising of spending and for putting housing authorization legislation in it? I mean, let us put everything in the reconciliation bill. Are we serious or not?

We are over there in conference meetings right now on the debt ceiling and Gramm-Rudman-Mack budget balancing procedure. We are talking about trying to come up with a new budget process. Do you want to know why we are doing that? Exhibit A. This bill as I said last week, if we cannot make reconciliation work, if we do not stop using it as a train to pull everybody through town that week, it is going to collapse.

So on the Latta amendment, it is an opportunity to try to make this a reconciliation bill instead of an omnibus catch-all bill.

Let me tell my colleagues on my side of the aisle that if we do not pass this rule, and if the Republicans do not vote for this rule, we do not have any guarantees when we go back to the Rules Committee about what we are going to get. We may not get Latta. We may not get anything.

And those of you on the other side of the aisle who think, well, I will vote against this rule and I will get something that suits me better, that involves maybe the offshore oil question one way or another, or involves ways and means and the tax issues, well you do not have any guarantees. We may not even have another rule. We may not even have reconciliation.

Let me tell my colleagues there are a lot of people on the floor of this House that would like to have no reconciliation. They do not like it, because reconciliation tries to make us comply with the budget resolution we have already passed.

So we will fight over the Fazio amendment and we will debate the Latta amendment. But for God's sake, let us pass a rule.

Are we going to be sitting here with nothing? What would we do? You know, we have already got it stretched out over 2 days. All we are going to do today is have one measly vote on the rule, and then the general debate, and then we are going to pass for the day and go over to tomorrow. We will fight another day, and that "another day" will be tomorrow.

We could not even dredge up some kind of cat or dog that we could consider tomorrow, so we have stretched this bill out over 2 days.

So if we do not have a rule, well, maybe you would want to do that. We can all go home tonight and explain why we cannot pass a measly rule on a reconciliation bill.

I had prepared remarks and I did not refer to them very much. But I urge my colleagues to vote for this rule because what you get as an alternative may be nothing.

Mr. Speaker, I think it's fair to say that there's no one in this House who is completely enamored with this rule or the bill it makes in order. But that's the nature of the reconciliation process today. It's filled with pains and games. There are pains for everyone who is forced to make cutbacks in favorite programs in his or her committee and district, and there are always pains involved for those who bear the brunt of these cuts.

But there are games involved in reconciliation too—games that have been going on since reconciliation was first used back in 1980. Some committees see this as a convenient vehicle for attaching their favorite reauthorization bills and even some new goodies. The bill is not subject to the same scrutiny and amendment as bills brought up individually. These tend to be relatively closed rules, and relatively veto-proof bills.

So the temptation is there to catch a free-ride.

Now I realize that there are other pains involved in this year's reconciliation process that have strained the process and relations between various committees. We have several provisions in this legislation that step on the toes of other committees. This is not the fault of reconciliation; it's the way our jumbled and overlapping committee jurisdictions are set up under House rule 10. You don't hear that much squawking when committees are able to share in the glory of a joint legislative venture. But when you are in a no-glory, deficit reduction effort, turf becomes a much more sensitive situation. And I sympathize with those committees who feel their turf has been evaded.

And finally there are the games played with numbers and how much is really being saved. In a conversation with the new OMB Director yesterday, I was informed that this legislation is actually $17 billion short of its 3-year savings target, even though the Budget Committee says it's on target.

Now that's a pretty significant difference in scorekeeping, and one might be tempted to say that OMB is playing some kind of game. But, consider the fact that a big part of that $17 billion difference is credit to the Government Operations Committee for saving $8.4 billion by terminating revenue sharing. The fact is, though, that revenue sharing is terminating any way. There is no reconciliation legislation producing those savings. Other so-called savings by other committees are subject to similar games and manipulation.

But despite all the pains and games, we must get on with this process because it is so critical to our short-term and long-term deficit reduction effort. This rule does make in order the amendment by the gentleman from Ohio [Mr. LATTA] to eliminate most of the extraneous add-ons, totaling some $3.5 billion over the next 3 years. I hope it passes. That will eliminate one of the major problems with this bill, especially the inclusion of H.R. 1, the omnibus housing bill. That has no place in this!

Mr. Speaker, I am privileged to be a conferee on the debt limit bill and the provisions of the Gramm-Rudman balanced budget and emergency deficit reduction amendment. Our sessions have been interesting to date, if not terribly productive. But I was amazed and almost encouraged by what I was hearing from my House majority colleagues yesterday. "Let's get tougher than Gramm-Rudman and reduce the deficit in greater amounts sooner," they were saying. I said I was almost encouraged, because I've heard this kind of talk before, and when push comes to shove in the nitty-gritty world of spending decisions, we cop out. That's why we are now considering the type of action-forcing mechanism presented by Gramm-Rudman-Hollings: an across-the-board cut in COLA's and controllables that would be so onerous and fraught with problems that we just might do our job right before it gets to that.

But to my brave, tough talking friends, let me invite you to put your savings where your mouth is. Vote for the Latta amendment. Then let's squarely face what more needs to be done.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 2 minutes and 15 seconds to the gentleman from Arizona [Mr. UDALL], chairman of the Committee on Interior and Insular Affairs.

Mr. UDALL. Mr. Speaker, I rise in strong opposition to the rule on the budget reconciliation bill. I urge my colleagues to join me in defeating this rule and sending it back to committee so we can get a fair and equitable rule to operate under.

I am opposed to this rule for many reasons, but what is especially troubling to me are provisions in both the Merchant Marine and Interior titles that just hand over to seven coastal States more than $6 billion in Federal offshore oil and gas revenues. At a time when this Congress voted to phase out is justifiably obsessed with the deadly threat of massive budget deficits it is embarrassing and inexplicable to this Member how the House would not only approve this outrageous giveaway but even worse would not even give us the chance to vote on it. And that is what the Rules Committee did on a 7-to-6 vote.

I do not have the time to give the House a full explanation of this situation, because the rule does not permit it. But in simple terms here is what has happened: In 1953, the Congress overturned a Supreme Court ruling that all offshore waters belong to the United States and we gave the first 3 miles of coastal waters to the respective States. Since then, the Gulf and Pacific States have enjoyed 100 percent of the very enormous oil and gas benefits that generous decision conferred on them.

In 1978, Congress overhauled the oil and gas leasing system in Federal waters beyond the 3-mile boundary. A relatively minor provision called section 8(g) set up a process whereby States would be made whole whenever a Federal lessee in the first 3 miles of Federal waters—in other words, 3 to 6 miles from shore—drained State oil and gas from reservoir lying under both State and Federal waters. When and only when the Secretary of the Interior and a Governor determined such a reservoir was being drained, they were to enter into negotiations for a fair and equitable distribution of the bonuses, rents, and royalties.

But the States of Louisiana, Texas, California, Alaska, Mississippi, Alabama, and Florida have managed in this bill this limited provision into a general revenue sharing mechanism of staggering proportions. They appropriate unto themselves $1.5 billion in old bonuses and rents immediately and $54 million in old royalties immediately. In the future, they generously grant themselves 27 percent of all future Federal bonuses and rents from leases in the 8(g) zone whether or not those leases result in the production of any oil, much less State oil. Even worse, they also grab 27 percent of all future Federal royalties on oil that is produced, even if it is purely Federal oil. This royalty provision alone will cost the Treasury $4 to $6 billion. They also have appropriated unto themselves an additional $477 million to be financed in future years by diverting an additional 10 percent of 8(g) revenues into a new fund to directly pay these States.

None of this money will ever be appropriated by the Congress because it goes directly to these seven States. But it is spending all the same—massive spending that buys absolutely nothing for the Federal Government and its beleagured taxpayers and the Rules Committee won't let you vote on it. Next year and the year after that and the year after that you will have to cut a worthwhile program or raise somebody's taxes or borrow some more money and ask our children to pay the interest on it, in order to pay for this. Go home to explain this to your constituents.

Mr. Speaker, we hear a lot of talk around here right now about how the Congress can't discipline itself on spending and so we need some grandiose budget balancing proposal to force discipline on ourselves. What we have here is a glaring and perfect example of that. Now I can understand the temptations of the Members from those seven lucky States to get all this money for the folks back home. But I don't understand why the Members from the other 43 States have to go along with it. I don't understand how we will explain to our constituents that we are going to start getting really serious about balancing the budget next year, but this year we gave away more than $6 billion to seven coastal States. I don't understand why the House cannot take an hour of its time to talk about this very significant policy and budget issue.

Please, vote down this rule and help me to put a stop to this embarrassing episode.

Mr. LATTA. Mr. Speaker, I yield 2 minutes to the gentleman from Tennessee [Mr. DUNCAN].

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

I rise in opposition to this rule because it has become, I think, ironically a vehicle for avoiding jurisdictional rules of the House involving not only the committee upon which I serve, the Ways and Means Committee, but other committees of the House.

This is the first time that I have ever been opposed to a rule from the Rules Committee, but I think this is the most irresponsible request for a

rule that has been my experience to see since I have been in the House of Representatives for 21 years.

For example, parts of H.R. 3500 clearly are within the jurisdiction of the Ways and Means Committee. Yet when our committee asked the Committee on Rules to make it in order under the rule, either as an amendment to strike the language in question, or substitute preferred language, we were turned down. That, of course, is the prerogative of the Rules Committee. But I submit to you, Mr. Speaker, that it was not a decision in keeping with the spirit of the rules of this House. It particularly runs counter to the rights of other legislative committees as well as our own to have some control over their own jurisdictional areas.

I want to emphasize that my objections in this matter are more procedural than substantive. In cases where committees have inserted revenue items or other items not within their jurisdiction, arguments on merits should be conducted on another plane.

Each of these items, Mr. Speaker, are very important. But if this rule were to pass, I think many committees in this House could say good-bye to their jurisdiction in the very near future.

So I say this is one of the most dangerous things that we have ever voted on, and I urge my colleagues to vote no.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 1 minute to the gentleman from Louisiana [Mr. HUCKABY].

Mr. HUCKABY. I thank the gentleman for yielding me this time.

I rise also in strong support of this rule and would like to address briefly the offshore oil and gas settlement.

In 1978, Congress said that the Federal Government should share with the States in a fair and equitable manner all revenues derived from the so-called 8(g) zone. The States thought fair and equitable was 50 percent, because this is what the Federal Government shares on its onshore property with the States as well as all its mineral leases.

This money, billions of dollars, has been held in escrow since 1978. This year, as part of this budget reconciliation, Congress agreed with the States, and the States agreed to accept 27 percent.

The gentleman from Arizona [Mr. UDALL] said that the States will receive some $6 billion over future years. In order to reach this number, one has to project out 30 years, and one has to assume that production is 20 times greater than what it is today in this offshore zone. I think that is totally unrealistic. No one can reach to those numbers.

This is a fair and equitable settlement and I would urge adoption of the rule.

Mr. LATTA. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. Mr. Speaker, I rise in vigorous objection to the rule and urge that all Members vote no on this rule.

The gentleman from Arizona [Mr. UDALL] has told us that unless you vote "no," you are going to see $4 billion or $5 billion go out of the Federal Treasury into direct payouts to a select handful of States.

You have also found that the Appropriations Committee is going to lose jurisdiction over spending out of the trust fund, so that there will be a direct dip out of certain of our Federal trust funds under the jurisdiction of only one committee.

My problem with this rule is it sets a precedent which allows every committee of the House to sweep out its broom closet of pet projects which it cannot pass in the normal run of legislative affairs. And it will then attach them to the reconciliation bill which those committees know must ultimately pass.

The Rules Committee is meant to be the guardian of these jurisdictional disputes. It has failed its responsibility in that regard.

The Ways and Means Committee has a series of objections. The most important one is that the Rules Committee has invaded our jurisdiction and given a pension matter exclusively to the Education and Labor Committee.

This matter of law that the Ways and Means Committee has shared since 1974 is ERISA. At that time, we passed a complicated law knowing we would lose thousands and thousands of pension systems, but at least we knew what was going to happen. Now we have a complicated new law presented by the Education and Labor Committee attached to the reconciliation bill, not germane, in my judgment, to reconciliation at all, which will probably cost many more pension programs. They will go out of business or they will never start in the first place.

Education and Labor is justly interested in protecting the PBGC, and so it has given us some amendments which help large, well-funded pension funds and the employees of those funds. It, however, causes a heavy reliance on other private pension sources because we are certain to lose new companies and shaky employers from the pension system, and thereby place heavier pressure on Social Security.

I urge a vote against the rule.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 2 minutes to the distinguished gentleman from New Jersey [Mr. HOWARD], chairman of the Committee on Public Works and Transportation.

Mr. HOWARD. Mr. Speaker, I rise in opposition to the rule on H.R. 3500.

In part, that rule makes in order two amendments to strike language in the Public Works and Transportation Committee's title of the bill removing self-financed, deficit proof transportation trust funds from the unified budget. I believe inclusion of this language as part of the reconciliation bill is appropriate for a number of reasons.

First, taking the self-financed transportation trust funds off-budget is consistent with the primary purpose of the first concurrent resolution on the budget for fiscal year 1986.

This year's resolution has at its centerpiece a plan for deficit reduction and control of Federal spending. In projecting deficits for fiscal years 1986–88 at approximately $172, $155 and $113 billion, the budget assumes corresponding 3-year savings or deficit reductions of $75 billion. The purpose of the reconciliation bill is to implement those savings which will achieve deficit reductions.

According to the Congressional Budget Office, taking the self-financed transportation trust funds off-budget would decrease the deficit by $80 million in fiscal year 1989 and by $230 million in 1990. Arguably, these could be even higher since CBO's estimate is based upon budget resolution assumptions and not what the actual spending might be for those years.

More importantly, taking these trust funds off-budget would provide for a clearer, more accurate picture of Federal spending in future years. Decisionmaking in the budget process, as we know it today, would no longer be distorted as self-financed transportation trust funds would not be pitted against other Federal programs which must compete for scarce general revenues.

Second, there is precedent for taking programs off-budget in the reconciliation bill.

In the Omnibus Budget Reconciliation Act of 1981, both House and Senate Energy Committees recommended, the Congress approved and the President signed into law language taking the strategic petroleum reserve off-budget.

Third, taking the self-financed transportation trust funds off-budget in reconciliation is germane to both the instructions given the Public Works and Transportation Committee and the recommendations submitted by it.

The reconciliation instruction to our committee assumed enactment of the 3-year highway obligation ceilings at the levels contained in the budget resolution.

As part of its package, the committee recommended those assumptions.

In addition, it proposed an $800 million cut in the basic Federal-aid highway program for fiscal year 1986, reflecting a concern for the current status of the highway trust fund. A logical extension of both actions is the inclusion of this off-budget language which goes to the very issue of future year highway spending.

In addition, inclusion of this language does not authorize or provide new budget or spending authority.

Most importantly, it does not authorize a new program as others have done in this reconciliation bill.

Last, taking the self-financed transportation trust funds off-budget is consistent with the procedural exemptions of the Budget Act.

Mr. Speaker, next year will mark the 30th anniversary of the creation of the first self-financed transportation trust fund. Beginning July 1, 1956, receipts from various road taxes were placed in the highway trust fund rather than the general fund of the Treasury to support highway construction. With the addition of the airport and airway trust fund in 1970 and the mass transit trust fund in 1982, we have witnessed over the past three decades the evolution of a national transportation program which has contributed greatly not only to the quality of life of all our citizens and the choices open to them, but to the industrial development, investment and productivity of this great Nation.

As a financing concept, the self-financed transportation trust funds are second to none. They have a demonstrated track record of fiscal soundness, efficient management and prudent investment.

Unfortunately, the rule which is before us today does not take into account these factors. Rather, it unjustly singles out an issue which rightly deserves the protection of the reconciliation process.

I recognize that for various reasons—none of which go to the merits of the trust fund proposal—certain Members of the House cannot support my opposition to the rule.

However, should this rule not be defeated, I do welcome your support in opposing the Fazio-Latta amendments. I do so, not as chairman of the Public Works and Transportation Committee, but as one concerned about an issue of utmost importance to all Americans.

Mr. Speaker, I urge a "no" vote on the rule.

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Mr. LATTA. Mr. Speaker, I yield myself 30 seconds.

Let me say I listened intently to the statement just made by my good friend from New Jersey [Mr. HOWARD]. Let me emphasize that he stated in so many words that we are not going to have more or less money based on whether or not the highway trust funds remain on budget.

As I stated earlier, it is a bookkeeping question concerning whether or not they are going to be on budget or off budget, and whether or not we are going to pick up $580 million in fiscal year 1987 of additional deficits. That is what the question is; there is no question concerning whether or not we are going to get more highways in our districts or in our States, or more bridges. It is just a bookkeeping question whether they are going to have $580 million.

Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. WYLIE].

Mr. WYLIE. I thank the gentleman for yielding.

Mr. Speaker, I support the rule, which would allow the House to vote on an amendment to be offered by the gentleman from Ohio [Mr. LATTA] which would strike all budget add-ons to existing programs along with all new program language.

As a member of the Banking Committee, I would like to point out that this reconciliation bill, which we will be asked to consider, contains the entire authorization bill of the Department of Housing and Urban Development, all 227 pages of a bill which was finalized essentially by the majority members of the House Banking Committee.

It is substantially different from the bill we approved in the full Committee on Banking and the funding levels on many programs were changed in the closed caucus.

This is a bill, I might add, which took 3 days for staff to explain before the actual 8 days of markup. I believe the House deserves to have full debate on this complex housing bill and adoption of the Latta amendment would ensure that we would take this legislation up under regular order, not under what is essentially a closed rule as it applies to the housing programs authorizing over $20 billion—as I said, in 227 pages.

I think this is not a fair procedure, Mr. Speaker. We should support the rule.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 2 minutes to the distinguished chairman of the Committee on Ways and Means, the gentleman from Illinois [Mr. ROSTENKOWSKI].

Mr. ROSTENKOWSKI. Mr. Speaker, I rise in opposition to House Resolution 296.

It is clear that H.R. 3500 to which this rule will apply has been used for many purpose other than budget reconciliation.

H.R. 3500 contains several provisions that have been placed there by other committees with the purpose of avoiding the jurisdiction of the Committee on Ways and Means.

On October 16, 1985, I appeared before the Committee on Rules to protest the use of the reconciliation process as a vehicle by which one committee could circumvent the jurisdiction of another. At that time, I requested that the Committee on Rules strike from H.R. 3500 those provisions that would have been jointly or sequentially referred to the Committee on Ways and Means, had the normal legislative referral process been followed. In addition, I requested that the Committee on Rules make in order an amendment that was approved by the Committee on Ways and Means to the single employer pension plan provisions contained in title III of H.R. 3500.

However, the Committee on Rules denied both requests. As a result, House Resolution 296 does not strike any provisions that violate the jurisdictional rights and responsibilities of any committee. In addition, House Resolution 296 does not allow the Committee on Ways and Means to offer its substitute to the single employer pension plan termination provisions of title III. In fact, under the proposed rule, the Committee on Ways and Means may not even raise a point of order against these plan termination provisions.

While I object to this proposed rule on all these points, I particularly object with regard to the plan termination provisions of title III.

In the first place, jurisdictional interest of the Committee on Ways and Means in this matter is clear, and has been affirmed by the House Parliamentarian. Title III increases employers' liability to their defined benefit pension plans, and to the Pension Benefit Guaranty Corporation [PBGC].

Amounts to satisfy this liability are deductible from taxable income. Therefore, any increase in this liability increases allowable deductions from taxable income, and is thus a revenue measure within the jurisdiction of the Committee on Ways and Means.

It is clear that my transmitting these provisions to the Budget Committee, rather than reporting them to the House of Representatives, the Committee on Education and Labor chose to avoid the normal sequential referral process for these tax and pension issues.

I served with many of you on the committee that developed the budget process. It was never our intent nor the Congress to allow budget reconciliation to become the means of avoiding the normal legislative procedures of the House, and I object to this rule which would allow this very alarming trend to go unchecked.

In addition, I would like to say that I am very concerned about the results of title III, not only on the reconciliation process, but on substantive pension policy as well. First, these amend-

ments greatly expand the liability of employers who have set up defined benefit pension plans, well beyond what we originally envisioned when we wrote ERISA.

Second, title III would vastly expand the liability of employers for terminated plans, even after they have sold the subsidiaries with the pension plans in question. An irresponsible measure of this kind could poison legitimate corporate mergers and acquisitions, and goes far beyond the needs of the abusive situations it is meant to address.

And finally, I am concerned that title III contains a host of smaller provisions, which together add up to tremendously increase the risk and expense of establishing a defined benefit plan. Like the two measures I have already discussed, these go far beyond the immediate need of ensuring the solvency of the PBGC. And like those other two measures, these provisions will have incalculable—but certainly vast—effects on all sorts of legitimate transactions undertaken in the ordinary course of business.

We must remember that defined benefit pension plans are strictly voluntary; employers are not required to establish defined benefit plans and if they have already established such plans, they don't have to keep them.

It is my concern that, rather than face the increased risk and expense imposed by these provisions, employers will terminate defined benefit plans while they are still able to do it. In the long run, I am concerned that the retirement income of employees will be less secure as a result of these provisions, rather than more secure.

We must not allow the Congress to be rushed into endorsing sweeping changes of this kind merely because the Committee on Education and Labor, with the collaberation of the Committee on Rules, has been able to railroad these provisions through the legislative process, and thus avoid the procedures that normally would ensure these provisions received greater scrutiny.

To sum up my reasons for opposing this measure, House Resolution 296 allows the reconciliation process to become a vehicle for abusing with impunity the normal legislative procedures of the House. In addition, House Resolution 296, would allow major pension plan provisions to become enacted into law even though they have not been subject to needed scrutiny by the Committee of jurisdiction. For this reason, I ask my colleagues to join with me in opposing House Resolution 296, and ensuring that H.R. 3500 receive a rule that ensures the procedural and substantive integrity of the House jurisdictional rules and allows sufficient study of major and potentially damaging pension law changes.

Mr. Speaker, I urge my colleagues to vote against House Resolution 296.

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

Mr. ROSTENKOWSKI. I yield to the gentleman from Florida.

Mr. GIBBONS. Mr. Speaker, since we are only going to go through the rule today, there is no reason in the world why we cannot defeat this rule, send it back to the Rules Committee with the instructions and understanding that they get all the garbage out of this rule. This is a garbage grab bag.

We heard the distinguished chairman from the Committee on Interior describe it like some States are making off like highway bandits with oil lease money. My State is one of them, but we should not just vote on the basis of greed.

There is no reason we cannot take these things up under some other kind of rule other than the one we have got here. The rule should be defeated; the Rules Committee should go back and take the garbage out and then give us a chance to vote.

Mr. LATTA. Mr. Speaker, I yield 2½ minutes to the gentleman from Arizona [Mr. McCAIN].

Mr. McCAIN. Mr. Speaker, I thank the gentleman from Ohio [Mr. LATTA] for this time, and I appreciate very much the remarks of the gentleman from Florida [Mr. GIBBONS], who is right on target here.

I yield to my colleague from Indiana [Mr. SHARP].

Mr. SHARP. I thank the gentleman, and I join my colleague, who has worked on this 8(g) or Outer Continental Shelf deal, and would just hope that our colleagues would recognize that it is both complicated and expensive, and deserves more time than it can possibly get if we follow the procedures of the House here.

One little item: In case we think that everybody thinks this is a good deal from the States that are going to be affected, we have a cartoon from a Baton Rouge newspaper which describes this as the 8(g) sweepstakes, and suggests that this is like the clearinghouse for magazines, and you might win it all and be able to use this money in incredible ways.

So I hope my colleagues will take very seriously what my colleague from Arizona is about to say about giving us a chance to seriously consider something that is of major consequences on the Federal deficit and major consequences in terms of national policy.

Mr. McCAIN. Mr. Speaker, today we will consider the Omnibus Budget Reconciliation Act of 1985. This is one of the tools Congress is supposed to be using to solve our deficit crisis. Sadly, we are not using it in that fashion. Instead, for the sake of a $4 billion credit today, we are giving away $6 billion tomorrow. Because of this shortsighted action, the House must defeat this rule and send it back to the Rules Committee so that Congress may have the opportunity to correct this farce.

I am speaking about action by the Interior Committee which goes against the intent of the reconciliation process. The Interior Committee's action boils down to one question, How much Federal Outer Continental Shelf [OCS] leasing revenue will be distributed to a few coastal States and how much will be retained by the Federal Treasury to meet the needs of all Americans?

The provision currently in the Budget Reconciliation measure could eventually cost the American taxpayer over $6 billion. In the short term, this measure will provide the Federal Treasury with $4.4 billion, but only through some creative bookkeeping since the money is already being used by the Federal Treasury. However, in the long term, this measure would wind up costing the Government one and one-half times the supposed savings. This hardly seems like an accomplishment envisioned by the reconciliation process. This is a rip-off!

Congressman UDALL, Congressman SHARP, and I, had hoped to offer an amendment which would remove the offending provisions from the reconciliation package. The proponents of the provision would still have a chance to achieve their desired outcome through the normal legislative process, not by warping the budget process in this fashion. Unfortunately, the Rules Committee did not allow this, despite an initial 20-to-20 tie in the Interior Committee on the provision. I believe the House has not only the right, even the duty, to consider and vote on this abuse of the taxpayer.

Mr. Speaker, I am convinced that the agruments used to support the Interior Committee's outcome will not stand up on the floor of the House. I believe it is vital that the House defeat this rule. We must prevent this outrageous distortion of the budget process and unjustified loss to the Federal Treasury. I urge all of my colleagues to vote against the rule so that I may have the opportunity, together with my colleagues Mr. UDALL and Mr. SHARP, to offer an amendment correcting this disaster.

Let me quote to you, if I may, from the New York Times' editorial which says:

> A handful of States with offshore oil wells greedily propose an accounting trick that will give away as much as $6 billion.

Mr. HUCKABY. Would the gentleman yield on that point?

Could the gentleman explain to us where the $6 billion comes from?

Mr. McCAIN. Indeed. From the Outer Continental Shelf revenues, as the gentleman knows full well, and many of those revenues are outside the 6-mile limit.

Mr. Speaker, I would like to respond to the gentleman from Louisiana [Mr. HUCKABY], I hope that we will defeat this rule, allow an amendment so that we can have ample time to debate this very serious issue.

That is the intent of Congressman UDALL, Congressman SHARP and my reason for being here, so that we will have ample time rather than an additional 30 seconds.

We are convinced that the arguments used to support the Committee on Interior's action will not stand up on the floor of the House if we are able to debate it.

I urge all my colleagues to vote against the rule.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 1 minute to the gentleman from Missouri [Mr. CLAY].

Mr. CLAY. Mr. Speaker, I rise in support of House Resolution 296, the rule on H.R. 3500. This legislation contains provisions designed to shore up the financial status of the Pension Benefit Guaranty Corporation [PBGC], the Federal agency which was established in 1974 under title IV of ERISA to ensure workers' pensions.

Since May 1982, the administration has been asking Congress to take action to restore the PBGC plan termination insurance program to solvency. First, the premium paid by plans to finance the insurance program needs to be raised. Second, the single-employer pension plan termination insurance program itself needs to be reformed to close certain loopholes in the law. It is the committee's conviction that the premium and the reforms are inextricably linked and that each is needed to put the PBGC on a sound financial footing.

This year the Committee on Education and Labor was directed in the budget resolution to raise substantial revenues by enacting an increase in the premium paid to PBGC. When the committee marked up our portion of the reconciliation bill, we unanimously reported both the premium increase and the programmatic reforms necessary to meet our reconciliation targets. Those same provisions had been unanimously reported by our committee only 10 days before as separate legislation. We believe that both the reforms and the premium increase are germane to the bill before us and need to be adopted in the context of this budget reconciliation bill.

I support the rule on H.R. 3500 because it leaves these provisions intact and does not subject them to amendment. The Rules Committee was asked to make in order an amendment by the Committee on Ways and Means to strike the Education and Labor Provisions and substitute a Ways and Means amendment which had been adopted only the day before in their committee. The Committee on Ways and Means argued that the Committee on Education and Labor had no right to proceed on the reforms because the Ways and Means Committee had not considered them. We opposed their request on two grounds: Jurisdiction and substance.

Our colleagues on the Ways and Means continue to assert that they have joint jurisdiction over the programmatic aspects of the title IV plan termination insurance provisions. This is simply untrue. It is clear that ERISA itself envisions joint jurisdiction over a premium increase accomplished through a concurrent resolution, since the statute mandates joint referral of such a resolution. On the question of the jurisdiction over the reforms, however, we believe the legislative history is clear. The plan termination insurance provisions were developed sole by the Committee on Education and Labor and were orginally part of title I of H.R. 2, which became ERISA. Members of the Committee on Education and Labor were sole conferees with respect to those provisions.

In the past, the Ways and Means Committee has tried to argue that the procedure under which the House considered the multiemployer Pension Plan Amendments Act of 1980, the last major amendment to the title IV program, shows that joint jurisdiction exists over title IV. That argument overlooks one significant fact: The specific advance agreement of the two committees that we would work together on the multiemployer legislation, notwithstanding whatever the jurisdictional situation might be. That agreement was confirmed in a colloquy on this floor between Congressman FRANK THOMPSON, on behalf of Education and Labor, and Congressman DAN ROSTENKOWSKI, on behalf of Ways and Means, and clearly confined to the legislation at hand in 1980. Therefore, Ways and Means cannot use the procedural arrangement agreed to in 1980 as a means to bootstrap jurisdiction when none previously existed.

This bill is an entirely different matter. No such prior agreement for joint consideration exists. As a matter of fact, as early as May 1982, the former chairman of the Subcommittee on Labor-Management Relations, the late Phillip Burton, met with Chairman ROSTENKOWSKI on the need for structural reforms. The purpose of the meeting was twofold: To tell him that the Education and Labor intended to take up the reform issue and the premium increase request and to determine whether an jurisdictional arrangement similar to that of 1980 would be feasible. At least two additional meetings that I can recall have taken place since I became chairman of the subcommittee in 1983. In each of these meetings, we have been quite forthcoming about the legislative intention of our committee with respect to the single-employer program and have requested that the Ways and Means expeditiously consider the issues within its jurisdiction. Over the years, the Committee on Education and Labor continued to move ahead. Although we have no desire to antagonize our colleagues and we have to be willing to be accommodating in the past, we are convinced that we have the jurisdiction to move forward in the manner we have done.

Each committee has made its case to the Parliamentarian who will ultimately decide the jurisdictional issue. We have consulted at length with him about the nature of the jurisdiction over the specific provisions in subtitle C of title III of this bill. Although our committee remains convinced that the nonpremium portions of title IV are solely within the jurisdiction of the Committee on Education and Labor, one this is clear. To the extent that the Committee on Ways and Means has any jurisdiction at all over these issues, that jurisdiction is narrow and limited in scope and in no way rises to the level of joint jurisdiction.

In addition, the substance of their amendment was flawed. Instead of shoring up the financial condition of the PBGC by closing the loopholes that all agree exist, the Ways and Means amendment failed to deal with most of the major loopholes and, in addition, would have put the PBGC in a worse position than it is under current law. Currently when an underfunded single-employer plan terminates, the PBGC is entitled to claim up to 30 percent of an employer's net worth immediately to offset the liability it will pick up to guarantee benefits under the plan. PBGC may agree to alternative terms and conditions to collect this amount but it has the statutory right to claim the 30 percent in a lump sum when the plan terminates. The Ways and Means amendment would have created an absolute right in the employer to payment terms under which the liability would be amortized over 5 or 15 years. Thus in those cases, the PBGC could be in a worse position than it is now to collect a portion of the liability immediately.

Therefore, I support the action of the Rules Committee in refusing to make in order an amendment in the nature of a substitute offered by the Committee on Ways and Means to the Education and Labor title of H.R. 3500.

I urge your support of the rule on H.R. 3500. It is fair. It is reasonable. Most importantly, however, its enactment will assure that the substantial deficit of the PBGC, which is contributing to our overall national deficit, is reduced.

□ 1140

Mr. LATTA. Mr. Speaker, I yield 1 minute to the gentleman from Alaska [Mr. YOUNG].

Mr. YOUNG of Alaska. Mr. Speaker, I rise in support of the rule to accompany the Budget Reconciliation Act.

It is never easy to craft a rule on such an important and complex bill as the budget reconciliation resolution. In this case, I believe the Rules Committee has struck the right balance. By providing for a comprehensive amendment by the gentleman from Ohio [Mr. LATTA] the rule does provide an opportunity to vote on many of the programs which have been characterized as spending add-ons. At the same time, the rule does recognize the value of preserving the actions taken by the committees.

Mr. Speaker, I am a believer in the committee process. I believe the actions taken by committees, after consideration, after Members have had a full opportunity to vote, should be respected. We should not lightly cast aside those decisions. For this reason, I strongly support the rule adopted by the Rules Committee as the fairest means of dealing with the hard choices we always must make in the committees to meet the reconciliation instructions.

In particular, I support the actions taken by the committee of which I am the ranking member, the Interior Committee. I believe the committee met its budget reconciliation instruction in the only manner which could have resolved the OCS dispute.

If we are going to impose a settlement on the States, we owe it to them to apply a formula which is fair and consistent. It seems fair and logical to divide revenues with 73 percent going to the Federal Government and 27 percent to the States for all revenues in the 8(g) zone. Since the language of 8(g) applies to "revenues" in that zone, it is not logical to apply the 27 percent to bonuses and rents, but not royalties.

It is worth remembering that the States had requested 50 percent of revenues and did ask to have this issue withdrawn from the courts to be made a part of the congressional budget process. We need to settle these suits with the States in a way that addresses at least some of their concerns.

A bipartisan majority of the Interior Committee refused to exclude royalties from the settlements. For these reasons, I urge my colleagues to support the rule reported by the committee.

I would be glad to yield to the gentleman from Louisiana.

Mr. HUCKABY. I thank the gentleman for yielding.

I would like to follow up on the point of the $6 billion going to the offshore States. It is going to take 30 years for that amount of money to go to the offshore States, and then you have to assume production is 20 times greater for the next 30 years.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 1 minute to the distinguished chairman of the Committee on Education and Labor, the gentleman from California [Mr. HAWKINS].

Mr. HAWKINS. Mr. Speaker, I rise in support of House Resolution 296, the rule on H.R. 3500.

If adopted, the effect of this rule would be to assure that the provisions relating to the Single-Employer Pension Plan Termination Insurance Program established under title IV of ERISA will be considered by the House.

As the chairman of the Education and Labor Committee, I am gratified that the Committee on Rules has recognized how critical it is that these provisions be placed before the House in their present form. The provisions do two things: Subtitle B prospectively increases the premium under single-employer pension plans from $2.60 per participant per year to $8.50. Subtitle C contains major structural reforms to the insurance system itself. Both of these subtitles have been developed over the past 4 years on a bipartisan basis and passed our committee unanimously twice: Once as separate legislation and again in the context of our budget reconciliation package. They are strongly supported by both the administration and organized labor and generally not opposed by business.

I urge support of the rule and ultimate passage of H.R. 3500. It is critical that these provisions are enacted this year in order to put the PBGC back on a sound financial footing and thus reaffirm to pension plan participants that their pension benefits are secure even when their company may be in financial trouble.

Mr. Speaker, I urge support of the rule.

Mr. LATTA. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. FIELDS].

Mr. FIELDS. Mr. Speaker, I come today to address really one provision. Several speakers have talked about it already. It is the 8(g) provision. I thought what I would do would be to turn to the law that was passed on September 18, 1978, by this Congress. It says,

> Notwithstanding any other provision of this act, the Secretary shall deposit in a separate account in the Treasury of the United States all bonuses, royalties, and other revenues attributable to oil and gas pools underlying both the Outer Continental Shelf and submerged lands subject to the jurisdiction of any coastal State until such time as the Secretary and Governor of such coastal State agree on,

which they never have,

> or if the Secretary and the Governor of such coastal State cannot agree, as a district court of the United States determines, the fair and equitable disposition of such revenues and any interest which has accrued and the proper rate of payments to be deposited in the treasuries of the Federal Government and such coastal State.

What we are resolving today is that question. The Merchant Marine and Fisheries Committee, the Interior Committee, have decided how those should be disposed of. We are talking about royalties, and royalties we talked about on September 18, 1978, when that particular piece of legislation was passed.

Mr. MILLER of California. Mr. Speaker, will the gentleman yield?

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

Mr. MILLER of California. I thank the gentleman for yielding.

That is exactly the issue here. I happen to be the person who wrote that language in 1978. It says all revenues including royalties from future activities. The point is, the States have been waiting now almost a decade to receive this money that has been put into trust funds. They were promised money from future activities. What this legislation does is simply deliver on that promise. It was passed overwhelmingly on a bipartisan basis in this Congress in 1978. I think the gentleman has made a very, very important point, that this is simply the settlement-up of an agreement made many years ago.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 1 minute to the gentleman from Indiana [Mr. SHARP].

Mr. SHARP. Mr. Speaker, I urge my colleagues to vote "no" on this rule. It ought to be evident to everyone by now that the OCS issue deserves fuller attention.

Ladies and gentlemen, the OCS deal here goes well beyond anything intended in the 1978 act. if we had time, we could show you how it covers oil that is beyond the 3-mile 8(g) zone.

Second, Mr. Speaker, this goes beyond the deal agreed to in the budget resolution and agreed to by the House of Representatives. We think it goes beyond it by $4 billion to $6 billion, and so does OMB, and so does the Department of Interior.

Third, this is clearly opposed by this administration, which has been very favorable and very kind to States like Louisiana, Texas, and California.

Ladies and gentlemen, this deal is going to be very costly to the Federal taxpayer in the future.

Mr. Speaker, it reminds me a little bit, as we try to get it in under the guise of deficit reduction, of a country-western song that talked about teenage passion which goes like this: "Calling it love is no excuse for what we are doing."

Ladies and gentlemen, vote "no" on this rule.

Mr. LATTA. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. REGULA].

Mr. REGULA. Mr. Speaker, I rise in opposition to the rule.

Before I go into my reasons for opposing this rule, I want to begin by commending everyone involved in bringing this budget reconciliation package this far. As a former member of the Budget Committee I know how difficult the reconciliation process can be. However, I strongly believe it is an essential part of the budget process if we are truly serious about controlling spending.

There are a number of provisions in the reconciliation package before us, however, which concern me. The bill before us creates new programs, moves programs off-budget, and generally uses the reconciliation process to achieve policy aims unrelated to budget-savings items. I am going to address my comments today to one provision which I find particularly onerous, however, and which under the rule before us is not subject to amendment.

The provision I am referring to is title V, the Committee on Interior and Insular Affairs chapter and would substantially alter the balance between State and Federal interests in the Outer Continental Shelf Leasing Program.

The provision, could put a halt to the the entire OCS Leasing Program.

Section 5105 of the reconciliation bill would amend section 19 of the Outer Continental Shelf Lands Act. It would effectively give States a veto over leasing on the OCS. I strongly object to the States having veto power over a question of national policy. Furthermore, adoption of the policy embodied in this provision, would set a bad precedent.

The 1978 Outer Continental Shelf Lands Act amendments termed the OCS a "vital national resource reserve held by the Federal Government of the Public, which should be made available for expeditious and orderly development. * * *" Adoption of this provision would not only subvert the national interest, but would insure that we never achieve an expeditious and orderly development of these resources as mandated by Congress in 1978.

The absence of an energy crisis today does not lessen the national interest in the OCS Program. The resources of the Outer Continental Shelf belong to all the people of this Nation, and as such the exploration and development of those resources must be managed in the national interest. The national interest in the OCS program must not be subordinated to narrower State and local interests, which this provision would do.

Current law already provides for enormous input from and consultation with affected coastal States. The Secretary of Interior must accept a Governor's recommendation if it provides for a "reasonable balance between the national interest and the well-being of the citizens of the affected State."

Under this new proposal a Governor would be able to halt a sale unless the Secretary could prove that to do so would "significantly impair the national interest."

By allowing a State to effectively veto leasing off its coast, we would also be insuring that the Department could never be in compliance with section 18 of the OCS Lands Act Amendments of 1978 which mandated "an equitable sharing of developmental benefits and environmental risks among the various regions." Should the Miller amendment become law, States such as Louisiana and Texas, which have traditionally viewed leasing favorably, would be required to continue to bear the whole responsibility for supplying the majority of our Nation's future domestic offshore oil and gas.

Continuing the current imbalance—to date more than 95 percent of the wells drilled in Federal OCS have been drilled in the Gulf of Mexico while 85 percent of the California OCS is under moratorium—could result in the Gulf States too turning an unfavorable eye toward leasing, moving us even further from our national goal of energy security.

Further, this provision could have a serious effect on the standard of judicial review. Currently, if the Secretary determines that the Governor's recommendations do not provide a reasonable balance between Federal and State interests, a court may reverse the Secretary if his decision is "found to be arbitrary or capricious." The reconciliation bill would repeal the existing standard by requiring instead that the Secretary's decision be based on "substantial evidence."

Traditionally the substantial evidence standard has been used by courts to review findings of fact. At the lease sale stage, however, the Secretary's decisions necessarily are based to a large degree on judgments. There simply can be no cold hard facts on the likelihood of an energy emergency or whether oil and gas prices will rise or fall.

Opponents of OCS leasing could use the "substantial evidence" standard to impose a requirement of proof which could be impossible in the case of things as intangible and unknown as the Outer Continental Shelf and the world energy situation. In short the Miller amendment would create an enormously difficult standard for the Secretary to meet and for the courts to adjudicate.

Current law already provides the States ample opportunity for input into each step of the OCS process—from the initial preparation of the 5-year plan through the preparation of the final environmental impact statement. This cooperative, consultative process has worked well as is demonstrated by the deletion of numerous tracts offshore California and Alaska in past lease sales.

In short, adoption of this provision in the reconciliation bill would fly in the face of the very principles on which our system of Government is based. Our Founding Fathers recognized the importance of the distinction between the rights of the individual States and those of the united Federal Government. John Jay in the Federalist papers notes that ". . . the prosperity of America depended on its Union. . . ." The American people, Jay goes on to point out have long realized the "importance of their continuing firmly united under one Federal Government, vested with sufficient powers for all general and national purposes."

I think Mr. Jay would have agreed that the management of the Outer Continental Shelf Leasing Program and the broader issue of national energy policy are examples of the kinds of national purposes the Founding Fathers had in mind. We cannot and must not let this or any other issue of national policy be determined by the necessarily more narrow interests of the individual State government's.

To subject the management of the OCS Program to the wishes of each and every coastal State is to turn the program into chaos and to insure that it cannot be managed in the national interest. We will be abandoning the foundations of our great system of Government and subjecting our children and grandchildren to an uncertain energy future.

We must also look beyond the OCS issue and think of the precedent this legislation would set. What is to prevent the States from assuming the right to veto the location of a military base on Federal lands within their boundaries?

What is to keep the States from prohibiting onshore mineral leasing or perhaps in some States allowing exploration and drilling currently prohibited by Federal law? What of grazing rights on Federal lands? The possibilities are endless and frightening. We simply cannot abrogate the Federal Government's rights and responsibilities for managing the Federal lands and the resources those lands hold.

In addition to the federalism issue, this provision does not belong in a reconciliation measure, the aim of which is to contribute to deficit reduction, not increase it. Under the current leasing moratorium off the coast of California, the Government is estimated to be losing a potential of between $7 and $30 billion in Federal bonus and royalty income. I am convinced that if the Miller amendment became law

there would be no leasing off the coast of California thus eliminating any potential for bonus and royalty revenues from contributing to much needed deficit reduction.

I might point out to those of my colleagues involved in the controversies over dividing the so-called 8(g) revenues, that if this provision is allowed to become law the 8(g) dispute will be immaterial. Whether you include or don't include future royalties in the formula, 27 percent of nothing is nothing and that is what the States and the Federal Treasury can expect to receive if this provision is adopted.

As the ranking Republican on the Interior Appropriations Subcommittee, I have been dealing with the OCS issue for some time. Revenue from OCS receipts is used in part to fund the land and water conservation fund which provides both Federal and State land acquisition moneys for park and recreation facilities. If these revenues are sharply reduced or eliminated funding for these programs in all of our districts could be in jeopardy.

I would urge defeat of this rule so that reconciliation may be considered under a more open rule giving Members an opportunity to express themselves on this and other questionable provisions in the reconciliation bill.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield such time as she may consume to the gentlewoman from Ohio [Ms. KAPTUR].

Ms. KAPTUR. I thank the gentleman for yielding time to me.

As a member of the Committee on Banking, Finance and Urban Affairs and the Subcommittee on Housing and Community Development and as a member of the Committee on Veterans' Affairs, I rise in strong opposition to the rule.

Mr. Speaker, I rise in opposition to the rule because it is thoughtless. The sponsors of this amendment fail to recognize that the programs they seek to delete are well under the deficit reduction targets of the budget resolution and, in fact, some require no new spending authority at all.

One program in particular, contained in the veterans health-care section of H.R. 3500, would clarify the intent of a previous law mandating studies on the effects of agent orange on Vietnam veterans. This section merely calls on the VA to survey these effects in women Vietnam veterans who were included under the original authorizing legislation but excluded when the studies were implemented. This does not create a new program but corrects an omission in an old law. Furthermore, these provisions call for no new budget authority. In fact, it was made very clear in the Veterans' Affairs Committee markup on the original bill that the VA was to use for this study previously appropriated funds that were to have been used for another, now canceled, study. Further, in the instructions to report by our Veterans' Committee, it were specifically stated that no new budget authority was required.

In addition, I would like to point out that title II of H.R. 3500 contains total authorizations for housing that are less than what was permitted in the budget reconciliation instructions. In other words, it not only conforms to the budget reconciliation, it is less than that reconciliation and clearly demonstrates less expensive means to achieve the ends of existing programs.

Mr. DERRICK. Mr. Speaker, for purposes of debate only I yield 1 minute to the gentleman from California [Mr. FAZIO].

Mr. FAZIO. I thank the manager of the rule for yielding.

Mr. Speaker, I congratulate the gentleman for the work he did both as a member of the Budget Committee and as a member of the Rules Committee to bring to this floor a reconciliation bill that accomplishes the purposes we are here to talk about.

We are getting deviated into turf battles here. We are talking about issues that really are resolvable in the committee process. What we have to keep in mind is that our purpose for bringing the reconciliation bill to the floor is to reduce the deficit by $61 billion over the next 3 years. This bill does it and more. It cuts $3.3 billion more than was required by the budget resolution over that timeframe.

Nine of the eleven committees have met or exceeded their targets. We need to show the American people that we are serious about deficit reduction. Let us not get tied down in parochial debates. Let us show that we are proceeding here along a course of action that will allow us to have the freedom to keep the prerogatives of the legislative branch as we move forward on Gramm-Rudman.

Let us make sure that we fulfill our requirements under the Budget Act. Let us not get tied down in parochial committee debate here on the floor.

The SPEAKER pro tempore. The Chair will advise that the gentleman from Ohio [Mr. LATTA] has 5 minutes remaining and the gentleman from South Carolina [Mr. DERRICK] has 8½ minutes remaining.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 45 seconds to the gentleman from New York, [Mr. SCHUMER].

Mr. SCHUMER. I thank the gentleman for the time.

Mr. Speaker, I simply would like to make a brief point: This rule is Janus-faced, it is unfair, it smiles on certain interests, OCS and oil, and then isolates housing and poor people's interests, and lets an up or down vote go on those alone. What is good for the goose is good for the gander. If you want to eliminate all authorizing, eliminate all authorizing. Do not eliminate authorizing that hurts poor people's programs like housing but keep authorizing that allows oil States to get lots of money. It is an unfair rule. I urge it to be voted down.

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

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 1 minute to the gentleman from Florida [Mr. MACKAY].

Mr. MACKAY. Mr. Speaker, there are a lot of Members who are not involved in these controversies. I am not involved in any of these. My concern, as a member of the Budget Committee, is the impact of these controversies on the underlying issue—the effort to strengthen the budget process.

My belief and the belief that I urged to the Rules Committee is that we should strip all of these new and expended programs off of reconciliation so that reconciliation could be enforcement and enforcement only.

The Rules Committee heard from 37 Members. They did the best they could with the various viewpoints. The result is not only totally satisfactory, but I think it is the best rule we are going to have. I think the overriding issue facing the Congress today is the need for reconciliation so that we can show we are serious about our budget resolution that we have passed. The other body is doing that today. If the House does not do it, we are going to be, I think, greatly discredited.

Mr. Speaker, I urge support of this rule, and I urge the House to show, in the best way we can, that we are committed to a strong budget process and to reconciliation.

□ 1155

Mr. LATTA. Mr. Speaker, I yield 2 minutes to the gentleman from Louisiana [Mr. LIVINGSTON].

Mr. LIVINGSTON. Mr. Speaker, I rise in support of this rule allowing for consideration of H.R. 3500, the Omnibus Reconciliation Act of 1985.

I normally do not support modified closed rules that prohibit Members from exercising their legislative will. However, it is critical to the passage of any omnibus reconciliation bill to limit the number of amendments that can be offered. To reopen this omnibus bill to any and all amendments would severly jeopardize an already fragile reconciliation process.

More importantly, I am supporting this rule because it will protect the budget savings provisions reported by both the Interior and Merchant Marine and Fisheries Committees dealing with the disposition of revenues under section 8(g) of the Outer Continental Shelf Lands Act; 8(g) revenues are those derived from Federal offshore oil and gas leases within 3 miles of State boundaries.

In meeting the reconciliation savings required under this year's budget resolution, both the Interior and Mer-

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chant Marine and Fisheries Committees have finally and equitably resolved how the Federal Government and seven coastal States should share the $6.1 to $7.9 billion in estimated 8(g) revenues.

Some Members have criticized the distribution formula in this bill as a bail out and Federal windfall for only seven coastal States, but I would reply:

Over the years, billions of dollars in revenue have been collected by the Federal Government from oil, gas, and other mineral development on Federal onshore lands. This onshore mineral development occurs primarily in States west of the Mississippi where over 90 percent of our Federal lands exist. These Western States have always split the billions and billions in revenues from onshore development with the Federal Government on a 50-50 basis.

The Federal-State split for the offshore revenues provided in this reconciliation package will be 73-percent for the Federal Government and only 27-percent for the States.

This 73-percent Federal share means over $4.3 billion in immediate revenues to the U.S. Treasury and billions more in the outyears.

The distribution formula in H.R. 3500 is the only equitable formula that addresses coastal State concerns regarding the existing 8(g) escrow account, future 8(g) revenues, royalty payments, and the recoupment of 8(g) revenues collected since 1978 that were not placed in escrow.

The 27-percent State share of all these 8(g) revenues are desperately needed by my State of Louisiana where unemployment rates are still well above the national average and where the environmental impacts from intense offshore development have never been adequately addressed.

By approving the 8(g) revenue distribution formula in this reconciliation package, the Federal Government gets the best deal and we have for the first time our best chance to resolve a complex Federal-State dispute that began in the Carter administration and that has been debated in the Interior and Merchant Marine and Fisheries Committees since 1977.

Mr. Speaker, I urge the adoption of this rule.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 2 minutes to the gentleman from Pennsylvania [Mr. GRAY], the distinguished chairman of the Committee on the Budget.

Mr. GRAY of Pennsylvania. Mr. Speaker, today we have an opportunity to live up to a commitment we made on August 1, a commitment that would put us on a course of reducing the tremendous deficits that are cutting off economic growth, opportunity, and jobs in this country. And today we have the opportunity to take the first step toward implementation of the budget recommendations by passing the reconciliation portion of the budget that calls for 75 billion dollars' worth of reconciled spending cuts. That is what we are about today. That is what this rule is about. It provides us the opportunity to begin the implementation of deficit reduction.

I know that there are those who often use the reconciliation process for the passage of legislation authorization, terminations, et cetera. We know that from 1981 in Gramm-Latta 1, where we had over 200 of those. However, I hope, despite how you may feel about any of these jurisdictional questions, authorization questions, that we will not lose sight that this is the opportunity for the House of Representatives to work its will on deficit reduction and begin to implement what we said we were going to do on August 1.

Therefore, I urge the Members, if they are serious about deficit reduction, to pass this rule, and that the Rules Committee has provided an opportunity for the House to work its will. Failure to pass this rule means that the House will be at a disadvantage in terms of meeting its reconciliation targets and achieving deficit reduction and implementing strong measures to reduce the sea of red ink that is drowning this Nation.

Therefore, I urge the support and the passage of the rule so that we can get on with the important business of reducing our deficits, drying up the sea of red ink and therefore we can move forward.

Mr. LATTA. Mr. Speaker, I yield such time as she may consume to the gentlewoman from New Jersey [Mrs. ROUKEMA].

Mrs. ROUKEMA. Mr. Speaker, I rise in support of the rule on H.R. 3500 (H. Res. 296), especially as it relates to the ERISA provisions approved by the Committee on Education and Labor as contained under subtitles B, C, and D of title III.

I support the rule in order to expedite the consideration and passage of the ERISA single employer termination insurance reforms which are absolutely crucial to the Pension Benefit Guaranty Corporation [PBGC], if it is to avoid a $1 billion funding crisis.

In granting the rule that they did, the members of the Rules Committee obviously understood that the need for the subtitle C single employer provision was both immediate and compelling. They understood, as this body now must also, that prompt action is necessary if we are to avoid the sort of future funding crisis under ERISA that this Congress faced under Social Security only a few short years ago.

To avoid this sort of crisis the Committee on Education and Labor reforms discourage sham transactions and the unwarranted dumping of pension liabilities onto the PBGC, practices which in the past have imposed responsible plan sponsors the additional obligation of funding the liabilities of others.

The budget implications of these reforms can be substantial. Using a Congressional Budget Office example, if the reforms are successful in avoiding or delaying even one large plan termination, that would otherwise result in the unwarranted dumping of pension liabilities, the annual outlay reductions could average around $50 million over the 1986-88 period. In the long run, of course, many millions or even $1 billion can be saved by preventing even a single large plan termination.

In addition to the reforms contained under subtitle C, the provisions of subtitle B increase the single employer premium, thus enabling the PBGC to amortize its one-half billion-dollar deficit. This also results in a $666 million savings in budget outlays over the 1986-88, 3 fiscal year period.

It is important to stress that these provisions of H.R. 3500 are the product of 5 long years of obtaining a consensual approach to a problem which all affected parties agree must be addressed immediately. While these provisions do not contain the wish list of any single group, it enjoys the support of labor and the administration. The Secretary of Labor, William Brock, has expressed his strong support for this package, and it is also supported by the Pension Benefit Guaranty Corporation, which administers the program. The business community, which will be affected by the premium increase and the reforms, has raised no objections to our committee with respect to this package and there has been no opposition expressed from any other quarter. Most importantly, it enjoys the unanimous, bipartisan support of the members of our Committee on Education and Labor.

Therefore I urge this body to support the rule, House Resolution 296, in order that these ERISA title IV provisions be retained in their entirety under the omnibus budget reconciliation bill.

Mr. LATTA. Mr. Speaker, I yield such time as he may consume to the gentleman from Alabama [Mr. CALLAHAN].

Mr. CALLAHAN. Mr. Speaker, I rise in support of the rule, as I feel it represents the only manner under which the House can debate a bill on reconciliation with the many technical funding issues it contains.

I am particularly interested in titles V and VI which contain amendments to section 8(g) of the Outer Continental Shelf Lands Act. Section 8(g) deals with the equitable sharing of revenues by States and the Federal Government resulting from oil and gas leasing on OCS lands within 3 miles of a State's seaward boundary. I am not

going to go into any detail concerning the particulars of this issue as this has been discussed by others who have had more experience with the issue than I. I will, however, point out that the House Budget Committee has stated that the Merchant Marine and Fisheries Committee has fully met its reconciliation requirements as has the Committee on Interior and Insular Affairs. In both instances, both committees, because they have joint jurisdiction over this issue, have reported resolutions dealing almost identically with section 8(g) of the Outer Continental Shelf Lands Act, and have done so by significant votes.

The 8(g) issue is not new. It is one that has been dealt with for many years by both State governments, the executive branch of the Federal Government, the Federal courts, and the committees of Congress. This is a complicated issue as are the other issues contained in title 6 of H.R. 3500, all of which are designed to reduce the Federal deficit as directed by the budget reconciliation resolution. To allow these sections to be reopened, no matter how well-intentioned the effort for change, can only serve to undercut the reconciliation process.

Again, Mr. Speaker, I urge the adoption of the rule and hope that it is overwhelmingly supported by my colleagues.

Mr. LATTA. Mr. Speaker, I yield 1 minute to the gentleman from Vermont [Mr. JEFFORDS].

Mr. JEFFORDS. Mr. Speaker, I rise in strong support of this rule, especially as it affects the reforms to be recommended in title III of H.R. 3500 by the Education and Labor Committee to prevent further losses in our single employer pension insurance program. The Ways and Means Committee has raised objections because it claims jurisdiction. Ways and Means does not have joint jurisdiction over ERISA title IV programmatic aspects. It only has joint jurisdiction with the Education and Labor Committee over the premium increase.

Why do we need this bill immediately rather than next month or next year or yet another 5 years? Because right now the Pension Benefit Guaranty Corporation has an unfunded liability of one-half billion dollars and will soon have a liability of $1 billion if we do not act. This $1 billion will quickly multiply in the coming years unless these reforms are put in place.

The rule adopted by this body should in no manner permit changes to these urgently needed reforms or allow a delay in their adoption. The Secretary of Labor, Bill Brock, has written to urge us to act on the reforms as quickly as possible inasmuch as they are crucial to the financial health of the Pension Benefit Guaranty Corporation [PBGC].

These ERISA title IV changes, included in H.R. 3500 as subtitles B and C, were unanimously adopted in committee as being necessary to fulfill our committee's total deficit reduction target of $2.265 billion.

In meeting this target, the program reforms under subtitle C are inextricably intertwined with the single employer premium increase under subtitle B. As one observer put it, trying to fix the PBGC through a premium increase alone is like trying to fix a leaky bathtub by turning up the faucet.

The PBGC estimates that approximately 20 percent of its claims to date have resulted from abuses of the sort which the subtitle C reforms are designed to reduce or eliminate. The administration informs us that without the reforms, abusive claims will probably increase in the future as a result of recent financial activities, including takeovers, mergers, and leveraged buyouts.

The truth of this fact should be clearly understood. In the words of Secretary Brock, if reforms to restrain outlays are not adopted, the necessary PBGC premium will obviously need to be higher than already requested to meet the increased Federal expenditures. More to the point, we will be making what might be termed "the billion dollar mistake" if we do not act favorably on the single employer reforms immediately. Both business and labor organizations have also testified that reforms are needed to avoid larger claims and yet higher premiums.

In summary, the ERISA title IV changes in H.R. 3500 are necessary to carry out the instructions of the budget resolution, are necessary to reduce the Federal deficit, are necessary to keep the PBGC from becoming a fiscal basket case leading to a massive Federal bailout, and are necessary to help assure this Nation's workers and retirees that they will receive their full earned benefits in the event of plan termination.

They are the product of the extensive research, debate, and compromise that has taken place over the past few years among the interested parties in Government and the employee benefits community. The reforms and the premium increase are needed now.

I urge the Members to adopt these provisions which are supported by the administration, by business and by the labor unions, in hopes of trying to stave off the further undermining of the Pension Guaranty Corporation's ability to carry out its role.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 1 minute to the distinguished gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Speaker, I rise in support of the rule.

There is one great mandate before this House today.

And that is the challenge to make substantial reductions in the $200 billion a year deficit which jeopardizes the economic security of this Nation.

For the last 2 weeks, we have been debating a proposal by the Senate to force massive spending reductions to achieve that deficit reduction.

That proposal promises to achieve a miracle in the next 5 years.

But the reconciliation bill we have before us today gives us each the opportunity to do something to reduce spending and cut the deficit right here, right now.

This legislation will cut $61 billion over the next 3 years.

We have not just made good on our promise to cut spending in the budget resolution.

We have exceeded the target we set for cuts by an additional $3.3 billion.

These are not illusory or symbolic cuts. They are real. They deserve our support.

Now, we are going to hear all sorts of complaints about why this rule is poorly crafted and why we should send it back to the Rules Committee.

Let's not kid ourselves.

The public, and the press, will interpret our vote on this rule, and on this bill, in one way, and one way only.

They will not care about jurisdictional quibbling.

They will not care about the intricacies of the budget process.

They will not care about the technicalities of the rule.

They are going to want to know one thing, and one thing only:

When you had a chance to vote for $61 billion in deficit reductions today, how did you vote?

Some cynically say we haven't made tough decisions. We haven't made deep cuts.

This resolution cuts over $4 billion in rural housing.

It cuts $10 billion in Medicare.

It cuts $2.5 billion from education and wage protection programs.

It saves over $12 billion from pay freezes and health benefits cuts.

It reduces highway spending by $2 billion.

It slashes veterans' health and compensation benefits by over $1 billion.

These are real cuts. They are going to cause some real hardships. But given the size of our deficit, they must be made.

Let us send a clear signal to the American people today that we are going to make these cuts stick.

Let's not delude ourselves. Parliamentary posturing on this rule is going to send only one message: that the Congress has no backbone when it comes to cutting.

And that would be disastrous.

So I urge an "aye" vote for the rule, and in support of H.R. 3500.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 1 minute to the gentleman from Texas [Mr. FROST].

Mr. FROST. I thank the gentleman for yielding.

Mr. Speaker, I would echo the sentiments of the chairman of our Budget Committee that it is time to get on with this process. This has been a lengthy and difficult process. We now have a reconciliation bill that will make a difference on the deficit. Not to proceed with this today will send absolutely the wrong sentiment to the country, the wrong message to the country.

I would also like to make one passing comment on the matter raised by the chairman of the Committee on the Interior. My good friend, the gentleman from Arizona [Mr. UDALL], lost that fight in his committee. He lost that fight in the Committee on Merchant Marine and Fisheries. The two committees have original jurisdiction over this particular matter. Both are in agreement. And now we are asking that there be a third consideration of a matter when there was no disagreement, no difference of opinion between the two committees that considered it. The Rules Committee acted exactly proper in not permitting a third bite at that particular apple.

I urge adoption of the rule.

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

Mr. FROST. I yield to the gentleman from Texas.

Mr. PICKLE. Mr. Speaker, as the gentleman knows, I am not happy at all with action on the ERISA question that the Rules Committee made. They took the jurisdiction of the Ways and Means Committee. But I think this rule is a fair rule because it fulfills a commitment made to certain States 6 years ago. The rule ought to be adopted in fairness and on the basis of commitment.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 1 minute to the gentleman from Louisiana [Mr. ROEMER].

Mr. ROEMER. I thank the gentleman for yielding.

Mr. Speaker, I would like to echo the comments that the chairman of the Committee on the Budget, the gentleman from Pennsylvania [Mr. GRAY], said when he asked us to support this rule. I plan to do so. It is not perfect. There are legitimate questions of jurisdiction, legitimate questions as to the right degree of sharing between the States and the Nation on offshore oil, legitimate questions as to housing money, legitimate questions as to on-budget and off-budget. But there is a larger question here that the gentleman from Pennsylvania [Mr. GRAY] has stated. It is a question in this country if this House is going to begin this day to do something about the deficit. This bill, if we pass the rule, will allow us to reduce the deficit by more than $61 billion in the next few years, $3 billion greater than the budget called for. That is the question. I think we ought to begin today by passing the rule and debating the points of contention within the framework of this imperfect but reasonable rule.

Mr. LATTA. Mr. Speaker, I yield 1 minute to the gentleman from Louisiana [Mr. MOORE].

Mr. MOORE. Mr. Speaker, I support the rule. I have watched as some of my colleagues have come to the well and attacked the rule on the specific point of the settlement of the offshore revenues. I would just like to answer that, for a minute, if I could. There are three parts to that. The administration has told me and others it is willing to settle on bonuses and rents. The point that is in conflict is royalties. And they say, "We will pay you those royalties, Louisiana, Texas, and the other States, on a drainage basis."

My reply to them is, "Why, since 1978, haven't they done that?" This has been the law since 1978 and we have not received the first check. So why haven't they? They tell us they are going to pay it. Defeat this rule, they say, pass an amendment to the bill that would prevent it from being settled, and they would pay it to us in the future. And I say, "Why haven't you done it in the past?"

The reason they have not is that each time they tendered that check, they have asked the States to sign on the bottom line that they waive any further claims to anything in the trust fund. That is not right. You would not advise your client or your family friend to do that. We cannot do that to the States.

This bill finally settles that issue that has been festering since 1978 and settles it in a fair way. So this rule ought to be voted for.

Mr. DERRICK. Mr. Speaker, for the purpose of debate only, I yield 30 seconds to the gentleman from Rhode Island [Mr. ST GERMAIN], the distinguished chairman of the Committee on Banking, Finance and Urban Affairs.

Mr. ST GERMAIN. Mr. Speaker, it is with regret that I have to rise in opposition to the rule. Unfortunately, the rule, if adopted in its present form, would, I am afraid, jeopardize a great deal of work that was done by the Committee on Banking, particularly the Subcommittee on Housing.

We have some new programs in that particular section, but we are within the reconciliation figures. I believe it is $20.6 billion. And if we do not get a housing bill in reconciliation, Mr. Speaker, I predict that the prospect for a housing bill are just about nil because of the fact that the Senate will not act.

I urge the defeat of the rule.

Mr. LATTA. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas [Mr. BARTON].

Mr. BARTON of Texas. Mr. Speaker, I rise in strong support of the rule on H.R. 3500, the Budget Reconciliation Act. Some Members have spoken on the House floor today against what they characterize as a "giveaway" of Federal revenues from offshore oil and gas revenues to coastal States, otherwise known as the 8(g) settlement. I would like to shed a little light on this heated discussion. As a member of the Interior Committee I have worked on the 8(g) settlement for months now.

In 1978, Congress passed the Outer Continental Shelf Lands Act amendments that provided for compensation to coastal States from the impact of offshore oil and gas development. The language of the 1978 act is crystal clear:

Notwithstanding any other provision of this subchapter, the Secretary shall deposit in a separate account in the Treasury of the United States all bonuses, royalties, and other revenues * * * until such time as the Secretary and the Governor of such coastal State agree on, or if the Secretary and the Governor of such coastal State cannot agree, as a district court of the United States determines, the fair and equitable disposition of such revenues and any interest which has accrued and the proper rate of payments to be deposited in the treasuries of the Federal Government and such coastal State.

The 8(g) check was written back in 1978. Seven years later, when it is time to go to the bank, some Members are trying to put a stop on the check. The 8(g) settlement developed by the Interior Committee would share 27 percent of the 8(g) revenues with coastal States. I would like to remind my colleagues that inland States receive 50 percent of the revenues from onshore minerals leasing.

Coastal States did not seek a legislative solution to the 8(g) dispute because they felt that they were on sound legal grounds to demand 50 percent of all revenues from offshore development in the 8(g) zone. A legislative solution was foisted upon them by the House Budget Committee in order to free up $4 billion from the escrow account for the fiscal year 1986 budget.

The reconciliation resolution reported by the Interior Committee enjoyed the support of the majority of the committee. I would like to point out that the Members from affected coastal States constitute a slim minority of the committee membership. The Interior Committee has one Texan, one Louisianan, one Alaskan, and five Californians; for a total of eight votes. Since there were 22 votes for the reconciliation resolution it is apparent that most of the support came from inland States. I should note that many of my Republican colleagues from Western States voted for the resolution. These Members are not in the habit of handing out billions of dollars.

The Interior Committee was instructed by the Budget Committee to report a resolution that would make available $4 billion for the fiscal year 1986 budget. The resolution reported by the committee does exactly that. The 8(g) settlement will reduce the Federal budget deficit next year, and in following years.

There has been a good deal of discussion over the future cost of the 8(g) settlement. During markup of the resolution in the Interior Committee, the Interior Department estimated that the settlement would share $4 billion in additional revenues with the coastal States than the settlement proposed by Chairman UDALL. Some opponents of the settlement claim that it will share an additional $12 billion to $20 billion with coastal States. These estimates are not worth the paper they are written on.

Actually, the 8(g) settlement would share much less with coastal States. The Congressional Budget Office [CBO] estimated that sharing 50 percent of all 8(g) revenues with the States, which they assumed was fair and equitable, would result in an additional $4 billion of revenues for the coastal States. Since the 8(g) settlement shares only 27 percent of revenues with the coastal States, it appears that the cost of the settlement will be $2 billion over 30 years. I would like to point out that the Federal revenues from offshore oil and gas development exceed $76 billion. The State share is small in comparison.

In conclusion, I would like to encourage the House to support the rule on H.R. 3500, the Omnibus Budget Reconciliation Act. Otherwise, I foresee that the 8(g) settlement will be disrupted, and the future distribution of 8(g) revenues will be blocked by interminable litigation. The settlement ensures that revenues will be smoothly distributed to Federal and State governments.

Mr. LATTA. Mr. Speaker, I yield such time as he may consume to the gentleman from Colorado [Mr. STRANG].

Mr. STRANG. Mr. Speaker, I rise in support of House Resolution 296, the rule to provide for consideration of the bill H.R. 3500, the Omnibus Budget Reconciliation Act.

Mr. Speaker, as has been pointed out by others on the floor today, this is not a perfect rule. But the fact is we need reconciliation, we need to balance the Federal budget, and we need to reduce the budget deficit.

To be sure, there are provisions of this rule, and provisions in the bill itself, that bear serious consequences for our future as a nation. For example, the bill guts our national synthetic fuels program and even provides for the abrogation of existing contracts signed after July 31. I believe that is a wrong course of action to take in terms of long-term national energy security. Second, the bill proposes to remove the highway trust fund account from the unified Federal budget. Efforts to dismantle the unified budget at a time when we are making efforts to balance the budget are unwise. Third, the bill provides billions of dollars to reauthorize and in some create new housing programs. While some of these housing programs may be vital, the fact is these issues have not been subjected to scrutiny through the regular committee process.

The point is, Mr. Speaker, these issues need to be debated and voted on by this body. We can accomplish that only by accepting an admittedly imperfect rule, and getting on with a full discussion of these important issues.

Thank you.

Mr. LATTA. Mr. Speaker, I yield myself the remainder of my time.

Mr. Speaker, I cannot urge too strongly the Members of the House to support the rule. Somebody just said it is an imperfect rule. It is an imperfect rule in some people's eyes. Certainly, in my eyes it is an imperfect rule. But it is the best rule we could get. We would like to have made all of these things in order. We would like to have solved all of the questions of jurisdiction between the committees all in one swoop. We cannot do that. But we can reduce the deficit if we adopt this rule and pass a reconciliation bill.

We cannot lose sight of that fact.

I was surprised that the chairman of the Committee on Banking, Currency and Urban Affairs said he was going to oppose the rule. The gentleman is already in with his bill. What he is opposing is the House's opportunity to vote on that proposition. Now, I think the House ought to have an opportunity to vote on that proposition. I would have thought that he would have been supportive of the rule.

I support the position of the chairman of the Committee on Interior and Insular Affairs, the gentleman from Arizona [Mr. UDALL], but it is not in the rule. I cannot vote against the rule just because I support his position and it is not in the rule. We have got bigger things to do, and we also have a conference committee where we could resolve some of these problems.

Mr. DERRICK. Mr. Speaker, I yield myself the balance of my time.

The SPEAKER pro tempore. The gentleman from South Carolina [Mr. DERRICK] is recognized for 1½ minutes.

Mr. DERRICK. Mr. Speaker, this is payday. The Members can vote for all of the balanced budget amendments that they want, they can vote for Gramm-Rudman, they can vote for all of that stuff, and it does not make a bit of difference. But this vote does. This vote is like borrowing money from the bank, and when it comes due, if you do not pay it, that means that you do not want to vote for this rule.

These are obligations that we have solemnly made in the budget process that we were going to reconcile. For those of you who may not understand it, reconciliation is the enforcement process of the Budget Committee. The budget process means nothing without reconciliation. This is when we made ourselves do what we said we were going to do.

So I suggest to the Members that if in all these speeches we have made back home over the years we mean we are going to be fiscally responsible, that they vote for this rule and let us get ahead with the business of reconciliation.

Just one short remark about the distinguished chairman of the Banking Committee. The rule has not taken a thing away from him. What he needs to be doing is to argue about the fact that we gave this House an opportunity to vote the only time that they will ever get to vote on what was put in there by his committee. It is a fair rule. It merely does what we said we were going to do and what we led the American people to believe that we must do.

I ask the Members to vote for the rule.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

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

The question was taken; and the Speaker announced that the ayes appeared to have it.

RECORDED VOTE

Mr. GIBBONS. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 230, noes 190, not voting 14, as follows:

[Roll No. 367]

AYES—230

Akaka	Chandler	Florio
Alexander	Chapman	Foley
Anderson	Chappell	Ford (MI)
Andrews	Chappie	Franklin
Annunzio	Cheney	Frost
Archer	Clay	Fuqua
Armey	Cobey	Gallo
AuCoin	Coble	Gaydos
Barnard	Coelho	Glickman
Barnes	Coleman (TX)	Gonzalez
Bartlett	Collins	Gordon
Barton	Combest	Gray (PA)
Bates	Coughlin	Grotberg
Bellenson	Craig	Gunderson
Bennett	Daschle	Hall (OH)
Berman	Davis	Hall, Ralph
Bevill	de la Garza	Hansen
Biliraki	DeLay	Hatcher
Boggs	Dellums	Hawkins
Boland	Derrick	Hayes
Boner (TN)	DeWine	Hendon
Bonior (MI)	Dicks	Henry
Bosco	DioGuardi	Hiler
Boucher	Dixon	Hillis
Boulter	Dornan (CA)	Holt
Boxer	Dowdy	Hoyer
Breaux	Dreier	Huckaby
Brooks	Dwyer	Hughes
Brown (CA)	Dymally	Hunter
Broyhill	Early	Hutto
Bryant	Edwards (CA)	Ireland
Burton (CA)	Edwards (OK)	Jeffords
Burton (IN)	Emerson	Jones (NC)
Bustamante	Evans (IA)	Jones (TN)
Byron	Fascell	Kasich
Callahan	Fazio	Kemp
Carper	Fiedler	Kleczka
Carr	Fields	Kolbe

Lagomarsino
Lantos
Latta
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levine (CA)
Lewis (CA)
Lewis (FL)
Livingston
Lloyd
Loeffler
Long
Lott
Lowery (CA)
Lungren
Mack
MacKay
Madigan
Manton
Martin (IL)
Martinez
Matsui
Mazzoli
McHugh
McKernan
McMillan
Mica
Michel
Mikulski
Miller (CA)
Miller (OH)
Mineta
Moakley
Mollohan
Montgomery
Moore
Moorhead
Morrison (WA)
Murtha
Myers
Natcher
Neal
Nichols
Ortiz
Oxley
Packard
Panetta
Parris
Pashayan
Penny
Pepper
Perkins
Pickle
Porter
Price
Pursell
Quillen
Ray
Robinson
Roemer
Rose
Roukema
Rowland (GA)
Roybal
Sabo
Savage
Saxton
Schaefer
Schneider
Shaw
Shelby
Shumway
Siljander
Sisisky
Skeen
Skelton
Smith (FL)
Smith (NJ)
Smith, Denny (OR)
Smith, Robert (NH)
Spence
Spratt
Stallings
Stenholm
Stokes
Strang
Stratton
Studds
Sweeney
Swindall
Tallon
Tauzin
Taylor
Thomas (GA)
Torres
Valentine
Vucanovich
Waxman
Weber
Wheat
Whitehurst
Whitley
Whittaker
Whitten
Wilson
Wolf
Wright
Wyden
Wylie
Young (AK)
Young (FL)
Young (MO)
Zschau

NOES—190

Ackerman
Anthony
Applegate
Aspin
Atkins
Badham
Bateman
Bedell
Bentley
Bereuter
Biaggi
Bliley
Boehlert
Bonker
Broomfield
Brown (CO)
Bruce
Carney
Clinger
Coats
Conte
Cooper
Courter
Coyne
Crane
Crockett
Daniel
Dannemeyer
Darden
Daub
Dickinson
Dingell
Donnelly
Dorgan (ND)
Downey
Duncan
Durbin
Dyson
Eckart (OH)
Eckert (NY)
English
Erdreich
Evans (IL)
Fawell
Feighan
Fish
Flippo
Foglietta
Ford (TN)
Fowler
Frank
Frenzel
Garcia
Gejdenson
Gekas
Gephardt
Gibbons
Gilman
Gingrich
Goodling
Gradison
Gray (IL)
Green
Gregg
Guarini
Hamilton
Hammerschmidt
Hartnett
Hertel
Hopkins
Horton
Howard
Hubbard
Hyde
Jacobs
Jenkins
Johnson
Jones (OK)
Kanjorski
Kaptur
Kastenmeier
Kennelly
Kildee
Kindness
Kolter
Kostmayer
Kramer
LaFalce
Leach (IA)
Levin (MI)
Lightfoot
Lipinski
Lowry (WA)
Lujan
Luken
Lundine
Markey
Marlenee
Martin (NY)
Mavroules
McCain
McCloskey
McCollum
McCurdy
McDade
McEwen
McGrath
McKinney
Meyers
Mitchell
Molinari
Monson
Moody
Morrison (CT)
Mrazek
Murphy
Nielson
Nowak
O'Brien
Oakar
Oberstar
Obey
Olin
Owens
Pease
Petri
Rahall
Rangel
Regula
Reid
Richardson
Ridge
Rinaldo
Ritter
Roberts
Roe
Rogers
Rostenkowski
Roth
Rowland (CT)
Rudd
Russo
Scheuer
Schroeder
Schuette
Schulze
Schumer
Seiberling
Sensenbrenner
Sharp
Shuster
Sikorski
Slattery
Slaughter
Smith (IA)
Smith (NE)
Smith, Robert (OR)
Snowe
Snyder
Solarz
Solomon
St Germain
Staggers
Stangeland
Stark
Stump
Sundquist
Swift
Synar
Tauke
Thomas (CA)
Torricelli
Towns
Traficant
Traxler
Udall
Vander Jagt
Vento
Visclosky
Volkmer
Walker
Watkins
Weiss
Williams
Wirth
Wise
Wolpe
Wortley
Yates
Yatron

NOT VOTING—14

Addabbo
Borski
Campbell
Coleman (MO)
Conyers
Edgar
Hefner
Heftel
McCandless
Miller (WA)
Nelson
Rodino
Walgren
Weaver

□ 1220

Messrs. NIELSON of Utah, BEREUTER, OBERSTAR, REID, KOLTER, GILMAN, TOWNS, BIAGGI, RINALDO, and BOEHLERT changed their votes from "aye" to "no."

Messrs. DREIER of California, YOUNG of Missouri, and SKELTON changed their votes from "no" to "aye."

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.

□ 1230

CONFERENCE REPORT ON H.R. 2409, HEALTH RESEARCH EXTENSION ACT OF 1985

Mr. WAXMAN. Mr. Speaker, I call up the conference report on the bill (H.R. 2409) to amend the Public Health Service Act to revise and extend the authorities under that act relating to the National Institutes of Health and National Research Institutes, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to the provisions of clause 2, rule XXVIII, the conference report is considered as having been read.

(For conference report and statement, see proceeding of the House of October 11, 1985.)

The SPEAKER pro tempore. The gentleman from California [Mr. WAXMAN] will be recognized for 30 minutes and the gentleman from Illinois [Mr. MADIGAN] will be recognized for 30 minutes.

The Chair recognizes the gentleman from California [Mr. WAXMAN].

GENERAL LEAVE

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report presently under consideration.

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

There was no objection.

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

Mr. Speaker, I am pleased to announce that the conferees on H.R. 2409, the Health Research Extension Act of 1985, have resolved their differences and reported a conference report to extend the research authorities of the National Institutes of Health.

The provisions of the House and Senate legislation were similar in many respects. Our negotiations were productive and guided by a bipartisan commitment to strengthen the Nation's support of biomedical research.

At this time I want to acknowledge and express my appreciation for the able assistance and contribution of the distinguished committee chairman, Mr. DINGELL, and the ranking minority member, Mr. MADIGAN, to the successful completion of conference.

The conference report is different from the original House passed bill in two major respects. First, as requested by the administration, the authorization of appropriations for expiring NIH authorities is extended for 3 fiscal years.

Second, the legislation does not create a National Institute of Nursing Research as originally proposed in the House bill. Instead, the conferees agreed to establish a center at NIH which will integrate nursing and patient care research into the mainstream of NIH activities. Establishment of a nursing center is intended to be substantially less disruptive than creation of a new national research institute which would have required greater resources.

Mr. Speaker, the National Institutes of Health is a national treasure. It deserves the stature and affirmation of public support that is embodied by this legislation.

Passage of H.R. 2409 properly establishes health research among the highest priorities of the 99th Congress.

I urge each Member's support for this important legislation.

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

Mr. Speaker, I rise in strong support of this conference report that reauthorizes the expiring authorities of the National Institutes of Health.

This conference report reauthorizes for 3 years the research authorities of the National Cancer Institute and the National Heart, Lung, and Blood Institute, the National Research Service Awards and the Medical Library Assistance Act. This legislation is virtually identical to S. 540, the conference report which received unanimous support of both the House and Senate during the final days of the 98th Congress.

Many of the management directives and line-item authorizations contained in previous NIH bills which were criticized have been removed from this leg-

islation. Additionally, the authority of the Secretary of Health and Human Services contained in section 301 of the Public Health Service Act to conduct biomedical research has been strengthened. I should also note that consensus language from last year's conference report dealing with the sensitive issues of fetal research and the use and care of animals in research is maintained in this conference report.

This conference report also provides for establishment of the National Institute of Arthritis and Musculoskeletal and Skin Disease, a proposal which has been a part of NIH reauthorizing legislation for the past 4 years.

Finally, I am especially heartened that the conference agreement includes a provision that establishes a national center for nursing research at the National Institutes of Health. It is my expectation that this center will be an enormous asset in contributing to the basic biomedical research conducted at NIH.

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

Mr. WAXMAN. Mr. Speaker, I yield 5 minutes to my colleague, the gentleman from California [Mr. ANDERSON].

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

Mr. Speaker, I would like to take this opportunity to commend the chairman of the Health and Environment Subcommittee, Mr. WAXMAN and all the conferees for one title in the conference report that provides for research on lupus erythematosus. As many Members of this House know, I have long been concerned with this disease and have been working to provide research funding and coordination in the search for a cure for lupus.

The conference report will establish a lupus erythematosus coordinating committee to plan, develop, coordinate and implement comprehensive Federal initiatives in research on lupus erythematosus. This committee will meet at least four times a year and will submit a report on their activity no later than 18 months after the date of the enactment of this conference report. I believe that this coordinating committee will provide tremendous leadership in the fight against lupus.

I urge my colleagues to join me in supporting this conference report which provides vital funding for research on lupus and other serious health problems confronting Americans.

Mr. WAXMAN. Mr. Speaker, I yield such time as he may consume to the gentleman from Alabama [Mr. SHELBY], who as a member of the subcommittee has played a most constructive role in bridging the differences that we have had in the subcommittee, in the full committee, in the House and in the conference.

I want to commend the gentleman for the very important role he played in this legislation.

Mr. SHELBY. Mr. Speaker, I rise in support of the conference report and want to praise its sponsors for achieving a balanced compromise reauthorizing our important biomedical research programs.

I am pleased to know that conferees reached agreement on a substantial portion of a bipartisan bill approved by the House Energy and Commerce Committee. This bipartisan consensus evolved after several months of negotiations by members of the Health and the Environment Subcommittee both last Congress and this Congress.

The NIH deserves this vote of confidence for their excellent track record in biomedical research. The work of the NIH is a source of tremendous national pride. The scientific research and advances in the prevention and treatment of disease generated at NIH are unrivaled throughout the world.

This legislation will provide the necessary encouragement to the scientific and medical professionals at NIH who are working hard to prevent and conquer serious disease.

I urge my colleagues to support the conference report.

Mr. FORD of Tennessee. Mr. Speaker, today, we are discussing the conference report on health research extension bill H.R. 2409. Frankly, I believe this is an excellent bill in many respects.

Health research is an item which to my mind is clearly underfunded. Total health care costs in the United States are estimated at $45.6 billion, Federal investment in medical research is only 1.2 percent of this figure.

The annual expenditure on health care in the United States is $2,000 per person.

The annual investment in medical research is only $25 per person.

In 1980 the Nation spent over $37.3 billion on medical and social cost of cancer treatment, while the Federal Government spent only a fraction of a percent of this amount on cancer research.

Statistics show that the rate of return on every $1 invested in medical research is $13.

I believe in spending money up front for research. It is a practical and prudent investment of taxpayer dollars, and one that clearly benefits the people of America.

However, I must seriously question if Americans in all sections of our country benefit from this investment to the same degree. Frankly, I think not. In fact, I know they don't.

The mid-South area is one of the last remaining major geographic and population bases within the Nation whose people do not have ready access to a comprehensive cancer research and treatment center.

All other ingredients for the complete spectrum of medical services already exist in the Memphis Medical Center. A children's comprehensive cancer center, St. Jude Children's Research Hospital, is fully operational in Memphis and will help bring in outstanding biomedical scientists and clinical investigators to the Memphis medical center. The University of Tennessee Center for the Health Sciences is in a phase of rapid growth and special emphasis is being given to the basic medical sciences.

We have the will, the people, the human resources, what we lack are the buildings and the funds.

What I sincerely hope is that when funds are applied for under this act, given that it does become law, that it is clear to those individuals approving grants that it is the intention of this body to have all Americans share, to the extent possible, fairly in the fruits those funds will provide; that those sections of the country which currently lack adult treatment and research centers be provided special consideration; that a sincere effort will be made to see to it that all Americans are given a chance to defeat this dread disease.

In order to bring a Memphis comprehensive cancer center into being, we need money for brick, mortar and equipment. There is a legitimate need for more cancer research and treatment facilities, if we hope to come anywhere near the goal of the National Cancer Institute to reduce cancer mortalities by 50 percent by the year 2000.

There are legitimate and compelling reasons to locate such a center in Memphis to service the mid-South region and hopefully, when they are requested there will be funds available to insure that the mid-South region can share fully in the fight to conquer this dread disease.

Mr. O'BRIEN. Mr. Speaker, I rise in support of the bill, H.R. 2409, the Health Research Extension Act of 1986 which contains authorization for our Nation's first line of defense against disease, the National Institutes of Health.

I wish to commend the conferees of both Houses on reaching the agreement on the multifaceted issues embodied in the reauthorization for 3 years of the several Institutes. I particularly wish to commend the conferees and all the members of the House Energy and Commerce Committee and the Senate Education and Labor Committee for bringing into existence, the new National Center for Nursing Research.

A national focus for research into nursing has been a particular concern of mine for several years. In the bill, H.R. 2409, the new Center will be comprised of the nursing research and research training activities supported by the current Division of Nursing in the Health Resources and Services Administration.

I share the conferee's view that the new Center will lead to significant long-term savings in health care costs through improved patient care, patient education, and health promotion that will follow from a concentration of research into nursing and nurse-related functions within the total health care delivery system.

The creation of the Center is a long overdue recognition of the nursing profession as a significant and integral part of the Na-

tion's health care delivery system. I am convinced that the new Center will pay for itself many times over as the new organization concentrates its efforts into improving patient care and upgrading the nursing profession.

Mr. WAXMAN. Mr. Speaker, I yield back the balance of our time.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER pro tempore. The question is on the conference report.

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

Mr. WAXMAN. 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 395, nays 10, not voting 29, as follows:

[Roll No. 368]

YEAS—395

Ackerman
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Armey
Aspin
Atkins
AuCoin
Barnard
Barnes
Bartlett
Barton
Bateman
Bates
Bedell
Beilenson
Bennett
Bentley
Bereuter
Berman
Bevill
Biaggi
Biliraki
Bliley
Boehlert
Boggs
Boland
Boner (TN)
Bonior (MI)
Bonker
Bosco
Boucher
Boulter
Boxer
Breaux
Brooks
Brown (CA)
Broyhill
Bruce
Bryant
Burton (CA)
Burton (IN)
Bustamante
Byron
Callahan
Carney
Carper
Carr
Chandler
Chapman
Chappie
Cheney
Clay
Clinger
Coats
Cobey
Coble
Coelho
Coleman (TX)
Combest
Conte
Cooper
Coughlin
Courter
Coyne
Craig
Crockett
Daniel
Darden
Daschle
Daub
Davis
DeLay
Dellums
Derrick
DeWine
Dickinson
Dicks
Dingell
DioGuardi
Dixon
Donnelly
Dorgan (ND)
Dornan (CA)
Dowdy
Downey
Dreier
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart (OH)
Eckert (NY)
Edwards (CA)
Edwards (OK)
Emerson
English
Erdreich
Evans (IA)
Evans (IL)
Fascell
Fawell
Fazio
Feighan
Fiedler
Fields
Fish
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Fowler
Frank
Franklin
Frenzel
Frost
Fuqua
Gallo
Garcia
Gaydos
Gejdenson
Gekas
Gephardt
Gibbons
Gilman
Glickman
Gonzalez
Goodling
Gordon
Gradison
Gray (IL)
Gray (PA)
Green
Gregg
Grotberg
Guarini
Gunderson
Hall (OH)
Hall, Ralph
Hamilton
Hammerschmidt
Hansen
Hartnett
Hatcher
Hawkins
Hayes
Hendon
Henry
Hertel
Hiler
Hillis
Holt
Hopkins
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jenkins
Johnson
Jones (NC)
Jones (OK)
Jones (TN)
Kanjorski
Kaptur
Kasich
Kastenmeier
Kennelly
Kildee
Kindness
Kleczka
Kolbe
Kolter
Kostmayer
Kramer
LaFalce
Lagomarsino
Lantos
Latta
Leach (IA)
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lightfoot
Lipinski
Lloyd
Loeffler
Long
Lott
Lowery (CA)
Lowry (WA)
Lujan
Luken
Lundine
Lungren
Mack
MacKay
Madigan
Manton
Markey
Marlenee
Martin (IL)
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCain
McCandless
McCloskey
McCollum
McCurdy
McDade
McGrath
McHugh
McKernan
McKinney
Meyers
Mica
Michel
Mikulski
Miller (CA)
Miller (OH)
Mineta
Mitchell
Moakley
Molinari
Mollohan
Monson
Montgomery
Moody
Moore
Moorhead
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Natcher
Neal
Nichols
Nielson
Nowak
O'Brien
Oakar
Oberstar
Obey
Olin
Ortiz
Owens
Oxley
Packard
Panetta
Parris
Pashayan
Pease
Penny
Pepper
Perkins
Petri
Pickle
Porter
Price
Pursell
Quillen
Rahall
Rangel
Regula
Reid
Richardson
Ridge
Rinaldo
Ritter
Roberts
Robinson
Roe
Roemer
Rogers
Rose
Rostenkowski
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Rudd
Russo
Sabo
Savage
Saxton
Schaefer
Schneider
Schroeder
Schuette
Schulze
Schumer
Sensenbrenner
Sharp
Shaw
Shelby
Shuster
Sikorski
Siljander
Sisisky
Skeen
Skelton
Slattery
Slaughter
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Snyder
Solarz
Solomon
Spence
Spratt
Staggers
Stallings
Stangeland
Stark
Stenholm
Stokes
Strang
Stratton
Studds
Sundquist
Sweeney
Swift
Swindall
Synar
Tallon
Tauzin
Taylor
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walker
Watkins
Waxman
Weiss
Wheat
Whitehurst
Whitley
Whittaker
Whitten
Williams
Wirth
Wise
Wolf
Wolpe
Wortley
Wright
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)
Young (MO)
Zschau

NAYS—10

Badham
Brown (CO)
Crane
Dannemeyer
McEwen
Miller (WA)
Ray
Shumway
Stump
Tauke

NOT VOTING—29

Addabbo
Akaka
Archer
Borski
Broomfield
Campbell
Chappell
Coleman (MO)
Collins
Conyers
de la Garza
Edgar
Gingrich
Hefner
Heftel
Kemp
Livingston
McMillan
Nelson
Rodino
Roth
Scheuer
Seiberling
St Germain
Thomas (CA)
Walgren
Weaver
Weber
Wilson

□ 1255

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

Ms. KAPTUR and Mr. DENNY SMITH changed their votes from "nay" to "yea."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CORRECTING ENROLLMENT OF H.R. 2409, HEALTH RESEARCH EXTENSION ACT OF 1985

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate concurrent resolution (S. Con. Res. 79) correcting the enrollment of the bill (H.R. 2409) to amend the Public Health Service Act to revise and extend the authorities under that act relating to the National Institutes of Health and National Research Institutes, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the Senate concurrent resolution.

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

There was no objection.

The Clerk read the Senate concurrent resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That in the enrollment of the bill (H.R. 2409) to amend the Public Health Service Act to revise and extend the authorities under that Act relating to the National Institutes of Health and National Research Institutes, and for other purposes, the Clerk of the House of Representatives shall make the following corrections:

(1) In the proposed section 406(a)(3)(B), strike out "disease" and insert in lieu thereof "diseases".

(2) In the proposed section 408(a)(2)(B), strike out "$90,000 for fiscal year 1987, and $98,000" and insert in lieu thereof "90,000,000 for fiscal year 1987, and $98,000,000".

(3) In the proposed section 436(b)(2), insert a comma after "rehabilitation".

(4) Redesignate the proposed section entitled "STUDIES RESPECTING BIOMEDICAL AND BEHAVIORAL RESEARCH PERSONNEL" as section 489.

(5) In the proposed section 495(c), insert "of" after "date of enactment".

(6) In the proposed section 497, strike out "or national" and insert in lieu thereof "or a national".

(7) In the proposed section 442(f), strike out "Advi- sory" and insert in lieu thereof "Advisory".

(8) In the proposed section 487(c)(4)(A), $A=\phi(t-s/t)$ and insert in lieu thereof

$$\text{"}A=\phi\left(\frac{(t-s)}{t}\right)\text{"}.$$

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. McCANDLESS. Mr. Speaker, on rollcall 367, my card did not show my vote. I would like the record to show my vote would have been "yea."

APPOINTMENT OF CONFEREES ON H.R. 2419, INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 1986

Mr. HAMILTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 2419) to authorize appropriations for fiscal year 1986 for intelligence and intelligence-related activities of the U.S. Government, the Intelligence Community Staff, and the Central Intelligence Agency Retirement and Disabilty System, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana? The Chair hears none, and, without objection, appoints the following conferees: Messrs. HAMILTON, STOKES, McCURDY, BEILENSON, KASTENMEIER, DANIEL, ROE, BROWN of California, McHUGH, DWYER of New Jersey, STUMP, IRELAND, HYDE, CHENEY, LIVINGSTON, and McEWEN.

And, for matters within the jurisdiction of the Committee on the Judiciary under clause 1(m) of House rule X, Mr. MAZZOLI.

There was no objection.

PERSONAL EXPLANATION

Mr. FAZIO. Mr. Speaker, I regret that I was unavoidably detained yesterday at the White House during rollcall 365 when the House adopted H.R. 2095, the Daylight Saving Extension Act. I wish it to be known that had I been here, I would have voted in favor of this measure.

PERSONAL EXPLANATION

Mr. MILLER of Washington. Mr. Speaker, I was unavoidably absent earlier today during rollcall 367.

Had I been present, I would have voted "aye."

PERSONAL EXPLANATION

Mr. EARLY. Mr. Speaker, I regret that I was unavoidably detained yesterday at the White House during rollcall No. 365 when the House adopted H.R. 2095, the Daylight Saving Extension Act.

I wish it to be known that had I been here, I would have voted in favor of this measure.

PERSONAL EXPLANATION

Mr. ROTH. Mr. Speaker, on the last rollcall, I was unavoidably detained. Had I been here on rollcall 368, I would have voted "aye."

OMNIBUS BUDGET RECONCILIATION ACT OF 1986

The SPEAKER pro tempore. Pursuant to House Resolution 296 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. 3500.

The Chair designates the gentleman for Texas [Mr. DE LA GARZA] as Chairman of the Committee of the Whole and requests the gentleman from California [Mr. TORRES] to assume the chair temporarily.

□ 1303

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. 3500), to provide for reconciliation pursuant to section 2 of the first concurrent resolution on the budget for the fiscal year 1986, with Mr. TORRES (Chairman pro tempore), in the chair.

The CHAIRMAN pro tempore. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Pennsylvania [Mr. GRAY] will be recognized for 2 hours and the gentlewoman from Illinois [Mrs. MARTIN] will be recognized for 2 hours.

The Chair recognizes the gentleman from Pennsylvania [Mr. GRAY].

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, you have before you today the cooperative efforts of 10 House committees to produce savings of over $61 billion over a 3-year period in the Omnibus Budget Reconciliation Act of 1985.

This was not an easy task. Many of the committees made reforms which were very difficult for them in order to meet the common goal of deficit reduction. This package may include some elements which all of us would prefer to see done a little differently. But our House committees generally acted in good faith to meet their reconciliation directives. Some committees went back more than once to come up with sufficient savings. And the end result represents the collective wisdom of our House committees on how to best meet their reconciliation target.

As you know, two committees have moved their reconciliation legislation separately from this omnibus package. The Agriculture Committee has made 3-year savings of $7.913 billion in the Food Security Act of 1985 which passed the House by 282 to 141 on October 8. Chairman DE LA GARZA has indicated to me that he will seek an immediate conference on this bill and will make every effort to ensure that the legislation meets the needed reductions after conference with the Senate. The Ways and Means Committee has also reported separate legislation, H.R. 3128, containing Medicare provisions as well as IRS and Customs provisions. The Energy and Commerce health provisions are also moving separately in H.R. 3128.

This is not an unusual procedure. In the past, the reconciliation directive has been met both by inclusion of savings in an omnibus reconciliation package and by the enactment of separate reconciliation legislation.

If you add the Agriculture Committee savings and Ways and Means Committee legislation to the omnibus proposal before you today, the 3-year total will be $77.119 billion which exceeds the 3-year reconciliation directive of $75.535 billion by almost $2 billion.

I urge you to support this package.

Mrs. MARTIN of Illinois. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, we begin debate today on the reconciliation package. There is no question that many of the committees have put in difficult amounts of time and work to achieve what they felt were budget savings.

Regrettably, there is some disagreement on how accurate the savings claimed are in reality. Indeed, one of the other groups that judges how we are truly sticking to reconciliation guidelines indicates that this bill is over $15 billion shy of what the original House goal was and the goal from the conference committee.

Too often in this reconciliation bill, we are seeing committees putting on whole sets of new legislative priorities that could no more pass their committee or pass the Rules Committee than you or I could walk the Potomac.

□ 1310

This is not the purpose of the reconciliation process. When we reach the amendment stage, we will be hearing from the ranking member of the Committee on the Budget, DEL LATTA, with an amendment that was made in order by the Rules Committee, that will strip at least some of these extraneous spending initiatives from the reconciliation document.

One does not fault the chairman of the Budget Committee, but one must fault this Congress again for its ability

to make speeches concerning cutting the deficit and its absolute inability to make those difficult judgments necessary to truly cut spending and to truly lower the deficit.

Without the Latta amendment, this is not an efficient deficit reduction package; indeed, it does not achieve the goals that each Member of this House should want to achieve in a deficit reduction package. It adds housing bills, it adds changes in State revenues, it, in category after category, ignores the voice of the American people to cut back, to conserve. Rather it indulges in an orgy of spending by using the reconciliation bill, the very bill that was to hold down spending.

Therefore, Mr. Chairman, regrettably this is not the reconciliation package that all of us wish. We would hope that this House would carefully listen to the amendments to at least make the bill more marginally acceptable to more of our Members.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 10 minutes to the gentleman from Mississippi, the distinguished chairman of the Committee on Veterans' Affairs, the gentleman from Mississippi [Mr. MONTGOMERY] and I ask unanimous consent that he be permitted to yield time.

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

There was no objection.

Mr. MONTGOMERY. Mr. Chairman, I will first take up the Armed Services Committee report on reconciliation, and I yield myself such time as I may consume.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from Mississippi [Mr. MONTGOMERY].

Mr. MONTGOMERY. Mr. Chairman, the House Armed Services Committee has complied with its reconciliation instructions by reporting legislation to authorize the Secretary of Defense to bill private insurers for the reasonable cost of medical and dental care provided in military medical facilities to nonactive-duty beneficiaries—that is, dependents and retirees—who are eligible for such care and who are also covered by health insurance plans. Many individuals eligible for care on a space-available basis in military medical facilities are also covered by private health insurance policies. For example, retirees generally seek second-career employment which often includes an attractive package of benefits, such as retirement plans, profit-sharing plans, and life and health insurance programs. Many military retirees prefer to seek medical care for themselves and their families from private physicians and hospitals under their new employer-sponsored health insurance. Others, however, continue to seek care from military medical facilities, particularly since there is virtually no cost sharing—in contrast to private sector health plans.

Despite the fact that many of their patients have private insurance coverage, military medical facilities do not seek reimbursement from the insurer for the cost of care provided to such covered individuals. This legislation would remedy that situation by authorizing the United States, through the Secretary of Defense, to collect from a third-party payer the reasonable cost of medical care provided to dependents of active duty personnel, retirees, their dependents, and survivors. Third-party payer includes both insurance underwriters and private employers who offer self-insured or partially self-insured/partially underwritten health insurance plans.

The Government could collect only for benefits covered by the insurance plan—subject to the terms and conditions of that plan. Thus, if the insurance plan did not cover psychiatric care or covered only outpatient care, then the Government would not have the authority to collect the expenses for an inpatient psychiatric admission. In addition, to the extent that insurance contracts have provisions that require, for example, preadmission screening and second opinions before surgery, the Department of Defense would be expected to comply in order to collect under those contracts.

The legislation would have no financial impact on dependents and retirees who use military hospitals: Their costs would remain the same—dependents pay $7.10 per day; retired officers, $3.80 per day; and retired enlisted, nothing. Retirees and dependents would not be liable for any deductible and copayment included in the plan.

CBO estimates of savings—for both budget authority and outlays—over the next 3 fiscal years are as follows:

	Millions
Fiscal year:	
1986	$125
1987	266
1988	284

Collection from third-party payers has been endorsed in three recent studies of Federal hospital programs. In its task force report on Federal hospital management, the President's Private Sector Survey on Cost Control, commonly known as the Grace Commission, called for collecting from third-party payers the cost of care provided in Government medical facilities, asserting that private insurers were receiving a windfall. Such collection efforts have subsequently been endorsed by the Congressional Budget Office in its March 1984 report, entitled "Options for Change in Military Medical Care," and by the General Accounting Office in its February 1985 report, entitled "Legislation to Authorize VA Recoveries From Private Health Insurance Would Result in Substantial Savings."

Mr. Chairman, at this time I would like to move right into title X of the bill relating to the Committee on Veterans' Affairs.

If there are no objections, I will cover title X, and after that, Mr. HAMMERSCHMIDT will comment on the title X provisions and Mr. HILLIS will cover title I for the House Armed Services Committee.

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

There was no objection.

Mr. MONTGOMERY. Mr. Chairman, the agreement reached by the House and Senate on the first concurrent resolution on the budget instructed the Committees on Veterans' Affairs to report changes in laws within their jurisdiction sufficient to reduce budget authority and outlays by $300 million in fiscal year 1986, $400 million in fiscal year 1987 and $450 million in fiscal year 1988. Our committee target is $1.15 billion for the 3-year period.

The Committee on Veterans' Affairs has met its targets. According to the Congressional Budget Office [CBO], should title X be enacted, we would exceed the mandated targets by $142 million in budget authority and $127 million in outlays. Our own committee estimate—which includes cost estimates from VA—is about $60 million higher.

Our committee has met the savings targets by adjusting the cost-of-living increase for certain veterans, reforming the eligibility requirements for health care in VA facilities, and authorizing third-party reimbursement for care and treatment in VA facilities.

Part A of title X would provide a cost-of-living adjustment [COLA] of 3.7 percent for veterans receiving compensation for service-related disabilities and for eligible survivors and dependents receiving dependency and indemnity [DIC] benefits from the Veterans' Administration. The increase would become effective December 1, 1985. The baseline contained in the conference agreement would have provided an increase of 4.1 percent.

Part B of this title would reform and improve eligibility for veterans' health care in VA facilities. Under current law health care for all veterans is discretionary. If a bed is not available on a given day, any veteran may be denied needed care. Service-connected veterans are not usually turned away since these veterans are given priority by the Veterans' Administration.

Part B identifies categories of veterans to whom VA would be required to provide inpatient and outpatient health care when determined by the Administrator to be medically necessary. Included are: Service-connected veterans, former POW's, veterans exposed to certain herbicides and ionizing radiation, World War I veterans,

veterans drawing pension from the VA, and any veteran with one dependent whose income does not exceed $25,000—or $19,000 for a single veteran.

Any non-service-connected veteran with income above these limits may receive care provided: First, space and resources are available, and second, the veteran agrees to pay the initial deductible he or she would be required to pay under Medicare—estimated to be $492 for inpatient care in fiscal year 1986. Unlike the Medicare Program, the veteran would not be required to pay more than $492 for inpatient and outpatient care during a 12-month period.

In making a determination whether the veteran would be required to pay the deductible, the Veterans' Administration would be required to use the same criteria and procedure that is now used in determining annual income and net worth for pension purposes.

Part B would repeal the current provision of law that allows a veteran over the age of 65 to receive care in VA facilities regardless of his or her inability to defray the cost of necessary health care.

All of the provisions that would affect eligibility for health care would expire on September 30, 1988.

The bill authorizes the Veterans' Administration to recover from health insurers the reasonable costs of care furnished in VA facilities to insured veterans who have non-service-connected disabilities. Most of the savings in title X would be realized through this provision of the bill. Most health insurance plans and contracts contain exclusionary clauses which bar reimbursement to the United States for care provided in Federal health-care facilities. The bill would effectively nullify any contract provision agreed to after the date of enactment of this measure which seeks to bar recovery in connection with care furnished in VA facilities. This makes the VA similar to private hospitals for insurance purposes.

The bill would authorize VA to require non-Federal health care providers that furnish hospital care and services to veterans to accept the same payment from VA for such services that is now accepted for Medicare purposes.

Part C of this title would establish an advisory committee on American Indian veterans. In addition, the Administrator of Veterans' Affairs would be required to conduct an epidemiological study of long-term adverse health effects, if any, in females who served in the Armed Forces of the United States in the Republic of Vietnam and who were exposed to herbicides containing dioxin during such service.

The reform proposal contained in this bill is fair to veterans. It is easy to administer. It sets out our commitment to take care of service-connected disabled veterans and the non-service-connected veteran most in need. The committee proposal does not bar any veteran from the health care system and, if implemented, will force the agency to better plan to meet the future needs of our Nation's veterans.

Our committee has met its targets and I urge my colleagues to support the bill.

Mrs. MARTIN of Illinois. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. HILLIS], the ranking member of the Committee on Armed Services, and I ask unanimous consent that he be permitted to yield time.

The CHAIRMAN pro tempore. Is there objection to the request of the gentlewoman from Illinois?

There was no objection.

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

Mr. Chairman, in order to achieve the $600 million in savings assigned by the first concurrent resolution on the budget for fiscal year 1986, the House Armed Services Committee has reported legislation to bill third-party payers for the reasonable cost of medical and dental care provided in military medical facilities. The gentleman from Mississippi [Mr. MONTGOMERY], the ranking member of the Subcommittee on Military Personnel and Compensation, as well as the distinguished chairman of the Committee on Veterans' Affairs, has already explained the thrust of the legislation. I would like to highlight several points.

Representatives of private insurance companies have expressed concern that this legislation could impede their current cost-containment efforts. That is not the intent.

Clearly, the private sector has made great strides in recent years in the area of medical care cost containment and been in the forefront of innovative ways to moderate the rapidly escalating cost of medical care. As a part of that cost-containment effort, third-party payers routinely audit provider records for appropriateness of care, length of stay, and similar utilization indicators.

The Committee on Armed Services endorses such cost-containment initiatives.

This legislation would, therefore, afford third-party payers a similar opportunity to inspect and review military medical treatment facility records for those cases for which collection is sought.

Under this legislation, the Secretary of Defense would prescribe regulations for computing the reasonable cost of medical and dental care for which collection could be made. Although these regulations could utilize the per-diem charges currently used for collection under the Medical Care Recovery Act—$441 per inpatient day and $58 per outpatient visit for fiscal year 1986—other methods of determining reasonable costs would be equally appropriate.

To the maximum extent possible, the method of reimbursement should complement the cost-containment objectives of the third-party payer within that geographic area.

Thus, reimbursement might be based on the average rate—usual and customary fee for service, fee schedule, or other fee mechanism—that the third-party payer can demonstrate it would pay under valid contractual arrangements with other facilities or providers within the same geographic area for similar service or services.

The use of prospective payment or diagnostic related groups [DRG's] is becoming widespread as a method of reimbursement within the civilian medical community.

In view of the work already underway within the Department of Defense on the potential utilization of DRG's as an internal budgetary tool, the Department of Defense should carefully consider DRG's as a means of reimbursement for third-party payers under this title.

To facilitate claims processing, Department of Defense medical facilities may wish to negotiate reasonable cost through contractual arrangements with third-party payers within their geographic areas.

□ 1320

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

Mrs. MARTIN of Illinois. Mr. Chairman, I yield 10 minutes to the gentleman from Arkansas [Mr. HAMMERSCHMIDT], the ranking minority member of the Committee on Veterans' Affairs, and I ask unanimous consent that he be permitted to yield time.

The CHAIRMAN pro tempore. Is there objection to the request of the gentlewoman from Illinois?

There was no objection.

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

Mr. Chairman, I rise in strong support of title X of H.R. 3500, the Omnibus Budget Reconciliation Act of 1985. Title X pertains to Veterans' Affairs and is the result of a bipartisan effort of which we can all be proud. The joint budget resolution calls upon the Veterans' Affairs Committee to achieve $300 million in savings. With title X, we can do that.

Mr. MONTGOMERY, the distinguished chairman of the Veterans' Affairs Committee, and I, the ranking member, believe that we have developed a proposal for fiscal year 1986 budget savings which is responsible and which would enable the Nation to

keep its commitment to provide medical care for veterans who were disabled in the line of duty or who are truly in need, regardless of age.

Also, title X would provide a 3.7-percent cost-of-living increase for disability compensation and for dependency and indemnity compensation. It has been customary, and it is a matter of fairness, to treat COLA's for veterans' programs on the same basis as COLA's for other Federal programs.

America's veterans, who have already sacrificed for their country by military service, have always stood ready to sacrifice again if called upon. Veterans rightly ask only that the sacrifices be shared equitably and that particular groups not be exempt.

Many disabled veterans live on fixed compensation incomes and face the same hardships as all other such persons, if the buying power of the dollar declines. Yet veterans are willing to do their part in helping to win the crucial battle against the deficit.

The Veterans' Affairs Committee is proposing a historic reform of veterans' health care eligibility. My good friend, Mr. MONTGOMERY, has already provided many of the details of the proposal. The eligibility reform consists of a stronger commitment to provide hospital and outpatient care to a universe of veterans defined by specific income and asset criteria or by service-related categories.

Many veterans are surprised to learn that the VA today has no firm obligation under the law to give medical care to any veteran, whether service-connected or not. Through administrative prioritizing or resources, veterans in fact have received medical care for service-connected conditions, but if VA resources become inadequate, care could actually be denied to a service-connected veteran.

We have here an opportunity to do something for veterans which has never been done before. We can take the step, which many people thought had already been taken, to give service-connected and needy veterans the Government's assurance that the VA will provide them hospital and outpatient care.

About two-thirds of the savings would be accomplished by the third-party reimbursement provision. It would generally make private health insurance coverage for VA treatment the same as for private treatment in the case of non-service-connected veterans. Instead of cutting budget dollars, we have found insurance dollars to pay some of the medical bills. Third-party reimbursement would have a mninimal effect on policy premiums while ending what amounts to a subsidy for health care insurance companies.

The Veterans' Affairs Committee has studied carefully the whole range of options available to it for achieving $300 million in savings. The committee has sought out the views and suggestions of veterans' groups and concerned citizens, and I am satisfied that there is no better way to save the money, given the necessity to do it. The committee heard no alternatives from any quarter, and nearly all veterans' groups have accepted the approach which title X takes.

I want to make one thing very clear about the proposed means test. The committee would not be recommending it if it were not for the need to save money and to head off a means test which the VA already has the administrative authority to impose.

Therefore, a 3-year sunset provision has been included as a part of the proposal, and the VA would be required to report to the Congress on its experience with the means test. After 3 years, if the means test has not worked out, the VA would revert to the current health care eligibility criteria.

Mr. Chairman, title X's provisions can enhance VA health care for service-connected and needy veterans. It is an opportunity for achieving the savings mandated for veterans' programs while continuing to meet the Nation's basic commitment to its veterans.

Mr. Chairman, I yield 1 minute to the distinguished gentleman from Pennsylvania [Mr. RIDGE] a member of our committee.

Mr. RIDGE. Mr. Chairman, I thank the gentleman for yielding me time.

First of all, I would like to commend our chairman and the gentleman in the well for carefully crafting the compromise which was necessary to meet the fiscal responsibility with which we are faced.

However, I have a variety of reasons why I am opposed in principle to the means test.

Mr. Chairman, I rise in opposition to the means test for veterans as proposed in H.R. 3500, and ask permission to revise and extend my remarks.

Mr. Chairman, most everyone in this Chamber agrees that Government spending must be brought under control. Indeed, my colleagues on the House Veterans' Affairs Committee worked diligently to produce the best alternative to achieve reductions in the VA budget, and they must be commended for their efforts.

I rise in opposition not to this particular proposal, Mr. Chairman, but to a means test for veterans in principal. Long ago we made a commitment to our Nation's servicemen and women that the sacrifices they made would not go unrewarded. We promised, among other things, that their medical needs would be compensated for, in recognition of their service to their country.

I ask then, what kind of message are we sending to young men and women today, who are considering a commitment to serve in our Armed Forces? If we are to break the faith with those who have already served by proposing a means test, what assurance are we giving our young people that we, as their elected representatives, will not tamper with other rewards and benefits we committed to long ago.

Moreover, as a member of the House Veterans' Affairs Committee, I have become acutely aware of the health care problems facing our rapidly aging veterans population. Health care costs are rising exponentially, with no real relief in sight. I believe we have a responsibility to find ways to improve the quality of health care for our Nation's veterans—not find ways to make it less accessible and more burdensome. A means test is a bad idea and a bad precedent. Let's show yesterday's veterans that we have not forgotten them and tomorrow's veterans that their future is secure.

Mr. HAMMERSCHMIDT. Mr. Chairman, I yield such time as he may consume to the gentleman from Connecticut [Mr. ROWLAND] another member of our committee.

Mr. ROWLAND of Connecticut. I thank the gentleman for yielding.

Mr. Chairman, I had hoped to be arguing today for an amendment to delete third party reimbursement and the means test without disturbing the veterans' compensation cost-of-living adjustment.

The health care consequences of the means test and third party reimbursement are sweeping. The vote by the Veterans' Affairs Committee of 14 to 12 demonstrates that the choices being made by the two are serious.

There are at least two questions that, as of yet, have not been adequately addressed. First, would the requirement of a non-service-connected veteran to pay a $492 copayment create a legal obligation on the part of the Veterans' Administration to require it to pay for all of the veterans' health care for a full year irrespective of VA space availability limitations? In the case of Medicare beneficiaries, who also pay a $476 copayment, there is no question that care is provided for the whole year.

Second, the means test creates an entitlement for all non-service-connected veterans whose income is below the threshold. Given the current resource limitation leading to over 20,000 non-service-connected veterans being turned away yearly, where will the resources come from to pay for the care of the veterans who are said to be entitled?

Mr. Chairman, I rise in opposition to the means test because it creates an entitlement program for the first time for veterans using the VA health system. The veteran has always had the security of knowing that such care would be available. A means test changes the rule. While it is being introduced as a 3-year pilot, I feel that it will become a permanent feature and open the door to lower and lower income levels, not to mention the pos-

sibility of applying it to service-related disability.

The CBO has estimated that the means test will require $20 million to administer, which will significantly erode the expected savings of nearly $50 million. In my opinion, the means test will sacrifice medical care dollars for paperwork dollars. Veterans who served their country in wartime have already made sufficient sacrifices. No one was concerned about the income of our servicemen before they entered the service, and we should not start now.

Mr. Chairman, I think the means test sends the wrong message to our veterans across this Nation.

I thank the gentleman for yielding.

Mr. HAMMERSCHMIDT. Mr. Chairman, I thank the gentleman for his statement.

Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from Florida [Mr. BILIRAKIS] a member of our committee.

Mr. BILIRAKIS. I thank the gentleman for yielding.

Mr. Chairman, I would just like to take a few minutes of the Committee's time to enter into a colloquy with the ranking member of the Committee on Veterans' Affairs, the gentleman from Arkansas [Mr. HAMMERSCHMIDT].

Mr. Chairman, I have just a few questions on the sections in the bill which relate to the provision of outpatient medical services to veterans. I think it is vital that the intentions of the Committee regarding this matter be made absolutely clear, both for the benefit of the Members and for those who will be administering the changes, and I know this is your intention as well.

Does the bill guarantee outpatient care to the eight categories of veterans listed on pages 518 and 519 of the bill, including those non-service-connected veterans who, under the income limitations established in the bill, are unable to defray the cost of care?

Mr. HAMMERSCHMIDT. If the gentleman will yield, the gentleman is correct.

Mr. BILIRAKIS. In other words, the VA will be required to furnish such care?

Mr. HAMMERSCHMIDT. The gentleman is correct.

Mr. BILIRAKIS. Will the VA be able to refuse to provide outpatient care to an eligble veteran because the resources are not available in that area?

Mr. HAMMERSCHMIDT. Yes. The bill does not guarantee the veteran that he or she will get care in a specific hospital on a particular given day. The bill would require the VA to provide care at the particular facility or at another facility within a reasonable distance.

Mr. BILIRAKIS. So the VA will be expected to take whatever action is necessary to provide care to eligible veterans? Specifically, the VA will be required to transfer resources to areas where the demand for outpatient care by eligible veterans is unmet, such as in the State of Florida.

Mr. HAMMERSCHMIDT. The VA would be required to manage its resources and allocate funds to take care of the demand in areas throughout the country.

Mr. BILIRAKIS. Does this guarantee of outpatient care extend only to cases in which such services are necessary in preparation for, or to obviate the need of, hospital admission, or as a necessary followup to the hosptialization? Or will eligible veterans be able to get treatment for any necessary medical problem?

Mr. HAMMERSCHMIDT. Mr. Chairman, service-connected disabled veterans would be eligible to get outpatient treatment of any kind for his or her service-connected disability. For most of the non-service-connected cases, the veteran would get outpatient treatment to obviate care or for posthospital care. A veteran rated 50 percent or more would also be able to get outpatient care for any condition. The gentleman is correct. Certain categories would get treatment for anything.

Mr. BILIRAKIS. I thank the gentleman for his comments.

Mr. Chairman, I would hope that possibly in this last particular area, if we have the opportunity available to us in our report language we might get it to be a little more specific in that regard rather than keep things in such a hazy area that it might result in problems later on.

Mr. HAMMERSCHMIDT. I am sure we will be working in the committee to do that, and with the leadership of the gentleman from Florida I am sure we can strengthen it.

Mr. BILIRAKIS. I thank the gentleman.

Mr. MONTGOMERY. I would like to reclaim my time and make a few brief comments.

First, I would like to thank the gentleman from Arkansas [Mr. HAMMERSCHMIDT], the ranking minority member of our Committee on Veterans' Affairs, for his work and cooperation with the chairman pertaining to reconciliation.

I would also like to thank Mr. HILLIS, who is on the Committee on Veterans' Affairs as well as the Committee on Armed Services, for his help and support.

And to the distinguished chairman of the Committee on the Budget, Mr. GRAY of Pennsylvania, I will say it has been a pleasure working with him. He has been very cooperative. It has been, in effect, an enjoyable experience working with the gentleman and the other committee members, including Mr. LATTA and Mrs. MARTIN. I also appreciate the cooperation we have received from the Budget Committee staff.

Mr. Chairman, I yield such time as he may consume to the gentleman from New Mexico [Mr. RICHARDSON].

Mr. RICHARDSON. I thank the gentleman for yielding time to me.

Mr. Chairman, I commend the chairman of the Committee on Veterans' Affairs and its ranking minority member.

Mr. Chairman, I would like to commend the efforts of my colleague, Mr. MONTGOMERY, for his fine work on title X of the Omnibus Budget Reconciliaton Act of 1985. One section of this act is of particular significance to my constituents. Section 10031 of this act would establish an advisory Committee on American Indians by the Administrator of Veterans' Affairs. I rise in strong support of this section. This advisory committee is desperately needed—there has been no major scientific study of veterans which has examined Indians as a specific group—their particular needs and readjustment problems have neither been identified nor addressed.

American Indians have made major contributions to the defense of our country. They have played prominent roles in the military history of the United States since its inception. During the Revolutionary War, George Washington utilized their scouting abilities; in the Civil War, Indian regiments fought in both the Union and Confederate armies. Following the Civil War, Indians officially became part of the enlisted ranks of the U.S. Army—previously they had been hired as auxiliaries. On August 1, 1866, the Indian scouts were established by order of the War Department. As regular enlisted men of the Army, the Indian scouts now received the same pay and allowance as their fellow service members.

Throughout this century many Indians have served valiantly and with distinction in the Army and other Armed Services in World Wars I and II, the Korean conflict and during the Vietnam era. According to the 1980 census, 44,500 American Indians served during World War II, 29,700 during the Korean war and 73,681 during the Vietnam era. These people did not serve without sacrifice—their traditional ways of life were distrupted, leaving problems above and beyond the problems experienced by other American veterans.

The proposed advisory committee would fill an important role in indentifying particular needs which Indian veterans have. They have willingly served this country in its times of need—we now have an opportunity to ensure that their needs, created by their willingness to sacrifice for their country, are also met.

I am very proud of the contributions to our national defense made by American Indians. Their tradition continues—there is currently a Marine platoon made up entirely of Navajo Indians, for example. There is however, a tragic lack of recognition for the willingness of the Indians in our country to lay their lives on the line when called upon to defend the United States. In spite of their long and prominent history of participation in our Nation's military, no major recognition has been shown to these veterans. I believe that Congress needs to recognize their contributions. I will, therefore, be introducing legislation in the near future to establish a memorial to symbolize our acknowledgement of the involvement of these native Americans in our Nation's military.

I hope that all of my colleagues will support the Ominibus Budget Reconciliation Act of 1985 and other legislation aimed at addressing these unmet needs.

Mr. MONTGOMERY. I thank the gentleman for his comments. I know he and Mr. DASCHLE of South Dakota had a great deal to do with getting this amendment in the Reconciliation Act.

I thank the gentleman.

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

□ 1335

Mrs. MARTIN of Illinois. Mr. Chairman, I yield 20 minutes to the gentleman from Ohio [Mr. WYLIE], the ranking minority Member on the Committee on Banking, Finance and Urban Affairs, and, Mr. Chairman, I ask unanimous consent that the gentleman from Ohio [Mr. WYLIE] be permitted to yield time.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Illinois?

There was no objection.

Mr. WYLIE. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, later on we will be considering the Latta amendment which would strike from H.R. 3500 all new programs, all budget add-ons to existing programs, and all legislative language that is not germane to reconciliation. This last point is especially important to the Banking Committee portion which is contained in title II.

Let me just say a few words about striking the new programs and reducing the add-ons. Included in title II are five new programs that would fall under the jurisdiction of the Banking Committee. These programs total $235 million in new budget authority. In committee, when H.R. 1, the Housing Authorization Act of 1985, was being considered, I argued that this was the worst possible time to be creating new programs and I offered an amendment to strike all such programs. Although it was defeated, our minority views on H.R. 1 clearly indicated that the minority expected to pursue a similar course of action when the bill reached the House floor. Adoption of the Latta amendment will provide us with an opportunity to fulfill that pledge.

Mr. Chairman, unless there was an extremely strong case to be made for them, I felt very strongly about authorizing new programs in H.R. 1. I feel even stronger about authorizing new programs in what is supposed to be a deficit reducing bill. I feel the same way about add-ons. We are either going to freeze programs or we're not. By wiping out all the nongermane language, the Latta amendment necessarily takes care of these two problems.

Now to the question of placing the entire housing authorization bill in H.R. 3500 and then protecting it with what amounts to a closed rule. Mr. Chairman, unless the Latta amendment is adopted, we will effectively disenfranchise 405 Members of the House from having any say-so in determining priorities for our housing and community development programs this year.

While it is true the Banking Committee did mark up and report H.R. 1, the 1985 housing authorization bill, the particulars of that bill—especially as they relate to individual funding levels—are not the same as those contained in the reconciliation bill. In 25 instances, the funding levels have been changed. In seven instances, albeit minor ones, legislative language has been added or changed. These changes have never been subjected to a formal debate or vote and unless the Latta amendment is approved they never will be.

When the first concurrent resolution on the budget was adopted and the Banking Committee was placed under reconciliation instructions, the majority on the committee decided not to hold a formal session of the committee to determine how to meet these instructions. Instead they held a caucus of the majority members. Only 30 members were eligible to attend that meeting. They made the decisions as to how to split up a somewhat smaller pie.

Unless we approve Latta, the Members of the House will have no alternative but to either ratify these decisions or reject them completely. The House's position on the relative priority of various programs and indeed the structure of the programs themselves will have been determined by only 30 Members.

Mr. Chairman, H.R. 1 was a controversial bill in both subcommittee and committee. It was the object of 125 amendments, 86 of which were adopted and it contains 227 pages. I have it marked here in red. Over one-third of this bill pertains to housing legislation. But, it is still by no means a good piece of legislation.

It is clear to me the fairest procedure is to strip the nongermane legislative provisions from the reconciliation resolution and handle the housing authorization bill in regular order. The amendment by Mr. LATTA would accomplish this. This perfecting amendment would include language as it relates to title II that would provide only those provisions necessary to comply with the instructions for the Banking Committee contained in the first concurrent resolution.

Adoption of the Latta amendment would be beneficial for the final passage of H.R. 3500. Without it, I fear the conference on reconciliation will get bogged down by the housing title and this necessary deficit reduction measure will be needlessly delayed. In support of this proposition the chairman of the Senate Banking Committee has sent a letter to Chairman ST GERMAIN and me.

Similarly, adoption of the amendment would increase chances of enacting a housing authorization bill this year. It would allow the House to promptly take up H.R. 1, which I am willing to do. We still have time to complete action. What I fear, however, is that practically nothing will be decided in the conference on reconciliation and we will lose irreplaceable time before we can focus on a full-blown housing bill.

In summary, Mr. Chairman, the only fair thing to do regarding title II is to approve the Latta amendment. This would not jeopardize the prompt consideration of H.R. 3500, but just as important it would not disenfranchise 405 Members of the House when it comes to establishing Federal housing policy.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 15 minutes to the distinguished gentleman from Texas [Mr. GONZALEZ], and Mr. Chairman, I ask unanimous consent that the gentleman from Texas [Mr. GONZALEZ] be permitted to yield time.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

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

Mr. Chairman, of course, I voted for the rule on this H.R. 3500, the Omnibus—some people say the ominous—Budget Reconciliation Act. The reason is that under the procedures that were initiated in 1981, we have no recourse. For me, it was a very difficult decision this time. I had no problem in voting negatively in 1981. This year, given the nature of the crisis that confronts the Nation with respect to housing, shelter, and the general community development situation, we are living at

a time when a President and an administration have turned their backs on a 44-year commitment on a national basis to providing a safe, decent affordable house or housing or home for an American family or an American who wishes to so possess the ownership of a home.

Today we are back where we were in 1929. About 6 percent of the Americans in the country today are able to afford a new single-family dwelling unit. This was exactly the picture in 1929, which then, before the October crash, boasted prosperity.

The reason is very simple. For 4½ years we have had a steady assault on all of the programs that have been erected over a 44-year period to provide housing opportunities. Coincident with that has been the collapse of the financial structural base work or foundation that made it possible to construct homes at affordable prices for American families.

It is difficult for me to fold into this compelling process because I was 1 of 10 who voted against the so-called Budget Reform Act of 1974, for that very reason, that I felt and feared at the time that the net impact would be to cause the Congress to abdicate the solemn constitutional mandate to control the purse strings of this Nation's Government.

In effect, the process since 1981 has been to yield this constitutional grant to the executive branch and, therefore, a very, very serious cleavage in this tripartite form of government we have.

Today I rise in support of this Reconciliation Act because it affords the only opportunity we will have to have housing legislation as envisioned in what we called H.R. 1, the Housing and Community Development Authorization Act for 1985.

This bill in the committee and subcommittee took the longest time to be considered in leisurely and calm and dispassionate manner. We made history because we had a total of 96 amendments offered during the course of what we call markup, so that there is no question but what the authorization legislation was seriously, soberly, methodically compared and considered.

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

Mr. GONZALEZ. If the gentleman will hold off for just 1 minute, I want to complete my thought, which will not take long, and then I will be delighted to yield to my very distinguished colleague on the subcommittee.

We had, really, more than 100 amendments. Finally, when we ended the markup, the subcommittee passed the measure out unanimously on a voice vote. It was again passed in full committee unanimously by a voice vote. The big issue was, from the beginning, due to the budgetary exigencies, we felt, after comprehensive hearings throughout the country and here in Washington, that there are substantial and growing needs to meet the burgeoning needs and be responsive to those needs in shelter and housing. The country is in a housing crisis.

We visited the teeming, dense metropolitan areas of this country. We visited the rural areas of this country. We found the existence of a crisis. So we tried to respond minimally under the prevailing dictum of the moment a few months ago of a freeze, that is, we would freeze all expenditures, all authorizations, all appropriations, at a level not 1 penny above that which the prior fiscal year had entailed.

Well, then came the reconciliation process, and under that, we were obligated to reduce the freeze by $20 billion we are under; so that when I hear voices that seem to speak as if they are knowledgeable contending that what is enclosed in H.R. 1 here today in the reconciliation process is in excess in any amount, that is absolutely an untruth, I resent it very much, because we feel that we have really sacrificed the recognizable, sincere need, basic minimal needs of the country, in order to reach the reduction of $20 billion under.

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

Mr. GONZALEZ. In just a minute.

The total funding level authorized by this title is within the total established by the budget resolution for the community development and housing programs operated by HUD and the Farmers Home Administration. And even though we have what has been variously called new programs, these are in effect new variations of existing programs that have been in place, statutorily authorized, for some time, but always in the expenditure levels that represent a $20-billion cut below the budget that had been approved by the House.

So I want to say, to sum up, that I urge a favorable vote for this resolution at this time. I think that it is so important and so vital for anyone who is even minimally cognizant of the minimal needs in the way of shelter of this country.

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

Mr. GONZALEZ. I will be glad to yield, momentarily, to the gentleman who first requested, and I promised I would, so I do.

Mr. ROTH. I thank my chairman for yielding. First of all, I want to say that I thank the gentleman for being eminently fair with us in committee. There is no Member in this Congress who works harder than the gentleman from Texas [Mr. GONZALEZ].

Mr. GONZALEZ. I thank the gentleman.

Mr. ROTH. As the gentleman mentioned, there are 96 amendments that we considered to this legislation, so there is no unanimity on this bill. This is one of the most important pieces of legislation, H.R. 1, to come before this Congress. That is why it is entitled H.R. 1. It is a flagship. But it is wrong to throw this important bill into the hodgepodge of reconciliation. This bill should stand on its own merits. I do not believe that a powerful Member like the gentleman in the well would go to the Speaker and could not get this bill up on its own merits. We owe that to this body and to this country to do that.

□ 1350

Mr. GONZALEZ. I will reclaim my time and say that as I said earlier during another debate, I always accept these compliments, but in no way do they deceive me as to the extent of my inherent power in this body. I am still a VIP, a very important peon.

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

Mr. GONZALEZ. I yield to the gentleman.

Mr. VENTO. I want to commend the gentleman for his statement. We are her today because this is the process that has been set up.

Mr. Chairman, those who worship process, they ought to love this reconciliation process, like they loved it in 1981 when they passed the hodgepodge of things that cut the guts out of every social program in this Nation. The same thing is occurring here. We bring forth some proposals within the context of reconciliation legislation that wants to do a little bit for the low-income people of this country; wants to do a little bit for housing; wants to do something for the homeless; wants to deal with housing discrimination at the request of Secretary Samuel Pierce, then we are told it is not the right time. It is not the right time to deal with the homeless when we are below budget.

You know, we have 10 dozen budget experts up here that are telling us what the budget was. We got the lowest common denominator in terms of housing programs, in terms of H.R. 1 in this bill, but it is still not the right time.

I tell you what, I think that I question the support of those individuals that raise that and that try to sacrifice housing community development programs on the altar of process. In other words, they are making a fetish out of this particular issue and I think it is wrong. I think that this bill and this measure is here at the right time because it is necessary. Because we want to house people in this Nation, and because we want to meet their needs. That is why we are here, because the homeless this Thanksgiving ought to

have some hope. We have passed these bills before, they are not new, and we ought not to deceive ourselves. This proposal is here because it is necessary.

We are following the process; this is the reconciliation process. It is within the rules, and I hope we will defeat the Latta amendment. Support the initiatives of your Secretary Samuel Pierce in terms of housing discrimination. Support housing for the poor people in this Nation through this measure. Defeat the Latta amendment so that the needs of the homeless are addressed. That is what we have to do. That is what we should be about here in the people's Congress.

Mr. GONZALEZ. I say to my kind friend, the gentleman from Minnesota, let me explain that we have limited time, I have been so advised by the controlling Member. But if I have time, I would be delighted to yield. I appreciate the gentleman's generosity.

Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER. I thank the gentleman for yielding.

Mr. Chairman, I compliment the gentleman and I would like to address myself to the remarks made by my good friend, the gentleman from Wisconsin [Mr. ROTH].

First of all, there is a pitch that there should be no new programs. That implies to many people, particularly on that side of the aisle, that it means more money. Let us make one thing clear, and I would ask my good friend, the gentleman from Ohio, the ranking minority member who I have worked with, my friend from Texas, my friend from Wisconsin, when they get up and make a pitch that there should be no new programs, they should at least make it clear that the Housing Committee has lived within its budget.

When we have allocated $50 million in reconciliation for a new program, we have taken an existing $50 million; we have $50 million out of an existing program so that we come out equal. So let one thing be 100-percent clear to every Member of this body: New programs live within the budget; they have been paid for by other programs, and let me give the gentleman a reason for that and why some of us feel so strongly about this bill.

Many people, Democrat, Republican, have said the old housing programs do not work. We have conceded that. Many of them do not work. They are extremely expensive and house very few people. So we have attempted to come up with some new programs, some cost-efficient programs, some programs that are much better, that learn from the mistakes of the past.

We have tried to authorize those programs. H.R. 1 has reached the floor in this body and passed it before. But let me remind the gentleman from Wisconsin and my good friends what has happened in the other body. Just this session in the other body, the Housing Subcommittee of the other body passed two of the new programs because two gentlemen from the other body, from that side of the aisle, agreed that there ought to be new programs and they voted against their chairman. Lo and behold, the Housing Subcommittee of the other body ratified those two new programs. What did the chairman of the Housing Authorizing Committee in the other body do? He withdrew a bill.

We are whistling into the wind.

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

Mr. SCHUMER. I yield to the gentleman.

Mr. WYLIE. This is precisely why we need more debate on this 227-page, $20 billion bill. There is a difference of opinion as to whether we came within the cap of budget reconciliation. I happen to think that we did not. The Office of Management and Budget thinks we did not. The Congressional Budget Office thinks we did not. So I think that what we should do is bring it up on the House floor and debate it.

Mr. SCHUMER. No. 1, just to correct my friend, the Congressional Budget Office, which is the one truly nonpartisan group of all he has mentioned, said we did live within the budget. OMB may have said not, but CBO said we did.

To say let us have H.R. 1 on the floor, is to say, let us have nothing. If the other body had actually put a housing bill on the floor, on its floor, we would not be in reconciliation. The gentleman from Ohio knows, the gentleman from Texas knows, the gentleman from Wisconsin knows, that even if we were to pass H.R. 1 here, nothing would happen. And as the good gentleman from Texas has said, the needs of millions of people in this country would not be addressed.

The CHAIRMAN pro tempore. The time of the gentleman from Texas [Mr. GONZALEZ] has expired.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 5 additional minutes to the gentleman from Texas [Mr. GONZALEZ].

Mr. GONZALEZ. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER. I thank the gentleman for his generosity and time.

Mr. Chairman, as every one of the gentleman who is arguing against this knows, No. 1, we will get nothing if we go through H.R. 1, through the authorization process. We have been through that route 3 of the last 4 years. There will not be a bill from the other body, so you are telling us to whistle in the dark and not have an authorizing process.

No. 2, that we have indeed by the Budget Committee, and more importantly CBO, we have lived within the budget. Certainly when the new programs were started, because I was there at the negotiations, money was taken out of existing programs to try these itty-bitty new programs. I would appeal to the gentleman: Be fair. We are not trying to spend more money than we are supposed to; we are not trying to get around the mechanisms of this body, but what has happened is, we have been pushed against the wall, time and time and time again. We are trying to do something that is fair and trying to do something that is right: No. 1, without breaking the budget; No. 2, without violating the processes of this House, and the gentleman from Ohio's amendment, aided by some of my good colleagues who I know care about this issue, will simply push us back to where we started from.

Mr. GONZALEZ. Reclaiming my time, Mr. Chairman, I now yield time to the other distinguished gentleman from New York, who also has quite a bit of expertise on the question of homelessness. He chairs a subcommittee of the Committee on Government Operations. I am delighted the gentleman is here, and I now yield such time as he may consume to the gentleman from New York [Mr. WEISS].

Mr. WEISS. I thank my distinguished friend and colleague from Texas for yielding to me.

Mr. Chairman, I simply want to say a word about the hearings which my subcommittee conducted around this country. It should come as no surprise to any Member of this body, indeed to any American living in any kind of urban setting that there are up to 2 million homeless people in our country who do not know, from day to day, where they are going to live. Most of them live outside without any shelter whatsoever. Many of them live in improvised shelters which in many instances are almost as bad as living outside.

This piece of legislation contains, because of the efforts of the gentleman from Texas, the gentleman from Minnesota, a demonstration program which for the first time attempts to address the problem of providing through local and through charitable organizations a handle on providing some housing for Americans who are otherwise sleeping out in the elements in the worst kind of weather.

I commend the gentleman for his efforts in that regard. I would think that every Member of this body would want to be supportive of efforts to provide some decent minimal amount of shelter for Americans who do not have that shelter right now.

Mr. GONZALEZ. I thank the gentleman.

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

Mr. Chairman, I think the RECORD ought to reflect that the gentleman's colleague sitting there next to him, Mr. VENTO, was the very first that really pushed hard after witnessing what he saw, the situation back in the State of Minnesota, and he ought to get credit. I do give him credit.

Then we went in and we did what we could and we were the subcommittee that first brought the question of homelessness before the Nation. The gentleman's subcommittee, and Government Operations, Mr. WEISS', did a masterful job in accumulating the data, and in going throughout the country and reaffirming what we knew 3 years ago was a real emerging problem.

□ 1400

Mr. LEVIN of Michigan. Mr. Chairman, will the gentleman yield?

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

Mr. LEVIN of Michigan. Mr. Chairman, I appreciate the distinguished chairman of the subcommittee yielding.

Mr Chairman, I simply would like to rise to support the gentleman's position and to support it heartily, making three quick points.

No. 1, it is ironic that the proponents of the amendment that would take housing components out of this bill are of the same party as those who control the other House, and if you could get a guarantee from the other House that a housing bill would go through that House——

Mr. WYLIE. Mr. Chairman, would the gentleman yield to me?

Mr. GONZALEZ. I yield to the gentleman from Ohio.

Mr. WYLIE. Mr. Chairman, I have talked to Senator GARN, and he indicated to me that the best procedure for getting a housing bill would be to do it separately, that if it comes over in the budget——

Mr. LEVIN of Michigan. That would be what?

Mr. WYLIE. That would be to do it separately and to debate a housing bill on the House floor; that if we pass a housing bill by this process in H.R. 3500, where we have over 227 pages and 20 billion dollars' worth of authorizations that will never be debated on the House floor, Chairman GARN is going to try to get H.R. 1 out in conference.

Mr. LEVIN of Michigan. Mr. Chairman, reclaiming the time that was yielded to me, let me say that we need more than a statement from the honorable Member of the other body as to what is the best procedure here. What we need is a written commitment supported by the leadership of the Senate with a firm commitment that a housing bill will be passed in the Senate and put into conference.

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

Mr. WYLIE. Mr. Chairman, I yield 2 minutes to the gentlewoman from New Jersey [Mrs. ROUKEMA].

Mrs. ROUKEMA. Mr. Chairman, I thank the gentleman from Ohio [Mr. WYLIE].

Mr. Chairman, I rise today in strong support of the Latta amendment and in opposition to the inclusion of H.R. 1 in the reconciliation bill.

What we have before us today is a bill authorizing new spending totaling over $3.5 billion over the next 3 years. Of this total, approximately $1 billion is in increased housing authorizations contained in title II. Now, as a member of the Subcommittee on Housing, I sat through literally months of subcommittee and full committee hearings and markup sessions of H.R. 1, the housing authorization bill. And while I may not agree with all of the provisions in H.R. 1, I do strongly believe that it is important for this House to consider a major housing bill this year. But my friends, this is not the same housing bill that the Banking Committee reported in June. In 25 instances, legislative language has been added or changed. These changes have never been subjected to a formal debate or vote. Nor is this reconciliation bill the proper forum for considering such a major piece of authorizing legislation. I ask you, what right do we have to bring a major authorization bill to the floor without the ability to amend it?

When the first concurrent resolution on the budget was adopted and the Banking Committee was charged with reconciliation instructions, the majority on the committee decided not to hold a formal session of the committee to determine how to meet these instructions. Instead there was only a caucus of the majority members. Only 30 members were eligible to attend that meeting. Thus, if the Latta amendment is not adopted today, it means that 405 Members of the House will have been effectively disenfranchised in determining priorities for our housing and community development programs this year.

During markup, I was strongly opposed to authorizing new programs in this time of necessary fiscal constraint and, consequently, I supported an amendment offered by Mr. WYLIE to strike new programs from the bill. Today, I am even more strongly opposed to authorizing new programs and new spending in what is supposed to be a deficit reduction bill. The Latta amendment gives us the real chance to save money today. And this I must stress for my colleagues concerned with the deficit.

The reconciliation process contains the only enforceable spending cuts agreed to this year. While I support the Gramm-Rudman amendment that is now in conference, I would remind the Members of this body that Gramm-Rudman is a long-range plan requiring future years of budgetary restraint. What we have before us today is the opportunity to exercise fiscal responsibility this year. The time to start deficit reduction is now.

In title II alone, the Latta amendment will strip out new programs and increases in existing programs totaling $809 million. While the revised H.R. 1 that is in title II meets budget authority and outlay targets of the budget resolution of fiscal year 1986, it does not meet the outlay targets for fiscal year 1987 and 1988. The Latta amendment will also strike legislative language containing other hidden costs.

Mr. Chairman, H.R. 1 was a controversial bill in both subcommittee and committee. It was the object of 125 amendments, 86 of which were adopted. I agree with the chairman of my committee and the ranking minority member that there is a great need to pass a substantive housing bill this year. But I am vehemently opposed to the process by which this body will be adopting housing legislation using this omnibus reconciliation bill as the vehicle. We should bring H.R. 1 to the floor. The chairman should seek a rule from the Rules Committee, bring the bill to the floor on its own, and allow the Members to work their will by offering proper amendments. I urge my colleagues to support Latta for deficit reduction and bring a separate housing bill to the floor so that we can all have the opportunity to consider the legislation on its merits.

Mr. WYLIE. Mr. Chairman, I thank the gentlewoman from New Jersey [Mrs. ROUKEMA] for her contribution, and she is right.

Mr. Chairman, I yield 1 minute to the gentleman from Wisconsin [Mr. ROTH].

Mr. ROTH. Mr. Chairman, I thank my friend, the gentleman from Ohio, for yielding the time, but in 1 minute, it takes that long to read the title of this legislation.

First of all, Members on this side have said, "Let's be fair." I say, yes, let us be fair, and let us be honest.

This is $20 billion—not $20 million but $20 billion. That is 10 percent of our total budget; that is the amount of dollars we are dealing with here.

I am opposed to this bill coming up in this fashion for two reasons: No. 1, this Reconciliation Act is not the proper vehicle to consider this substantive and controversial legislation. As the chairman of our committee pointed out, we had some 95 to 97 substantive amendments that were debated in committee on this legislation.

With this reconciliation we have had no markup, we have had no real committee deliberations, and it just is not fair to the taxpayers.

We have a document here that is over 200 pages, with 146 sections in the bill, and we are asked to pass this legislation in the Reconciliation Act.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. ROTH] has expired.

Mr. ROTH. Mr. Chairman, I ask the gentleman from Ohio [Mr. WYLIE] for an additional 10 minutes.

Mr. WYLIE. I am sorry, but I do not have it. I do not have 10 minutes to yield, Mr. Chairman, but I do yield 30 additional seconds to the gentleman from Wisconsin [Mr. ROTH].

Mr. ROTH. Mr. Chairman, I appreciate the generosity of the gentleman from Ohio.

This essentially is a very ineffective way to legislate. We have an obligation here to the American taxpayer. How can we say we are going to be fair to the American taxpayer when we have H.R. 1, the most important piece of legislation, according to that side of the aisle—that is why it has the number, H.R. 1—and we are going to pass it in the reconciliation bill? This is being totally unfair, totally dishonest.

The other thing is that we are not being fair to the committee members. We worked day after day, day after day on this legislation, and now just to take all this work and throw it in the wastepaper basket and say we are going to pass it in this manner, it is totally unfair not only to the American taxpayer but to the Members who worked so very hard on this committee.

Mr. WYLIE. Mr. Chairman, I thank the gentleman from Wisconsin [Mr. ROTH] for his contribution.

Mr. Chairman, I yield 1 minute to the gentleman from Indiana [Mr. HILER].

Mr. HILER. Mr. Chairman, I rise to voice my support for the Latta amendment to delete H.R. 1 from the provisions of this bill.

There are many aspects of H.R. 1 that I support, amendments that I voted for. I supported the amendment offered by the gentleman from Texas [Mr. BARTLETT] in committee to bring enterprise zones into play, something that many of us have wanted to see on this floor for a very, very long time. I supported the revised formula for UDAG, which clearly will be a better formula than what exists today. I think there could be a better formula devised, but the formula in the bill for UDAG will be better than existing law. We expand the use of vouchers in H.R. 1, and I am supportive of that.

But there is no reason in the world why the rest of my colleagues in the House of Representatives should not have the opportunity to offer amendments and to debate H.R. 1.

The CHAIRMAN. The time of the gentleman from Indiana [Mr. HILER] has expired.

Mr. WYLIE. Mr. Chairman, I yield 30 additional seconds to the gentleman from Indiana [Mr. HILER].

Mr. HILER. Mr. Chairman, to have H.R. 1 get 20 minutes of debate during the general debate on the reconciliation bill and only another 5 or 10 minutes or so when we are actually debating the Latta amendment is not conscionable. We should not be considering substantive legislation that will reathorize all the housing programs and urban development programs that we have in a reconciliation bill.

The Members can support merits of H.R. 1, but they should support the Latta amendment which will strike H.R. 1 from this bill so we could treat it like every other substantive piece of legislation in this body on the floor of the House and take up nothing but H.R. 1.

The CHAIRMAN. The time of the gentleman from Indiana [Mr. HILER] has expired.

Mr. WYLIE. Mr. Chairman, I yield 2 minutes to the ranking minority member of the Subcommittee on Housing and Community Development, the gentleman from Connecticut [Mr. MCKINNEY].

Mr. MCKINNEY. Mr. Chairman, let us face it, this is no way to take up this legislation, and reconciliation is no way to do anything, but we will not throw the housing bill into the trashcan, as my good friend suggested earlier. The Senate of the United States has thrown it into the trashcan, as my good friend suggested earlier. The Senate of the United States has thrown it into the trashcan, and we have got to do something in housing for America.

I hear a lot about how much it is going to cost. My goodness gracious, believe it or not, the total authorized in title II is under what we appropriated for HUD. Is that some kind of major sin?

It is a very strange thing, but everyone says, "New, new, new." Is there something wrong with "new"? I thought we were sent here to legislate. I really did. I thought we were sent here to turn things around and say that maybe the Nehemiah program would be better than section 8. We know this House is not quite operating on a straight track and I agree. We took up the appropriation before the authorization.

We agree on that, but then we have my friends and colleagues from the other body that I cannot discuss, who have a chairman who says, "I don't like going out of the regular order." But we have several other Members of that body who belong to my political party—and I hope the Senator from New York is one of them—who say, "Do it."

□ 1410

This is our chance. This Nation is built on housing. It is built on owning your own home. This particular H.R. 1 is under the appropriation level. It authorizes exactly what the budget figure that Chairman GRAY and his committee agreed on says. It has new and innovative programs. It improves the UDAG formula. It does a great many things that need to be done. To sit here and say new is bad shows that maybe we need a new Congress.

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

Mr. MCKINNEY. Yes.

Mr. VENTO. Mr. Chairman, I want to commend the gentleman for his statement. I would point out that we had lengthy hearings, over a month of hearings and markup in the committee and subcommittee and that should be a strength to this bill and a reason not to rehash everything done in the committee on this floor.

Mr. WYLIE. Mr. Chairman, what is the situation on time?

The CHAIRMAN. The gentleman from Ohio [Mr. WYLIE] has 8 minutes remaining, and the gentleman from Texas [Mr. GONZALEZ] has no time remaining.

PARLIAMENTARY INQUIRY

Mr. GRAY of Pennsylvania. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. GRAY of Pennsylvania. Mr. Chairman, it is my understanding that we do have additional time that we can allocate, even though this gentleman only asked for 15 minutes originally and yielded another 5, which therefore was 20 minutes to this section on banking.

I now see that the distinguished chairman of the Banking Committee is on the floor, as well as one of the ranking members, who would like to have an opportunity to speak; so I do plan out of the total allotment of our time to yield additional time to the distinguished chairman of the Banking Committee, the gentleman from Rhode Island [Mr. ST GERMAIN], and also to the gentleman from Maryland [Mr. MITCHELL] and 1 additional minute to the gentleman from New York [Mr. SCHUMER].

The CHAIRMAN. The gentleman has stated it correctly, that he has additional time that he may allocate.

For the present, the time of the gentleman from Texas has expired.

The gentleman from Ohio [Mr. WYLIE] has 8 minutes remaining.

Mr. WYLIE. Mr. Chairman, I yield 2 minutes to the gentleman from Florida [Mr. MCCOLLUM].

Mr. McCOLLUM. Mr. Chairman, this is absolutely incredible. We are here taking a $20 billion bill, this huge size of our budget, and being asked to swallow it on the House floor in a reconciliation package with no chance at all for the Members to vote on amendments.

This is an incredible amount of money, a $20 billion plus package; no chance for amendments. It is ridiculous.

In all the time that I have been here, I have never seen anything more ridiculous than this. We are talking about something that ought to take 3 days of solid debate on the floor of this House.

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

Mr. McCOLLUM. Not now.

Mr. SCHUMER. I would like to know how the gentleman voted on Gramm-Latta for $300 billion.

Mr. McCOLLUM. We are talking about something that ought to take 3 days of solid debate on the floor of this House to cover 100 amendments that will probably be offered.

Let me give you one example. I offered an amendment in committee that I think ought to be considered on the floor of this House that I think we could probably pass if we had that chance. There is $150 million in this particular housing bill that would go toward HODAG for new construction of housing for low-income folks. The problem is that 80 cents of the dollar goes to developers and only 20 cents goes to the low-income people. If we had adopted an amendment of mine, instead of having 3,000 units for low-income housing amongst that money for $150 million, we could have had 27,000 units of low-income housing through a Rehab Program.

We have not had an opportunity and we will not have one under this reconciliation proposal to have the full House consider numerous ways that we could give better housing to low-income Americans to get a better bang for the dollar, to give the Members and the taxpayers of this country a chance to get some truly workable housing programs at reduced cost, and that is what it is all about.

We are trying to save money and passing a balanced budget proposal is part of the debt ceiling this time, while we on the other side of the coin are slapping the taxpayers in the face by saying, "OK, we are going to pass without even really considering it, no amendments allowed, $20 billion in a new housing bill."

I call on my colleagues to vote for the Latta amendment to strike the housing bill from this particular reconciliation proposal and put some sense back into what we are doing.

Mr. WYLIE. Mr. Chairman, I yield 4 minutes to the gentleman from Texas [Mr. BARTLETT].

Mr. BARTLETT. Mr. Chairman, I thank the gentleman for yielding.

This is an extraordinarily serious amendment that will be on the floor, the Latta amendment, and I rise as many have in strong support.

I would say on the matter of fairness that we have heard today, I listened to the chairman of the subcommittee, whom I respect a great deal, and he said that he wanted to bring the housing bill up.

I will go to the Rules Committee with the chairman tomorrow, Friday, Monday, to bring the housing bill to the floor under regular order. Let us go to the Rules Committee. Let us get a rule. Let us bring it to the floor and let us legislate.

Given the nature of this debate, 20 minutes to a side, for a 227-page piece of legislation, larger in terms of pages, H.R. 3500, than the rest of the reconciliation package.

This is a single legislative item that consumed days, weeks, months of hearings; 125 amendments offered in committee, many of those amendments were accepted or rejected on the narrowest of rollcall votes.

I think that this floor, this Congress, needs to consider those housing issues, those reform issues.

Now, can we bring the housing bill to the floor and get a vote on it and consider it and make it a matter of legislative policy? You bet we can.

Can we get housing issues considered by both bodies? You bet we can, but we cannot do it through a budget process that is separate, that allocates 20 minutes for the debate.

In fact, we have a letter from the chairman of the committee of the other body, who says bring it in the regular legislative process and we will go to committee and we will go to conference.

Mr. LEVIN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. BARTLETT. Rather than yield to the gentleman from Michigan, I would read it into the RECORD.

Mr. LEVIN of Michigan. I would like to have it read.

Mr. BARTLETT. I would read into the RECORD a letter dated today, signed by Senator JAKE GARN, the committee chairman in the other body:

> If the House passes a separate housing bill under the normal procedures, I am sure that the Senate will go to a conference and consider substantive housing law changes.

The fact of the matter is, housing is too big an issue to do in 20 minutes. The status quo of housing, as we have heard from both sides of the aisle, is not worth coming to the floor and defending and simply reauthorizing.

Does H.R. 1 contain some positive changes? Yes; it does.

Does H.R. 1 go far enough in terms of reforms of home ownership, of tenant management, of making those decisions to repair the dilapidated units that we have, rather than to build now units, those decisions of security and livability? No; it does not.

But the floor of this Congress can make those decisions. The floor of this Congress was asked under the appropriations guidelines to shortcircuit the process and the floor of the Congress decided under appropriations not to do so, decided to say, "Wait a minute," by two separate votes bring back the authorization legislation back to the floor and then we can legislate.

The House has already decided this issue once under appropriations. This is not the first time that an end run has been tried to shortcircuit the process.

I say, bring the housing bill back to this floor. Bring it tomorrow. Bring it Friday. Bring it next Monday or next Tuesday. Let us debate it. Let us reform it. Let us amend it. Let us let it pass or fail on its own weight. Let us give it the priority that it deserves. I thank everyone on this side of the aisle and on both sides of the aisle would agree with that. I think in that way we can make those reform issues, those decisions.

One other point, Mr. Chairman, and I thank the gentleman for yielding me so much time. There are funding priority issues to be made which have not been resolved by this House in the past, including that this country has 80,000 vacant units of public housing. We should be taking the $300 million in H.R. 1 from the new unit construction and using that $300 million and other funds to repair the units that are dilapidated and in need of repair that we already have. The House has never been called upon to make that decision and cannot unless the Latta amendment passes.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Maryland [Mr. MITCHELL], who is the ranking member of the Committee on Banking, Finance, and Urban Affairs.

Mr. MITCHELL. Mr. Chairman, I have heard the word incredible used about this process, and for me that is almost hypocritical use. In the wee hours of the night a few years ago we rammed through this House a monstrosity that made no sense to anybody, that was one of the most costly monstrosities that we have ever moved. That was the infamous Gramm-Latta legislation, we rammed it through, we did not know what was in it, we could not even read it. The ink was not dry on it. There were notes scribbled in pencil on it.

A whole lot of folks were screaming about the incredible vote for that monstrosity.

Now, what is all the hue and cry about this bill? H.R. 1 is in reconcilia-

tion where it belongs. Why? Because there are some new programs?

What do you intend to do about the homeless in this Nation, let them continue to sleep in the street? Is that what America is about?

What do you intend to do about those being forced to do workfare now, who need day care for their children? Are we going to send their children out on the streets so that they can become juvenile delinquents?

It is incredible that the sense of humanity that was once so high in this Nation with regard to the commitment to provide safe, sanitary and decent housing for our citizens who cannot afford it, that that commitment has eroded to the point where now we are talking about some procedural debate in order to try to cut even further into this Nation's need, really, to meet the housing problems of our Nation.

Vote it down. You had your shot under Gramm-Latta a few years ago. You almost destroyed the housing program. The little that is left now you want to destroy that, too, and I do not think we should do it.

Vote the Latta amendment down. It does not make any sense. H.R. 1 belongs in reconciliation. That is where it should be and anybody who argues in another direction is arguing only for the opportunity to once again show their contempt and their callousness toward those who are disadvantaged in this Nation.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. SCHUMER], who is a member of the Committee on Banking, Finance and Urban Affairs.

Mr. SCHUMER. Mr. Chairman, I thank the Chairman. I will be very brief.

I just would wish to refer all Members to a letter to Hon. FERNAND ST GERMAIN, copy to the ranking minority Member, the gentleman from Ohio [Mr. WYLIE], from the Congressional Budget Office that says that this reconciliation is within budget, dated October 2, 1985. The letter is available.

I yield to the good gentleman from California [Mr. TORRES].

Mr. TORRES. Mr. Chairman, I thank the gentleman.

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

Mr. TORRES. Certainly, I yield to the gentleman from Connecticut.

Mr. McKINNEY. Mr. Chairman, would the gentleman from California engage the gentleman from Connecticut in a brief colloquy?

Mr. TORRES. I would be happy to do that.

Mr. McKINNEY. We have included a provision in H.R. 3500 that provides for timely payment of subcontractors. This provision, section 2365, states:

It is the policy of the United States that each prime contractor of the Department of Housing and Urban Development should establish procedures to ensure the timely payment of amounts due pursuant to the terms of the subcontracts of such prime contractor.

I wonder whether the gentleman from California could provide some clarification here. I am concerned that this language will be interpreted to require general or prime contractors to pay their subcontractors regardless of whether they have received payment from the owner through HUD. Such an interpretation, whether by a court or HUD through regulations, would be contrary to the general industry practice that the subcontractor is paid by the prime contractor after the prime contractor is paid by the owner.

Mr. TORRES. As the author of this provision, I assure the gentleman from Connecticut that it is not my intent to require general or prime contractors to pay their subcontractors regardless of whether they have received payment from the owner through HUD. The intent of the provision is to ensure that prime contractors pay their subcontractors in a timely manner once they have received payment from the owner.

Mr. McKINNEY. I thank the gentleman from California for that clarification.

Mr. WYLIE. Mr. Chairman, how much time do I have left?

The CHAIRMAN. The gentleman for Ohio [Mr. WYLIE] has 2 minutes remaining.

Mr. WYLIE. And how much does the other side have?

The CHAIRMAN. The gentleman from Pennsylvania [Mr. GRAY], has 1 hour and 25 minutes remaining.

Mr. GRAY of Pennsylvania. Mr. Chairman, I would inform the gentleman that I intend to yield 2 minutes to the distinguished chairman of the Committee on Banking, Finance and Urban Affairs, following the closing remarks of the gentleman on the other side of the aisle.

Mr. WYLIE. Mr. Chairman, I yield myself the remaining 2 minutes.

Mr. Chairman, we have heard a very spirited and I think very informative debate here on whether H.R. 1 should be included in the budget reconciliation bill, H.R. 3500.

I think the debate points up the fact that we really do need more time.

Now, the gentleman from New York says that this is within the budget figures. I say that our figures show from the Congressional Budget Office that in the out years there is $300 million at least over the budget in the fiscal year 1987 and fiscal year 1988.

□ 1425

But the point I want to make is that it does include some new programs which were the subject of debate in the Banking Committee, and these new programs, I think, deserve an airing here on the House floor so that all 435 Members of the House can decide which new programs, if we are going to have new programs, should be put in H.R. 1.

I do think, as someone mentioned, we do not follow necessarily the 1981 reconciliation bill. As a matter of fact, we are reversing some of the procedures which were followed in the budget reconciliation bill in 1981, and I am not necessarily defending that procedure, but we did make some caps and we did some things in that bill which would be repealed in essence by this bill, and I would like an opportunity to debate that point.

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

Mr. WYLIE. I would be glad to yield to the gentleman from Texas.

Mr. BARTLETT. I thank the gentleman for yielding.

Mr. Chairman, in the remaining few seconds, which demonstrates the difficulty of this debate, I would just put on record some but not all of the issues that remain to be resolved.

This House needs to resolve the HODAG Program, which has been $77,000 per unit for low-income housing. We need to resolve whether we should be building 5,000 more units of new housing or repairing the some 200,000 units of housing that are in need of repair. We need to resolve and have for the first time a vote on the UDAG formula, which at the present time skewered most of the funds.

Mr. WYLIE. Mr. Chairman, I urge the Members to vote for the Latta amendment, which would eliminate all extraneous provisions in the bill pertaining to housing.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 2 minutes to the distinguished chairman of the Committee on Banking, Finance and Urban Affairs, the gentleman from Rhode Island [Mr. ST GERMAIN].

Mr. ST GERMAIN. I thank the gentleman for yielding this time to me.

Mr. Chairman, I think this is, frankly, a very sad situation. I think in Texas and in Florida they have Indians, and Indians in the old days used to use the expression, "White man speak with forked tongue," meaning out of both sides of his or her mouth. Are we ever hearing it now.

The very people who shoved Gramm-Latta down the throats, not our throats, down the throats of the American people, brought that monstrosity up here, insisted on a vote, and did us in, did the American people in, without anyone knowing what was in it. As I recall it, there were some notes in there about who was going to go out and get the coffee, but sadly, more sadly than anything, things like saying to the blind and to the disabled, "You can no longer sell magazines and newspapers in Federal buildings."

That is what is called legislating with heart, with compassion. Mr. Chairman, in this reconciliation we asked and have had included H.R. 1. What does H.R. 1 do? Yes, it has some new programs in it. Out of $20.3 billion or $20.6 billion, the new programs amount to $500 million. Frankly, the section 8 program that we are all concerned about because of its cost, for those who are new arrivals, let me tell you where it came from. It came from that side of the aisle.

The CHAIRMAN. The time of the gentleman from Rhode Island [Mr. ST GERMAIN] has expired.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 1 additional minute to the gentleman from Rhode Island [Mr. ST GERMAIN].

Mr. ST GERMAIN. I thank the gentleman for yielding this additional time to me.

Mr. Chairman, in this legislation we have projects like Nehemiah. Why is Nehemiah named Nehemiah? Because it is demonstrated already. It is an actuality. We are not talking about a fiction. It is an actuality.

We have programs in here that are not new programs; they are people programs to help out public housing and low-income housing.

Ladies and gentlemen of the House, we may well lose, but I have news here: We will be back. We will be back, and I am going to take a close look at requests to send hundreds of millions and billions of dollars to foreign countries if we cannot have compassion for our people here. If you want to play hard ball, we are going to play hard ball, ladies and gentlemen. Rest assured to that.

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

Mr. ST GERMAIN. I yield to the gentleman from Ohio.

Mr. WYLIE. I thank the gentleman for yielding. I appreciate it.

Mr. Chairman, I think we should bring a housing bill out.

The CHAIRMAN. The time of the gentleman from Rhode Island [Mr. ST GERMAIN] has expired.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 30 seconds to the gentleman from Michigan [Mr. FORD].

Mr. FORD of Michigan. I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise to support the position of the House Budget Committee, which labored long and hard to achieve savings on the civil service side of the budget process without further destroying the morale of the Federal workforce.

The proposal offered by the Budget Committee would save more than $3 billion in fiscal year 1986 and more than $12.5 billion in the 3 fiscal years 1986–88 in civil service and postal areas.

It would achieve the savings by:

Freezing Federal civilian pay for 1986 and providing a 5-percent increase in 1987 and another 5-percent hike in 1988 and extending for another 3 years the "2,087 hour" pay computation factor.

Requiring the Office of Personnel Management to determine the minimum level of necessary reserves which should be held by FEHBP insurance carriers and requiring each carrier to refund to the FEHBP fund any excess reserves.

Authorizing only $749 million in fiscal year 1986 for the revenue foregone appropriation—an amount $83 million below the Congressional Budget Office baseline.

These are big savings. And they are real. They are the result of hard work and long hours on the part of members of the Committee on Post Office and Civil Service, which approved the recommendations 17 to 0. In direct and indirect savings they more than meet the committee's reconciliation instructions.

I would say this was a significant achievement. But to some, sadly, it is not enough. Despite all the Budget Committee and the Post Office and Civil Service Committee have done, there are those who want more.

In the Latta substitute there is an attempt to replace a sound and thoughtful solution with a proposal that is unwise, unfair, and grossly inaccurate in its savings assumptions.

Mr. LATTA wants to pick and choose. In my committee's jurisdiction he wants to eliminate the 5-percent pay increases in 1987 and 1988, without requiring agencies to absorb any of the increase, and reimpose the 75-percent FEHBP cap.

He does all this on the pretense that it will save more money. This is a claim without foundation.

The pay-increase provisions of the Latta substitute do not achieve more savings than recommendations proposed by the Post Office and Civil Service Committee [POCS]. According to the Congressional Budget Office, the Latta substitute saves $19 million less than POCS proposed over the next 3 years.

The Latta pay provisions are identical to the Senate reconciliation pay provisions and are based on the same assumptions. Both the Senate and the Latta provisions assume full funding of a 3.8-percent pay increase in fiscal year 1987 and a 4.7-percent increase in fiscal year 1988. We, on the other hand, mandate a 5-percent increase in both fiscal 1987 and 1988 and require agencies to absorb one-third of the cost.

Any claim that the Latta substitute saves more in this area simply cannot be supported.

In addition to using exaggerated and questionable savings figures, the proposed substitute undermines the entire committee process. Of what value is thoughtful, careful deliberation that can be blithely pushed aside in a moment of recklessness?

Are we simply to ignore the fact that members of the Post Office and Civil Service Committee voted 17 to 0 after countless hours of studying the issues? If this is what we want to do, we might just as well scrap the committee system.

We have here a situation where knowledgeable members of a committee worked hard and made tough decisions to reach a difficult objective. Are we to say their work and expertise counts for nothing?

After all is said and done, however, the most important reason for voting against the Latta substitute is that it does just the opposite of what it purports to do: it costs money instead of saving it—to the tune of $19 million.

What's more—and this is hard to figure—Federal workers get less even though it costs the people more.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 22 minutes to the chairman of the Committee on Education and Labor, the gentleman from California [Mr. HAWKINS], and I ask unanimous consent that the gentleman be permitted to yield time.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

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

I thank the chairman of the Committee on the Budget for his generous allotment of this time to the majority members of the Committee on Education and Labor.

Mr. Chairman, the budget resolution for fiscal year 1986 required the Committee on Education and Labor to achieve savings of $2.6 billion in budget authority and $2.6 billion in outlays between fiscal year 1986–88. The committee's actions resulted in savings of $68 million more than the resolution required. The committee made changes in the Guaranteed Student Loan Program, raised the premium for the Pension Benefit Guarantee Corporation, and, in the context of the authorization for the Department of Defense reluctantly accepted changes in the overtime provisions included in the Walsh-Healey Act.

There has, however, been a lack of symmetry in the budget process which is very troublesome. The budget resolution, passed by both Houses, with unusual bipartisan support, assumed that the poor would be held harmless from additional efforts at deficit reduction. The Congress and members of both parties agreed that the poor had suffered enough. Yet, by the time the House acted on the Labor-HHS appropriations bill for fiscal year 1986, this

consensus had disappeared. The priorities included in the budget resolution were absent from the appropriations bill.

This simple fact raises several questions about the process.

If the budget resolution can be so easily ignored, why should we spend 7 months struggling with it? If the Appropriations Committee can substitute its own spending ceilings and priorities for those in the budget resolution, why do we need a budget process? If the Budget Committee, and the House, will not defend its priorities, why should we support its resolutions and comply with its reconciliation instructions?

The treatment of the disadvantaged also raises questions about us.

There has been no dramatic improvement in the economy since March that renders these programs less vital. If anything, the economic situation has become more precarious. We need these programs every bit as much as we did in March and as we did in August when the resolution passed. We gather here to bemoan our lack of competitiveness, our inability to respond creatively to dislocations caused by the trade imbalance, the chronic unemployment of our youth, exploding health care costs, and so forth. What happens? We freeze the very education programs we all know we need to lead the world into the 21st century, we rely on an imperfect market to find jobs for our unemployed, we write off our kids, and we underfund the WIC Program which we know conclusively saves $3 for every $1 we invest in it. Our focus on the bottom line is myopic.

It should be clear to everybody that the budget process only affects direct spending. While we freeze programs for the poor, we let tax expenditures grow. Twenty-seven years ago, we had $37 billion worth of tax preferences in the Code. Today we have $370 billion. Half the income in the country is not subject to the income tax because of legal preferences in the Tax Code. Further, between 1981 and 1983, 65 of this Nation's most profitable corporations paid no income tax at all.

It is also appropriate to note that unemployment is still at unacceptably high levels in historical terms. If we focused our efforts on creating growth rather than imposing austerity we could reduce the deficit constructively rather than destructively. Even a 1-percent drop in joblessness would reduce the deficit by some $30 billion. Full employment would certainly render the deficit controllable as well as lay the foundation for the future that we must have if we are to remain great.

This reconciliation bill jeopardizes the budget process because it exposes its flaws for all to see.

Instead of cutting programs that work; instead of continuing the misguided attempts of the last 5 years to reduce the deficit on the backs of the poor; instead of putting our fate in the hands of unelected officials of the Federal Reserve; and instead of focusing only on the spending portion of the budget, we ought to apply our wisdom and experience to the issue of insuring stable, noninflationary economic growth. This means monetary as well as fiscal policy and revenues as well as spending.

I reserve the balance of my time.

□ 1435

The CHAIRMAN. The gentleman from California [Mr. HAWKINS] has consumed 7 minutes.

Mrs. MARTIN of Illinois. Mr. Chairman, I yield 13 minutes to the gentleman from Vermont [Mr. JEFFORDS], the ranking minority member of the Committee on Education and Labor, and I ask unanimous consent that he be allowed to yield time.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Illinois?

There was no objection.

Mr. JEFFORDS. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. I thank the gentleman for yielding.

While this is not exactly on the topic that the gentleman is about to discuss, I think it is important to put on the record, just for the information of the membership, and so that there can be no doubt about some of the information that will be going into Members' districts in the next few days, if you vote for this bill and you do not vote for the Latta amendment, you are voting for a congressional pay raise. The Latta amendment is the only alternative on the floor that gives us a chance to knock out the congressional pay raise that has been put into this bill.

I just want the Members to be aware of that because we often hear out in the country after one of these bills passes, "Oh, I didn't know that was in there." "Oh, that comes as great news to me." They are going back to their districts and telling their constituents that somehow this congressional pay raise slipped by them.

Well, I am telling them right now, in this bill is a $7,500 pay raise for Members of Congress over the next 2 years. It is a 5-percent-a-year increase. It will raise congressional pay to over $82,000 in the next 2 years.

It is in there. If you do not vote for the Latta amendment, you are, in effect, voting for a congressional pay increase, and you had better be prepared to answer for it in your districts.

Again, I thank the gentleman for yielding.

Mr. JEFFORDS. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. GOODLING].

Mr. GOODLING. I thank the gentleman for yielding me this time.

First of all, I want to congratulate the chairman of our committee, the gentleman from California [Mr. HAWKINS], and the chairman of my subcommittee, the gentleman from Michigan [Mr. FORD], and the ranking member, the gentleman from Vermont [Mr. JEFFORDS], as well as the gentleman from Missouri [Mr. COLEMAN].

Basically we brought to the Budget Committee reconciliation in the way it should be brought, almost, in that as a matter of fact, we did meet our financial obligations in relationship to the budget. My concern as a new Budget Committee member is the fact that we did do some things that did not cost any additional money; we did do some things that should have been done, but my concern is that they were done in this process rather than through the authorization process in such areas as the discounting of income from foreclosures or bankruptcies, Sallie Mae holdings, insurance premiums, lenders of last resort.

These are very minor things in relationship to what has happened in reconciliation. My concern is that every Member of Congress, as a matter of fact, not only has the right to vote on any new program, any additional program, any changes in programs, but they have a responsibility to do it individually.

What we do in reconciliation is take that opportunity away from individual Members because you get one opportunity, you vote up or down on reconciliation. You do not get an opportunity then to vote on authorizations as you should do or changes in programs. That is my concern.

Ours are very minor, they are needed, but nevertheless we could have gone through the proper process in order to do that. I think it is dangerous to be doing that, and it does not matter whether it is 1981, whether either side has a 2-to-1 majority at that time, or whether it is 1982 and either side has a 2-to-1 majority, or 1983, 1984 or 1985. It does not matter which year it is. The fact is, if we are going to do reconciliation correctly, and it has any impact on trying to do anything in relationship to the budget, then we should try to steer clear, and we as a Budget Committee should make sure, as a matter of fact, that you cannot authorize, you cannot change programs, that you cannot add new programs, and that you cannot add additional money through the reconciliation process.

I again compliment our committee for at least doing what some others have not done. We have hit the budget figure. We have hit the budget target,

whether it is in child nutrition, whether it is school lunch, whether it is higher education, whatever it is. And I particularly compliment those responsible for the higher education part of our bill, because it is they who had to make the cuts in order to bring it down to meet the budget.

So again, we did well. But I think in reconciliation we have to make very, very sure that everybody has the opportunity to continue to register their individual votes on individual programs.

Mr. JEFFORDS. Mr. Chairman, I yield 3 minutes to the gentleman from Wisconsin [Mr. GUNDERSON].

Mr. GUNDERSON. Mr. Chairman, I rise to point out that the Education and Labor Committee has more than done its job in dealing with this reconciliation process. I think special commendations are in order for both the chairman and the ranking member of the full committee and the chairman and ranking member of our Subcommittee on Postsecondary Education in particular.

The Education and Labor Committee was instructed to come up with savings over 3 years of $2.6 billion in authority and $2.57 billion in outlays. The fact is, we came up with $2,630 million in authority and $252,580 million in budget outlays over that 3-year period. We exceeded our overall targets assigned to us by the Budget Committee.

I would point out also that the numbers from the Education and Labor Committee are real numbers. There are no accusations that we are dealing with smoke and mirrors.

In particular, I want to focus, however, on the postsecondary area, the student loan area. We had a target of $800 million. We came up with savings over 3 years of $868 million.

In addition to that, I think we made a couple of noncost items that are very important. The most important that I would bring to the attention of my colleagues, from a rural perspective, is a provision offered by my colleague from Iowa, Mr. TAUKE, which would, in calculating eligibility for Pell grants and guaranteed student loans, allow for an exclusion from income the proceeds from the sale of a farm under bankruptcy foreclosure or forfeiture. This is a very real problem in the Midwest during our agricultural crisis, and I think an important addition that does not have any, or at least any significant cost savings, if any at all.

Above and beyond that, I want to assure the student community across this country that the savings achieved in reconciliation in the higher education area are savings which will not eliminate any eligible student from the Guaranteed Student Loan Program. We do require that every student, not just those coming from families above $30,000 income, must go through the financial needs test. But that again will not eliminate eligibility for any student who is truly needy.

Above and beyond that, one of our major savings areas is the area of requiring multiple disbursement of guaranteed student loans. Rather than giving all of the money up front, give the money periodically, by semester, quarter, whatever the case might be, so if a student drops out in the first or second week, they do not get all of the money. That alone over 3 years will save some $225 million.

In addition, we do such things as recalling $50 million in State agency advances in fiscal year 1988. We are giving the States a couple of years to deal with that area and come up with a process where we can withdraw that money from those States which have programs which are more than financially solvent.

Mr. JEFFORDS. Mr. Chairman, I yield 2 minutes to the gentlewoman from New Jersey [Mrs. ROUKEMA].

Mrs. ROUKEMA. Mr. Chairman, I rise to support the ERISA single employer termination insurance provisions contained under title III.

Our Committee on Education and Labor has taken the lead in calling for a national retirement income policy which is responsive to the present and future needs of our Nation's retirees. The ERISA title IV Termination Insurance Program is certainly a cornerstone of this policy, and the efforts today to shore up the single employer fund will help assure that the ERISA foundation remains a solid one.

Mr. Chairman, I want to commend the chairman, Mr. CLAY of Missouri and the other members of our committee who have worked on a bipartisan basis over the past 4 years to design legislation which addresses the complex problems facing the Pension Benefit Guaranty Corporation [PBGC] in its financing of employee and retiree benefits under terminated single employer pension plans. Additionally I commend the Secretary of Labor, Bill Brock, the new Executive Director of the PBGC, Kathy Utgoff, and the other administration officials who met untiringly, who remain convinced of the need for legislation, and who kept an open mind about the specific language of the reforms until a workable compromise could be fashioned. I am satisfied at this point that the reform package is reasonable, responsible, and will prove workable in helping reduce PBGC financing needs in the future.

The provisions adopted by the Committee on Education and Labor which are contained in subtitles B and C of title III strengthen the Single-Employer Termination Insurance Program in three ways: First, by placing the PBGC back on a sound financial footing by increasing the premium paid by covered plans; second, by restructuring the system to limit access to PBGC assistance to only those cases in which workers' pensions are jeopardized because their employers are in genuine financial difficulty; and third, by assuring that, to the greatest extent possible, workers receive their full earned benefits when plans terminate.

The actuarial deficit of the PBGC is fast approaching $1 billion and, without further action, will reach $6 billion by the end of this century. To meet these demands, as well as the directives of the Committee on Education and Labor in the House budget resolution, the legislation increases the premium for the Single-Employer Termination Insurance Program from its present $2.60 per capita to $8.50 for plan years beginning in 1986.

But to merely enact a premium increase is not enough. After nearly a half-decade of study and debate it has been clearly demonstrated that there is a pressing need for reforms as well, to ensure that access to the insurance program is limited to companies which are faced with genuine hardships. As a result the legislation includes features that will discourage the dumping of pension liabilities onto the PBGC.

This bill closes the loopholes that have permitted unjustified drains on the insurance program.

Therefore one provision of subtitle C divides all plan terminations into two new categories called either a standard termination or distress termination. A standard termination proceeds with minimal PBGC involvement when plan assets are sufficient to cover all plan vested benefits. A distress termination proceeds as under current law with the PBGC playing a major role, except that to avoid a dumping of liability on the PBGC by ongoing employers, an employer would have to meet one of four financial distress tests in order to terminate. A 60-day notice of termination would be required.

Another provision increases the chances that the PBGC be made whole in the event of a distress termination by requiring that an additional 10-percent pretax profits interest be paid to the PBGC for up to 10 years to cover any funding shortfall in the event the current law employer liability limit of 30 percent of net worth is insufficient. A related 5-percent pretax profits interest for up to 10 years, payable to a termination trust, would also be triggered if plan assets are insufficient to pay all plan vested benefits; that is, benefits in excess of those guaranteed by the PBGC.

A provision, designed to protect the PBGC, allows the IRS to obtain security for the plan in the event a waiver of the minimum funding standard is granted. The IRS must request PBGC's views and consider them in obtaining such security.

To close another loophole, the measure authorizes the PBGC to assess liability on persons who have undertaken transactions for the purpose of evading liability. This authority is limited to transactions taken within 5 years prior to a plan termination.

Finally, the measure contains a provision which codifies the present law right of employers to freeze plan benefits—except that vesting based on future service continues—thus allowing them to fix their benefit liabilities and fund for them over time and assure that workers receive their full earned benefits when plans terminate.

While these provisions of the single-employer reform package are only protective in nature, it is intended that their application help avoid the kind of future program funding crisis that faced Social Security only a few years ago. In summary the case for the enactment of these single employer termination insurance reforms is a compelling one.

The Committee on Education and Labor title also contains subtitle D—continuation coverage under group health plans. These provisions amend title I of ERISA to require group health care plans to include a 5-year continuation option for widowed, divorced, and Medicare ineligible spouses and dependent children. Plans could require such persons to pay the cost of such coverage. These ERISA provisions, although solely within the jurisdiction of the Committee on Education and Labor, were added to the bill under exceptional circumstances and are deserving of further scrutiny during conference, since they did not have the benefit of hearings at either the subcommittee or full committee level.

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

The CHAIRMAN. The gentleman from Vermont [Mr. JEFFORDS] is recognized for 4 minutes.

□ 1450

Mr. JEFFORDS. Mr. Chairman, I would like to talk about the provisions in reconciliation which are under the jurisdiction of the Committee on Education and Labor.

First of all, the higher education provisions and second, the pension reform provisions. As we all know, this country's education system has been labeled "at risk," and in the view of our committee it is important that we do nothing to make things worse. Hopefully we will make things better.

First of all with respect to the higher education provisions, I think it is important for everyone to recognize that, notwithstanding many of the statements that were made earlier, that severe problems may result this year with respect to the availability of loans and grants to our college students. Such is not the case with respect to our actions in reconciliation.

What we have done is met our commitment. We have done what is responsible and necessary to bring our provisions within budget. There are only two provisions which do affect students to any significant degree: multiple disbursement and tighter loan collection provisions.

Specifically, this package of recommendations meets and may even exceed the targets established by the Budget Committee. In addition, I am pleased to note that the committee adopted the Coleman loan default prevention bill which will provide $48 million in savings over the 3-year period—fiscal years 1986–88—by reducing the default rate in the Guaranteed Student Loan Program. It is also true that the Coleman proposal, which has the blessing of the administration, will enhance the integrity of the GSL Program.

Briefly, the proposed savings are as follows:

First, multiple disbursement: Loans are to be multiply disbursed to students on the basis of their academic terms; that is, semester, quarter, and so forth; lenders receive subsidies only on the disbursed portion of the loan; the origination fee is charged proportionately on each disbursement; the effective date is July 1, 1986.

Savings: Zero in fiscal year 1986; $100 million in fiscal year 1987; $115 million in fiscal year 1988.

Second, recall of advances: $50 million in advances are to be recalled in fiscal year 1988; agencies less than 5 years old at the time of recall are exempt; the Secretary must take into consideration the solvency and maturity of the insurance and reserve funds of the agencies, as determined by the Comptroller General, in determining how much of their advances to recall.

Savings: $50 million in fiscal year 1988.

Third, extension of State agency collection period: State guaranty agencies may not submit defaulted loans to the Secretary for reinsurance until at least 210 days after the loan becomes delinquent. Agencies are required to continue collection efforts on the loans during the 210-day period.

Savings: $160 million in fiscal year 1986; $15 million in fiscal year 1987; $15 million in fiscal year 1988.

Fourth, preclaims assistance: Lenders and guaranty agencies may be reimbursed through the Federal reinsurance for use of collection agencies in reinstating delinquent loans in repayment status. The maximum allowable reimbursement is lesser of $100 or 2 percent of the loan value.

Savings: $19 million in fiscal year 1986; $18 million in fiscal year 1987; $7 million in fiscal year 1988.

Fifth, tightened collection efforts: Collection efforts are to be enhanced by the use of credit bureaus, stiffer penalties for late payments, increased auditing of State agencies; disbursement of GSL through postsecondary education institutions; a standard Federal statute of limitations on collection efforts.

Savings: $11 million in fiscal year 1986; $17 million in fiscal year 1987; $20 million in fiscal year 1988.

Sixth, student eligibility requirements: Students must demonstrate need in order to be eligible for a GSL and must have a determination of their Pell grant eligibility or ineligibility before applying.

Savings: $10 million in fiscal year 1986; $105 million in fiscal year 1987; $220 million in fiscal year 1988.

There is no cost implication to the Pell grant eligibility requirement.

The members of the committee, and in particular Postsecondary Education Subcommittee Chairman BILL FORD and ranking Republican TOM COLEMAN, are to be complimented on both the process by which the recommendations were achieved as well as for the substantive results that were produced.

Although I have elsewhere expressed some concerns over the addition of certain policy changes, unrelated to the budget which are contained in the committee's recommendations, I must reinforce my support for the overall package. Despite my misgivings over the impact of one budget savings provision regarding an across-the-board needs analysis on the independent students, I am confident that such details can be remedied in conference without derailing the overall goals of the Education and Labor Committee's action.

I am convinced that these recommendations represent a good faith effort on the part of our committee to comply with the targets established in the budget reconciliation instructions for our authorizing committee. In fact, the recommendations exceed the budget target by $68 million over the life of the 3-year proposal. This set of proposals represents a difficult task that was handled extremely well through bipartisan cooperation.

Next, I would like to talk about the ERISA provisions. We have heard some complaints, primarily of a jurisdictional nature, expressed by others that perhaps this should not be in this bill, or at least it ought to be amended. I would say that after some 5 years of going over very carefully the needs for revisions and for closing of loopholes in our ERISA provisions; that is, dealing with pension programs, that this provision has the backing of the administration, the backing of business groups, and the backing of labor unions. It also is supported by those who agree that what we must do is to prevent those that would take advantage of the present law to dump onto PBGC liabilities which ought not to be there. This bill will protect against that, and will save in the long run billions of dollars to the taxpayers and also to those that have a genuine right to a good benefit under their pension programs.

Before proceeding with an explanation of the intent behind the ERISA changes contained under subtitles B, C, and D of title III, I would like to make several points in

connection with the development of this legislation.

First, the ERISA single employer termination insurance revisions in subtitles B and C are the product of nearly 5 years of effort by the members of the Committee on Education and Labor to fashion a workable compromise acceptable to the administration and other groups representing retirees, organized labor, and the business community. That these diverse interests can now agree on the need for and the general parameters of the reform package provides strong evidence that the proper balance has been struck in the legislation to restore the long-term solvency of the PBGC while maintaining the critical support of the termination insurance program by those who must ultimately pay its costs. Appropriate credit must be given to my chairman, GUS HAWKINS, and particularly to MARGE ROUKEMA and BILL CLAY, the ranking member and chairman, respectively, of the Subcommittee on Labor-Management Relations who together with their other subcommittee members worked so diligently to carefully craft a reform package that addresses the complex problems in an effective manner.

Second, it is to the credit of this body, collectively, that rather than slow down the consideration of these single employer reforms over an unfortunate and untimely jurisdictional dispute, the mounting financial problems of the PBGC were recognized and the reforms permitted to be favorably acted on at this time. In this connection, I would like to personally thank the Secretary of Labor, Bill Brock, for his extensive efforts to educate the Members of this House to the urgent need to put into place the new design for the single employer program.

Third, there should be no mistaking the relevancy that the ERISA changes have to the deficit reduction under H.R. 3500. The PBGC Single Employer Program had a $462 million deficit as of September 30, 1984, and a negative cash-flow. The deficit continues to grow, especially when the roughly $160 million unfunded liability of one large plan that was recently terminated is taken into account. If recent news accounts of the finances of certain companies can be believed, absent the enactment of the reforms contained in subtitle C the PBGC deficit could easily be expected to triple in size to over one and one-half billion dollars. As described by Secretary Brock, the reforms will have a direct and substantial effect on the Federal deficit and thus, are clearly germane to the budget process.

They are inextricably intertwined with the premium rate proposal; and their adoption would lead to a significant decrease in payments from the PBGC's revolving fund (and, hence, to reduced outlays in the Federal budget). The PBGC estimates that approximately twenty percent of its claims to date have resulted from abuses of the sort addressed by the reforms. The present value of these claims is about $300 million, representing outlays averaging $35 million per year over the next 20 years. Without the proposed reforms, abusive claims will continue in the future and will probably increase as a result of recent financial activities, including takeovers, mergers, and leveraged buy-outs.

The premium increase to $8.50 contained in subtitle B and the reforms in subtitle C, when considered together, are estimated by the Congressional Budget Office to result in a reduction in Federal outlays of about $666 million over the next 3 fiscal years—1986–88.

Fourth, the other body has also included similar ERISA title IV single employer changes in its reconciliation bill. Given the foreknowledge of the number of differences between the two measures and the inherent complexity of ERISA, perhaps it is not an overstatement to observe that an exceptional level of cooperation and care will be required in conference, if the final product is to stand the test of time and not contain inadvertent oversights. In this connection I would encourage the Pension Benefit Guaranty Corporation to offer the conferees its close cooperation and expertise toward this end.

Finally, I have this observation to make in connection with the provisions of subtitle D—continuation coverage under group health plans. However, meritorious the provisions of this amendment to title I of ERISA may be, they were added in committee without the benefit of hearings or the usual perfecting legislative process which has proven so beneficial to improving other ERISA legislation. Again I would encourage my colleagues to exercise extreme care in the conference committee to fashion a workable regulatory structure and one with which plan sponsors have become accustomed under ERISA and the Internal Revenue Code. In this connection. I would also encourage the Department of Labor to offer the conferees its close cooperation and expertise.

Consistent with the goals originally proposed to the Congress by the Pension Benefit Guaranty Corporation, the single employer termination insurance provisions under title III are intended to address the following problems. First the increase in the per capita premium from $2.60 to $8.50 per annum beginning in 1986 is designed to amortize the current PBGC deficit over a reasonable period of about 15 years. The level is set to also meet the rising level of claims projected to be incurred over the foreseeable future. Together with the program reforms the increased premium income is expected to place the PBGC on a more sound financial footing, alleviating the present threat to the continued payment of guaranteed benefits at current levels. Second, the reform package is intended to deal with three major abuses that exist under the present program. At present, it is possible for an employer to receive a minimum funding waiver without providing any security to secure repayment of a waived contribution. The revisions permit the IRS to impose security conditions in connection with such waivers after actively taking into account any comments or concerns the PBGC may have.

Also, at present a company can, in certain circumstances, dump unfunded pension benefits on the PBGC and continue in business with little or no liability for those benefits. The revisions require an employer to meet one of four statutory distress tests before being able to terminate an underfunded plan. The employer would also be subject to a 10-percent pretax profits interest to the PBGC in the event the employer's liability exceeds 30 percent of net worth.

Currently a controlled group of corporations can spin off a financially distressed affiliate with large unfunded pension benefits and escape any responsibility for any subsequent claim against the PBGC. The reforms clarify that an employer remains liable if there is an evasion of liability.

Finally, the reforms require a plan sponsor to fully fund for vested benefits if the plan is to be terminated other than in a distress situation. This enhances the protection of employee vested benefits in cases in which the sponsor can afford to meet the promised level of benefits. In the case of a distress termination, vested but nonguaranteed benefits would be protected by means of an additional 5-percent employer pretax profits interest payable to a termination trust.

Mr. CLAY. Mr. Chairman, I rise in support of H.R. 3500. Title III would make necessary changes in the pension plan termination insurance program created in 1974 by the Employee Retirement Income Security Act [ERISA]. Currently more than 30 million American workers and retirees are covered under single-employer defined benefit plans. The PBGC Insurance Program was designed to provide a safety net for those workers when their pension plans terminated without enough assets to pay benefits.

The PBGC is currently in financial trouble. Unlike many other Federal programs, the Termination Insurance Program is funded entirely by the private sector through annual premiums paid by covered plans based on the number of participants in the pension plan. Since May 1982, the administration has been seeking a premium increase from the current $2.60 per participant per year to $8.10. The current premium falls far short of what is needed to fund the program. At the end of fiscal 1984, PBGC's deficit was $462 million and climbing. We are told that its current deficit is closer to $600 million.

Subtitle B of title III authorizes a premium of $8.50. The Education and Labor Committee believes that the administration's $8.10 request is not adequate to deal with the current financial condition of the PBGC, because it was based on data nearly a year old. Since that time, the PBGC has had to assume significant additional amounts of liability. Raising the premium to $8.50 effective January 1, 1986, as the bill authorizes, would amortize the PBGC deficit over 15 years. I personal-

ly doubt that $8.50 is enough, particularly in light of the pending termination of the Wheeling-Pittsburgh Steel Corp. plan, which may add as much as $425 million to the PBGC deficit. Nevertheless, the committee unanimously supported the $8.50 premium and that is what is contained in H.R. 3500.

Not only does the PBGC face the problem of eliminating the existing deficit, it also must control the level of claims in the future. Thus the reforms are urgently needed as well. According to the Congressional Budget Office, the additional effect on the Federal deficit is sizable if even one major plan termination were to occur in 1986 that could have been prevented with the reforms. In recent weeks, one major termination has occurred and one is imminent. PBGC's liability is significant: Over $165 million for Allis-Chalmers and approximately $425 million for Wheeling-Pittsburgh Steel. In addition, the press has reported the possibility of a third big termination: LTV, Corp., with unfunded pension liabilities of $850 million.

Therefore title III of the bill makes necessary structural changes to close certain loopholes in the current law in order to avoid unwarranted or abusive claims against the insurance system—claims that must ultimately be paid by the rest of the premium payers. In addition, structural reforms are needed to prevent profitable employers from avoiding responsibility for payment of certain earned benefits to participants and beneficiaries that are not guaranteed by the PBGC.

The single-employer provisions of H.R. 3500 are strongly supported by the administration and by organized labor. The business community is generally not opposed to them. At every step in the process over the past 4 years, the legislation has had bipartisan support and it passed the Education and Labor Committee this year twice unanimously. Both the premium increase and the reforms are germane to the budget reconciliation process and are needed now. Moreover, the other body has similar reform legislation on its budget reconciliation bill as well. Thus it appears that at long last the PBGC may receive the financial shoring up it needs so badly. Just as importantly, participants will be better protected when their plans terminate and will be more likely to receive the full benefits that they have been promised and have earned.

I want to express my appreciation to the chairman of our committee, GUS HAWKINS, and the ranking Republican member, JIM JEFFORDS, for their support and cooperation in bringing this matter to the floor today. Special thanks also to the ranking member of the subcommittee, MARGE ROUKEMA, for her hard work and cooperation. Together we have fashioned a good and necessary bill.

I urge you to support H.R. 3500.

Mr. HAWKINS. I have no further requests for time, Mr. Chairman, and I reserve the balance of my time.

Has the other side used their time?

Mrs. MARTIN of Illinois. Mr. Chairman, on this issue, we are finished.

The CHAIRMAN. The gentlewoman from Illinois [Mrs. MARTIN] had yielded time to the gentleman from Vermont [Mr. JEFFORDS] on this item.

Mr. HAWKINS. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. FORD].

Mr. FORD of Michigan. Mr. Chairman, I rise in support of the committee version of the reconciliation, but primarily to tell the House that the reconciliation coming from this committee was worked out in the finest bipartisan spirit that I have seen in the many years that I have been on the committee; and indeed we did save more money than we were told to save, but we did not do that at the expense of any student or any program because we made some changes that are not earth shattering, but they will produce savings that offset any improvements, as such, that we made, and that was done.

Some of the amendments came from the Republican side and some from the Democratic side; unanimously with respect to higher education, I must say. We are a little bit different than the Senate and we will have to go to conference; and presumably between the two versions we will come up with something even better.

I would like to take this opportunity to thank the Members, both the majority and minority members of the Subcommittee on Postsecondary Education for working in such a manner with the cooperation, one with another, to make it possible for us to do what could have been very painful, and could have cost a lot of people the loss of their dreams for an opportunity to pursue their education.

I am pleased to say that I do not think that what the committee has done is going to produce that kind of result, even though we are initiating some efficiencies that will reduce the cost of the program.

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

The CHAIRMAN pro tempore (Mr. TORRES). The Chair now recognizes the gentleman from Pennsylvania [Mr. GRAY].

Mr. GRAY of Pennsylvania. At this time, Mr. Chairman, we would defer to the minority with regard to the Committee on Interior and Insular Affairs. We believe they would like to take some time at this point to discuss the issues in reconciliation.

Mrs. MARTIN of Illinois. Mr. Chairman, I yield 6 minutes to the gentleman from Colorado [Mr. STRANG].

Mr. STRANG. Mr. Chairman, I yield to the gentlewoman from Illinois [Mrs. MARTIN].

Mrs. MARTIN of Illinois. I wish to notify the chairman of the committee that the ranking member of the Budget Committee will soon return. Some of us have to go to our own task forces.

I would ask the Members, however, to remember that even when some of these committees are saying they are meeting budget guidelines that there is enough smoke in this particular reconciliation package that if the Surgeon General would have to label it, he indeed would have to label it "Dangerous to the financial health of the Nation."

Mr. STRANG. I thank the gentlewoman for yielding.

Mr. Chairman, in this reconciliation bill is a proposal that we have visited before in this House; and the proposal is to abolish the Synthetic Fuels Corporation, and to take apart those agreements which the Synthetic Fuels Corporation has made in good faith with some existing companies.

Now I am particularly concerned, Mr. Chairman, about what has happened in my particular part of the country, western Colorado. I am concerned because the Synthetic Fuels Corporation has made in good faith, agreements under legal permission under existing law, to provide for incentives for companies to produce oil in commercial quantities not to exceed a certain limit, to produce this product for this country so that in the event we have the plug pulled on us in international oil, we will have available to us in this country a supply, a safe supply of synthetic fuel.

Oil shale contains, in the Green River Formation, 620 billion barrels of recoverable oil surrounded not by countries of the Mideast, but surrounded by our own Nation.

It has never been the intention to try to produce in a declining commodity market synthetic oil at prices that are presently seen on the world market. That is not the issue, Mr. Chairman.

The issue is that this country must have a supply of hydrocarbons against that day which is coming fairly soon when we simply are shut off again from world markets. This has happened twice before, and I believe it is happening again.

I would submit that this kind of legislation in this bill is not germane to the bill; that is an issue that we can take up, but the rule simply begs the issue.

I have written a letter, Mr. Chairman, to Secretary Herrington which I have asked the Wall Street Journal to print in which I point out that once again, the House of Representatives is

about to vote to abolish America's energy future.

What does that mean? In my area it means that an industry which has been struggling, an industry which has put $2 billion of private money in development without a penny of taxpayers dollars, is being told that when we make an agreement for the U.S. Government, we really do not mean it.

More importantly, Mr. Chairman, the arguments that have been used by the Secretary, by the administration, and by many people who have been ill-advised in this body; those comments are full of factual misstatements, probably not intentional; misstatements about what synfuels is all about and what it can do.

□ 1500

I am concerned about jobs. I am concerned about people in Illinois, in Ohio, in Michigan. I am concerned about the manufacturing heart belt of this country when we have a severe energy crisis. What are we going to tell them when we have done nothing to find a replacement for the energy that is going to be cut off? And we know it is going to be cut off from many foreign markets. I believe that this issue is so serious that it is inappropriate to deal on the floor of the House, by amendment, without having the committee process discuss the true facts of energy independence and strategic energy independence.

The Synthetic Fuels Corporation has had its troubles, I realize that, but over the last 8 months a newly constituted Synthetic Fuels Corporation has been able to come to grips with the situation realistically, under a cut-down budget, under smaller projects, to be sure that the American taxpayer is well served.

I would simply say, Mr. Chairman, that we are going to have to face this issue, we are going to have to not only face it now but in the 1990's when they say: "Where was the U.S. Congress when we had an opportunity for rational, controlled, minimal development of synthetic fuels as a bargain for the American taxpayer?"

Sure, oil is $25, $26 a barrel right now. What is it going to be when the plug is pulled? $90, $100? Probably.

At that time, what we do now will represent a significant bargain.

I would urge this Committee to oppose the proposal to abolish the Synthetic Fuels Corporation and to undo its commitment.

Mr. GRAY of Pennsylvania. Mr. Chairman, at this time, if there are no further requests from the minority side on the Committee on Interior and Insular Affairs, I yield 15 minutes to the distinguished chairman of the Committee on Merchant Marine and Fisheries, the gentleman from North Carolina [Mr. JONES], and I ask unanimous consent that he be permitted to yield time.

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

Mr. Chairman, on October 2, 1985, the Committee on Merchant Marine and Fisheries reported its response to the reconciliation instructions imposed by the first budget resolution for fiscal year 1986. The cost estimate compiled by the Congressional Budget Office indicates that the Merchant Marine and Fisheries Committee has met its reconciliation directive by reporting legislative changes resulting in $495 million in savings over 3 years. Title VI contains eight subtitles, each dealing with a different, specific issue.

Subtitle A amends the boating safety fund. It authorizes a $15 million transfer to the General Treasury from amounts deposited in the fund during fiscal year 1985.

Subtitle B authorizes the National Oceanic and Atmospheric Administration to increase the price for nautical and aeronautical charts. The Secretary of Commerce must increase the price of these charts annually, so that by the end of a 3-year period, the cost of a chart is closer to the costs of producing and distributing it. The Secretary may charge a lower price if necessary for reasons of air and marine safety. These provisions will increase the average cost of a chart from $5 to approximately $12 over 3 years.

Subtitle C amends the Fishery Conservation and Management Act of 1976 to increase the fees charged to foreigners fishing within the 200 miles of the United States. These changes will result in additional revenues of $42 million over the 3-year period.

Subtitle D amends the Outer Continential Shelf Lands Act to distribute nearly $6.1 billion in disputed revenues between the Federal government and coastal States. The provision reported by the Committee on Merchant Marine and Fisheries are largely similar to provisions reported by the Interior Committee, with one important exception: The Merchant Marine and Fisheries version will result in additional Federal revenues of $183 million during fiscal year 1986.

Subtitle E contains the text of the Ocean and Coastal Resources Management and Development Block Grant Act. This bill is better know as general, OCS revenue sharing. It has been considered by the House and passed on four occassions. Each time by increasingly wide margins, and most recently by a vote of 312 to 94. This program would not begin until fiscal year 1988. During that year it would be authorized at $150 million, or one-half the authorization level previously approved by the house.

In fiscal year 1989, the authorization level increases to $300 million and 5 percent each year thereafter. The funds would be distributed to coastal States, including Great Lakes States and U.S. territories, in the form of block grants for a broad range of ocean and coastal management activities. Again, I would like to emphasize that this measure has been considered by the House and passed overwhelmingly on four occasions.

Subtitle F contains the text of H.R. 2121, a bill to amend and reauthorize the Coastal Zone Management Act of 1972. This bill was considered by the House on July 30, 1985, and was passed on an uncontested voice vote. After 13 years of overseeing this law, the Merchant Marine and Fisheries Committee remains firmly convinced that important national interests are being well served by this program.

Subtitle G contains amendments to the Merchant Marine Act of 1936.

Subtitle H contains proposed amendments to the Outer Continental Shelf Lands Act. They would require that any vessel or structure used for exploring or producing oil and gas on the Outer Continental Shelf must be built in the United States. In addition, that structure must be built from materials or supplies which are at least 50 percent, by cost, of U.S. origin. These "Buy American" provisions would not apply to the Alaskan OCS.

As I mentioned previously, these provisions will result in $495 million in savings to the Federal Government from fiscal year 1986 to fiscal year 1988. Therefore, the Committee on Merchant Marine and Fisheries has fully complied with its reconciliation instructions. Some additional material has been included within title VI, such as the general OCS revenue-sharing legislation and the Coastal Zone Management Act reauthorization. However, these are not issues which are unfamiliar to the Members of the House. Both of these matters have been fully debated on the floor of the House with full opportunity for amendment and modification.

Both have been approved by this body overwhelmingly. For this reason, I will oppose the amendment to be offered by Mr. LATTA because of its intent to eliminate the provisions of subtitles E and F. Likewise, I hope that all of my colleagues who have supported OCS revenue sharing and Coastal Zone Management Act legislation in the past will once again lend their support by joining me in opposition to the Latta amendment.

I rise in opposition to the amendment proposed by our colleague from Ohio.

That amendment would purge two specific authorizations from the provisions reported by the Committee on Merchant Marine and Fisheries. I would hope that my colleagues would vote, as they have on several occasions in the past, to support these programs.

The authorization for an OCS revenue-sharing program has been debated on the floor of the House and passed by overwhelming margins on four occasions. The Coastal Zone Management Act reauthorization was debated and passed by an uncontested voice vote on July 30. The House of Representatives has demonstrated its support for these programs. I trust that this support will continue and that all of my colleagues who have supported OCS revenue sharing and coastal zone management in the past will again support those programs by voting against the Latta amendment.

I rise in opposition to the motion by our distinguished colleague from Arizona.

There is no need to extend debate further on this controversial and complex issue. My committee, Mr. UDALL's committee, and the Energy Committee in the Senate have all considered this issue at great length. All sides of the issue have been debated within each of these committees, and each came to a similar resolution. We have before us a rather rare circumstance. Three committees in the U.S. Congress have considered a very complex and controversial issue and all have come to largely the same resolution. We seem to have agreement. We should not seek to throw that agreement asunder. We should stand by the agreement and recognize the expertise and thorough consideration of our committees. I rise in opposition to the motion, and ask for the support of my colleagues.

Mr. Chairman, I have no further requests for time, and I reserve the balance of my time.

The CHAIRMAN pro tempore. The gentleman from North Carolina [Mr. JONES] has consumed 5 minutes.

Mr. LATTA. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. LENT], the ranking member of the Committee on Merchant Marine and Fisheries, and I ask unanimous consent that he be permitted to yield time.

Mr. LENT. I thank the gentleman from Ohio for yielding to me.

Mr. Chairman, I just want to very briefly take this opportunity to associate myself with the remarks of the gentleman from North Carolina, the chairman of the Committee on Merchant Marine and Fisheries, and join with him in supporting title VI of H.R. 3500.

Mr. Chairman, I would like to point out, in doing so, that under this distinguished and able leadership the House Committee on Merchant Marine and Fisheries has fully met its obligations under reconciliation.

Mr. Chairman, the contents of title VI have been debated thoroughly by the Merchant Marine and Fisheries Committee at one time or another.

I support the contents of this title and hope that it is given favorable consideration.

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

Mr. LATTA. Mr. Chairman, I yield 6 minutes to the gentleman from Massachusetts [Mr. CONTE].

Mr. CONTE. Mr. Chairman, I rise in opposition to this measure. Despite the efforts of many of the House committees to comply with the reconciliation instructions of the budget resolution, that effort has come up short. In its present form, I cannot support this legislation.

My basis for opposition has two strands—one relates to what has not been included in this bill, but should have been, and the other relates to something that should not be in this bill, but was included anyway.

What should have been included in this bill was a proposal of mine to raise $150 million per year in Coast Guard user fees.

The amendment I had proposed to offer, but which was not made in order under the rule, was based on legislation I introduced last April, H.R. 1936, which would have authorized the Coast Guard to collect approximately $150 million in user fees from the beneficiaries of Coast Guard services. This would have included $50 million from direct fees, for such things as vessel documentation, licensing fees, and regatta permits.

The other $100 million would have been raised from a modest fee of less than $20 per year, to be paid every year by recreational boaters who use waters under Coast Guard jurisdiction. With about 6 million boaters in this category, it would take a fee of only $18 a year to raise $100 million.

We had a hearing on my measure last June before the Merchant Marine Subcommittee on the Coast Guard. The general reaction, as I recall, was that the members of the committee would oppose me with an open mind.

I regret that attitude. The selfish interests of a small minority of boatowners are going to result in a tremendous loss of Coast Guard services. At a time when we are facing drastic cuts in human need programs like Food Stamps and Elderly Nutrition, and are even talking about reducing cost-of-living increases for Social Security recipients, I think it is incredible that the boaters of this country would refuse to pay $18 a year—$18 a year—to help pay the cost of Coast Guard search and rescue services.

Even as we debate today, the Senate Appropriations Committee has reported out a bill that cuts Coast Guard operating expenses by $200 million. That means reducing search and rescue by 4,000 cases a year. That means reducing drug interdiction by 20 percent. That means reducing icebreaking, almost eliminating fisheries enforcement, and significantly reducing noncoastal environmental response capabilities. That is the effect of our current budget situation.

Faced with this situation, I would have thought that the boaters of this country would have been willing to pay $20 a year or even more to keep the Coast Guard in the search and rescue business. That amount is peanuts compared to the value of the boats involved—surely a trivial amount to pay as a form of insurance to protect that investment.

Mr. Chairman, in response to suggestions made by members of the boating community and members of the Merchant Marine Committee, I have tightened up my bill. I have proposed to put the money into a trust fund, to be made available only for Coast Guard use. I have made the $20 limitation statutory. Even then, I couldn't get it considered today.

But I'm not going to give up. I will reintroduce this measure, and seek cosponsors. Because I have faith that when the boaters of this country realize that the Coast Guard really needs this money to keep providing essential services, the boaters will come through.

Mr. Chairman, I wish I did not have this cold, and I wish the rules of the House would let me sing a song because I would sing something like this to the voters of this country:

Row, row, row, my boat
Gently, up the stream,
But if you try to make me pay,
I'll throw a fit and scream.

Tow, tow, tow, my boat
Through the surf to shore;
So what if I don't pay my share,
The others can pay more.

I hope that after listening to my speech, the boaters will change their tune, as follows:

Search, search, search, for me
When I am over-due;
The Coast Guard needs these user fees,
To pull us safely through.
Tow, tow, tow, my boat—
I'll pay that user fee;
'Cause when I really need it,
The Coast Guard's there for me.

Mr. Chairman, on another issue, I take strong exception to the provision in this bill to take the highway and aviation trust funds offbudget. That would place them in a special category, exempt from any budgetary control or oversight—a status that even the Social Security trust fund would not receive until 1992.

Mr. Chairman, this is back-door spending if I've even seen it. This proposal would provide a blank check to the Federal Highway Administration and the Federal Aviation Administration to spend these funds without oversight, without review, and without congressional supervision. I think that such an approach would involve walk-

ing away from our congressional responsibilities.

How can we explain to our constituents why highway and airport spending should be exempt from the budget process, while Social Security is not?

How can we explain why highway and airport spending should proceed unchecked, while other trust fund programs like Medicare, Veterans' Life Insurance, Unemployment Compensation, and Civil Service Retirement are subject to the usual budgetary controls?

Mr. Chairman, reasonable people can differ on whether trust funds should be on budget or off budget. But a reconciliation bill is no place to single out a handful of trust funds and put them at the front of the line. This issue has not been comprehensively explored by the Public Works Committee, or by the Government Operations Committee, which really has jurisdiction over the matter.

The one committee that has looked at it seriously, the Budget Committee, recommended that trust funds remain on budget.

Mr. Chairman, I urge that sections 8201 and 8202 be stricken from the bill, and that the Fazio amendment be adopted.

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Mr. JONES of North Carolina. Mr. Chairman, I yield such time as he may consume to the gentleman from Louisiana [Mr. BREAUX].

Mr. BREAUX. I thank the chairman of the Committee on Merchant Marine and Fisheries for yielding me some time on this section of the bill.

First, I would like to commend the chairman for the work that he has done on seeing to it that the Merchant Marine and Fisheries Committee has abided by the instructions of the budget reconciliation bill and has come up with the amount of money necessary. It was not easy for our committee to find the cuts that were needed. The chairman has complied with the budget resolution as presented. The Merchant Marine and Fisheries Committee complied with what the budget ordered us to do. That is not an easy achievement. The chairman is to be commended for his leadership in that area.

A couple other things that I think are appropriate to recognize that our committee has reported, that others would try and remove from the budget, are items that have already passed the House. We are merely using this vehicle to allow the legislation and the will of the House to reach completion, and that is the OCS revenue sharing, which passed this House under the leadership of the chairman from North Carolina last year by an overwhelming margin, and one year by unanimous consent, that we have merely taken those provisions and included them in the budget reconciliation that has come from the Merchant Marine and Fisheries Committee. Make no mistake, this is not controversial. It has passed the House once by unanimous consent, once by an overwhelming margin. It is now part of our package. Another thing is the reauthorization of the Coastal Zone Management Act which again is legislation that has already passed the House by an overwhelming margin. This is part of the package that we are now presenting and should not cause anybody any difficulty whatsoever.

The third item, which is extremely important to 30 coastal States, is for the first time Congress, recognizing what Congress thought we had done in 1978, and that is to have the administration comply with the law of the land which requires that the Federal Government share with the coastal States on a fair and equitable basis those revenues coming from the 8(g) area. That is the law of the land. It should not be controversial. It has taken us 8 years to get them to agree on what the figure should be. The figure is so far less than that interior States get from Federal lands from the leasing and oil and gas and mineral production on Federal lands within interior States. I say that because interior States get 50 percent of the bonuses, the rents, and the royalties coming from Federal leasing on Federal lands within their borders. The only thing the coastal States are going to receive is 27 percent. Is it a large amount? Of course it is, because no one has given the coastal States any money since 1978. The interior States have continued to take 50 percent of all of the bonuses, the rents, and royalties.

The Federal Government failed to put enough money into the escrow account over the years, and so this legislation includes a provision which provides for recoupment of the money that they should have put into the escrow account in the first place. There is nothing unusual about that. It makes sense. We are merely trying to get what they should have done in the first place. So it does provide for the past inadequate escrowing activities because of the prorationing scheme that the Interior Department came up with, including post-1978 royalties from the 8(g) tracts no matter when the lease was issued. So I think the bill we have does cover all of the areas of concern and it is recommended to all of the Members. I commend the gentleman from North Carolina for doing what was necessary to comply with the budget and to bring forth good legislation and also the ranking minority member, the gentleman from New York, who has been so helpful in this effort.

Mr. JONES of North Carolina. Mr. Chairman, I yield 2 minutes to the gentlewoman from Maryland [Ms. MIKULSKI].

Ms. MIKULSKI. Mr. Chairman, I rise today to support passage of H.R. 3500. Title VI of this bill reauthorizes the Coastal Zone Management Act and provides for a fair and just sharing of offshore oil and gas revenues between the Federal Government and the coastal States.

Mr. Chairman, this body has already passed H.R. 2121 reauthorizing the Coastal Zone Management Act for 5 years at fiscal year 1985 level funding. The Subcommittee on Oceanography which I chair heard two days of testimony on this legislation. The verdict was unanimous—the Coastal Zone Management Program involving 28 coastal States has been successful in managing our coastal resources. Further, this program serves important national interests related to energy development, port rehabilitation, the protection of living marine resources, and preserving access to coastal areas.

Subtitle E of title VI of this bill provides for the sharing of oil and gas revenues between the Federal Government and the coastal States. During the previous Congress, both Houses passed bills that are practically identical to the revenue sharing provisions of this bill. The right of the coastal States to share in these oil and gas revenues has been established through the many hearings conducted over the past several years by both the House and the Senate.

I urge my colleagues to support passage of this bill.

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

Mr. BOSCO. Mr. Chairman, I want to draw the committee's attention to a provision of this reconciliation bill that will add hundreds of millions of dollars to the Federal Treasury and provide about $10 billion in business for American industry and labor. The provision will require that rigs used in the development of offshore oil be constructed in the United States of at least 50 percent U.S. steel.

As one who has voted consistently for free trade, I assure my colleagues that this measure is not a protectionist scheme. Rather, it will carry out the clear intent of our OCS Program that Americans will be the primary beneficiaries as property owned by U.S. taxpayers is developed. Accordingly, at present, only U.S. oil companies and their subsidiaries may bid on this oil. The oil may only be sold domestically. It is only fair and consistent, Mr. Chairman, to insure that American suppliers and labor build the structures that are necessary for the development of this resource.

More specificially, as approved by the House Merchant Marine and Fish-

eries Committee, this provision would require that any platform, drilling rig or vessel built for exploration or production of oil or gas on the OCS after October 1 of this year must be constructed in the United States with at least 50 percent domestic materials. Waivers would be provided under two conditions to ensure that the demand for rigs and platforms can be met. First, if an adequate supply of domestic materials is not available, the Secretary of Interior would be authorized to waive the 50-percent requirement and allow them to be imported. The Secretary could also waive part of the domestic construction requirement on some larger projects. For example, if a company needed two platforms for a given lease sale and agreed to build one in the United States, the Secretary could waive the "build-American" requirement and allow the second platform to be constructed overseas. Taken together, these two provisions should ensure that the OCS Program is able to proceed without undue hindrance while allowing American workers to benefit directly from development of our offshore oil and gas resources.

The issue here is not protectionism versus free trade. The Federal laws, rules and regulations governing the development of our publicly owned natural resources are all inherently protectionist in that they are intended to maximize the resulting benefits to the American public, not private interests or foreign nations. In cases where those basic laws have not been sufficient, Congress has not hesitated to impose additional restrictions to protect U.S. economic and national security interests. Foreign oil companies, for example, are barred from bidding on OCS oil and gas leases unless they have U.S. affiliates. Raw logs from western national forests cannot be exported. Foreign mining companies cannot obtain mineral leases on Federal lands unless their own governments grant Americans the same right.

This provision is perfectly consistent with these longstanding policies. The intent is simply to ensure that American workers and communities receive maximum employment and economic benefits possible from the exploration and development of the publicly owned oil and gas resources on the Outer Continental Shelf.

The American public is not going to reap the benefit of those jobs if Congress does not act to deal with the issue. Since June of 1982, our domestic industry has been virtually shut out of the west coast platform construction market. The last nine contracts have all gone to Korea or Japan, due in large part to large government subsidies of their steel fabricating industry.

When you consider that just one offshore platform may require up to 70,000 tons of steel, provide more than 1,300 jobs and generate hundreds of millions of dollars in benefits to the domestic economy, the ramifications of these exports become enormous. And the problem is not limited to the west coast. Suppliers in the Far East are beginning to penetrate the traditionally domestic market for platforms on the gulf coast as well by shipping components, rather than complete platforms, for final assembly in the United States.

This situation also has serious implications for our national security, as some of my colleagues have already recognized. In a letter to Commerce Secretary Baldrige that I signed earlier this year along with several other members of the House Merchant Marine and Fisheries Committee, we noted that: "If this situation is not abated or at least modified, the United States could find itself in the position of not being able to respond adequately to a national emergency because of insufficient industrial capabilities." We added that we were specifically concerned about "the offshore support, supply and equipment industries as well as steel fabricating and related plants."

There is one other aspect to this issue that Members of this House may want to consider, and that is the effect of the recent decline in OCS-related employment on public support for our offshore leasing program. I can testify from personal experience how difficult it is to explain to my constituents why so many people in Congress believe that we need to open the California coast to leasing when we have been repeatedly rebuffed in our efforts to obtain some of the jobs involved in OCS-related construction.

In closing, Mr. Chairman, I want to underscore my strong belief that the time for strong congressional action is now. I realize that unfair trade complaints and petitions have been filed against the Japanese and Koreans, and efforts have been made to get offshore platforms included under a voluntary trade agreement. But to date, all these efforts have proved futile. In the meantime, our production technological capacity in this field has been rapidly shrinking. If we wait much longer, I fear that it will be too late.

Mr. JONES of North Carolina. Mr. Chairman, I reserve the balance of my time.

Mr. LATTA. Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. FIELDS].

Mr. FIELDS. Mr. Chairman, I rise to express my strong and enthusiastic support for the language contained in sections 5 and 6 of H.R. 3500 dealing with the distribution of certain OCS revenues.

As the ranking minority member of the Panama Canal/OCS Subcommittee, I have long sought a solution to the highly contentious and complex issue of section 8(g) of the OCS Lands Act Amendments.

This provision is designed to provide coastal States with a fair and equitable share of certain revenues obtained from oil and gas resource pools underlying both the Federal OCS and submerged State lands.

Unfortunately, Public Law 95-372 does not define the term "fair and equitable" nor does it provide explicit instructions on how the Secretary of the Interior shall distribute these funds.

While there have been various administrative attempts to negotiate a settlement with the affected coastal States, these efforts failed in the past and are doomed in the future.

The most notable of these efforts was initiated by Secretary William Clark who on August 8, 1984, offered to share with certain States 16⅔ percent of the bonuses, rents, and accumulated interest held in the 8(g) escrow account. The offer was not extended to either Texas or Louisiana allegedly because of their ongoing litigation.

On April 15, 1985, the affected coastal States responded to the Secretary by making a counteroffer of 37½ percent of all bonuses, delayed rentals, royalty payments, and tax income attributable to the 8(g) tracts.

This counteroffer was flatly rejected by Secretary Don Hodel in a letter to Gov. Mark White of Texas on May 24, 1985. While the Secretary indicated that a negotiated settlement was still possible in the future, this was but the latest in a series of failed attempts.

Mr. Chairman, during this period of 7 years of unsuccessful negotiations, there has been a steady increase in the amount of 8(g) money being deposited in the administration's escrow account. These are funds, now exceeding $6 billion, which are unavailable for use by either the Federal Government or the affected coastal States.

Mr. Chairman, regrettably, we have also witnessed a dramatic rise in the amount of friction, acrimony, and distrust between the Federal Government and the 8(g) States.

For the first time in the history of the Federal OCS, we have seen States like Texas and Louisiana, who have long benefited from this program, file a proliferation of lawsuits on not only 8(g) but other issues affecting individual lease sales.

The future of the Federal OCS program and the energy security of this Nation must not be threatened and imperiled by the continued unwillingness or inability to achieve a negotiated settlement of this issue.

The time has come to end this controversy. The language contained within sections 5 and 6 of H.R. 3500 as approved overwhelmingly by the House Merchant Marine and Fisheries Committee and by the Interior Com-

mittee will provide the coastal States with a fair and equitable distribution of 8(g) revenues.

Under the Merchant Marine and Interior solution, the affected coastal States will receive a 27-percent share of the bonuses, rents, royalties, and earned interest from both the existing escrow account and all future revenues obtained from leases in the 8(g) zone.

Mr. Chairman, the 27-percent solution was not arrived at either hastily or with prejudice toward any particular entity. It is based on a number of discussions and congressional hearings involving both the affected coastal States and the Department of the Interior. In fact, the Panama Canal/OCS Subcommittee received extensive testimony on section 8(g) of the OCSLA on April 3, May 3, and July 25 of this year.

I believe this approach, which is the product of many hours of careful deliberation, offers the best, perhaps the only, hope for settling this dispute. While the 27-percent figure is the median point between Secretary Hodel's 16⅔ percent offer and the States' counteroffer of 37½ percent, more importantly, 27-percent is totally consistent with the February 15, 1984, ruling of Judge Robert Parker in the Texas versus Secretary of the Interior case.

In his decision, Judge Parker ruled that prior State leasing activities resulted in enhanced value to the Federal Government and that Texas was entitled to 50 percent of these enhanced revenues. According to Mr. William Bettenberg, Director of the Minerals Management Service at the Department of the Interior, the Parker decision represents approximately 27-percent of the bonuses received on blocks leased either wholly or partially in the 8(g) area.

Mr. Chairman, let there be no misunderstanding—this is not a Federal giveaway to certain coastal States. In fact, the 27-percent solution represents far less, millions less, than dozens of interior States receive under the Mineral Leasing Act and the National Forest Fund which provide them with 50 percent of those Federal revenues obtained from mining and timber leasing on Federal lands within their States boundaries.

The affected coastal States of Texas, Louisiana, California, Alaska, Alabama, Mississippi, and Florida have set aside their well-established claims of 50 percent and have accepted in a spirit of compromise the Merchant Marine and Interior language as their absolute bottom line.

The 27-percent solution represents the absolute minimum amount which can be viewed as fair and which will bring 7 years of contention and litigation to an end.

Mr. Chairman, during the last several days, there has been an increasing amount of discussion on whether to include or not include 8(g) royalties under the 27-percent solution.

Unfortunately, much of this discussion, which has originated from the administration, is both misleading and wrong. We have heard for instance that this legislation will result in the loss of $4 to $6 billion in future 8(g) royalties.

Mr. Chairman, anyone even remotely familiar with the 8(g) issue knows that these figures are ludicrous. Nothing in the past 7 years of experience supports that kind of production.

In fact, after 7 years of 8(g) activity, there is barely $200 million in total royalty payments in the escrow account.

Under CBO's assumption, total royalty income from the 8(g) zone over a 30-year period would be only $3 billion. This is based on an optimistic projection of $100 million a year in total 8(g) royalty income.

For the administration's highly inflated assertions to be correct, the total royalty income would have to be greater than $16 billion, which is simply not credible or possible since vast amounts of 8(g) acreage have already been leased in the past.

Mr. Chairman, it is clear from reading Public Law 95-372 that royalties must be included in any settlement of the 8(g) issue since the language of the act emphatically states that:

> The Secretary shall deposit in a separate account of the Treasury of the United States all bonuses, and royalties, and other revenues attributable to oil and gas pools underlying both the Outer Continental Shelf and submerged lands subject to the jurisdiction of any coastal State until such time as the Secretary and the Governor of such State agree on the fair and equitable distribution of such revenues.

If the Congress had not intended that royalties were to be included, the act would have specifically excluded those revenues from inclusion in the escrow account. It would be totally inconsistent for the Congress on one hand to mandate that royalties be part of the escrow account and then simultaneously dictate they not be shared with the coastal States.

Clearly, the intent was that royalties are an integral and inseparable component of the overall 8(g) account and are to be shared with the coastal States, just like bonuses and rents, on a "fair and equitable" basis.

Mr. Chairman, the 27-percent solution contained within H.R. 3500 is fair, equitable, and in the best interests of all affected parties. It will distribute the existing 8(g) revenues and those in the future based on a simple but fair formula.

It will provide the affected States with badly needed revenues and it will reduce our staggering Federal deficit by over $4 billion. In addition, it will remove a growing cloud of suspicion and friction which now hangs over the Federal OCS Program, which itself provides more funds to the U.S. Treasury than any other revenue raising activity except Federal income taxes.

It will not, however, drain the U.S. Treasury nor will it violate the budget requirement in either this fiscal year or in the future. In fact, the legislative language implementing the 8(g) solution exceeds the savings called for in Senate Concurrent Resolution 32.

Mr. Chairman, 7 years of lawsuits, negotiations, and stalemate have convinced most of us involved in the 8(g) issue that this legislative action holds the only promise of ending this dispute.

I urge my colleagues to join with me in supporting this permanent solution to the 8(g) problem. H.R. 3500 satisfies the requirements of Public Law 95-372 by providing the affected coastal States with a fair and equitable share of these long-contested 8(g) revenues.

Mrs. BENTLEY. Mr. Chairman, I wish to associate myself with the remarks made here on the floor earlier by the gentleman from New York [Mr. LENT], the minority leader on the House Merchant Marine and Fisheries Committee and our chairman, particularly as it pertains to the Buy American provisions of the Bosco amendment in title VI.

I rise in support of title VI of the 1986 Budget Reconciliation bill, in particular, the Bosco amendment.

Foreign government subsidization, below cost pricing, dumping, and the lower cost of labor have placed U.S. producers at a distinct competitive disadvantage vis-a-vis Korean and Japanese producers. Since 1982, only three mobile drill rigs have been built in the United States. Since 1979, 13 of 14 west coast platform construction contracts have been issued to Korea and Japan.

This amendment requires offshore structures used in the production of oil and gas in the protected waters of the west coast, to be constructed in the United States of 50 percent domestic materials. It allows exceptions for short supply conditions and for offshore lease holders promising to install 50 percent of structures on a lease parcel accepting more than one offshore structure.

One offshore oil platform can generate between 1,000 and 1,300 jobs resulting in as much as $200 million in revenue for the U.S. economy. One mobile unit can mean 450 direct shipyard jobs, plus an additional 1,200 indirect steel and supply jobs nationwide. It is predicted that 25 platforms will be built within the next 5 years generating economic benefits totaling $4.9 billion including $91 million in tax revenue.

We, the Congress, are the trustees for the public lands. It is not unreasonable for us to ask the oil companies

who will benefit up to $100 billion from drilling in the OSC to buy American in accordance with the Bosco amendment. Therefore, I urge you to support this amendment which insures national security, generates economic and employment benefits, and is compatible with the Outer Continental Shelf Program.

Mr. JONES of North Carolina. Mr. Chairman, I have no further requests for time, but I would like to say, before I yield back my time, that any controversy which might be attacked tomorrow by the amendments, two items, revenue sharing, coastal revenue sharing, and coastal zone management, have passed this House one or more times by overwhelming votes. It is not something we brought in through the back door during the dark of night but it is something that has been before the House time and time again.

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

Mr. DERRICK. Mr. Chairman, I yield 15 minutes to the gentleman from New Jersey [Mr. HOWARD], the distinguished chairman of the Committee on Public Works and Transportation, and Mr. Chairman, I ask unanimous consent that the gentleman from New Jersey [Mr. HOWARD] be permitted to yield time.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

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

Mr. Chairman, I want to take this time during general debate to express as clearly and dispassionately as I possibly can the reasons why Members should oppose two amendments which may be offered, one by Congressman FAZIO and the other by Congressman LATTA. These amendments would strike the language in the Public Works and Transportation Committee's title of the bill removing certain self-financed, deficit-proof transportation trust funds from the unified budget. Our basic purpose in taking this time and opposing these amendments is to expose the shameful fraud being committed by inclusion of transportation trust funds in the unified budget—all being done in the high name of budgetary responsibility; when, in fact, nothing is further from the truth.

Precisely who is being victimized? Every day, we cheat transportation users who are not receiving the full benefits of their investments and we deceive the public at large by continuing to rely on bogus bookkeeping to conceal higher real deficits than are shown on paper. What we're doing in the name of fiscal responsibility is in fact irresponsible, and you can see it for yourself if you look back far enough.

The evidence is on this chart. The highway trust fund was first brought under the unified budget in 1969, as was the aviation trust fund when it was created in 1970, and the mass transit fund when it was established in 1982. Prior to the adoption of the unified budget concept in 1969, trust funds were reported separately from the administrative budget. As you can see on the chart, the balance for the highway fund was maintained at a relatively low and stable level prior to the adoption of the unified budget concept in 1969. After 1969, the trust fund balances grew dramatically, and by the end of fiscal year 1985, had grown to a combined total balance well in excess of $21 billion. This despite the fact that balances in the $2 to $3 billion range according to the Congressional Budget Office is all that is needed to maintain the highway fund on sound footing; obviously far less would be necessary for the other funds.

Mr. Chairman, how did this happen? How did we build up these excessive balances? First, we had the unified budget working in combination with executive impoundment which began in the late 1960's. Then, we had the unified budget working in combination with congressional impoundment in the form of excessively low obligation limitations. Both achieved the same result.

I would now pose the following question: What conceivable public purpose is served by allowing these trust fund balances to reach such excessively high levels? The simple answer, as astonishing as it may sound, is to assure that these funds are used for other public purposes. Assuming the balances in these funds continue to grow—and there is little doubt that they would under the unified budget—the requirement to invest accruing balances in debt obligations of the Federal Government effectively diverts these funds from the purposes for which they are raised.

Given the reality of these large balances, Mr. Chairman, the sooner these trust funds are separated from the unified budget, the less chance for these programs to distort other spending decisions, or conversely, for other Federal decisions to thwart these pay-as-you-go programs.

Transportation users contribute to these funds because they want to believe they will benefit from their contributions. If they don't believe that, they are not going to be willing to support these programs that offer so much hope for the country's transportation future.

That precious public confidence is something we have to work hard to restore, and it is my view we will have that opportunity tomorrow by defeating these ill-advised amendments.

Finally, Mr. Chairman, I want to respond to the question of why the Committee's language is appropriately included as part of the reconciliation bill. As I indicated during debate on the rule, the committee language is consistent with the primary purpose of the budget resolution to achieve budget savings; it is based on ample precedent; it is germane to the instructions given the committee and to the recommendations that it made; and, finally, it is totally consistent with the procedural exemptions of the Budget Act.

Mr. Chairman, I urge my colleagues to vote against the FAZIO and LATTA amendments and I reserve the balance of my time.

□ 1530

Mr. LATTA. Mr. Chairman, I yield 15 minutes to the gentleman from Pennsylvania [Mr. SHUSTER] a member of the committee, and I ask unanimous consent that the gentleman be permitted to yield time.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

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

Mr. Chairman, as a former member of the Budget Committee and the ranking member of the Surface Transportation Subcommittee, I rise to urge my colleagues to strike a blow for truth in budgeting, and at the same time, strengthen America's transportation system.

My colleagues, you may strike a blow for truth in budgeting and strengthen America's transportation system by opposing the Fazio amendment and the Latta amendment when they come before us. Why should this be done? It should be done because finally we have in the legislation before us long overdue language which removes transportation trust funds from the budget.

My colleague, the distinguished chairman of our committee has outlined the reasons behind this. Suffice it to say that as long as we have dedicated transportation trust funds—highway, aviation, transit—on budget, it has the effect of masking the enormity of the real general fund deficit. As long as we have transportation trust funds on budget, we are breaking faith with the American people because we told them that if you pay your dedicated gasoline taxes into these dedicated trust funds, the money will not be spent for anything else: It will be spent solely for transportation purposes.

But as a result of putting these trust funds on budget, they are being used

to build up surpluses, to mask and hide the real general fund deficit. So we can strike a blow for trust in budgeting if we finally remove these dedicated trust funds from general fund budgeting.

There is a second reason equally if not more important. That second reason is by doing so, we can improve and increase the expenditure of these dedicated funds for the purposes for which they are meant, and that is transportation construction.

The Members have heard earlier that this is simply a bookkeeping matter; it really makes no difference; it is simply bookkeeping. That is just not so. As long as trust funds are on budget, this means that the Appropriations Committee has a strong interest in reducing the obligational ceilings for transportation expenditures. As we know, the obligations ceilings limit those funds that are actually permitted to be spent. As long as transportation trust funds are on budget, this means that the Appropriations Committee by reducing obligational expenditures, even though the dollars are there in the trust funds, by reducing them it means that more spending can take place in the general fund categories and the overall impact on the deficit is hidden because the surpluses in the transportation trust fund cover up these other deficits.

So do not be misled, my colleagues, by the argument that this is simply a bookkeeping transaction. It is much more than that; it is a very real matter. When we remove transportation trust funds from the general budget, then the Appropriations Committee has no motive to reduce obligational ceilings and they can let the trust funds expend whatever is in there and whatever can be justified on a deficit-proof basis.

So this is an extremely important issue. It is the heart of the issue. It is real; it is not bookkeeping. Let me share with the Members just a couple of examples of what it means as a result of the Appropriations Committee passing low obligational ceilings to mask expenditures. The effect has been that virtually every State across America, while it has had more money apportioned to spend, has been unable to spend the money, and has not been permitted to spend the money because of the obligational ceiling placed upon it.

What does this mean? For example, just in this fiscal year 1986, in Pennsylvania, while the federally apportioned funds from the Highway Trust Fund amount to $587 million, because of the artificial obligational ceiling placed upon it by the budget process, Pennsylvania will have an obligational ceiling of only $505 million. Therefore, Pennsylvania is being shortchanged in 1 year alone out of the trust fund, $85 million.

The money is there; it is lying there, but Pennsylvania and Pennsylvania taxpayers cannot spend it. This is not a Pennsylvania problem; this problem applies across the board. When you add up the cumulative effect of the gap between what has been apportioned to States and what can be spent, the figures are staggering.

California, for example, has unobligated balances, apportionments that they are not allowed to spend over the years of $704 million. That is highways and only highways in this example. But you can extend this to aviation and transit. Likewise Texas, $494 million; Massachusetts, $345 million; Ohio, $246 million; Louisiana, $218 million; Hawaii, $202 million; Florida, $201 million; Maryland, $190 million; New Jersey, $175 million; on and on. Virtually every State across this country.

□ 1540

Hundreds of millions of dollars are not being spent, dollars that are dedicated, paid for by the highway and aviation users of America, dollars that are tied up because the money is tied up as a result of these obligational ceilings because the trust funds are on budget.

The cure, the solution: Remove these dedicated trust funds from the budget, and let them stand on their own. There can be no deficit spending. As you know, under the law, the law requires you cannot spend a penny out of these trust fund dollars unless the dollars are there, one of the few deficit-proof programs we have in this Congress.

So, do not be beguiled by these other arguments. Support honesty in budgeting. Support a better transportation system. Let the dollars that are sent by your taxpayers to Washington for dedicated transportation purposes be returned to the States so they can be used. Oppose, vote down these pernicious Latta and Fazio amendments.

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

Mr. SHUSTER. I yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. Mr. Chairman, I commend the gentleman for his very articulate statement, and I rise in support of H.R. 3500, the 1985 Omnibus Reconciliation Act.

Mr. Chairman, I rise in support of H.R. 3500, the 1985 Omnibus Reconciliation Act.

My colleagues have eloquently and adequately explained the provisions in our committee's reconciliation package, and I join them in urging that the language in that package be accepted without any altering amendments.

However, as ranking member of the Aviation Subcommittee, I do want to underline the importance of our provision removing the airport and airway trust fund from the unified budget.

Since this trust fund usually contains a surplus, the practice, under the unified budget, has been to inflate its cash balance by not spending money to meet very real program needs, thereby offsetting the real deficit of the general fund.

In other words, our Government has been collecting billion of dollars in taxes from the users of our airports for the stated purpose of expanding or repairing those facilities, and at the same time, has been refusing to spend the dollars collected for their specified purpose.

Without question, we are breaking faith with the airline passengers and private pilots in this country.

I well recall that when aviation taxes were increased in 1981, the airline industry and passengers were told that such increases were necessary to modernize our air traffic control system and to expand airport capacity so that the system could handle the increased demands expected during this decade. The needs were well documented; they were very real then, and they are very real today.

However, in order to make the Federal deficit look smaller on paper, the aviation taxes collected as a result of that congressional action in 1981 have not been used as promised. The programs established in 1981 have not been fully funded, and, in fact, obligation ceilings have been imposed on the Airport Improvement Program in every year since fiscal year 1981. Right now, there are many airports throughout the country, both large and small, in need of new runways or significant repairs. But appropriations for such airport improvements are more than $300 million below authorized levels. This situation is expected to get worse in fiscal year 1986.

Appropriations for airway facilities and equipment show an even greater shortfall. By the end of fiscal year 1986, it may approach $1 billion. This means that important programs to increase the safety and efficiency of the air traffic control system are not being fully funded.

To give just one example, our subcommittee recently held hearings on the need for a new doppler radar system to detect wind shear.

This radar system could have prevented crashes like the one in Dallas last summer or the one in New Orleans in 1982. But this radar system is very expensive. It will cost about $3 to $4 million at each airport. It would be unfortunate if any more airline passengers had to die because we lacked the money to install doppler radar. But it would be even worse if the money was there in the trust fund, and Congress refused to spend it simply to make the deficit appear smaller. Yet this could occur if the aviation trust fund is not taken off budget.

Uncommitted surpluses continue to rise in the airport and airway trust fund. Currently, more than $3 billion has not been spent at all. It is estimated that this surplus will rise to $4.5 billion by the end of fiscal year 1986.

There is no real danger that trust fund spending will exceed trust fund receipts.

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Not only does this fund contain a large surplus, but our proposal contains an antideficit provision similar to the Byrd amendment in the highway trust fund.

We cannot reasonably expect continued support for our aviation programs if the taxes collected are not used as the taxpayers were told they would be.

Therefore, in the interest of a strong national transportation system and the integrity of the Federal budget process, I urge my colleagues to support H.R. 3500 including the provision to take the aviation trust fund off budget.

Mr. SHUSTER. Mr. Chairman, how much time do I have left?

The CHAIRMAN. The gentleman from Pennsylvania [Mr. SHUSTER] has consumed 8 minutes. He has 7 minutes left.

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

Mr. HOWARD. Mr. Chairman, I yield 4 minutes to the chairman of our Subcommittee on Surface Transportation, the gentleman from California [Mr. ANDERSON].

Mr. ANDERSON. Mr. Chairman, in the few minutes I have to address this critical issue, I want to clear up three misconceptions I have heard repeated by some of our colleagues, and then to lay out, once again, our case for taking the transportation trust funds off-budget.

First, let me clarify that the Public Works Committee has met the funding levels we were given. We are in full compliance with our reconciliation instructions. So any who would suggest that we are trying to go off-budget because we failed to meet these instructions are simply confusing their facts.

Second, I feel constrained to point out that we are not engaged in some jurisdictional turf battle. Whether or not we are successful in turning back the Fazio and Latta amendments will have no impact on the ability of our friends on the Appropriations Committee to impose annual obligation ceilings on our trust fund programs or to engage in other practices relating to those programs. Taking the trust funds off-budget will not affect the relationship between our two committees.

And that's an important point. Because, third, there are those who suggest that if we go off-budget, the ceilings on our programs will be lifted and, if I can mix my metaphors, the dam that holds back transportation spending will be shattered. But, I would point out that obligation ceilings may still be periodically imposed on the programs to control spending and impose necessary budgetary restraints desired by the Congress. And, of course, there is the protection afforded by the Byrd and Rostenkowski amendments for highways and mass transit; and I suppose we should call it the Mineta amendment for aviation, which is included in our language, to absolutely guarantee that the trust funds be administered in a responsible, conservative manner.

So what are we trying to do? If we are not trying to blow the lid off transportation spending, if we are not trying to evade the responsibility that was given to us as part of reconciliation this year, and if we are not trying to grab some other committee's turf?

Mr. Chairman, we are trying to be honest with the American people.

As has been explained, the transportation trust funds are generated exclusively by fees levied on transportation users, and may be used exclusively for their designated transportation purposes. They are administered separately from the general funds of the U.S. Treasury. They have absolutely no genuine impact on the horrible, terrible, monstrous deficit or debt confronting our country.

Yet there are those who would like to say, "Let's hold down trust fund spending," they forget what the trust in trust fund means. "Let's hold down trust fund spending so that the deficit will look a little bit smaller." Mr. Chairman, those who would do that are saying, "Let's try and fool the American people. Let's not let them know how big a deficit we really have.

Mr. Chairman, I don't want to fool the American people. And I don't want it said that we misled them 3 years ago when the highway user fees were increased so that we could have better highway and public transit systems in this country. Those fees should be used and not abused.

Mr. Chairman, that is why we must turn back the Fazio and Latta amendments.

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

Mr. ANDERSON. I yield to the gentleman from New Jersey.

Mr. HOWARD. Mr. Chairman, I thank the gentleman, and thank him for his statement.

I would just like to comment on what the gentleman from Pennsylvania stated about the amount of money that is in the trust fund, able to be apportioned, but not obligated. It amounts to about $6.2 billion. At the rate of 140,000 jobs per billion dollars, that is about 868,000 people in this country that could be working building and fixing and repairing our roads and bridges and other transportation systems in this country.

Mr. Chairman, I thank both gentleman for making very good points.

Mr. ANDERSON. Mr. Chairman, I thank the gentleman from New Jersey [Mr. HOWARD] for his contribution.

The CHAIRMAN. The time of the gentleman from California [Mr. ANDERSON] has expired.

Mr. SHUSTER. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. CLINGER], a member of the committee.

Mr. CLINGER. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I urge in the strongest possible way rejection of the Latta and the Fazio amendments. This would undercut the entire user-fee concept, and I urge defeat of both amendments.

Mr. SHUSTER. Mr. Chairman, I yield 3 minutes to the distinguished ranking member of the full committee, the gentleman from Kentucky [Mr. SNYDER].

Mr. SNYDER. Mr. Chairman, the reconciliation submission of the Committee on Public Works and Transportation, as detailed in title VIII of H.R. 3500, contains some very important and far-reaching provisions.

First of all, it complies fully with the Budget Committee's instructions to reduce the obligational authority of the highway trust fund. Among other things, it reduces the fiscal year 1986 authorization for the Federal-aid highway program by $800 million; sets obligation limitations on the program as directed by the budget resolution; and takes the highway, aviation, and mass transit trust funds off-budget starting with fiscal year 1987.

I cannot overstate the importance of removing these trust funds from the unified budget. We have the world's finest transportation system, and that is directly attributable to the willingness of our citizens to pay taxes on gasoline, airline tickets, and aviation fuel in order to make the capital available to support that system.

The trust funds created as a repository for this capital have served our transportation system well—when they have been permitted to do so. They are unique because by law they can have no deficits, and therefore, they have never contributed 1 penny to the Federal deficit. They rely on dedicated sources of revenue, and they are self-supporting.

Since the users of this Nation's highways and airways pay the taxes to support both systems, they have every right to expect that those taxes collected be spent for the purpose for which they are levied—the improvement of the Nation's highways, transit systems, airports and airways.

That was the contractual obligation, if you will, of the Federal Government when it imposed these taxes. Unfortunately, the Federal Government has not lived up to its obligation.

Since these transportation trust funds usually contain surpluses, the practice under the unified budget has been to inflate their balances by not spending money to meet program needs, thereby offsetting the actual deficit of the general fund.

In the most fundamental sense, this amounts to breaking faith with the Nation's highway and airport users, and I submit that there is no reason to assume that they will continue to support these vitally important systems if their taxes go unused.

It is time we put an end to this long-running budgetary charade by letting the real Federal deficit be seen for what it is and letting Congress address the true deficit accordingly.

This is not a new proposal. The uniqueness of trust fund capital programs and the need to preserve their integrity was recognized by the very Presidential Commission that recommended the inclusion of trust funds in the unified budget. It was also reflected in the 1974 Budget Act. Unfortunately, while the distinctions have been recognized, they have not been observed in practice.

Now is the appropriate time to address this issue. It is the intent of reconciliation to help decrease the general fund deficit. Under this very bill we are cutting the highway trust fund program to make the paper deficit in the general fund look smaller—and that is exactly the problem we are trying to correct by taking these trust funds off-budget.

There is also precedent for taking this action at this time. The Omnibus Budget Reconciliation Act of 1981 took the strategic petroleum reserve off-budget, and that was not even a user-supported program.

This is in reality a "truth-in-budgeting" provision. Once we can see what the budget deficit really is, we will get an accurate picture of Federal spending in future years and can make budget decisions free of the distortions created by having self-financed transportation trust funds pitted against other Federal programs which compete for scarce general revenues.

Some of our friends on the Appropriations Committee feel that by taking these trust funds off budget, the Public Works Committee is trying to get rid of obligation ceilings, drop all congressional controls, and go on a spending spree.

Nothing could be further from the truth. Our two committees have had their differences as to how these ceilings should be utilized and that will probably continue, but nothing in this provision will prevent the Appropriations Committee from continuing to put obligation ceilings in appropriations bills. All this provision would do is remove the incentive for that committee to gradually ratchet down on trust fund programs in order to make room in their budget for general fund programs.

The so-called Byrd amendment insures that the trust funds can never operate in a deficit regardless of how much spending Congress authorizes. The highway trust fund has lived with that discipline for years, and the reconciliation bill adds a similar antideficit provision to the airport and airway trust fund.

In addition, the Public Works Committee continues to put obligation ceilings on these programs in our authorizing legislation in order to maintain an even flow in our programs. New funding for the highway program, for example, can be no higher than the trust fund can support. This is a "pay-as-you-go" program.

Taking these trust funds off budget is an idea whose time has come. The Public Works Committee has over the years argued for more national treatment of these trust funds, but our pleas have fallen on deaf ears. As a result, the highway and aviation programs have been damaged and the integrity of the budget process has been seriously undermined.

Another provision of our committee's reconciliation submission makes available excess budgetary authority for the construction of three bridges across the Ohio River to demonstrate the feasibility of reducing the time required to replace unsafe bridges.

This is merely the reprogramming of a portion of existing budget authority which was originally provided to construct two Ohio River bridges under section 147 of the 1978 Federal-aid Highway Act.

The committee's package also retains the historical prohibition against the sale of excess power by the Tennessee Valley Authority outside its service area. This provision is merely a response to the reconciliation language adopted by the Energy and Commerce Committee which would remove this so-called "wall" around the service area of TVA.

I feel very strongly that this "wall" should not be removed. It was established in the 1933 TVA Act, as amended, for the purpose of protecting surrounding utilities from competition with TVA. In any case, the matter is exclusively within the Public Works Committee's jurisdiction.

I feel confident that we can resolve this matter during conference, and I have received some assurances from the Energy and Commerce Committee leadership along those lines.

□ 1550

Mr. HOWARD. Mr. Chairman, I yield 4½ minutes to the chairman of the Subcommittee on Aviation, the gentleman from California [Mr. MINETA].

Mr. MINETA. Mr. Chairman, I rise today to demonstrate my full support for the provisions to remove the highway and aviation trust funds from the unified budget and congressional budget processes but not from the appropriations process. The provisions which I support are contained in subpart B of title VIII of the Omnibus Budget Reconciliation Act.

The 1982 Airport and Airway Improvement Act was a mutual commitment between the Federal Government and the aviation industry to look to the long-term needs of the airport and airway system, to provide funding for needed growth and improved efficiency through the introduction of new technology, and to build in a financial mechanism equal to doing the job. Unfortunately, the Federal Government has repeatedly reneged on its commitment, while the users have continued to make good faith payments into the trust fund.

Not only the executive branch, but my colleagues in the Congress as well, continue to take less than seriously the agreements, made in our 1983 legislation. Only a month ago, the fiscal year 1986 DOT appropriations bill passed by the House reduced funding for the Airport Improvement Program to $925 million, about 10 percent below the authorized level. To come within the overall transportation spending ceiling set by the budget resolution, the House allowed $75 million in available trust fund dollars to be cut. Similarly, during the prior 3 fiscal years, obligations under the Airport Improvement Program were a full $300 million less than the amounts which were authorized and for which the users had paid taxes.

There has been an even greater shortfall in the facilities and equipment program for modernization of the air traffic control and navigation systems. From fiscal 1982 through fiscal 1985, appropriations for this program were $700 million below the authorized level. The House appropriations bill for fiscal 1988 produces an additional $318 million deficiency below the authorization level.

These shortfalls are inexcusable when user taxes are producing far more revenues than are needed to support the airport and airway trust fund programs. As a result of the shortfalls, the uncommitted surplus in the trust fund has grown from $2.1 billion at the end of fiscal 1982 to an estimated $3.3 billion at the end of fiscal year 1985. By the end of fiscal 1986, the uncommitted surplus is estimated to reach $4.5 billion.

Thus, despite the airport and airway trust fund's ever-increasing surplus and the fact that aviation users have paid the taxes in good faith, expecting them to be used to finance needed airport and airway safety and capacity improvements, aviation's dedicated revenues continue to be surreptiously used to avoid having to cut general fund programs. The only relationship between the programs that are indirectly subsidized by the surplus in the airport and airway trust fund and the airport and airway programs is that

they are all included under the Budget's Act transportation category.

To prevent this from continuing to happen, I have tried various remedies. I have supported legislation to provide a separate process for capital budgeting at the Federal level, inserted a "pay-as-you-go" amendment for trust funds in the fiscal year 1985 budget resolution, testified repeatedly before the Ways and Means and Appropriations Committees, and authored legislation to amend the Budget Act to allow trust fund programs to expend what they collect in revenues.

In every instance, at every turn, I have been met repeatedly with the refrain that now is not the time.

In the face of a $2.078 trillion debt limit, how can now not be the time?

When the administration is virtually mandating tax reforms that produce no additional revenues to ease that deficit, can this body say now is not the time?

When the House conferees are forced to consider a so-called emergency deficit control measure which institutionalizes and memorializes the present use of the aviation and highway trust fund surpluses to offset the overall Federal deficit, can now not be the time? The fact that our users have paid for these programs in advance is meaningless if the hastily contrived and irresponsible measure is allowed to pass and we are blocked from taking these trust funds from the unified budget.

You should be aware that our off-budget proposal includes its own anti-deficit language which allows us to authorize spending only what has been collected in revenues. Between this provision and the appropriations process itself, we are assured fiscal responsibility for the airport and airway improvement programs.

In the face of the the other body's actions tearing the existing congressional budget process to shreds, I have to say that now is the time for approaches more radical than those we have tried in the past.

That is why I have come forward with my Public Works and Transportation Committee colleagues to take the self-supporting and deficit-proofed airport and airway trust fund, as well as the highway trust fund, out of the Presidential and congressional budget processes.

I have been a long-time supporter of the Congressional Budget Act of 1974 and the process it established. I chaired the budget process task force during 4 of my 6 years on the Budget Committee. It is therefore, only after trying all other avenues and failing in those attempts that I have reluctantly concluded that the trust fund concept will not work for aviation and aviation safety unless our trust fund is separated from the unified budget with its massive deficits.

That is why I implore you to vote against the Fazio and Latta amendments on Thursday.

Mr. SHUSTER. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from California [Mr. PACKARD].

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

There are those who say that the treatment of trust funds should not be dealt with in budget reconciliation. They would have us delay this issue and continue business as usual, with all of the unfavorable repercussions that would have for our highway, transit, and aviation programs and for the integrity of the budget process itself.

I say that this is precisely the right time and the appropriate vehicle for moving the highway and aviation trust funds off budget.

In the first place, the budget process treatment of trust-fund financed transportation programs lies at the very heart of the problem the Public Works Committee seeks to remedy by removing the trust funds from the unified budget.

The very purpose of the reconciliation process is to reduce the general fund deficit, and to that end, it directs the Public Works Committee to reduce spending for the Federal-aid highway programs, which we have done. The reconciliation bill is, therefore, cutting trust fund programs to make the paper deficit in the general fund look smaller. This is dishonest, counter productive, and deceptive.

Since the budget process is causing the problem, we should deal with that problem through the budget process. There is certainly precedent for taking this action in a reconciliation bill. The Omnibus Budget Reconciliation Act of 1981 placed the strategic petroleum reserve program off budget, and that was not even a user fee supported program.

Let's face it, taking the trust funds off budget is really a truth-in-budgeting provision and, conversely, the amendment before us is most definitely not a truth-in-budgeting amendment.

Removing these trust funds from the unified budget would enable us to have a more accurate picture of Federal spending in future years. These self-financed programs only distort decisionmaking in the budget process when they are pitted against other programs which compete for scarce general revenues.

It is time that we see the budget deficit for what it really is, so that Congress can deal with it directly. The American people have already lost confidence in Congress' ability to deal with budget. Is the way to restore that lost confidence, to deceive, and hide the real size of the deficit?

The Fazio amendment would have us continue to use trust fund surpluses to hide the true budget deficit. The budget process does not deserve this, and the users of our transportation system—the benefactors of those systems—do not deserve it either.

I urge my colleagues to vote against both the Fazio and Latta amendments.

Mr. SHUSTER. Mr. Chairman, I yield 1½ minutes to the distinguished gentleman from Florida [Mr. LEWIS].

Mr. LEWIS of Florida. Mr. Chairman, I rise in support of removing the highway and aviation trust funds from the unified budget.

When Congress passed legislation in 1982 authorizing the funding for the national airspace system plan [NAS] and increased the taxes going into the airport and airways trust fund skeptics were assured that this time surpluses would not be allowed to accumulate. This time the funds really would be appropriated for their intended purpose of air safety modernization.

However, each year since then, we have watched budgets submitted with funding levels below that needed to fully fund the "NAS" plan. And each year we have failed to appropriate the needed funds and have even reduced the funding.

It is obvious that as long as the budget deficits continue and the trust fund continues to grow larger, the temptation to use this surplus to offset those deficits will increase, not diminish.

The Federal Government has clearly not kept its side of the bargain, and I am not very optimistic that any change is in sight. To continue to include these trust funds in the unified budget is a betrayal of the hundreds of millions of transportation users who have continued to pay into these trust funds in good faith.

The current situation is a gross injustice, but worse yet, it is dangerously shortsighted. There is no excuse to place the safety of the traveling public in jeopardy in order to allow Congress the luxury of continuing to avoid facing the real dimensions of the real deficit.

If we are to put an end to the mishandling of the trust fund we must put an end to the temptation; and, therefore, I strongly support the removal of these trust funds from the unified budget—now.

Defeat the Fazio-Latta amendments.

Mr. HOWARD. Mr. Chairman, I yield 1 minute to a member of our committee, the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Chairman, as a member of the Public Works and Transportation Committee, I urge defeat of the Latta and Fazio amendments.

The trust funds that are used for most transportation projects and gen-

erated by user fees should be considered off budget. Since these funds are used only for their designated purposes, they have absolutely no effect on the real deficit.

Attempts to reduce the deficit by pulling a fast one on paper and applying the trust fund surplus to the deficit is nothing more than a deceitful ploy to fool the American people that Congress is acting responsibly and is attempting to really reduce the deficit.

Let us take real action to reduce the deficit, but let us quit playing bookkeeping games with the trust fund.

I agree with the chairman, as he stated, that tampering with this $6 billion plus in this fund is equivalent to eliminating or endangering 850,000 jobs for Americans in our infrastructure.

This revenue to update our infrastructure should not be a political football here today.

Our deficit situation needs to be addressed, but not on the back of the situation as it has been presented.

Mr. HOWARD. Mr. Chairman, I yield my remaining 30 seconds to the gentleman from California [Mr. DYMALLY].

Mr. DERRICK. Mr. Chairman, I yield 1 additional minute to the gentleman from New Jersey [Mr. HOWARD].

Mr. HOWARD. Mr. Chairman, I yield that additional time to the gentleman from California [Mr. DYMALLY], so that he may be recognized for 1 minute and 30 seconds.

The CHAIRMAN. The gentleman from California [Mr. DYMALLY] is recognized for 1 minute and 30 seconds.

Mr. DYMALLY. Mr. Chairman, I rise in opposition to the amendment to be offered by my colleague from California.

Mr. Chairman, this amendment contends that removing from the unified budget highway, mass transit, airport, and aviation programs will unfairly shelter and protect these programs from future budget cuts required to balance the budget. This amendment contends that removing the Federal Aid Highway Program from the unified budget will cause other on-budget programs such as Medicare, housing, and other trust fund programs to suffer deeper cuts in the future and, therefore, exempt Federal Aid Highway Programs from sharing in the sacrifice of program budget cuts in our effort to reduce the deficit.

Mr. Chairman, nothing can be further from the truth. We are talking apples and oranges in this case.

Transportation trust funds do not belong in the unified budget because spending from these trust funds is limited to specified programs. Moreover, spending from these funds cannot add to the Federal deficit. Transportation trust funds are generated by user fees and can only be used for highway and transit capital projects mandated by the passage of the 1982 Surface Transportation Act which imposed a 5-cents-a-gallon gasoline tax that in turn created the transportation trust fund to be utilized by the States for their respective transportation-related projects. Current law requires the Department of Transportation to reduce or withhold disbursements from the highway trust fund if anticipated user fees cannot support obligations for the affected programs. Therefore, highway and mass transit spending cannot exceed the balance in the trust fund and cannot add to the Federal deficit.

This amendment will allow highway trust funds to be raided as a part of a misguided attempt to reduce the Federal deficit by making a sacrificial lamb of highway programs that did not cause the deficit problem that we are faced with today.

Mr. Chairman, for these reasons, I again register my opposition to the Fazio amendment and urge my colleagues to do likewise.

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

Mr. DYMALLY. Yes; I yield to the gentleman.

Mr. BOEHLERT. Mr. Chairman, the gentleman made reference to apples and oranges. I would suggest that we are talking about phony baloney and the phony baloney is having these trust funds in the unified budget. I support strongly the removal of these trust funds from the unified budget.

Mr. DYMALLY. Phony baloney—I do not like baloney.

Mr. DERRICK. Mr. Chairman, I yield such time as he may consume to the gentleman from Arkansas [Mr. ALEXANDER].

Mr. ALEXANDER. Mr. Chairman, the House is taking another step today in meeting its fiscal responsibilities by considering the Omnibus Budget Reconciliation Act. This bill reduces Federal spending by $61.1 billion over the next 3 years. That is $3.3 billion more than required by the reconciliation instructions of the budget resolution.

This bill deals with Federal spending for veterans, housing, student loans, the Small Business Administration, and highways as well as a host of other programs.

The Members of this House should be congratulated for reporting a bill that cuts more than was required by the budget resolution. We've done it again. This is the only way that fiscal discipline can be imposed, steadily, and incrementally.

This, I submit, shows out determination to follow through on our commitment to reduce spending and the deficit and restore America's economic vitality.

No one should be surprised that this bill comes in below the budget resolution spending targets. Congress over the years has fulfilled its responsibility to wield the fiscal knife.

National Journal, the publication that covers Congress so perceptively and thoroughly, recognized our seriousness about meeting our fiscal obligations. In a recent article, National Journal observed, "In fact, Congress has probably done more this year than it is getting credit for" in reducing spending and the deficit.

This recognition by the press is critical. Only through the type of accurate reporting that we see in National Journal will the public come to accept that Congress is doing its job and that Congress recognizes the gravity of the threat posed by the deficit.

The public must understand that we, indeed, are heeding the warning of Franco Modigliani of the Massachusetts Institute of Technology, this year's winner of the Nobel Prize for Economics. Professor Modigliani told the Joint Economic Committee earlier this week that the deficit posed a great threat to our economic stability, requiring Congress to "cut the budget now and cut it deeply, with no ifs, ands or buts."

Congress can do the job. In fact, it has been doing the job for the last 42 years. That's the best kept secret in Washington. Congress has been keeping appropriations below the amount requested by the President for all but 4 years in the past 4 decades.

The figures speak loudly and clearly about what we have done. Let's look at appropriations approved by Congress and how they compare with the President's requests:

In 1944, in the midst of World War II, Congress appropriated $2.3 billion less than requested by the President.

In 1954, Congress appropriated $2.6 billion less than requested by the President.

Ten years later, in 1964, the appropriations bills voted by Congress totaled $4.1 billion less than requested by the President.

In 1974, Congress appropriated $9.7 billion less than the President's budget request.

And last year, the amount was $17.2 billion less than the President's budget request.

All of the figures I have just cited are taken from a comparison compiled by the House Appropriations Committee of Presidential budget requests and congressionally appropriated amounts enacted in regular, supplemental, and deficiency appropriations bills.

The budget resolution for fiscal 1986 passed on August 1 demonstrated once again Congress' intent to provide for less spending than requested by the President. Spending approved in the budget resolution is $4.6 billion below what the President asked for.

We have just seen, in dollars and cents, that the problem is the President. Congress knows how to cut and has cut appropriations bills below the President's request. That's an incontrovertible fact.

Today, the spending problem has reached a magnitude never before experienced in our Nation's history. The President talks about cutting spending and cutting the deficit. Yet the Reagan administration has piled up a $1 trillion deficit just since 1981.

This is a deficit that threatens economic disaster and the economic well-being of our people and Nation. It is a dagger pointed at the heart of America.

This deficit draws in foreign capital in record amounts to finance it. This influx of foreign capital has produced an insidious form of inflation—the overvalued dollar. This, in turn, has resulted in a $150 billion trade deficit, the worst trade deficit in our Nation's history.

The overvalued dollar has made American products too expensive for foreigners to buy, and it has subsidized foreign imports that have taken jobs away from hundreds of thousands of American workers.

Federal spending must be cut and can be cut. Congress has demonstrated over the past 40 years that it has kept Federal spending below the Presidents' requests.

We have shown year in and year out the leadership in cutting spending and we will continue to provide that leadership.

COMPARING PRESIDENTIAL BUDGET REQUESTS AND CONGRESSIONALLY APPROPRIATED AMOUNTS ENACTED IN REGULAR ANNUAL, SUPPLEMENTAL AND DEFICIENCY APPROPRIATIONS BILLS [1]

[Current as of January 16, 1985]

	Appropriations	Presidential budget request [2]	Congressionally appropriated amounts less (−) or more (+) than Presidential request
	Calendar year [1]	Congressionally appropriated amounts	
1943	$115,041,366,395	$110,634,660.785	−$4,406,705,610
1944	63,513,471,020	61,257,906,152	−2,255,564,868
1945	62,453,310,868	61,042,345,331	−1,410,965,537
1946	30,051,109,870	28,459,502,172	−1,591,607,698
1947	33,367,507,923	30,130,762,141	−3,236,745,782
1948	35,409,550,523	32,699,846,731	−2,709,703,792
1949	39,545,529,108	37,825,026,214	−1,720,502,894
1950	54,316,658,423	52,427,926,629	−1,888,731,794
1951	96,340,781,110	91,059,713,307	−5,281,067,803
1952	83,964,877,176	75,355,434,201	−8,609,442,975
1953	66,568,694,353	54,539,342,491	−12,029,351,862
1954	50,257,490,985	47,642,131,205	−2,615,359,780
1955	55,044,333,729	53,124,821,215	−1,919,512,514
1956	60,892,420,237	60,647,917,590	−244,502,647
1957	64,638,110,610	59,589,731,631	−5,048,378,979
1958	73,272,859,573	72,653,475,248	−619,383,325
1959	74,859,472,045	72,977,957,952	−1,881,514,093
1960	73,845,974,490	73,634,335,992	−211,638,498
1961	91,597,448,053	86,606,487,273	−4,990,960,780
1962	96,803,292,115	92,260,154,659	−4,453,137,456
1963	98,904,155,136	92,432,923,132	−6,471,232,004
1964	98,297,358,556	94,162,918,996	−4,134,439,560
1965	109,448,074,896	107,037,566,896	−2,410,508,000
1966	131,164,926,586	130,281,568,480	−883,358,106
1967	147,804,557,929	141,872,346,664	−5,932,211,265
1968	147,908,712,996	133,339,868,734	−14,568,744,262
1969	142,702,346,215	134,431,463,135	−8,269,883,080
1970	147,765,358,434	144,273,528,504	−3,491,829,930
1971	167,874,624,937	165,225,661,865	−2,648,963,072
1972	185,431,804,552	178,960,106,864	6,471,697,688

COMPARING PRESIDENTIAL BUDGET REQUESTS AND CONGRESSIONALLY APPROPRIATED AMOUNTS ENACTED IN REGULAR ANNUAL, SUPPLEMENTAL AND DEFICIENCY APPROPRIATIONS BILLS [1]—Continued

[Current as of January 16, 1985]

	Appropriations	Presidential budget request [2]	Congressionally appropriated amounts less (−) or more (+) than Presidential request
	Calendar year [1]	Congressionally appropriated amounts	
1973	177,959,504,255	174,901,434,304	−3,058,069,951
1974	213,667,190,007	204,012,311,514	−9,654,878,493
1975	267,224,774,434	259,852,322,212	−7,372,452,222
1976	282,142,432,093	282,536,694,665	+394,262,572
1977	364,867,240,174	354,025,780,783	−10,841,459,391
1978	348,506,124,701	337,859,466,730	−10,656,657,971
1979	397,653,765,836	386,822,093,291	−10,831,672,545
1980	340,339,446,763	333,695,164,197	−6,644,282,566
1981	440,398,234,909	442,215,127,541	+1,816,892,632
1982	507,740,133,484	514,832,375,371	+7,092,241,887
1983	542,956,052,209	551,620,505,328	+8,664,453,119
1984	576,343,258,980	559,151,835,986	−17,191,422,994

[1] This data is given on a calendar year, not a fiscal year, basis since supplemental and deficiency appropriations laws are generally enacted in the calendar year succeeding the calendar year during which the regular annual appropriations acts are enacted for the fiscal year to which the supplemental and deficiency appropriations laws apply.

[2] This column includes only those requests which are considered by the Committee on Appropriations.

Data source: Committee on Appropriations, U.S. House of Representatives.

Mr. SHUSTER. Mr. Chairman, I yield myself the remaining 30 seconds.

Mr. Chairman, I would ask my colleagues to think about it for a minute. We have trust fund surpluses building up, dedicated tax dollars not being spent, safer highways and airways not being built, thousands of real construction jobs not being created.

The cure—defeat Latta, defeat Fazio.

Mr. DERRICK. Mr. Chairman, I yield 5 minutes to the distinguished chairman of the Committee on Small Business, the gentleman from Maryland [Mr. MITCHELL], and I ask unanimous consent that the gentleman be permitted to yield time, if he wishes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was not objection.

Mr. MITCHELL. Mr. Chairman, I want to make clear at the outset that I do not rise in support of these provisions, although I do favor a few of them. My heart tells me to oppose them, but I know that to do so would be futile as this train has already left the station.

The Small Business Administration repeatedly has incurred drastic budget cutbacks and yet everytime we need to reduce spending more, the President and a majority of those in Congress again look toward SBA. This must stop.

The provisions in the small business title of this bill are virtually identical with those contained in H.R. 2540 except that we are expanding the scope and duration of a pilot program to shift the financial mechanism for funding certified development companies away from the Federal Financing Bank and into the private sector. If this pilot is successful, I would expect that we would move the program totally into the private sector.

I am including a brief summary of the provisions of title IX and would note that they are fully explained in both the House Small Business Committee's report on H.R. 2540 (House Rept. 99-222, part 1) and on pages 680-772 of the report on this reconciliation measure (H. Rept. 99-300). Suffice it to say that the Congressional Budget Office has evaluated this measure, with the additional certified development company provisions, and has found that title IX reduces budget authority by $2.082 billion or $10 million more than is required and outlays by $2.48 billion or $1 million more than is required.

I certainly hope that I never am called upon again to discuss provisions making budget cuts in SBA of this magnitude. I am convinced that the adverse impact of these reductions upon small business, minority small business and our economy is going to be felt for years to come.

SUMMARY OF HOUSE SMALL BUSINESS COMMITTEE PART OF RECONCILIATION (H.R. 3500, TITLE IX)

PROGRAM LEVELS AND AUTHORIZATIONS

Section 1 provides levels for each of fiscal years 1986 through 1988 as follows:

General business loans	$2,332.00
Direct and IP	0
Guaranteed	2,332.00
Handicapped loans	20.00
Direct and IP	15.00
Guaranteed	5.00
Economic opportunity loans	105.00
Direct and IP	45.00
Guaranteed	60.00
Energy loans	15.00
Direct and IP	0
Guaranteed	15.00
Development compnay loans	450.00
Direct and IP	.....
Guaranteed	450.00
Investment company loans	291.00
Direct and IP	41.00
Guaranteed	250.00
Veterans loans	20.00
Direct and IP	20.00
Guaranteed	.....
Total business loans	3,233.00
Direct and IP	121.00
Guaranteed	3,112.00
Disaster loans	(1)
Physical	(1)
Nonphysical	0
Surety bond guarantees	900.00
Pollution control bond guarantees	50.00

Salaries and expenses 205.34

[1] As needed.

In order to support the above program levels, the bill authorizes the following appropriations:

	1986	1987	1988
Business loan and investment fund	$376.00	$410.00	$417.00
Real estate lease guarantees	0	0	0
Surety bonds	12.00	12.00	12.00
White House conference	0	0	0
Salaries and expenses	205.34	205.34	205.34
Total	593.34	627.34	634.84

DISASTER PROGRAM CAP

Section 2 eliminates the $500 million program limit on physical disaster loans and economic injury disaster loans for 1986 and repeals the $100 million program level for non-physical disaster loans for 1986.

LABOR SURPLUS AREA POPULATION

Section 3 provides a minimum population criterion of 25,000 when population criteria are used in determinations of labor surplus areas for the purpose of set-asides under section 15 of the Small Business Act.

SALE OF SBIC DEBENTURES

Section 4 prohibits the Federal Financing Bank from purchasing debentures issued by Small Business Investment Companies. Instead these debentures, guaranteed by SBA, would be sold in the private market.

POOLING OF SBIC DEBENTURES

Section 5 clarifies that SBIC debentures may be pooled or packaged and sold to investors in the secondary market under the same terms and conditions governing secondary market sales of SBA guaranteed loans.

AGRICULTURAL DISASTER LOANS AND NONPHYSICAL DISASTER LOANS

Section 6 prohibits SBA from making disaster loans to agricultural producers and abolishes the non-physical disaster loan programs which have been used to provide loans to small businesses hurt by El Nino, the peso devaluation, or PIK.

LOAN GUARANTEE FEE

Section 7 requires SBA to collect a 3 percent guarantee fee on any loan with a term in excess of one year (now 1 percent).

DEVELOPMENT COMPANY DEBENTURES PILOT

Section 8 directs SBA to conduct a pilot program for the sale to private investors of debentures issued by certified development companies and guaranteed by SBA. The amount of the pilot program in 1986 would be $220 million and in 1987 would be $280 million. The balance of the annual $450 million program level would be via sales to the Federal Financing Bank.

MINORITY FRONTS

Section 9 makes it a criminal offense, punishable of a fine of not more than $50,000 or imprisonment of not more than five years, or both, to make a knowing misrepresentation of small business status or disadvantaged (minority) status in order to obtain contracts or subcontracts restricted to firms or individuals in such a status.

STUDY OF NON-GOVERNMENTAL-LOAN GUARANTEES

Section 10 requires SBA to report by December 14, 1985 on options available for establishing a non-Federal government 8(a) guaranteed loan program.

LOANS TO ABORTIONISTS

Section 11 prohibits SBA from providing 7(a) loans to benefit any applicant who performs abortions, engages in abortion research, promotes abortions or trains individuals to perfom abortions unless performed, promoted or recommended in cases where the life of the mother would be endangered if the fetus were carried to term.

IMPOSITION OF FEES

Section 12 requires SBA to impose fees of up to $5.00 each for SBA publications, of up to $100 for processing applications for guaranteed or other loans, and for up to $100 for determining whether any business is a small business concern or any type of such concern, which shall be refunded to the applicant if such designation is not made.

It also requires a report within one year on the feasibility of imposing fees for counseling services and for an annual guarantee fee on loans.

□ 1605

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

Mr. LATTA. Mr. Chairman, I yield myself 1½ minutes, and I do this just to compliment my good friends on the Committee on Public Works and Transportation on their unity in opposition to the proposition that we put forward in holding together what we have presently as far as having these trust funds on the budget.

We seem to have forgotten that Lyndon Johnson, when he was President of the United States, brought them on budget. It was not something that was done in this administration, and it has been quite some time since Lyndon Johnson was President, as we well know.

So I am a little surprised at the unity over a bookkeeping mechanism. They seem to leave the impression that we are going to be able to build more highways and more bridges and more airport runways if we suddenly take this money off budget. They are still going to have to run through this Congress to get the authority to do whatever they want to do with that money. They are not going to have an open door where they can just reach in at will in that committee or any other committee and haul out the money.

So we cannot overlook this fact, but I do want to commend them on their unity.

Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. McDADE].

Mr. McDADE. I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise in support of title IX of this bill. I would like to commend the very distinguished gentleman from Maryland for his outstanding leadership, we will sorely miss that leadership when he leaves Congress.

Let us focus for a moment on the mission of SBA. The Small Business Administration was established as an independent agency in 1953 under President Eisenhower and the Republican-controlled 83d Congress. Through that action, President Eisenhower and Congress specifically recognized the crucial role played by small business in the American economy.

During the past 32 years, SBA has assumed an ever-larger role as the protector of the independent sector. The agency has been saddled with more and more responsibilities, many of them lying far outside SBA's natural territory. Perhaps it has been a victim of its own effectiveness.

SBA has been so efficient in expediting assistance to victims of natural disasters that it has been told to assist agricultural enterprises. It has been forced to duplicate programs administered by the Department of Agriculture.

Originally, SBA provided financial assistance only through direct loans analyzed, made and monitored by SBA employees. In a short time, this proved to be an expensive and cumbersome program, so SBA began to make more and more of its loans jointly with banks through its loan guarantee authority. Today, the overwhelming majority of SBA loans are made through the guarantee mechanism and the agency has made great strides in delegating lending authority to banks and other financial institutions through its certified and preferred lender programs.

In 1958, Congress passed the Small Business Investment Act and established an innovative source of venture capital for new and growing businesses. It was innovative because it harnessed private sector capital and management to achieve a public policy goal. Congress gave SBA the authority to license and regulate these small business investment companies, as well as the authority to make loans to SBIC's to supplement their private capital. Originally, SBA received appropriations to make direct loans to SBIC's but for the past 14 years the assistance has been in the form of guarantees.

In the late 1960's and early 1970's a number of programs to encourage and promote minority business were established and SBA was given additional responsibilities in this area.

In 1976, Congress created the Office of Chief Counsel for Advocacy. In a short time that office has become an effective and active champion of small business in every Federal department and agency.

During the last 3 years Jim Sanders has been a most outstanding Administrator. He has made the agency effective and useful for small business.

Mr. Chairman, our committee took a long hard look at all the programs. I do not need to go into detail on the cuts we made—the bottom line is we achieved over $2.4 billion in savings

for the next 3 years. Savings that were not easy but were a bipartisan effort of a committee of which I am very proud to be a member.

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

Mr. DERRICK. Mr. Chairman, I yield 15 minutes to the distinguished chairman of the Committee on Energy and Commerce, the gentleman from Michigan [Mr. DINGELL], and I ask unanimous consent that he be permitted to yield such time as he wishes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. DINGELL. I thank the gentleman for yielding this time to me, and I yield myself 5 minutes.

Mr. Chairman, I want to express my particular thanks and very high regard for my distinguished friend, the gentleman from South Carolina [Mr. DERRICK], and to have my colleagues know the great esteem and respect in which I hold that very able Member of this body.

Mr. Chairman, I rise in support of H.R. 3500, the Omnibus Budget Reconciliation Act of 1985. I would like for a few minutes to discuss title IV of that bill, the title which contains the reconciliation recommendations of the Committee on Energy and Commerce.

Title IV contains legislation that will result in 3-year outlay savings of $5.9 billion. These savings have been achieved in part by abolishing the wasteful, scandalous, and unnecessary Synthetic Fuels Corporation, whose officers and directors have characterized themselves uniquely by their attention to their own high standard of living and to providing themselves with various emoluments of office to which they are entitled neither by election nor by performance. Our committee's legislation also achieves reconciliation savings by reducing the rate of fill for the strategic petroleum reserve, by requiring utilities to repay their Federal debts for uranium enrichment, and by imposing fees on users of various Federal regulatory agencies.

These user fees have been imposed on licensees of the Nuclear Regulatory Commission and the Federal Energy Regulatory Commission, and on parties before the Federal Communications Commission. The committee also imposed fees on oil pipelines to cover the cost of safety inspections by the Department of Transportation. It was the view of the committee that the users of the services of these agencies should pay a modest sum to cover the costs of administering the benefits they derive therefrom.

In addition, the committee voted to terminate the local rail service assistance program in this and future years, while permitting all previously appropriated but unobligated or unexpended funds for this program, as well as State revolving loan funds, to remain available until expended.

Mr. Chairman, in addition to these savings in title IV, H.R. 3290, introduced on September 12, 1985, represents the joint effort of the Committee on Energy and Commerce and the Committee on Ways and Means to achieve reconciliation savings in Medicare and Medicaid. That measure is moving separately through the House.

The combined savings from H.R. 3290 and title IV of the bill before us result in total deficit reduction of more than $16.3 billion over 3 years. I am proud to report that the Committee on Energy and Commerce has thus exceeded its reconciliation instructions by nearly $850 million. And I would add that these are all hard savings. There is no "blue smoke and mirrors" whatsoever in the package of the Committee on Energy and Commerce.

Mr. Chairman, this package was the product of a strong bipartisan effort in our committee. Indeed, many of the items in this package originated with our dear friends and colleagues on the minority side. I want to pay particular tribute to the able and distinguished ranking member of the committee, the gentleman from North Carolina [Mr. BROYHILL], as well as the chairmen and ranking members of the several subcommittees who cooperated in this effort, for their invaluable input and their active and capable participation in this difficult process.

Mr. Chairman, I would now like to take some time for a colloquy with my able and distinguished friend, the gentleman from Illinois [Mr. YATES], in regard to the synthetic fuels issue.

Section 4110 of the bill includes a rescission of most funds appropriated for the Energy Security Reserve. Normally such rescissions are accomplished by the Committee on Appropriations. The Committee on Energy and Commerce, however, included this rescission language concerning the Synthetic Fuels Corporation in its reconciliation bill because of the strong support for the provision in the committee and in the House.

I do understand that my dear friend from Illinois and the Committee on Appropriations harbor strong concerns about jurisdiction and about the need for the Committee on Appropriations to retain the right to score budget savings from the rescission. I will support Mr. YATES, of course, on the point of order which I gather he intends to offer. The gentleman from Illinois [Mr. YATES] has always dealt with us in a gentlemanly fashion and has supported us in the past on similar points of order concerning legislation in appropriation bills.

I would appreciate, however, if Mr. YATES would confirm his strong support for retaining in the conference report on Interior appropriations the synfuels rescission adopted by the House in the Interior appropriations bill for fiscal year 1986.

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

Mr. DINGELL. I would be glad to yield to the gentleman from Illinois for a comment on this point.

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Mr. YATES. Mr. Chairman, I thank the gentleman for yielding.

I will say to the gentleman that in view of the House's vote on the rescinding of funds of the Synthetic Fuels Corporation, this member of the conference committee will strongly support the House's position.

Mr. DINGELL. Mr. Chairman, I thank my distinguished friend. I am aware of the difficulty that this has caused him, and I am appreciative of his sensitivities and those of the distinguished Committee on Appropriations.

Mr. YATES. If the gentleman will yield further, it causes me no great difficulty. I voted with the gentleman's position when the bill was before the House.

Mr. DINGELL. The gentleman cannot be criticized in my presence. I intend to defend him against all criticism, as I properly should.

Mr. Chairman, I yield back to the distinguished gentleman from South Carolina.

Mr. BOULTER. Mr. Chairman, I yield 10 minute to the gentleman from New York [Mr. LENT] a member of the Committee on Energy and Commerce, and I ask unanimous consent that he be permitted to yield time.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. LENT. Mr. Chairman, I thank the gentleman, and I yield myself such time as I may consume.

Mr. Chairman, I rise in support of title IV of H.R. 3500, the reconciliation recommendations made by the Energy and Commerce Committee. Working in a bipartisan fashion, the committee achieved $4.681 billion in outlay savings over fiscal years 1986 through 1988. These savings are real. This estimate comes from the Congressional Budget Office and reflects savings resulting from the legislative recommendations contained in title IV. Let me briefly detail what the committee did.

First, the committee abolished the Synthetic Fuels Corporation and authorized a scaled-down Synthetic Fuels Program at the Department of Energy. This is consistent with the action taken by the House on July 31 when it voted to rescind all but $1 billion of the funds remaining available to the Corporation in the energy security reserve.

Second, the committee reduced the fill rate of the strategic petroleum reserve to the level assumed in the conference report on the first budget resolution. The reserve would be filled at a rate of 35,000 barrels per day over the next 3 years. Construction would be continued on facilities to store up to 750 million barrels of oil and on enhancements to the reserve's drawndown and distribution capability.

Third, the committee would require the Department of Energy to accelerate repayment of the debt its Uranium Enrichment Program has incurred to the Treasury. This repayment schedule was negotiated with the Department of Energy and is generally acceptable to it.

As part of this section, the committee also authorized the Department of Energy to sell to utilities electricity it is contractually committed to take from the Tennessee Valley Authority, but for which it has no need. I understand that the Public Works Committee has strong concerns about this provision, but I trust that we will be able to work together in conference to remedy those concerns.

Fourth, the committee authorized the Nuclear Regulatory Commission, the Federal Energy Regulatory Commission, and the Department of Transportation to collect user fees to offset some of the cost of regulating interstate natural gas pipelines, interstate oil pipelines, and electric utilities.

The conference report on the budget assumed that the Energy and Commerce Committee would report legislation imposing a system of user fees to fund most of the activities of the Federal Energy Regulatory Commission. The committee complied with this assumption in a manner similar to previous administration proposals on FERC user fees.

The committee determined that user fees could and should also be imposed to defray the costs of the Federal Hazardous Liquid and Natural Gas Pipeline Safety Program administered by the Department of Transportation, and of the Nuclear Regulatory Commission. The total cost of the Pipeline Safety Program would be funded through user fees imposed on pipelines subject to Department of Transportation regulation. The NRC would be required to assess annual charges on its licensees which, when combined with other fees, would equal one-half of the total NRC budget.

Fifth, the committee would authorize Federal agencies to enter into shared savings contracts with private energy service companies. Under these contracts, private contractors would install energy conservation equipment in Federal buildings at their own expense. The private contractors would be repaid by sharing in the savings to the Government resulting from the installation of the energy efficiency improvements.

Private building owners, as well as State and local governments, are finding shared savings programs to be very successful. The Federal Government should be able to participate in such contracts as well. Any opportunity to save Government money, provide opportunity for private enterprise, and save energy ought to be seized.

Sixth, the committee would require the Federal Communications Commission to charge fees for the services it provides to the firms it regulates. These fees have been recommended by the FCC and are based on the Commission's estimate of the cost of providing such services.

Seventh, and finally, the committee recommends that no additional funds be authorized for the Local Rail Service Assistance Program after September 1, 1985. This is consistent with the assumption of the conference report on the first budget resolution that funding for this program would be terminated. All previously appropriated but unobligated or unexpended funds would remain available until expended.

In summary, this package is a good package which deserves the support of this body. It complies with budget resolution assumptions and provides real savings. It does not contain extraneous material I commend the chairman of the committee on the bipartisan manner by which this package was developed and I urge my colleagues to support it.

Mr. Chairman, I yield back the balance of my time to the gentleman from Texas [Mr. BOULTER].

Mr. EDGAR. Mr. Chairman, as you know I have opposed proposals to implement a means test and third party reimbursement for Veterans' Administration medical care. I have long been concerned about deficits, but there were several reasons for my not supporting these proposals. Chief among those reasons was the inability of the VA to provide details of the impact of the anticipated savings.

With regard to the third-party-recovery authority, I have consulted closely with representatives of various third-party insurers and others with an interest in the legislation. As a result of these consultations, I offered, and the committee agreed to, clarifications on two points. The first point is about how the costs of VA medical care are to be established by the VA. Specifically, the VA may use either the regulatory process with public review and comment or may enter into contracts or agreements with third parties to establish reasonable costs. In either event, the way the costs are established should be open and clear. The second point is the extent that such costs could be recovered from third parties. No third-party payor would be required to reimburse the VA for the cost of a health care service that is not covered under the terms and conditions of their contracts or agreements with the veteran patient. Except for the provisions which invalidate insurance contract exclusionary clauses banning payment for VA care, all other provisions of an insured veteran's health insurance contract will be applicable in any situation in which the VA is seeking to recover the cost of care provided to the veteran. Thus, to the extent that insurance contracts have provisions requiring preadmission screening or utilization review requirements, or any other such elements, the VA, if it seeks to collect under contracts, will have to comply in a similar fashion as a non-VA entity.

With regard to the means test in title X of this bill, in my judgment, it is still not clear what the savings will really be; it is still not clear what the impact will be on other Federal programs such as Medicaid and Medicare due to demands for care from veterans made ineligible by the means test; it is still not clear what the impact will be on private insurers and the rest of the American health system; and it is still not clear what the impact will be on veterans themselves.

Mr. Chairman, in addition to clarifying the specific items in the third-party reimbursement provision that I have just discussed and in consideration of my doubts about the means test provision, I proposed and the committee agreed to a report on the implementation of these policy changes. This report will include, but not be limited to, the following: First, the number of veterans receiving health care from the VA during the report period, including the existence and extent of policies, contracts, or other arrangements with third parties for the purpose of providing, paying for, or reimbursing expenses for health services; second, the number of veterans applying for health care from the VA during the report period, including the existence and extent of third-party reimbursement arrangements and reasons why veterans who applied for care did not receive it. I did not intend when I offered this provision, nor did the Committee on Veterans' Affairs intend, that an elaborate or costly data collection system be set up. This report is to be derived from management information only. The cost of the report as projected by the CBO is the cost that is routinely incurred as program operations expenses.

There is one final feature about the provisions in title X that is salient. This is a provision that I developed, Mr. MONTGOMERY, the chairman of the full committee agreed to, and was accepted by the committee. It is most important as it provides a sunset clause which would terminate the health care eligibility reform provision of title X after 3 years unless the Congress acts to extend them.

Mr. Chairman, I voted against the package of provisions at our committee markup even though I sincerely believe that my amendments improved it. I would have hoped then and I would hope now that the Members of this body could have the opportunity to vote on these major changes to VA health care eligibility separate from the

overall budget reconciliation package before us today. That opportunity has not been afforded. I still carry my doubts on the VA policies in this package, and would hope that as these provisions are developed further that our committee and the Congress will have the opportunity to fully monitor and evaluate the resulting impact on the veteran population very closely.

Mr. FORD of Michigan. Mr. Chairman, the first concurrent resolution on the budget, fiscal year 1986, includes reconciliation instructions and assumptions which require that the Committee on Education and Labor achieve $800 million in savings in the Guaranteed Student Loan [GSL] Program over the next 3 fiscal years. The savings are to be distributed as follows: $100 million in fiscal year 1986; $250 million in fiscal year 1987; and $450 million in fiscal year 1988.

The reconciliation proposal adopted by the full committee on September 19, 1985, contains items which result in $868 million in savings for fiscal year 1986 through 1988.

Additionally, there are five noncost items in the reconciliation recommendations which help to ensure that the savings do not adversely affect the smooth and continuous operation of the GSL Program.

The committee's budget recommendations contain three proposals which directly affect the financing of guaranty agencies: A return of $50 million in advances in fiscal year 1988; mandatory payment of the administrative cost allowance by the Secretary of Education; and the collection of a 3-percent insurance premium per loan from students.

The first of these provisions requires that $50 million in advances made by the Secretary to guaranty agencies to establish reserve funds and to pay insurance costs be repaid in fiscal year 1988. However, the Secretary must take into consideration the solvency and maturity of the agency as determined by the Comptroller General and any State which established a guaranty agency less than 5 years prior to the recall of the advances is exempt from repaying their advances.

The second guaranty agency financing provision mandates that the Secretary pay the administrative cost allowance for each year beginning in fiscal year 1985. The allowance has not been paid in fiscal year 1985 and, as a result, the operations and financing of several State guaranty agencies have been severely disrupted. This is not a cost item because the Congressional Budget Office [CBO] assumes payment of the administrative cost allowance in its baseline projections for the GSL Program. The administrative cost allowance has been paid in every year from its establishment until fiscal year 1985. Requiring the Secretary to pay the allowance provides greater stability and predictability in financing the agencies.

The committee recommendation further requires all State agencies to charge students an insurance fee of 3 percent per loan collected proportionately on each disbursement of the loan. Current practice in most States is to charge students an insurance premium of 1 percent per year for the in-school period and grace period. The flat 3-percent insurance fee per loan results in a slightly higher premium for students in shorter programs, who are the most likely to default, and the same premiums for students in a 4-year program, who are less likely to default. This provision also enhances the national uniformity of the GSL Program while providing a short-term increase in State guaranty agency financing. In part, this provision will offset the recall of advances.

A second major area addressed by the committee recommendation is collection of loans. While the committee is well aware that the default rate on student loans is low and over the past few years has fallen, it is still important that every action be taken to reduce it even further. Therefore, three provisions in the proposal will have the effect of reducing defaults.

The first of these requires that collection attempts on a defaulted loan continue for 210 days before a State guaranty agency can file with the Federal Government for reinsurance. Currently, defaulted loans can be turned in for reinsurance after 120 days. Thus, the State guaranty agencies are to spend an additional 90 days attempting to get a defaulted loan into repayment status before they can file for reinsurance.

Reimbursement to State agencies or lenders for the costs of supplemental preclaims assistance, in addition to the statutorily required due diligence efforts, is permitted. The amount of the reimbursement is limited to 2 percent of the loan or $100, whichever is less.

During full committee markup, the committee also adopted modified provisions of the Coleman collection bill, H.R. 2150, which was introduced on April 22, 1985. These amendments are designed to improve debt collection activities and default recoveries and to reduce the costs of loan programs administered by the Department of Education.

The committee recommendations further require that students receive a determination of their eligibility or ineligibility for Pell grants before being eligible for a guaranteed student loan. This provision takes effect July 1, 1986, and is not a cost item. It prevents unnecessary borrowing by low-income students who are eligible for Pell grants and helps ensure that Pell grants achieve their basic purpose as the foundation of Federal student aid.

All students are also required to undergo a needs analysis and their guaranteed student loan must be limited to their "remaining need." Current law requires such a needs analysis only for students from families with incomes of $30,000 or more. The recommendation also includes a related provision which extends the current needs analysis for GSL through fiscal year 1989.

All lenders must multiply disbursed guaranteed student loans. Loans made for enrollment periods of 1 semester, 2 quarters, 600 clock hours or less or for amounts of $1,000 or less need not be multiply disbursed. Lenders will receive the in-school interest subsidy and special allowance only on the portion of the loan actually disbursed. The student's loan origination fee is charged proportionately on each disbursement.

The proposal extends the GSL Program for 2 years, fiscal years 1987 and 1988. Since the program expires at the end of fiscal year 1986 but the committee is adopting provisions to make savings in fiscal years 1987 and 1988, it is logical to extend the program through the years in which the savings are to be achieved. This is not a cost item because the CBO baseline projections assume the continuation of the program beyond 1986.

Two additional amendments were adopted in full committee which do not affect costs. The first of these; intoduced by Representative GUNDERSON allows the Student Loan Marketing Association [SLMA] to increase its investment in tax-exempt student loan revenue bonds to support the GSL Program without the necessity of owning a financial institution.

The second amendment, offered by Representative TAUKE, and adopted in full committee includes a provision directing the Secretary to promulgate regulations to permit, in the computation of family contributions for the Pell grant and GSL Programs, the exclusion from family income of any proceeds from a sale of farm or business assets of that family, if such sale results from a foreclosure, forfeiture, or bankruptcy. The provision is effective for academic years beginning on or after July 1, 1985.

The provision is necessary to correct an inequity caused by current law and regulations which require that proceeds from the sale of assets be included in the computation of the family contribution, regardless of the outstanding debt or financial insolvency of the family. The committee believes that denying student aid to families facing farm or business foreclosure or bankruptcy misconstrues the intent of Congress and should be addressed as soon as possible.

Mr. DANNEMEYER. Mr. Chairman, I rise to address the budget savings made by the Committee on Energy and Commerce which are within the jurisdiction of the Subcommittee on Fossil and Synthetic Fuels, of which I am privileged to be the ranking minority member.

The largest single source of outlay savings in the Energy and Commerce title comes from setting the fill rate for the strategic petroleum reserve at 35,000 barrels per day for each of the next 3 years. This action produces a 3-year outlay reduction of $4 billion. This can be done without adversely affecting our energy security position.

As of the end of fiscal year 1985, the strategic petroleum reserve contained 489 million barrels of oil, enough to cover our oil imports for 100 days. This quantity in storage represents a taxpayer investment of almost $18 billion to date.

The 35,000 barrel fill rate is a compromise with the administration, which originally had recommended a moratorium on

any further fill of the reserve. Adoption of the administration request would have resulted in an additional $1.5 billion in savings over the next 3 years.

There is one aspect of the SPR provisions which continues to trouble me. The Energy Policy and Conservation Act, as amended and extended earlier in the year, links the continued production and sale of oil from the Elk Hills Naval Petroleum Reserve in California to the fill of the SPR until the reserve contains at least 500 million barrels of oil. This bill would extend the linkage until the SPR contains 527 million barrels, the projected level after 3 years of further fill at 35,000 barrels per day.

It is unwise and unfair to continue to hold the Elk Hills Reserve hostage to the SPR. Elk Hills is one of the largest oil fields in the United States and its revenues to the Federal Government, which owns three-quarters of it, exceed $1.2 billion annually. Its production of lighter grade crude and natural gas are absolutely necessary for the production, transportation, and refining of the extensive heavy oil fields in the surrounding Kern County area. Furthermore, Elk Hills is a vital source of crude for independent refiners in California, who in turn supply the independent gasoline stations that are at the heart of competition at the retail level in California.

The conference committee on the supplemental appropriations bill earlier in the year recognized the importance of the Elk Hills field by amending EPCA to provide greater flexibility in applying its linkage. I am hopeful that the conference on the reconciliation bill will also recognize the importance of Elk Hills in fashioning the final version of this legislation.

The bill also eliminates the U.S. Synthetic Fuels Corporation and rescinds $6.9 billion budget authority. However, this only results in a 3-year outlay savings of less than $500 million. The reason is the SFC assistance is in the form of loan and price guarantees, not grants. This leaves $1 billion in the energy security reserve, of which $500 million will go the Clean Coal Technology Program and $500 million will be used for a smaller synthetic fuels program at the Department of Energy.

The bill purports to retroactively block project awards made after July 31, 1985 by prohibiting future payments and removing any right of affected parties to sue the U.S. Government. This provision is of dubious constitutionality. Beyond that, it represents very bad policy. Project sponsors, such as Unocal in my congressional district, responded to the Government's call for synthetic fuels programs. Over $700 million in its own funds have been invested to date. The assistance is in the form of price guarantees, so there is no Government outlay until and unless there is product to sell. The SFC board recently scaled back phase two of the Unocal shale project from $2.7 billion to $500 million in keeping with the interest in Congress for a smaller program. It did so on the basis of the statutory charter under which it operates. Congress can, of course, change that charter and we would be doing so with the enactment of the legislation before us. However, to be fair, changes should not be applied retroactively to abrogate contracts in this manner.

The third area of budget savings is in energy-related user fees. The Reagan adminsitration and the Grace Commission have recommended that user fees could save general fund money in cases where a Govenment agency provides benefits or undertakes regulatory activities due to the needs of particular industries and individuals.

The bill authorizes and mandates that the Department of Transportation collect fees to cover the Pipeline Safety Program, which regulates natural gas and hazardous liquids pipelines. There is direct Federal regulation in some cases and also grants to States. The General Accounting Office looked into this at the request of the subcommittee. It is feasible and the impact on consumers of passing through an $8 million program in a multibillion-dollar industry is de minimis.

Unfortunately, the bill before us is contradictory on this issue. While the Energy and Commerce title mandates these fees, the Public Works Committee's title expressly prohibits them. This will need to be worked out in conference. In doing so, permit me to observe that the Public Works Committee has seen fit to add the pipeline safety reauthorization bill to this package. It contains other provisions with which I am in sympathy, but all of these matters must be resolved satisfactorily to move forward on any of them. User fees are an important element. This bill seeks sacrifices from many groups to reduce the deficit. It is not unreasonable to ask certain industries to do their fair share.

On user fees generally, the Energy and Commerce version also directs the Federal Energy Regulatory Commission [FERC] to collect additional fees and charges from those it regulates. This will save an additional $110 million over the next 3 years. It has been requested by the Commission and also deserves our support.

As always, I look forward to working with my colleagues to come up with meaningful budget savings in our committee's jurisdiction to reduce the deficit.

Mr. KILDEE. Mr. Chairman, I rise in support of the Education and Labor Committee's Pension Benefit Guaranty Program provisions in H.R. 3500, the Omnibus Budget Reconciliation Act of 1985.

I know that the members of the committee—and especially Representatives CLAY and ROUKEMA—worked long and hard to develop provisions that would address the various problems facing the Termination Insurance Program in a manner that is acceptable to all interested parties. They have produced an excellent product, and deserve to be commended for their efforts. The single-employer pension provisions were approved unanimously by the Education and Labor Committee, and they have been endorsed by both the administration and by the labor movement.

I would like to take a moment to talk about the background leading up to this important legislation. Title IV of the Employee Retirement Income Security Act of 1974 [ERISA] provided for the establishment of the Pension Plan Termination Insurance Program. Under this program, the Pension Benefit Guaranty Corporation [PBGC] guarantees the payment of certain pension benefits in situations where a pension plan is terminated with insufficient assets to pay benefits which have been earned by participants.

Since the PBGC was created, it has played an invaluable role in assuring the retirement income security of participants. Especially in plant closing situations—which have had a particularly devastating impact on my own State of Michigan during the last recession—the PBGC has helped to assure that participants receive at least a portion of the pension benefits which they have earned.

Although the Pension Plan Termination Insurance Program has generally been successful in achieving the objectives it was intended to accomplish, a number of problems have arisen in connection with the portion of the program covering single-employer pension plans.

First and most importantly, the PBGC currently has a deficit of $462 million. This deficit is projected to grow unless prompt action is taken to increase the premiums paid by plan sponsors to finance the Termination Insurance Program. In its original budget recommendations, the administration requested that the PBGC premium be increased from $2.60 to $8.10 per participant per year—effective January 1, 1986. To eliminate the PBGC's deficit and to insure that the PBGC will be able to meet its future obligations to participants, the legislation approved by the Education and Labor Committee would increase the PBGC premium to $8.50 per participant per year. We believe that this slightly higher amount is justified, in light of the fact that there have been a number of plan terminations involving large unfunded pension liabilities.

The increase in the PBGC premium is not excessive, and will not impose an undue burden on plan sponsors. The General Accounting Office has verified the need for the premium increase. Furthermore, the increase would only amount to about three-tenths of 1 cent per hour in labor costs, which is a small price to pay for such valuable protection for the retirement income security of participants.

It is also important to note that the PBGC premium has not been increased since 1977. Thus, part of the increase simply reflects the need to catch up for inflation.

Second, in the past some profitable employers have been able to take advantage of loopholes in ERISA in order to dump their unfunded pension liabilities onto the PBGC. This has not only increased the PBGC's deficit; it has also increased the upward pressure on the premiums which must be paid by other plan sponsors.

Furthermore, in some cases profitable employers have also been able to evade re-

sponsibility for the payment of certain benefits which have been earned by employees and retirees—such as early retirement and plant shutdown benefits—but which may not be guaranteed by the PBGC. As a result, employees and retirees have still lost a substantial portion of their pension benefits, despite the PBGC guarantees, and even though their employer continued in business and was profitable.

Last July 16, the Labor-Management Relations Subcommittee of the Education and Labor Committee held hearings on the proposed single-employer pension legislation. Several retirees who had formerly worked for companies in my own State of Michigan testified about situations involving this type of abuse. In one case, 667 out of 839 retirees had their benefits reduced when the company terminated its pension plan. Some of these persons had worked over 30 or 40 years for the company. Yet the pension benefits which they had earned were drastically cut when the company terminated its pension plan, even though the company continued in business and was earning record profits. In another case involving a subsidiary of a corporation, almost all of the 67 persons who had retired under the company's pension plan wound up losing a substantial portion of their benefits when the pension plan was terminated. Again, many of these people had been loyal workers for 30 or 40 years. Yet they still had their pensions cut, even though the corporation continued in business and remained a highly profitable corporation. In both of these cases, the retirees suffered tremendous hardships due to the cuts in their pension benefits—benefits which they had earned and were relying on. In both cases there was no reason for these losses, since the companies were highly profitable and could afford to pay for the benefits which they had promised.

Mr. Chairman, I believe that Members on both sides of the aisle share my outrage at this type of situation. It is simply not right that a company should be able to hold out the promise of a pension to its workers, and then after they have worked 30 or 40 years to earn their pension simply pull the rug out from under them by terminating the pension plan. Something is wrong when a profitable company can simply walk away from any responsibility to pay for pension benefits that have been earned by workers under its pension plan.

I am pleased to say that the legislation approved by the Education and Labor Committee would close the loopholes in existing law that have permitted both of the types of abuses that I have described. That is, the legislation would prevent profitable employers from dumping their unfunded pension liabilities onto the PBGC—and thus indirectly onto the other premium payors. And the legislation would also prevent profitable employers from evading responsibility for the payment of certain benefits that have been earned by participants, but which are not guaranteed by the PBGC.

The legislation accomplishes this by creating two types of voluntary plan terminations—standard and distress terminations. Unless an employer can satisfy certain objective criteria of financial hardship, it would only be allowed to terminate its pension plan in a standard termination. Under a standard termination, the employer would be required to pay for all "benefit entitlements" that have been earned by participants, regardless of whether those benefits are guaranteed by the PBGC. Under this type of termination the PBGC and participants are both completely protected against any losses, because the employer must fully fund all benefits that have been earned by participants.

If an employer does satisfy the hardship criteria, then it would be permitted to terminate its plan in a distress termination. However, if the employer later returned to profitability, it would have to set aside a portion of its profits to cover any losses that were sustained by the PBGC or by participants. I want to stress, though, that in the event the employer does not return to profitability, the employer would not have any additional liability beyond that imposed under current law.

The legislation also addresses several other problems which have arisen in connection with the Single-Employer Pension Plan Termination Insurance Program. The legislation provides that if a principal purpose of any person in entering into a transaction is to evade liability to the PBGC or to participants, then that person will still be held liable under the law. This is designed to prevent companies from trying to evade liability to the PBGC or participants through abusive spinoff transactions. The legislation also clarifies that the IRS may require plan sponsors to provide greater security to a plan in situations where they are requesting a funding waiver. This is designed to reduce the losses which may be sustained by the PBGC as a result of funding waiver.

Mr. Chairman, the Education and Labor Committee has wrestled with the problems associated with the Single-Employer Pension Plan Termination Insurance Program for the last 5 years. I believe that the reforms which have been developed by the committee represent a balanced package that addresses the concerns of all interested parties in a fair and equitable manner. It is a good package, which I am confident will greatly improve the soundness of the Single-Employer Pension Plan Termination Insurance Program, and contribute to the retirement income security of participant.

Mr. UDALL. Mr. Chairman, today during debate on the rule for H.R. 3500, the budget reconciliation bill, several proponents of the giveaway of billions in Federal offshore oil and gas revenues to certain coastal States argued that the provision is comparable to the 50-50 split of onshore mineral receipts with other States. I wanted to take a couple of minutes to explain how utterly wrong headed this notion is.

It is true that since 1920 the Federal Government has shared with the individual States 50 percent of the revenues derived from the leasing of the public mineral lands. It is also true that the Federal Government does not now share any of the revenues derived from offshore oil and gas development in Federal waters.

However, what the seven coastal States who benefit so overgenerously from H.R. 3500 want this House to conveniently forget is that the United States made its deal with the coastal States on offshore resources and revenues 32 years ago.

In 1953, after the Supreme Court ruled that all offshore waters belong solely to the United States, the Congress turned around and gave the coastal States the first 3 miles of those waters. In the case of Texas, the grant was 3 leagues or about 11 miles. Within this first 3 miles, these States have been receiving 100 percent of all the rents, bonuses, royalties, taxes, and other economic benefits of oil and gas development for the past 32 years.

Now that these States are complaining that that was not enough and they want to get a piece—they modestly are willing to settle for just 27 percent this time—of the next 3 miles of Federal waters. So when these coastal States cry out for fairness and equality in sharing U.S. mineral revenues, the answer is simple. You already have it and you have it in ways the noncoastal States never will have it.

Even if the Congress were to accept the proponents basic theory, the talk about comparing percentages—27-percent offshore as opposed to 50-percent onshore—are wildly misleading because the amount of revenue at stake is completely incomparable.

For example, in fiscal year 1985, my own State of Arizona collected $2,687,000 as its 50 percent share of onshore mineral receipts. Under H.R. 3500, the State of Louisiana will get $662,000,000 in bonuses, rents and royalties collected since 1978 and an untold amount in the future. At this rate, it would take Arizona 254 years just to catch up to this one-time giveaway to one State. California is guaranteed at least $600,000,000 and it would take Arizona 240 years to catch up to that State. Even at an annual rate, Louisiana's windfall is 37 times what Arizona got from onshore mineral receipts last year.

To compare these mechanisms is wholly misleading on many other grounds. The onshore lands are entirely within the boundaries of the respective States while the 8(g) zone of offshore waters are completely outside the boundary of any State.

In addition, although proponents of this giveaway love to read the requirements of section 8(g)(4) which requires a "fair and equitable distribution" of all revenues from the 8(g) zone, what they don't quote to you is section 8(g)(2). This section makes it clear that there is to be a division of these revenues with the States only when Federal leasing in the 8(g) zone directly involves a reservoir of oil and gas that is commonly held by the State and Federal government, an extremely rare circumstance.

Congress never intended in 1978 to put what amounts to 20 percent of all its OCS revenues on the table for some vague fair and equitable distribution with the States. It never intended this relatively obscure

section to become the excuse for slipping general OCS revenue sharing past the Congress, which is what it has become. If Congress wanted to do that now, then fine. But I know, and I suspect my colleagues from these coastal States know, that if this effort were exposed to the full legislative process they could never succeed.

Mr. Chairman, these cries for fairness and justice heard today miss the mark and miss it badly. They cover up an indefensible grab of purely Federal revenue that has been skillfully engineered by these seven States.

Ms. OAKAR. Mr. Chairman, I rise to strongly support the provisions of the Omnibus Reconciliation Act of 1985 concerning Federal employees and annuitants.

As you may know, in its recommendations to the budget committee, which have been incorporated in the Reconciliation Act, the House Committee on Post Office and Civil Service removed the current 75-percent limitation on the Government's contribution to the Federal Employees Health Benefits Program [FEHBP] and mandated a 5-percent pay raise for Federal workers in fiscal years 1987 and 1988.

By removing the cap on the Government's contribution to the Health Benefits Program, the committee reaffirmed its commitment to providing health insurance protection to Federal workers and annuitants at a reasonable cost. If the cap is retained, the 3 million subscribers to the FEHBP would be forced, in many instances, to pay substantially more for their health insurance protection than justified by the rate structure of the various plans.

Mr. Chairman, the 75-percent limitation on the Government's contribution would force these individuals to pay more than $100 million in additional premiums. Given the recent history of the FEHBP, in which the administration has cut benefits by approximately 15 percent while increasing premiums by nearly 50 percent, it is only fair that we permit subscribers to pay the actual cost of their insurance and not an artificially increased rate. It is for these reasons that the Post Office and Civil Service Committee approved the elimination of the cap on the Government's contribution which, by the way, was supported in testimony before my Subcommittee on Compensation and Employee Benefits by the administration, numerous employee organizations, and other public witnesses. I would urge the House to retain this provision of the Reconciliation Act.

Mr. Chairman, we have also witnessed a tremendous buildup in the FEHBP reserves this year, due to decreased utilization and excessive premium charges. Eleven carriers will be providing rebates to subscribers, while many others have announced premium reductions. It is extremely important that all funds which are rebated from the special reserves be returned to subscribers or remain within the program and not be transferred to the General Treasury. The FEHBP provides less benefits at greater cost than scores of plans in the private sector and the States. We should use the excess reserves to improve the program and restore some of the unwarranted reductions that have taken place over the past 3 years.

As many of you are aware, the Budget Reconciliation Act freezes the pay of Federal workers in fiscal year 1986. Through this action and other reductions in previous years, the wages of Federal workers are nearly 20 percent behind those of their private sector counterparts, according to the President's own advisory committee on Federal pay. The current system for determining wages for Federal workers is a shambles, providing neither the stability nor the predictability that Congress intended when it adopted the Federal Pay Comparability Act of 1971.

In reviewing the history of wage increases in the Federal Government for the past 15 years, I am struck by the fact that pay for white collar workers has risen by 221 percent, while wages in the private sector have increased by 270 percent; and the consumer price index has increased by 306 percent.

Because of the failure of Federal pay to keep pace with inflation and wage movements in private industry, the Government is losing some of its most talented and experienced employees. Of equal concern, the Federal Government is experiencing great difficulties in recruiting top-notch college students, especially in the engineering and scientific occupations. I am convinced that, if we do not act in a fair and reasonable manner to provide an equitable wage adjustment for Federal workers, we will continue to witness an erosion of Government services because of the inability to attract and retain highly qualified employees.

For these reasons, the committee approved a provision in the Budget Reconciliation Act providing a 5-percent pay raise for Federal workers in fiscal years 1987 and 1988. While these adjustments will not bring Federal wages to the levels of private industry, it will demonstrate to employees our recognition of the serious inequities in the current wage system and our determination to ease their burden. It also recognizes the need to take immediate action to deal with the severe deficit problem that we are facing by limiting the pay raise to 5 percent.

Mr. Chairman, I believe that this is a balanced proposal that is fair to the employees and the citizens of our great Nation and urge its adoption by the House. If we are to retain a high caliber, dedicated workforce to provide essential services to the American people, then we must begin to act reasonably and responsibly in dealing with the severe problems in Federal compensation. We have an opportunity to begin this process today by supporting the provisions of the Omnibus Reconciliation Act of 1985 affecting Federal wages and the Health Benefits Program.

Mr. CONTE. Mr. Chairman, I want to take a few minutes to run through the Small Business Committee provisions of H.R. 3500—title IX of the legislation.

Earlier this year, when the administration had proposed shutting down the Small Business Administration, we on the Small Business Committee worked long and hard to come up with a proposal to slim down, but not shut down, that Agency. The committee held weeks and weeks of hearings on the importance of the SBA. Witness after witness told us that Congress could do two things for small business in America: Reduce the deficit, and retain the SBA as an independent agency for small business in this country.

Title IX of this bill is consistent with both of these principles. It is a carefully crafted, balanced compromise which the Small Business Committee should be proud of. It keeps a strong, independent voice for small business in the executive branch, but consistent with the budget constraints facing our Nation, achieves $2.5 billion in outlay savings over the next 3 years. This will not cripple or destroy small business in America, but it is an important first step on the road to fiscal restraint.

I want to thank my chairman, PARREN MITCHELL, for inviting all members of the committee to sit in on the hearings he held earlier this year on the SBA, and for his work and accommodation to the members of the committee on drafting an authorization bill. I also want to thank my good friend, JOE MCDADE, the ranking member of the committee, for his hard work in drafting a balanced compromise for the SBA authorization.

Mr. Chairman, the small business authorization bill contains an important amendment I offered in the full committee, requiring the SBA to impose user fees for certain services the Agency provides. Many of you know of my interest in imposing user fees for many Government services, and the amendment adopted by the committee is an important first step in that direction. We're not saying that small businesses will have to pay outlandish fees for simple services—in fact, the bill prevents that. Instead, we're saying that these people who get publications and other benefits for free will now have to pay a nominal fee to recover some of the Government's costs. In other words, if you want to dance, you'll have to pay the piper.

Mr. Chairman, user fees are an idea whose time has come. A more technical explanation of the amendment and the committee's intent follows:

USER FEE AMENDMENT TO TITLE IX

The bill requires the Administrator of the SBA to impose modest fees for *only* the following services: publication, loan applications, and designation as a small business entitled to preferential treatment under any federal government programs. In addition, the SBA will be directed to study and report to the Congress within one year on the feasibility of imposing user fees for SBA-sponsored counseling services, including Small Business Development Centers and the SCORE and ACE programs. Although the Committee did not express any opinion on the appropriateness of imposing user fees for counseling services, I believe that this is another area where fees could be imposed.

With respect to fees that must be imposed, the Committee directed the Administrator of the SBA to advice the House and Senate Committees on Appropriations and

Small Business of the fees proposed and the services for which fees will be imposed. That report is due within 60 days of enactment. The Administrator will also advise the committees as to the date he expects the fees to become effective. The Administrator would, before imposing the fees, issue regulations to formally implement them, and the Committee anticipated that the fees would be in effect no later than March 1, 1986.

The Committee believed that this period of time was suitable for the Congress to study the Administrator's fee schedule. The Committee urged the Administrator to impose reasonable fees which will meet with the approval of the Congress. To further insure that the fees are fair to users of SBA services, the Committee imposed statutory limits on the fees that could be charged for certain services.

With respect to publications provided by the agency, the Committee directed the SBA to charge the lesser of $5, or the actual publication costs. The Administrator could also charge up to, but no more than, $100 for processing applications. Finally, if a firm seeks designation as a small business eligible for preferential treatment, the fee could not be more than $100. The Committee also believe that if the designation was not made, the fee would be refunded.

The proceed collected from the user fees would be deposited into the general fund of the Treasury as proprietary receipts of the Small Business Administration to be retained and used by that agency to cover the costs of services and publications on which the fees are imposed. Use of those receipts would be subject, of course, to the annual appropriations process. The Committee expected the Administrator to provide an annual verification to the Congress on the amounts collected from the fees.

Since adoption of the Conte amendment, it has come to the Committee's attention that the amendment may pose two minor problems. First, the amendment requires the Administrator to impose fees for "guaranteed and other loans". Initially, we thought that this phrasing would give the Administrator enough discretion to avoid imposing fees for certain types of loans—disaster loans, for example. The Committee did not intend that fees be imposed for disaster loan applications. A technical amendment in conference with the other body is anticipated to clarify the Committee's intent.

The user fee amendment also requires fees to be imposed for "designation as a small business (or any type of such business)" eligible for preferential treatment under the Small Business Act or any other Act. The SBA has indicated that such broad language may create administrative problems. The Committee's intent in including this service was only to require fee imposition for such designation as an "8(a)" firm. Again, a technical amendment is anticipated to clarify this point.

Mr. BOULTER. Mr. Chairman, we have no further requests for time and I yield back the balance of my time.

Mr. DERRICK. Mr. Chairman, I yield back the balance of my time, and I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. DINGELL] having assumed the Chair, Mr. DE LA GARZA, 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. 3500) to provide for reconciliation pursuant to section 2 of the First Concurrent Resolution on the Budget for the fiscal year 1986, had come to no resolution thereon.

GENERAL LEAVE

Mr. DERRICK. Mr. Speaker, I ask unanimous consent that all Members may be permitted to revise and extend their remarks and to include extraneous matter on H.R. 3500, the bill just debated in the Committee of the Whole.

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

There was no objection.

A PROPOSED MEMORIAL TO HONOR THE 3D INFANTRY DIVISION

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

Mr. RAY. Mr. Speaker, last month the Society of the 3d Infantry Division gathered in Tampa, FL, for its 66th reunion. More than 600 members from around the United States attended this meeting, including two Medal of Honor recipients and two veterans from World War I.

At their convention, the members of the society adopted a resolution calling on Congress to enact H.R. 2440, which I have introduced authorizing them to establish here in Washington a memorial to their fallen comrades.

The legislation will not cost the taxpayers any money. And the society is raising the funds necessary to cover the cost of the memorial.

The long, proud history of the Army's 3d Infantry Division demonstrates that its war dead are deserving of this kind of memorial. And there is ample precedent for the memorial.

Over 50 of my colleagues have already joined me in cosponsoring H.R. 2440, and I urge others to join us.

Mr. Speaker, I insert in the RECORD at this point the text of the resolution that was adopted by the society at its meeting in Florida:

RESOLUTION

Whereas, the Government of the United States has a long and ennobling history of honoring its war-dead, and

Whereas, respectful memorialization of 3d Infantry Division dead from two World Wars and the Korean Conflict is clearly consistent with this policy and practice, and

Whereas, they deserve to be and are not memorialized in the National Capital Area, and

Whereas, two measures now pending in the 99th Congress, S. 1107 and H.R. 2440, can satisfy this need at no cost to the Government, therefore

Be it resolved, That the Society, recognized by the U.S. Government as "a national, non-profit, patriotic veterans' organization" and open to all who have contributed, or are now contributing, to the 3d Infantry Division's proud and unparalleled record of nearly seventy years; continuous distinguished service on four continents, petition the 99th Congress for early approval of the measures identified in this document.

And further resolved, In recognition that the Society draws its membership from virtually all fifty states, a copy of this Resolution be presented to each Member of the 99th Congress as an expression of broad-based constituent concern and interest in these measures.

PRESIDENTIAL PRIMARY REFORM LEGISLATION ON TRACK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. NELSON] is recognized for 5 minutes.

Mr. NELSON of Florida. Mr. Speaker, I recently introduced H.R. 3542, the Regional Presidential Primary and Caucus Act, to bring a measure to order to the present chaotic way we nominate candidates for President of the United States.

My legislation would reform the nominating process by dividing the country into 10 regions and provide for primaries or caucuses in the States of 2 of the regions at a time—on 1 of 5 dates over a 4-month period. The States could decide, with the respective national and State party committees, on whether to have a primary or a caucus or to choose their national convention delegates in some other way. But the dates of the primaries and caucuses would be specified according to lot and would be limited to the five dates separated by 4-week periods. Candidates would be able to concentrate on the States in two areas, instead of running all over the country in a frantic effort to meet primary and caucus schedules set by competing State legislatures.

I think the result would be a more orderly and rational system of selecting the Chief Executive of the greatest country on Earth. It would made the Presidential selection process less of a mad scramble and would strengthen our basic democratic institutions.

I include with my remarks at this point in the RECORD **an editorial recently published by Florida Today, October 17, 1985, on this subject, as follows:**

[From Florida Today, Oct. 17, 1985]

NELSON ON TRACK TO SEEK PRIMARY ELECTION REFORMS

With the next presidential election three years away, the subject of presidential primaries is not exactly a hot topic right now, but that issue is on the mind of Brevard Congressman Bill Nelson.

Last week he filed a bill that would drastically reform the "system"—or, more correctly, the lack thereof—by which our nation selects its presidential contenders. Actually, now is an opportune time to pursue this reform, because there would be no hope of getting the political action necessary if a presidential election were on the horizon.

Nelson's proposal calls for limiting the number and timing of presidential primaries by changing to a regional system. We editorially advocated the same type of change 10 years ago. And a special bipartisan commission, jointly headed by Melvin Laird, a Republican former defense secretary, and former Sen. Adlai Stevenson, D-Ill., made a similar recommendation in 1982.

Nelson's proposal would cut the number of primary election dates to just five. Contrast that with the fact that in 1980 primaries were held by 37 states stretching over a period of half a year.

Under the congressman's proposal, the nation would be divided into 10 regions, with two regions holding primaries on each of five set dates. The first primary would be held the first Tuesday in February in the presidential election year, with succeeding primaries held at four-week intervals. Primary dates would be assigned to regions by lot, with a provision that regions conducting primaries on the same date not be contiguous.

Florida would be in Region 10, along with Tennessee, Mississippi, Alabama, Georgia, Puerto Rico and the Virgin Islands.

Nelson says a federal law is necessary to "bring a measure of order to the present chaotic process." We fully agree, because things haven't changed in the 10 years since we noted:

The length of the primary seasons and the requirements for raising contributions for federal matching funds almost force campaigning to begin two years before the election. That's too much for the candidates and the voters to stand, and should be reduced.

States such as New Hampshire with early primaries have far too great an impact on the nomination, way out of proportion to their size. Voters in several large states with late primaries were forced to sit helpless, unable to support the candidate of their choice, because he had dropped out after only a few losses in smaller states.

"Crossover voting" should be banned to make sure only Democrats vote for Democratic candidates and Republicans for Republicans in primaries. (It's already that way in Florida.)

Rules governing selection of convention delegates should be standardized to make the election process convenient and easy to understand. In some states, one candidate won the "beauty contest" or popularity vote, while another walked off with all the delegates. In some places, like Florida, candidate names were on the ballot. Elsewhere, only delegate names were printed.

A TRIBUTE TO MARINES KILLED IN BEIRUT, LEBANON

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut [Mr. GEJDENSON] is recognized for 5 minutes.

Mr. GEJDENSON. Mr. Speaker, I rise today to pay special tribute to the 241 marines who were tragically killed 2 years ago today in Beirut, Lebanon.

I think all of us here today remember that painful moment when we learned that a suicide bomber had driven a truck loaded with explosives into the marine barracks at Beirut International Airport. That explosion took the lives of 241 brave, young, American men, 4 of whom came from the Second District of Connecticut; Thomas G. Smith of Middletown, Thomas A. DiBenedetto of Mansfield, William Hart of Groton, and Stephen D. Tingley of Ellington.

Whatever disagreements there may have been at the time over what U.S. policy with respect to Lebanon should have been, there is no argument that these young men represented America's hope for bringing peace to a region of the world that has known only violence and terror for many years now. I know that my colleagues in the Congress share my view that the marines who gave their lies in Lebanon will be forever remembered in the hearts of their families and in the hearts of all of us who hope for peace in the world.

STATUS REPORT ON FIRST CONCURRENT RESOLUTION ON THE BUDGET, FISCAL YEAR 1986

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. GRAY] is recognized for 5 minutes.

Mr. GRAY of Pennsylvania. Mr. Speaker, I am submitting for the RECORD my letter of today's date setting forth the report of the Committee on the Budget, as follows:

COMMITTEE ON THE BUDGET,
Washington, DC, October 23, 1985.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: On January 30, 1976, the Committee on the Budget outlined the procedure which it had adopted in connection with its responsibilities under Section 311 of the Congressional Budget Act of 1974 to provide estimates of the current level of revenues and spending.

Pursuant to Committee Rule 10, I am herewith transmitting the status report under S. Con. Res. 32, the First Concurrent Resolution on the Budget for Fiscal Year 1986. This report reflects the adopted budget resolution of August 1, 1985, and the current CBO estimates of budget authority, outlays, and revenues.

As with last year, the procedural situation with regard to the spending ceiling is affected this year by Section 3(b) of S. Con. Res. 32. Enforcement against possible breaches of the spending ceiling under Section 311(a) of the Budget Act will not apply where a measure would not cause a committee to exceed its "appropriate allocation" made pursuant to Section 302(a) of the Budget Act. In the House, the appropriate 302(a) allocation includes "new discretionary budget authority" and "new entitlement authority" only. It should be noted that under this procedure neither the total level of outlays nor a committee's outlay allocation is considered. This exception is only provided because an automatic budget resolution is in effect and will cease to apply if Congress revises the budget resolution for fiscal year 1986.

The intent of the Section 302(a) "discretionary budget authority" and "new entitlement authority" subceiling provided by Section 3(b) of the resolution is to protect a committee that has stayed within its spending allocation—discretionary budget authority and new entitlement authority—from points of order if the total spending ceiling has been breached for reasons outside of its control. The 302(a) allocations to House committees made pursuant to the conference report on S. Con. Res. 32 were printed in the Congressional Record, September 5, 1985, H. 7290.

The enclosed tables compare enacted legislation to each committee's 302(a) allocation of discretionary budget authority and of new entitlement authority.

Sincerely,

WILLIAM H. GRAY, III,
Chairman.

REPORT TO THE SPEAKER OF THE U.S. HOUSE OF REPRESENTATIVES FROM THE COMMITTEE ON THE BUDGET ON THE STATUS OF THE FISCAL YEAR 1986 CONGRESSIONAL BUDGET ADOPTED IN SENATE CONCURRENT RESOLUTION 32

REFLECTING COMPLETED ACTION AS OF OCTOBER 17, 1985

[In millions of dollars]

	Budget authority	Outlays	Revenues
Appropriate level	1,069,700	967,600	795,700
Current level	1,067,268	980,306	792,895
Amount under ceilings	2,432		
Amount over ceilings		12,706	
Amount under floor			2,805

BUDGET AUTHORITY

Any measure providing budget or entitlement authority which is not included in the current level estimate and that exceeds $2,432 million for fiscal year 1986, if adopted and enacted, would cause the appropriate level of budget authority for that year as set forth in S. Con. Res. 32 to be exceeded.

OUTLAYS

Any measure providing budget or entitlement authority which is not included in the current level estimate in outlays for fiscal year 1986, if adopted and enacted, would cause the appropriate level of outlays for that year as set forth in S. Con. Res. 32 to be exceeded.

REVENUES

Any measure that would result in a revenue loss for fiscal year 1986, if adopted and enacted, would cause revenues to be less than the appropriate level for that year as set forth in S. Con. Res. 32.

Fiscal year 1986 budget authority—comparison of current level and budget resolution allocation by committee

[In millions of dollars]

	Current level budget authority[1]
House committee: Total current level	−2,432
Appropriations Committee: Discretionary	(−15,460)
Authorizing committee—discretionary action:	
Agriculture	(+1,250)
Armed Services	(.....)
Banking, Finance, and Urban Affairs	(+2,067)
District of Columbia	(.....)
Education and Labor	(.....)
Energy and Commerce	(+14)

Fiscal year 1986 budget authority—comparison of current level and budget resolution allocation by committee—Continued

[In millions of dollars]

	Current level budget authority[1]
Foreign Affairs	(+75)
Government Operations	(.....)
House Administration	(.....)
Interior and Insular Affairs	(+3,827)
Judiciary	(.....)
Merchant Marine and Fisheries	(+100)
Post Office and Civil Service	(.....)
Public Works and Transportation	(.....)
Science and Technology	(.....)
Small Business	(+216)
Veterans' Affairs	(.....)
Ways and Means	(+1,266)

[1] Committees are over (+) or under (−) their 302(a) allocation.

CURRENT LEVEL—NEW ENTITLEMENT AUTHORITY (NEA)

	NEA target	Enacted NEA
Committee:		
Agriculture	−1,250	
Armed Services	−100	
Education and Labor	−339	
Energy and Commerce	−80	
Interior and Insular Affairs	+307	
Post Office and Civil Service	−145	
Veterans' Affairs	+45	
Ways and Means	−2,454	−236
Total	−4,016	−236

CONGRESSIONAL BUDGET OFFICE,
Washington, DC, October 21, 1985.

Hon. WILLIAM H. GRAY III,
Chairman, Committee on the Budget, U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: Pursuant to section 308(b) and in aid of section 311(b) of the Congressional Budget Act, this letter and supporting detail provide an up-to-date tabulation of the current levels of new budget authority, estimated outlays and estimated revenues in comparison with the appropriate levels for those items contained in the most recently agreed to concurrent resolution on the 1986 budget (S. Con. Res. 32). This report for fiscal year 1986 is tabulated as of close of business October 17, 1985, and is based on assumptions and estimates consistent with S. Con. Res. 32. A summary of this tabulation is as follows:

[In millions of dollars]

	Budget authority	Outlays	Revenues
Current level	1,067,268	980,306	792,895
1985 budget resolution, Senate Concurrent Resolution 32	1,069,700	967,600	795,700
Current level is:			
Over resolution by		12,706	
Under resolution by	2,432		2,805

Since my last report the Congress has cleared for the President's signature the Energy and Water Appropriations Bill for 1986, H.R. 2959; Simplification of Imputed Interest Rules, H.R. 2475; Health Professions Educational Assistance, H.R. 2410; and amendments to the Arms Control Act affecting the Special Defense Acquisition Fund, S. 1726. Budget authority, outlay, and revenue estimates change as a result of these bills.

With best wishes,
Sincerely,

RUDOLPH G. PENNER.

PARLIAMENTARIAN STATUS REPORT HOUSE SUPPORTING DETAIL, FISCAL YEAR 1986 AS OF CLOSE OF BUSINESS OCTOBER 17, 1985

[In millions of dollars]

	Budget authority	Outlays	Revenues
I. Enacted in previous sessions:			
Revenues			792,700
Permanent appropriations and trust funds	708,256	631,009	
Other appropriations		185,348	
Offsetting receipts	−162,006	−162,006	
Total enacted in previous sessions	546,249	654,351	792,700
II. Enacted this session:			
Famine Relief and Recovery in Africa (Pub. L. 99–10)		421	
Federal Supplemental Compensation Phaseout (Pub. L. 99–15)			10
Appropriations for the MX Missile (Pub. L. 99–18)		368	
Contemporaneous Recordkeeping Repeal Bill (Pub. L. 99–44)			13
U.S.-Israel Free Trade Act (Pub. L. 99–47)			−8
Statue of Liberty-Ellis Island Coin Act (Pub. L. 99–61)	−15	31	
International Security and Development Cooperation Act (Pub. L. 99–83)	−25	−25	
Supplemental Appropriations Bill (Pub. L. 99–88)	36	3,138	
State Department Authorization (Pub. L. 99–93)			2
Emergency Extension Act of 1985 (Pub. L. 99–107)	−49	−230	210
Simplificaton of Imputed Interest Rules (Pub. L. 99–121)			−31
Total enacted this session	−53	3,702	195
III. Continuing resolution authority:			
Continuing Appropriations, 1986 (Pub. L. 99–103)	530,238	338,964	
Offseting Receipts	−27,233	−27,233	
Total continuing resolution authority	503,005	311,731	
IV. Conference agreements ratified by both Houses:			
Health Professions Educational Assistance (H.R. 2410		−8	
Energy & Water Appropriations, 1986 (H.R. 2959)	15,252	8,245	
Amendments-Special Defense Acquisition Fund (S. 1726)	100		
Total conference agreements	15,352	8,237	
V. Entitlement authority and other mandatory items requiring further appropriation action:			
Payment to the CIA retirement fund	10	10	
Claims, defense	7	3	
Payment to the Foreign Service retirement trust fund*	(7)	(7)	
Range improvements	1		
BLM: Miscellaneous trust fund	*		
Payment to air carriers, DOT	18	17	
Retired pay—Coast Guard	21	19	
Maritime, Operating-differential subsidies		3	
BIA: Miscellaneous trust funds	*	*	
Higher education facilities loans and insurance	4		
Retirement pay for PHS officers	12	6	
Medicaid	1,617	1,285	
Payment to health care trust funds*	(1,011)	(1,011)	
Child nutrition programs	254	234	
Advances to unemployment trust fund*	(516)	(516)	
Special benefits (general retirement and Federal employee retirement)	48	48	
Black lung disability trust fund	85	85	
Assistance payments	573	573	
Rehabilitation services	52		
Veterans pensions	10		
Salaries of judges	3	1	
Payment to Civil Service retirement*	(214)	(214)	
National wildlife refuge fund	*	*	
General revenue sharing*	(1,142)	(1,142)	
Total	2,715	2,284	
Total current level as of October 17, 1985	1,067,268	980,306	792,895
1986 budget resolution (S. Con. Res. 32)	1,069,700	967,600	795,700
Current level is:			
Over budget resolution		12,706	
Under budget resolution	2,432		2,805

* Less than $500,000.
* Interfund transactions do not add to budget totals.
Note.—Numbers may not add due to rounding.

IN MEMORY OF ALEX ODEH

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio [Ms. OAKAR] is recognized for 5 minutes.

Ms. OAKAR. Mr. Speaker, the murder of Alex Odeh was a despicable act that we must all condemn and deplore. Above all, his murder is a terrible tragedy for his family, that includes three small children. I want to offer my condolences to his widow and children. Nothing can ever make up for the terrible loss they have sustained.

Because Alex Odeh was allegedly murdered for his political beliefs, his death is a terrible loss to our society, as well. He was the victim of a vicious bombing because he chose to exercise his constitutionally guaranteed right to express his views in a public forum. In a very real sense, therefore, the attack on Alex Odeh was an attack on our society and an attack on each citizen of our country. Our country is strong because of the diversity of our people. The rich interplay of views and ideals creates a dynamic in our society that invariably leads to creative solutions to difficult. Political dialog itself, is often the first step toward the solution of seemingly intractable problems.

Alex Odeh had strong views on the Middle East, grounded on his personal experiences with the problems of the region. He emigrated to our country in the early 1970's and immediately began participating in our society, eventually becoming a citizen. Alex Odeh offered his insights and his suggestions for a responsible and peaceful resolution of the conflict in the Middle East. Not everyone agreed with his views but that is the American way. Everyday, throughout our land, people appear on radio and television talk shows, they write letters to the editor, they offer articles for

publication to magazines and newspapers. The listeners and readers of these views, are able to measure their own views against them and change them accordingly. The practice of free speech has served our country well for more than two centuries. On Friday morning, October 11, 1985, a good, decent man was killed for engaging in this practice. The fabric of American life was pierced as a result.

As we take time today to commemorate the memory of Alex Odeh, let us resolve to reaffirm our belief in the principles of free speech. Only by continuing to exercise our own right to free speech, and by defending the rights of others to that same exercise, can be contributed to repairing the damage to our society that was done by that vicious bomb blast.

It is also essential that the perpetrators of this crime be brought to justice. This is a case that demonstrates the adage that the price of freedom is eternal vigilance.

Finally, we must all contribute to a resolution of the terrible conflict that continues to divide the people of the Middle East and has even spilled over into the normally peaceful office buildings of Snata Ana, CA. We must put an end to all violence by bringing to justice those who have perpetrated these actions.

□ 1630

ORDER OF BUSINESS

Mr. CRAIG. Mr. Speaker, I ask unanimous consent to proceed at this point with my special order.

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

There was no objection.

CONGRESS' ACTIONS ON THE DEFICIT AND THE BALANCED BUDGET CONSTITUTIONAL AMENDMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Idaho [Mr. CRAIG] is recognized for 60 minutes.

Mr. CRAIG. Mr. Speaker, I have taken this special order out this evening to once again discuss an issue that is not only very important to the constituency of the State of Idaho, but now has grown to become a major national issue; and that is the question of the deficit and the question of what this Congress will do in the coming months to build a program of deficit reduction that the American people can effectively recognize as being a process that will work and a process that they can believe in.

Some years ago, as I began my service here in the Congress, it became clear to me as it has been clear to others for a good long while, that unless we changed the budget process, unless this Congress was and had to live under a rule that would dictate in large part to them what they could or could not do in the area of spending, that we would someday arrive at an unmanageable deficit.

The reason that was happening is a historic one. A historic one that results over the last 20 years of the passing of laws and the creating of programs that has to this day institutionalized the spending process. So that when Members of Congress are asked if they are fiscally responsible and support deficit reduction they find themselves in most instances saying "Yes, they do; Yes, we do; and Yes, of course, we vote for those kinds of things."

While at the same time, budgets continue to grow way beyond balance, deficits continue to grow and today we are now faced with well over a $200 billion deficit, and in just the last several weeks, we have been asked to raise the debt ceiling in this Nation to well over $2 trillion.

I use the word "institutionalizing." What is meant by that? I believe it means in large part that the Budget Act itself and programs that have granted entitlement are those that drive the budget process and result in Members of this body not necessarily having to vote on individual programs while the spending process continually goes on.

It was this fear and this concern and a lack of willingness to make hard, tough fiscal decisions that brought me to the conclusion some time ago that it would not be a law inside this body; that it would not be a Federal statute that would and could control the spending of our country, but that it would have to be a constitutional law. A constitutional provision, a constitutional amendment that in fact mandated a certain level of spending.

It was with that in mind that I joined with others who were then actively involved in the process of attempting to get a constitutional amendment to our Constitution that would mandate a balanced budget.

Two years ago, I and others began to work to form an organization here called Congressional Leaders United for a Balanced Budget. That organization is now well over 150 strong and today we have well over 200 cosponsors who support House Joint Resolution 27, that mandates a constitutional amendment to balance the Federal budget.

As we talk about that and as we work for cosponsorship and encourage a broader base of this Congress to recognize the will of the American people, another issue has developed on the scene that I beleive goes hand in glove with the effort to balance the Federal budget vis-a-vis a constitutional amendment.

What is that? Well, that is, of course, the amendment to the debt ceiling that was sent to us by the other body known as Gramm-Rudman, or here in the House as Gramm-Rudman-Mack-Cheney.

It is an amendment that would mandate a procedure for the next 6 years that would require a given dollar figure of deficit reduction that would bring us in to compliance or into a balanced budget by 1991. That issue is now before a conference of the House and the Senate as they attempt to work out the difficulities that are argued are built within the legislation itself.

Some have said, "Well, now, if we have this, if the Congress in their wisdom passes Gramm-Rudman-Cheney-Mack, then we won't need a constitutional amendment requiring a balanced budget; that this solves the problem."

My argument and the argument of a good many others who support Gramm-Rudman is that it will not solve the problem. It is telling the American people by law, by legislative action that here is a process, here is a 6-year process that the American public can watch and that will govern this body and the other moving toward a balanced budget by 1991.

Remember, it is important to recognize that it is a law; it is not a constitutional amendment, it is a Federal statute if it becomes law.

It was in 1978 and 1979 that this body and the other body in their wisdom passed similar laws that said, by a given date—and that date was 1981—that we would have a balanced budget; that we would require of our Government a balanced budget; in essence, we would require of ourselves a balanced budget.

What happened? Why do we not have a balanced budget today if it is in fact law upon the books of this country that we were to have one by 1981?

Sadly enough, there lies the problem. What laws this body passes are laws that it can change; and it decided, as it found that it was very difficult to cut spending, very difficult to bring budgets in balance, that it would simply violate the law by ignoring the law with another law; and of course in the Budget Act and in the rules of the House, that became an easy kind of thing to do.

Many of my colleagues, including myself, have from time to time pointed out as we voted on appropriation bills that were way beyond a balanced budget that we were violating our own law.

Technically that was not true. We had by that act waived the law that was passed in 1978 and restated in 1979. Although the law for a balanced budget remains on the books of this country, it has been consistently bypassed over the last good many years, and of course we now have well over a $200 billion deficit.

Am I arguing, then, that the Gramm-Rudman-Mack-Cheney proposal would be followed or reacted to by this body in the same way? No; not necessarily. It is distinctively different in that it grants certain powers to the Executive that did not exist in the last that was passed in 1978.

Remember, it is a law; it is a Federal statute that could be changed by this body as it mandates the very, very difficult choices that would have to be made under a Gramm-Rudman-Cheney-Mack proposal.

That is why I have said, and the members of the CLUBB organization and those who support a constitutional amendment to balance the Federal budget have continually said: Mr. Speaker and Members of this body, give us both. Give us Gramm-Rudman-Cheney-Mack as a procedure or as a process by which to get to a balanced budget by 1991, but to ensure to the American people that we really do mean business. Give us a constitutional amendment to send forth to the States for their ratification that would require, by constitutional law, a balanced budget by 1991.

That way we have doubled insurance: We have provided for those who are our skeptics and who say, how can you balance a budget that is $200 billion in deficit today? We can say, "Here's the process. Here's the procedure by which we'll do it, and we'll do it over a 6-year period; and then here's the constitutional law on the other side that will strengthen the backbone and the will of this body to assure that we will have a balanced budget and that in fact it will become the law of the land, the constitutional law of the land by 1991."

So I am saying, Mr. Speaker, give us both. Give us and the American people the opportunity to have both Gramm-Rudman-Cheney-Mack and also give us the opportunity to vote here on this floor on a constitutional amendment that we can then send out to the American people for their decision-making process; for their ratification and not for this body's decision.

That is really the issue that I think is before this Congress today, as our conference, our joint House-Senate conference works its will in attempting to refine and bring forth the Gramm-Rudman proposal, let us also echo forth the need for a constitutional amendment that would ensure or assure the implementation of Gramm-Rudman.

I believe those are the critical issues of the day if we are to convince the American people who are now becoming very skeptical as to whether this Congress will be fiscally responsible and begin a rather lengthy and arduous march down the road toward a balanced budget and fiscal responsibility that we can arrive at by 1991.

□ 1640

I would be happy to yield to my colleague from Arizona.

Mr. RUDD. I thank the very distinguished gentleman from Idaho for yielding.

Mr. Speaker, I appreciate the concern of the gentleman and the fact that he is attempting to see that that concern is projected to the people of the United States. I would just like to say that only a short time ago I was speaking to a group of people who asked me what I thought was the most important thing that Congress could do, what was the most important concern facing Congress at this point and facing the United States of America. And I responded without hesitation that that concern is the debt, a debt of $2 trillion-plus at the moment and huge deficits that have made that debt possible and that are occurring and reoccurring every year. This is the single biggest concern. It is not the taxes at this point; it is that concern. And the only way that we can possibly address this impossible figure of $2 trillion is to do something about balancing the budget. That means income must equal outlay and vice versa. The only way we can get started to do something about that debt, to do something about the deficits, is to do what the gentleman is pleading for.

First of all, enabling legislation such as what is being considered, what will be considered here shortly in the form of attempting to have a balanced budget by 1991. And that enabling legislation would lead very smoothly into a possible constitutional amendment which would prevent this ever from happening again without some very strong emergency situations that would occur. And I can foresee that, too.

I do thank the gentleman for yielding. It is the single most important problem facing the people of the United States, and therefore this Government, and therefore this Congress.

So I again thank the gentleman for what he is doing.

Mr. CRAIG. I thank my colleague from Arizona for those remarks. I had the privilege of being in the district of the gentleman from Arizona not long ago on hearings, that the Subcommittee on Mines and Mining of the House Committee on Interior and Insular Affairs was holding as it relates to the copper industry in the area of the gentleman, in his district, which has just literally been devastated in the last several years and laid thousands of people out of work.

One of the things that is consistent in the thread of the testimony that we heard in the State of Arizona and then when we went on up to Utah and heard the same kinds of thoughts and concerns with the large copper industry being laid off in the State of Utah also, is that we no longer can compete. We simply cannot compete at the level that our foreign competition is selling into the market for.

One of the things that became obvious as we began to analyze it was the strong dollar, the extremely strong dollar, that was pushing markets and straining the economic fiber of this society, and those of us who believe in a balanced budget and believe that we ought not have these massive deficits are also strongly led to believe that a component, not the total problem but a clear component of that very strong dollar that is throwing thousands of people out of work in the district of the gentleman, in my district, and across this country, in primary resource industries, manufacturing, and a variety of other kinds of industries, is a product of deficit spending.

Whatever this House does, the one thing the American people are sounding a very loud cry for at this moment is a program to reduce the deficit, to bring it under control, which we believe, I think, will begin to bring down the value of the dollar, stabilize this economy, and reinstate our competitiveness in some ways in an international market that we have got to be in and also tremendously assist the kind of problems the gentleman is having in his district with unemployment, not just in copper but in a variety of other industries.

I yield to the gentleman.

Mr. RUDD. I again thank the gentleman for yielding.

The gentleman has hit the mark right squarely in the center. Our copper industry, which previously provided 64 to 65 percent of all of the copper in the Nation, has now been destroyed, not only in my State but in Michigan, in Idaho, and especially in Utah.

So the gentleman has hit the mark. I thank the gentleman very much for his empathy, and understanding, and concern of the problem.

Mr. CRAIG. I thank the gentleman once again, the gentleman from Arizona, and if there is anything we in the Congress can do besides pushing to get a good clean Gramm-Rudman-Mack-Cheney proposal before this body is of course to push toward and ask the Speaker and the chairman of the House Committee on the Judiciary to allow us to vote on a constitutional amendment to balance the Federal budget, because I know of no other issue as it relates to deficits and deficit control that is driving this country right now toward high levels of unemployment in primary industries that are so critical to the economic base that all of us strive for.

I would now be happy to yield to my colleague from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding. And I, too, want to congratulate him once again for rais-

ing the attention of this body and the attention of the American people to the problem of the deficit and the need to move toward a systematic means of dealing with deficits and moving us toward a balanced budget.

The gentleman, I think, has performed a magnificent service over the last several months of moving this body in the appropriate direction.

And who can doubt that we need to be moved along, and who can doubt at this point that we need something along the lines of the Gramm-Rudman-Mack-Cheney proposal? Because today, under the budget process that we now operate under, we have the reconciliation bill out on the floor. We debated it today, and it will be up for a vote tomorrow. At a time when this Nation has $200 billion worth of deficits, what does that reconciliation bill include? Among other things, the bill that is supposed to get us to reduce spending has increased spending by $3.5 billion. So we simply are not capable at the present time, under the present means that we have available to us, of controlling the spending.

Most appalling of all, buried down within that bill is none other than a congressional pay increase. Here we are, after all of this talk about deficits for many months on the floor, we come to the floor with a bill that is supposed to do something about the budget, and what do we do? We come to the floor, and we talk about the poor, the disadvantaged, and the needy. Many of the speeches on the floor today, nobody wants to mention that down in the bill buried in there is a 10-percent pay increase for Members of Congress.

Yes, indeed; they are going to raise our pay from $75,000 to $82,000 mandated in this bill and to do in a way that hides behind reconciliation and tries to tell the American people that we do not know where these pay raises will come from. Here is one place I can tell you it comes from, it is right in the reconciliation bill. Buried in that bill, that reconciliation bill, is at least a $7,500 pay increase for Members of Congress. You cannot get away from it.

This is our version of balancing the budget? Our version of controlling deficits? It is absolutely appalling. There is no way that anyone can vote for that bill tomorrow and not recognize that what they are doing is voting for a congressional pay increase. I think that it is very important for the American people to understand when their Member of Congress comes back home proclaiming the fact that he was saving them money in the reconciliation bill, that he was voting for a 5-percent increase next year and a 5-percent increase the year after to bring his pay to about $82,000. That in the name of helping to do something about the deficit. The process that we have got around here is failing.

We cannot even bring ourselves to freeze our own pay during times of deficit crisis. We are going to proceed ahead with something that raises the pay of every Member of this body. Now, what we have asked people who are opposed to the process to do is give us an alternative. Last evening I was surprised we had a couple of members of the Democratic Party come to the floor, and when I asked them that question they gave me some outlines of their alternative, of what their alternative would be to Gramm-Rudman. They are saying they are opposed to that, that they do not want that procedure. So I said, "OK, what is your alternative?" And they gave me a series of things where they would make their cuts, the kind of budget that they would bring forward to get us to a balanced budget.

I took the time today to cost out what they told us last evening, the Democratic alternative presented to us on the floor last evening, which consisted of eliminating water projects, eliminating foreign assistance, eliminating the National Endowment for Democracy, eliminating Radio Marti, eliminating synthetic fuels, raising the cigarette tax, eliminating agricultural subsidies, and reducing significantly the defense weapons programs.

So I went through today and costed out to find out how much of a dent in our $200 billion deficit that would make, because obviously if you are going to propose that as your program, then it seems to me that you ought to be able to say it is going to get us to a balanced budget just like the Gramm-Rudman proposal is going to get us to a balanced budget.

Surprisingly enough, I find it does not get us anywhere close to a balanced budget, by doing all those things.

Let me give the figures. If you take the water projects and you cancel the entire money given to the Interior Department's Bureau of Reclamation, you save $820 million. Then if you take the DOD Civilian Corps of Engineers Program, which includes all the water resource projects, recreational resource projects, the flood control projects, the coastal projects, the mine and harbor projects, and you cancel them all completely, you do not do anything, that gives you another $2.3 billion. So in water projects you can get $3.1 billion, a little bit more, in savings by canceling them all, doing nothing, just having no water projects whatsoever. We cancel every one of them.

Now, I do not think there is anybody on that side of the aisle that will buy that program. Nevertheless, let us give them the benefit of the doubt. They are willing to come out here and are going to have the guts to cancel everything in the water projects area as a part of their program. Then in foreign assistance, I went back and I got the figures for that for fiscal year 1986. And I find out that if you cancel the entire foreign assistance program, wipe it all out, nothing, no humanitarian aid, no aid going to Ethopia, no aid whatsoever for humanitarian purposes anywhere in the world, just cut it all out wipe out the entire foreign assistance program, you get a savings of $18.34 billion. Now, that would mean that we would have no programs for any aid anywhere, there would be no aid for Israel, no aid going to Egypt, no aid anywhere in the world. We would simply wipe out the entire foreign assistance program.

All right, fine. Let us give them the benefit of the doubt, let us say that there is a majority of Members of Congress who are willing, in the majority party, to do that, let us wipe out the whole thing, and so on, and let us say they have the votes over there to do that. All right. Then they said that we will cancel the National Endowment for Democracy. That is $290 million. Let us say they would wipe that out completely. They said last night they would.

Let us say they would wipe out Radio Marti. Fine. That would save $130 million. They are willing to do that.

They are going to raise the cigarette tax. That will get them $1.8 billion more, that is one more thing that they are willing to do, basically double the cigarette tax. Fine.

They are willing to eliminate the entire Synfuels Program. Fine. They get $320 million next year by totally eliminating the Synfuels Program, something a number of us have said is something that we are willing to do. That is fine. Let us do that.

They are willing to wipe out virtually every agricultural subsidy.

Now, let us understand, let us understand that if you take every agricultural subsidy out and you take out the Commodity Credit Program, that is all the dairy subsidies, that is all the grain subsidies, virtually every subsidy that the Federal Government has in agriculture would be eliminated, there would be no more Dairy Program, no more Grain Program, no more nothing. You would simply wipe out the entire Agricultural Subsidy Program. That gets you $10.5 billion.

Then if you eliminate, in addition, the Rural Electrification Program; the Farmers Home Administration; the Soil Conservation Service; the Animal, Plant, and Health Inspection Service; and the Agricultural Marketing Service, you come up with a total savings, by totally wiping out all the programs aimed at the farmers and the Department of Agriculture, you come up with a savings of $16.5 billion.

In defense, and this is the area where they concentrated a lot of their attention, let us say they would have the votes on their side to wipe out all of these programs, do away with virtually every one of these programs, do away with MX deployment, do away with Minuteman silo modernization, do away with the Trident Submarine Program, the development and production of the Trident II missiles, the continued modernization of the bomber fleet, namely, buying 48 more B-1B bombers, the development of a new bomber, new cruise missiles using Stealth technology, deployment of the first generation of cruise missiles, and the continued reengining of the KC-135 tanker so you have longer distances.

Let us say they are willing to wipe out every one of those programs. In other words, we would have no modernization of our strategic defense whatsoever. This Nation would unilaterally disarm under that kind of a program. Let us say you are willing to go that far. Let us say they have the votes on their side of the aisle to unilaterally disarm the Nation.

□ 1655

All of those programs put together save you a total of $29.9 billion. What does that all add up to? Those were all the programs they gave us last night that they would be willing to eliminate as part of their program. The whole thing comes to $70 billion worth of savings that are in their program. That ends up $130 billion short of what you need in order to get us to the balanced budget.

Now, where are they going to get the other $130 billion? That is the problem. That is the reason why we are for Gramm-Mack-Rudman-Cheney, because you have to have a mechanism that gets you to where you want to be, $70 billion in savings. I will admit to you there is no way that there are votes of a majority of the Members in this body to do that whole $70 billion. That is their alternative, though. That is the alternative we heard from at least two of the Members last night. Costed out, we find that it does not get us anywhere.

Now, let me say to the gentleman that there is a way in defense, if you use the defense budget, since that was their big item, there is a way that you get almost to the $200 billion. Let me tell you how much further they would unilaterally disarm the Nation, going into the conventional forces, if in fact they wanted to get the money they need. They would eliminate the procurement funds for the M-1 Abrams tank; 716 Bradley fighting vehicles; the Apache helicopters; the Blackhawk support helicopters; short-range Stinger and Chaparral missile system; the long-range Patriot and Hawk missile systems; and also of course the one we already know is being eliminated, the Sergeant York gun.

In the Navy, they would eliminate 11 Aegis cruisers, 17 guided missile destroyers, 19 attack submarines, 12 amphibious ships, 24 support ships, 21 minesweepers, the modernization of two aircraft carriers. They would take away 24 land-based patrol squadrons, the continued procurement of 18 F-14, 84 F/A-18 airplanes, 46 AV-8B aircraft, as well as 9 P-3C long-range patrol aircraft and 18 LAMPS helicopters for antisubmarine warfare.

In the Air Force, they would do away with the procurement of the F-16's, the F-15's, the MC-130H special operations forces aircraft, and they would do away with the entire support for the 26 active tactical wings of the Air Force.

We would have no weapons left. We would literally do away with the weapons systems of the United States.

If you did all of those things—and I do not think anybody is going to suggest that you do all of those things—they still come up short of balancing the budget under their program using defense. They come up $16 billion short under their plan.

The reason why I make this statement is because last night this was presented as their alternative. When we suggested that you need an approach like Gramm-Rudman, they suggested that there was an alternative, and they gave us this scenario. There is exactly what you would have to do, and they still come up short. Given that situation, I think it is absolutely essential that we pass the Gramm-Mack proposal. I think it is absolutely essential that we move to a balanced budget amendment to the Constitution, because we have got to have a process that equally shares across the board some of the burdens of cutting back so that we can in fact eliminate $200 billion worth of deficits. It cannot be done with the alternative they gave us last night. As a matter of fact, this kind of listing is almost an absurdity, because everybody knows that you are not going to wipe out every agricultural program that exists in order to get the $16 billion in savings. It just is not going to happen.

So their program is nonsense. Unless they get on board for the Gramm-Mack proposal, it seems to me that they have no alternative, and what we are going to end up with is the spenders continuing to spend, the deficits continuing to mount, the burden of debt piled upon young people in this country continuing to expand, and this country's economy continuing to move toward collapse as a result of the overweight of debt. If they do not have an answer any better than this one, which is a pretty crummy excuse for an alternative, then it seems to me they had better get the two proposals that the gentleman mentioned out here on the floor so that this Congress can begin responsible action.

I thank the gentleman for yielding.

Mr. CRAIG. Mr. Speaker, let me thank my colleague from Pennsylvania for that interesting and rather unique analysis.

I think the problem that we face in this country and that clearly we face in the U.S. Congress, I think all of us here in the Congress have had the experience of going home and holding town meetings or being in public gatherings where we have talked about the deficit and the problem of the deficit, and certainly as a strong advocate of the balanced-budget constitutional amendment, I have been back in my district and have traveled across the country speaking about it, and you hear these kinds of comments: Well, if you would just cut back on defense spending, you could balance the budget. If you would just eliminate foreign aid or foreign assistance, you could balance the budget. If you would do just this one thing or this other thing, Congressman, then the deficit would go away, because there are those who are led to believe, for whatever reason, that it is only this or that part of the total budget that is driving the phenomenal debt burden that the citizens of this country now have to pay for well over the tune, in interest alone, of some $120 billion plus a year.

Well, I think the examples and the observations that my colleague from Pennsylvania has just made, demonstrate that it is no easy task, that it is not an impossible task but that you do not single out one or two items big or small in the budget and solve the problem. If you are going to go goose hunting, you go where they are flying in flocks, in hopes of bagging one. And that is what we have to do here. That, of course, is what the Gramm-Rudman proposal brings about. It looks at the budget problem, the deficit, in total, and it says in a fair and equitable way that we will do the kinds of across-the-board reductions that touch every segment of Federal spending, that we are not going to single out one program or another, that we are not going to, in essence, bring forth special interest groups that are supportive of one program, we are going to bring them all out because we are going to go after every segment of the budget, and we are going to attempt a deficit reduction over a 6-year period of approximately $36 billion a year progressively and that we will move and have that balanced budget, of course, by 1991.

I have not seen yet a proposal that demonstrates more fairness and equity than the one that the conference committee is now working on. I know of no other way that we can proceed in an orderly fashion, that we can touch every segment of Federal spending,

that we can tell all of our constituents with a good, clear conscience that we are treating all segments of Government with some degree of equity as we approach the kind of deficit reduction that is critically necessary to bring us to the balanced budget.

So I appreciate my colleague's analysis.

It is not a partisan issue, Gramm-Rudman is not, and the balanced-budget constitutional amendment is not. It is a bipartisan problem. It is a bipartisan issue. It is Democrat and Republican alike that has to support this approach if we are to deal with it fairly and equitably.

One of the problems we get into in attempting to deal with this is the division of who supports and who does not. I have always said it is the spenders versus the nonspenders. I think that is what we saw here on the floor last night—those who advocate solving social problems and economic problems and human problems in this country with money, and they believe, as they have historically, that that is how you arrive at solutions: money from the Federal trough solves all problems. And, of course, the reverse of that is that when you begin to reduce the volume of flow from the Federal trough, you begin to hurt people.

We have all known for a long time that the only real way you help people is to provide a vibrant economy in which those people can seek work and provide for themselves. We have been told by economists, liberal and conservative, that when you begin to reduce the deficit in a timely fashionable way and you arrive at a point where you can bring revenues and expenditures into balance and keep them there, that you will unleash the kind of dynamic forces in this country that not only brings down the value of the dollar, make our products salable once again abroad in foreign markets, but you bring down real interest rates and therefore the kind of long-term capital investment that is so critically necessary to this country, that produces jobs by producing plants and employment, is exactly the product of the kinds of cuts that we have to produce in the budget to bring about that kind of economic renaissance.

I wish to thank once again my colleague from Pennsylvania for that observation, and I yield to my colleague, the gentleman from Texas [Mr. BARTON].

Mr. BARTON of Texas. I thank the gentleman for yielding.

Mr. Speaker, I was attending the Republican conference this morning when the gentleman from Idaho got up and made remarks that he spent the weekend listening to the people in his district and they told him that reducing the deficit was a top priority. The gentleman's district and my district must be quite a bit alike. I recently did an opinion poll in my district that 94 percent of the people in my district said that reducing the deficit is the No. 1 priority, and they strongly support the balanced-budget amendment.

The first thing that I did, once I was sworn in back on January 3, was to introduce my own balanced-budget amendment, House Resolution 12. I have also cosponsored the gentleman's amendment. I am a member of the CLUBB organization that you are the chief sponsor of, you and Congressman CHARLES STENHOLM, and I am here to tell you that I feel that the service you are doing to this country by bringing this issue to the attention of the American people and getting enough sponsorships, cosponsorships on your amendment, that we actually have a chance to bring it to the House floor, is one of the most important things that we are going to do in this Congress.

Now, we have a chance next week with Gramm-Rudman-Mack-Cheney to begin a 5-year program to bring spending under control. But that is not going to be enough. We need the constitutional amendment that you are the chief sponsor of to have a permanent solution to spending.

Now, we have heard some people say that we have these programs that we need to help, we need to help the needy, we need to help the handicapped, we need to help all these folks. That is very true. But the fastest growing item in the Federal budget is interest on the national debt. I believe last year that is was an additional $13 billion.

Now, we are not going to have any money for anybody if we cannot bring spending under control and stabilize what we pay on interest on the debt. If we can get your balanced-budget amendment to the Constitution, if we can get Gramm-Rudman passed, then we will control spending, we will have additional funds that we can spend on these new programs. But if we do not, we are going to spend more and more every year on interest on the national debt.

So I rise in support of your amendment. I hope you get the 218 signatures on the cosponsorship list. I will be there to help you.

I have one question for you: Is there a discharge petition now at the desk that we can sign to try to get it out of the Judiciary Committee and get it to the floor?

Mr. CRAIG. Let me respond to my colleague from Texas. I thank you for those comments and I appreciate your observation as it relates to the people of your district versus the people of my congressional district. I guess they have one thing in common. They are Americans. And as Americans they believe in their system of government. But they have also come to recognize very clearly in the last 10 to 15 years that their Government is not doing for them what they ask it to do, and that is to provide them, in a limited sense, with a variety of programs that provide for their safety and for their protection and yet at the same time assures that they will have access to a free and vibrant economy with which to seek their successes and their failures as American citizens.

I have often said that if there was anything good to come out of the recessions of 1981 and 1982 it was the fabulous lesson in economics for the American people, because they saw for the first time so clearly what happens when you tax too much and when you spend too much at the Federal level and at all levels of Government, and you simply pull from the economic reserve or reservoir in this country that we call the gross national product too much money for Government, simply not leaving enough money for the average citizen. Interest rates went through the roof, inflation began to take off, and all of those kinds of problems resulted from a Government that was running loose and rampant. We were able to rein it in some over the period of 1981-83. But why does the American public, without question today, say that the number one issue is the deficit, as they say in your district and as they say in mine? Because they know. They know very clearly, from lessons of the past, that deficit spending is that dynamic, if you will, or that force inside the economy that ultimately destroys the economy, and when you destroy it you destroy their jobs, you destroy their homes and you destroy the very future they have that they can turn and offer to their children and to their children's children. And that is what they are frightened of right now. To see the interest on the debt becoming one of the largest single items in the Federal budget is a frightening experience, because we know, as business people in what we oftentimes say real life, with business experience, when that happens with business, all of a sudden it is bankrupt, it is gone, it destroys its jobs, it destroys any form of economic vitality that it had. There is only one difference here. We can borrow and we can print, but it does catch up with us. And that is what is happening today. There are a good many of us who are struggling to try to bring that under control.

I think the gentleman is absolutely correct. Gramm-Rudman-Mack-Cheney provides us with the tool, the enabling legislation, the process by which we get from here to here and over here, is that balanced budget. And to ensure that it happens, then, I do believe, as the gentleman has mentioned, that we need a constitutional

amendment that says to the Congress, "No, you cannot change us arbitrarily because we are the Constitution, we are the law that governs you, because we are the people."

That is one thing that sometimes the American citizens forget. The Constitution is theirs.

□ 1710

We cannot change it here in the Congress; we can only propose change. Is it the American people that have to vote by three-fourths of their States in the ratification of a change that really brings about the change. Well over 70 percent of the American people today say that a constitutional amendment to balance the Federal budget is what they want. Of course, they recognize, as the 90-plus percent in the gentleman's district recognize, that you can accomplish deficit reduction by getting to that balanced budget vis-a-vis the peoples' law.

Once again, let me thank my colleague from Texas for those excellent remarks and observations and I appreciate your loud, clear, and strong leadership on this critical issue.

Mr. BARTON of Texas. I would ask the gentleman: Is there a discharge petition that we can sign?

Mr. CRAIG. There is not at this time. We are nearing the 218 cosponsorship that we have been striving for; we believe once that is accomplished, depending on how the leadership in this House and how the chairman of the Judiciary Committee reacts to a majority of the Members of this body saying, "We want to vote on a constitutional amendment to balance the budget."

We are going to give them an opportunity to react—to let the process here work. If it fails, then there will be a discharge petition and we will simply say that it is the right of the people of this body, the Members, to serve their constituents by getting an opportunity to vote on that on the floor.

Mr. BARTON of Texas. If the gentleman would yield, I would suggest to the gentleman from Idaho that if we can get it out of committee and get it on this floor and get an up or down vote on it, it will pass overwhelmingly.

If we can, in the glare of publicity and let the American people see the true merits of the case, your amendment on this floor will pass this Congress overwhelmingly. So I urge the gentleman to do everything possible to get the requisite number of signatures. If we need a discharge petition, I will be more than willing to help the gentleman from Idaho because we will win because the American people as you said, are behind us.

Mr. CRAIG. I thank the gentleman and I now yield to the gentleman from Arizona [Mr. RUDD].

Mr. RUDD. Once again, Mr. Speaker, I would like to commend the gentleman from Idaho, for his statesmanlike concern for this most all-important problem that faces our Nation today. I would also like to commend the gentleman from Pennsylvania, for his statesmanship in the same vein.

Especially I would like to commend our colleague from Texas, Mr. BARTON, for his interest in these matters, in this matter particularly, but in all matters like that, and I hope that the people he represents will be very aware that this Congressman from Texas is a first-term Congressman and has worked very, very very hard to do the job of a Congressman, to do the work of a Congressman, and has deported himself in a good, statesmanlike way and I think he should be commended.

Mr. CRAIG. I want to thank my colleague from Arizona for those comments and I yield to my colleague from Pennsylvania [Mr. WALKER].

Mr. WALKER. I thank the gentleman for yielding.

Mr. Speaker, the gentleman made a statement a little bit ago, about the fact that you can divide the economic classes in this Congress between the spenders and the nonspenders. That essentially is what you are dealing with in the economic clash that takes here.

I think the gentleman is right that there are two distinctly different groups. For the gentleman's possible definition in the future, I would suggest that the real clash is between the spenders and the builders. That the people around here who are attempting to get a rein on Federal spending are not just nonspenders—what they are is builders.

As the gentleman so eloquently pointed out, what we found out at the time of the recession in the 1981-82 time period, is that too many taxes and too much spending in fact lead to economic troughs, that cause tremendous hardship across this country. We are still trying to recover from the unemployment problem generated by that. We are still trying to put lives back together that were shattered at that particular recession.

The reason why I think you can use the term "builders", if you go back slightly before that time, you will find out that what we had in this country is a negative GNP. That we were actually not only not growing, we were actually declining. This country was in a state of economic decline, in the late seventies and early eighties. That was because that we had spent our time taxing and spending at the Federal level, to the point where it had become such a burden on the economy, that the economy was no longer viable.

The people who advocate a reduction of spending, a reduction of borrowing, a reduction of taxes, are in fact the builders who have put the economy back together again, and are allowing positive growth in the economy, not as fast as we would like, but nevertheless who have produced a growing economy at the present time. That is building—that is building for the future.

When you are a spender and you are adding to the debt burden of every man, woman, and child in this country, you are not doing anything positive, you are doing something very negative. If you are trying to reduce the debt burden, you are a builder.

It seems to me that the contrast is very, very clear. On the economic issues that face this body, it is indeed a clash between spenders and builders. The fact is that the Gramm-Mack-Rudman proposal and the balanced budget amendment to the Constitution, are building proposals. They put the reins on the spenders. It is the spenders who are out here screaming bloody murder. It is people who want to continue to spend and borrow and tax who do not want Gramm-Rudman. It seems to me that anybody who casts a no vote on Gramm-Rudman is in fact defining themselves in precisely that way. They are a spender. They do not want to spend, they do want to tax, they do want to borrow. Instead, it seems to me that what you want to do, is come up with proposals that are building-type proposals, where you create things that allow us to build an economy and build a future for our young people in the future.

Mr. CRAIG. I thank the gentleman and I yield to the gentleman from California [Mr. DYMALLY].

Mr. DYMALLY. I thank the gentleman.

Mr. Speaker, I note with some humor, that every time the gentleman refers to the big spenders, he looks over at this side. I just want him to know that I am a small spender.

Mr. WALKER. If the gentleman will yield, I thank the gentleman for his observation. However, we do have, it seems to me, some empirical data developed by the National Taxpayers Union that makes fairly clear where this body comes down, and I would say to the gentleman that we consistently find that the Democrats—and particularly liberal Democrats—are those people who fall into the spending category, while on this side of the aisle, it is the people on this side of the aisle, who fall into the building category. That is one of those things that the American people can analyze each election. It seems to me that one of the votes that will make it quite clear, who is who, and where is where, is when we get a vote, hopefully in the near future, on the Gramm-Mack-Rudman proposal.

Mr. CRAIG. Once again, let me thank my colleagues for joining me this evening, in this special order to discuss the Gramm-Rudman-Mack-

Cheney proposal, that is now before the conference committee of the House and Senate, and of course, before the American people.

One of the reasons I thought it was important to have this special order, is to say once again that there is a very real difference between Federal law, Federal statute, and constitutional law, or the Constitution itself. One of the things that we have consistently read in the press, the last couple of weeks is "The Balanced Budget Amendment Will Do This"; "A Balanced Budget Amendment Was Attached to Debt Ceiling Legislation." In the headlines of many of the papers across this country, have been printed the words "Balanced Budget Amendment."

That simply is not the total story, nor is it the true picture. What the press is referring to in its reaction, or its observation as to what the other body or this House is doing, is looking at a procedure that we call Gramm-Rudman-Mack-Cheney, a proposed amendment, to the debt ceiling which would be, if passed by this body, Federal law that would mandate a 6-year process, by which we would get to a balanced budget by about 1991. But it in no way mandates that we must have a balanced budget by 1991.

□ 1720

We have tried that in the past and, of course, as I mentioned earlier, we have simply failed, because when pushed up against the hard decisions, the Congress caved in their spending mentality and said, "Can't do it." And they waived Federal law and moved right on down the road of deficit spending.

A constitutional amendment, as I mentioned earlier, in the people's law, would tell this body, that they would have to bring expenditures and revenue into balance except under certain conditions, in which they could in fact deficit-spend. And it would be that kind of law that this body would have to abide by and could not change.

So I though it was important this evening through this special order and being joined with my colleagues to point out the importance and the difference, the importance of the enabling legislation that the Gramm-Rudman-Mack-Cheney proposal recognizes, a process and procedure by which to move toward a balanced budget, and then a constitutional amendment that would require a balanced budget by a given date.

In other words, to assure that this process or procedure that we call the Gramm-Rudman bill, would be adhered to and that Congress would not in their wisdom, as they would choose to call it, and as the American people would say in their lack of wisdom, attempt to violate over the course of time and remain in their spending mentality, or that institutionalized process which says that we always spend more the next year than we did the year prior, and that we will ultimately have to either borrow more or tax more, from the American people to satisfy what we think the American people want in the form of Federal programs.

Is it not unique that while we are here on the floor and in our committee work struggling to bring about certain programs, and fund them, and to deal with the financing of our Government, all of us believe, or at least a good many believe, that a lot of the programs with which we work so hard to get, are what our people want?

Yet, at the same time, the American public is saying louder and more clearly than they ever have before, "Cut the deficit. Get it under control. Give us a balanced budget."

I have to believe that the American public is saying by that expression, "Cut your spending. Get your spending under control. A lot of the programs that you are attempting to provide to us for our good, are simply programs we don't need, or if they are, we don't need that much of a program, that lucrative of a program, a program with that kind of benefit."

That is the fundamental debate that is going on in this Congress today. It is the debate that is underway in the House-Senate conference committee. It is very, very important that the Members of this body understand, and the American people understand that here lies a unique opportunity, to put in process that motion, that activity that will bring us to a balanced budget, and then to assure the American people that we will adhere to it, by offering forth to the American people a constitutional amendment to balance the budget that they can debate, in their own State legislatures and decide to accept or deny, and it would be that law that would then govern this body.

ORDER OF BUSINESS

Mr. OWENS. Mr. Speaker, I ask unanimous consent that my special order may be called at this time.

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

There was no objection.

THE DANGER OF GRAMM-RUDMAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. OWENS] is recognized for 60 minutes.

Mr. OWENS. Mr. Speaker, my concern is the Gramm-Rudman proposal or the Gramm-Rudman process, as some speakers have labeled it. My primary concern is the fact that the Gramm-Rudman process, its final impact, its dangerous impact, will fall mostly on the poor and defenseless and it will fall particularly on the black people of this country, because in addition to them being poor, a larger percentage of black people being poor, they are also the victims of certain other policies of the present Reagan administration with respect to affirmative action, the attempt to eliminate affirmative action, the rollback of certain other civil rights programs, all of which combined result in a situation which you might call the final abandonment of black people in America.

I think that the Gramm-Rudman proposal is a cause for alarm and the alarm should be sounded loud and clear. There are a number of things wrong with it, beginning with the fact that it is a process going forward in secret.

The Gramm-Rudman process is being discussed in a conference of the House and Senate by what you might label superlegislators only. All of us were elected to represent our constituents and all of us should be participating in a debate of this magnitude. A program as important as the Gramm-Rudman proposal should not be a program which is debated and decided in secret. A program as important as Gramm-Rudman should be subjected to the same processes that any other bill before this House would be subjected to. It should have a series of public hearings. Since it is a major change in the way we conduct our Government, since it is a change even in the basic principles of the Constitution, there should be a nationwide series of hearings.

The President of the United States has gone throughout the country making speeches and discussing his proposed tax reform bill. It does not appear that that tax reform bill is going to come before us any time soon. But I think Gramm-Rudman has even greater implications than the tax reform bill. And certainly if we are going to discuss the tax reform bill across the country, and have leading political figures talk to large audiences and get a feedback from those audiences, then Gramm-Rudman should be subjected to the same process.

Not a single hearing has been held on Gramm-Rudman. Not a single opportunity for the American people and their various representatives of various groups, who participate has been provided under the present procedure. So Gramm-Rudman represents a very undemocratic or antidemocratic process to begin with.

We should not allow this kind of process to decide such major legislation. We should not allow the prerogatives of elected officials from the 435 districts in this country, to be taken

away and the process be put behind closed doors and brought back to us later in a package where we have to vote it up or down. So that is the first problem with Gramm-Rudman.

The next problem with Gramm-Rudman is it is a discussion of how to take care of the deficit merely by cutting spending. Gramm-Rudman refuses to recognize the basic fact that, that the problem is not the deficit alone. The deficit is the problem; I agree with the speakers who say we must get the deficit down, and everybody is concerned about getting the deficit down. It is important to get the deficit down. It is important to eliminate the deficit.

But let us talk about the deficit in context. The only way we are going to have a solution with the deficit problem is to deal with it in the context of a mismanaged economy. We have a mismanaged economy, an administration which is out of control. The deficit did not appear as a crisis overnight. The deficit was created by this administration, the super deficits.

When the Carter administration left office, we had a deficit of less than $75 billion, less than $75 billion. Now we have a deficit of more than $200 billion. It has run for several years more than $200 billion, with projections that the deficit at this level will probably continue if we do not take some extraordinary measures.

How did we get here? How did we get here? It was not by magic. It was not by the Democratic Members of the Congress, as we have heard before, spending.

We have the leadership of a new administration, a new President who said that you could at the same time you increase spending in megabucks, large increases for defense, decrease taxes. At the same time a family's income is going down, a family can run out and spend tremendous amounts of money on some chosen priority.

It is as simple as that. That is what the leader of this country decided to do, and that is why we went from a national debt of less than $1 trillion, to a national debt now approaching $2 trillion in such a short period of time, less than 5 years. It was not by magic. It was created by decisions made by the present administration.

I do not accept the charge that as a Congressman I am a big spender or spender at all. I have no pork barrel projects in my district. I do not have any factories manufacturing useless MX missiles in my district.

We are put in a position of having to defend ourselves against charges which are totally erroneous. The President of the United States at present has never submitted a balanced budget. The President of the United States on the other hand has submitted budgets which did have deficits in them. At the same time you had tremendous deficits in those budgets, this President has also made it clear that he wanted to cut certain kinds of programs. He has put zero in the budget for certain kinds of programs and still not achieved a deficit, but he has put zero in the budget, so we now what kinds of programs he wants to cut.

Here is the problem with Gramm-Rudman. Gramm-Rudman in the final analysis, the bottom line, is it hands the President the power to make the final budget cuts, to set the priorities for this Nation without the Congress participating in that final decisionmaking about what should be cut. The imperial Presidency is augmented greatly. Many of the Congressmen or most of the Congress might as well go home because a nation is defined by the way it sets its budget. We can have all kinds of ideologies, philosophies, differences, et cetera, but if we have no control over the budget, we are whistling in the wind, we cannot do very much about the problems, we cannot implement policies.

So if we hand the President the power to make the final decisions about the budget, then we have very little left to do here in the Congress. We are violating the principle of separation of powers, which is a basic flaw in the Gramm-Rudman bill, but there are other people who can argue that matter of constitutionality far better than I can.

Another problem, as has been pointed out by people who are economists and who can make the economic argument far better than I can is that it is bad economic policy, or it puts us in a straitjacket where we cannot deal with problems as they arrive, that if you have a situation in the next 5 years where we move into a recession, whether a deep recession or a light recession, that the option of being able to correct that by spending in certain areas is taken away. Not only is the option to spend taken away, but certainly the mandate to cut is there, so you must keep cutting regardless of what kind of revenue is being generated by the economy, you must keep cutting, so we will sink deeper and deeper into a depression if that process begins to start to take place.

That is one of the basic things wrong with taking the prerogatives of decisionmaking away from the Congress, and mandating that they must proceed in a certain way. That is a devastating blow to the prerogatives of both the President and the Congress. So it is bad economics, the results will probably be quite bad indeed.

The other thing, and I am moving toward the basic point that I want to make, is that the cuts that will be made by the President, the imperial President, with these powers, the same President who through his voodoo economics, the President's approach of cutting taxes at the same time you dramatically increase expenditures, that approach was labeled "voodoo economics" not by a Democrat, it was labeled "voodoo economics" by a candidate for President who later became the Vice President, Mr. BUSH. Voodoo economics is what we are the victims of, mismanagement of the economy via voodoo economics.

We must pay the price of voodoo economics. Voodoo economics has created a $2-trillion national debt. Voodoo economics has created a budget crisis in terms of a deficit which everybody has to be concerned with. Let us not forget where it came from.

So the creator of the problem will now have handed to him the authority to not only, not atone for the mistake that he has made in the past, he has not handled that responsibility, but he is handed new authority, he is given new authority to make cuts in those areas where he has already demonstrated great hostility. He has already demonstrated great hostility toward social programs, certain educational programs. They are going to be cut. Domestic programs will be cut dramatically by a President who says that is what he wants to cut. The goal of some of these policies and practices of voodoo economics has not been concealed. It is not a secret. We have been told again and again that one of the major goals for us is to shrink the amount of money available, to box in the Congress and the whole governmental establishment in a situation where the scarcity of resources, the scarcity of money would be so great that they would be forced to make the cuts in social programs and domestic programs. They would be forced to do it, because who dares to look at defense with an objective, analytical approach?

They did not expect that two men in the Senate who are responsible for the oversight of the Defense Establishment, the defense budget, would be willing to look at defense clearly, objectively, and say where the emperor has no clothes on and what is wrong. That has happened. That was not expected.

It is expected that only in the area where the hostility has been shown by this administration will the cuts take place if you squeeze the amount of money available for expenditures.

We are now in that position. Gramm-Rudman is the final coup de gras. It is going to take care of the situation and finish off the work that was begun with voodoo economics in 1981. What Gramm-Latta started, Gramm-Rudman will finish.

The bulk of the programs, as I said before, are programs which are most needed by people in this country who

depend on our Federal Government as the advocate of last resort.

Why must the Government stay in the business of advocating for certain groups? Why must the Federal Government remain in the position of providing aid to dependent children? Why must the Federal Government remain in the business of providing food stamps to the needy? Why must the Federal Government remain in the business of being the major financier of health care for the needy? Because if the Federal Government is not in the business, nobody else is going to do it. The local governments, the State governments, will not pick up what the Federal Government lays down.

The history of these programs is quite clear. We never had the kind of concern expressed at the State and the local level until the Federal Government got involved in the problem. There was no concern about health care on a scale that there should have been. There was no concern about education of the kind the Federal Government now finances. Those concerns are expressed through the collective wisdom of the American people, and the generosity as expressed by the collective wisdom of the American people, that is not expressed at the local level and many local governments rush to abandon programs once they have no Federal participation, and many local governments and many State governments would not be in the business of providing certain kinds of programs if there were no Federal participation. So the Federal participation is crucial. If you take that away, down the drain these programs go and the people dependent on them will go also.

Now, who cares about poor people? We are in a situation where this administration has indicated that it operates on the principle of triage, that we are unconsciously or consciously, it does not matter, if you get killed by a bullet accidentally, you are dead as you would be if the bullet is aimed at you. Whether it is consciously done or unconsciously done, the practice of triage is under way, and this administration has been very consistent with it. This administration has decreed silently behind the scenes that we shall throw overboard a certain segment of the population. We will not be concerned about unemployment as long as unemployment only affects about a tenth of the population.

The President made the statement once that if 9 people out of 10 are working, then why are you worried about the problem of unemployment?

I am sure the same thing is true if nine people have their stomachs full, why worry about the one person who is hungry, and on and on it goes. If nine are healthy, why worry about providing health care for the one that is sick.

That kind of reasoning is the driving force behind this administration. We are just going to throw overboard a certain segment of the population. We do not care.

It is very important I think for us to stop and think for a moment about the future of this Nation, the security of this Nation, the kind of ongoing long-term struggle that this Nation is engaged in. We are engaged in a long-term struggle which I think could be compared sometimes with the struggle between Athens and Sparta, ancient Athens and ancient Sparta. We, of course, are Athens because we have a democratic system. We believe in the worth of the individual. We extol the worth of the individual. We are philosophically, theoretically, committed to providing an opportunity for individuals. We are philosophically and theoretically committed to providing a vehicle for the democratic participation of individuals.

We have a great system, a great form of government, a great economic system, but if we do not hew to the theoretical and philosophical principles that we extol, if we do not see every individual as being of great value, if we do not see our citizenry, our own people, as being our primary resource, our people are a primary resource in this long-term struggle, then we are surely going to fail, just as ancient Athens did. They failed because they did not have the nerve to live up to their own principles. They failed because they did not really believe enough in democracy. They failed because they really did not believe enough in individuals.

We are going to fail if we are going to make the assumption that we can throw overboard a large segment of our population. We are going to fail if we assume that we do not need to educate everybody in this country, that it is big enough, great enough that we can have all we need. We can have the scientists, the superscientists that are responsible for the strategic defense initiative. We can have the technicians. We can have people at every level that we need without educating everybody. We can have an elitist education. We can just educate a few and do not bother to deal with the necessary funds that are needed and the reauthorization say of the Higher Education Act.

Let us cut back, begin to cut back on our commitment to higher education. We have already cut back drastically on our commitment to elementary and secondary, and vocational education. Let us continue to cut back.

Let us set aside certain classes of people and give them tax breaks, make certain that their parents are able to take care of them, and forget about the fact that we need in a society as complex as ours, everybody to be educated in order for him to do what he has to do a little better. We need in a society as complex as ours everybody to have knowledge and be able to deal with the very complex world that is changing rapidly.

It is important that we put more funds into the education of airline pilots. We are spending the maximum on the training and education of airline pilots, of plane pilots.

I am worried about the education of the person who lubricates, who provides the lubrication for the plane or who puts the gas in the plane, the necessary increase in education that is due at that level, just as it is in any undertaking of our society.

You need people at every level to have more education. You do not get that more education if you do not have a commitment to spend more money on education. Money will not necessarily solve the problem, but you certainly will not get the problem solved if you do not have the necessary money or necessary funds out there.

We seldom compare ourselves to the Soviet Union in terms of commitment to education. I think we ought to take a hard look at what they do in the number of scientists that they produce each year, the number of technicians that they produce at every level. We are engaged in a long-term struggle and our principal foe, is the Soviet Union. Let us study more carefully the resources that are committed to education. They are committing large amounts of resources to defense, to weapons systems also, but they are committing large amounts of resources to the development of people in their country.

Development of people means more than education, of course. They have to be healthy in order for them to get an education. They have to be getting enough to eat in order for them to concentrate in school.

Understanding that every individual is a valuable resource is the beginning of a process that is necessary if we are going to meet the challenge of a long-term struggle either with the Soviet Union as an ideological and philosophical foe or with our allies in the free world who are our commercial competition. We are not going to be able to compete commercially with Japan, with Germany, and with a number of other nations, unless we continue not only to theoretically and philosophically value the individual, but also in the implementation of our policy.

What does Gramm-Rudman do? Gramm-Rudman will cut very deeply into the commitment that we have made to education. The dollars for education will be cut drastically because they are out there. They do not have any contracts. If they have contracts, it is minuscule, the number of

contracts that are out there for education.

Gramm-Rudman says that the portion of any program that is contracted out will be protected. The President will not be able to cut in situations where there are contracts.

Well, in the domestic area when you are talking about education, health, or food stamps, aid to dependent children, there are no large numbers of contracts out there. They will not benefit from that particular provision of Gramm-Rudman. The great beneficiaries of that particular part of Gramm-Rudman would be the Defense Department, because already their major commitments, a large part of the budget, at least half the budget is committed in a way where contracts are involved. Weapons systems involve contracts. The building of new installations, new defense installations involves contracts.

I assure you that as we move through this process and Gramm-Rudman appears more and more to become a reality, that numerous contracts that are not made already in the Defense Department will be made and they will be in place by the time Gramm-Rudman is supposed to go into effect.

□ 1745

So I doubt if we are going to impact on any part of that budget except the parts where we probably should have the least impact, the salaries of the servicemen, the military pensions, whatever fringe benefits there are, services provided to the individuals. Again, the educational programs probably for servicemen. A number of things that should not be cut are going to be cut, even in the military.

That is what Gramm-Rudman will result in. Where we cannot make contracts, that is where the cut will fall, and because the cut has to meet a certain goal, $36 billion is it per year, because the goal must be reached, the cut will be heavier because of the fact that they cannot take cuts out of Social Security, cannot take cuts out of the interest on the debt, cannot take cuts in the area of defense where we have made contracts. So the cuts, where do they fall? They have to fall in the areas where there are not contracts, and those will be the areas like food stamps, the Pell grants, aid to higher education institutions, chapter I aid to elementary and secondary education, vocational education, and on and on it goes.

One of my colleagues recently brought a list of letters from various organizations dealing with the handicapped, dealing with certain kinds of disabling diseases, a number of groups that expressed a great deal of concern about Gramm-Rudman, and they are on target. They should be concerned, because their portion of the budget, the little amount that they have in the Federal budget will not be shielded or concealed in any way from these tremendous cuts.

Again, those groups that have been spoken of as special interest groups have only a tiny amount of the total Federal budget. It is almost immeasurable in many cases, the portion of the Federal budget that people who are in certain categories, disabling diseases, the handicapped, et cetera, have. What they are concerned about is the fact that if that tiny portion of the Federal budget, that almost immeasurable amount, is taken away they will have no recourse because foundations often base their funding on the fact that an agency or a program receives Federal funding. the judgments that they make about where they put their resources in many cases are made on the basis of what agencies are getting Federal funding.

I have already spoken about the fact that the State governments and the local governments often make their decisions, or they will not give any funds, unless they are giving funds as part of a matching grant program. So the stimulant, the dollars that are necessary to prime the pump, come from the Federal Government.

True, the Federal Government is not the basic source of funds for education, not by a long shot. We probably do not spend any more than 10 percent of the funds that are spent in this country for education, but the priming of the pump is very important in matters related to education, and the provision of funds that cannot provide it in any other way for themselves.

Remedial education under chapter I, it was for a long time understood that it was needed and the kinds of successes that chapter I has realized in this country have been documented by numerous studies. The successes of Head Start have been documented by numerous studies. It was realized long before the Federal Government began to fund Head Start that the earlier you get to a child to provide education, the more likely you are to have an impact on the total life of that child. That was realized long before we had Head Start. Until we had Head Start, with funding flowing from the Federal Government, there were no dollars out there to do large-scale experimentation. Certainly there were no dollars available in the poor communities to test out the theory of early childhood education and the benefits of early childhood education. The poor, the people who needed it most, did not get it until the Federal Government became involved.

In black communities, those communities that are predominantly poor and also the victims of racial segregation and racial oppression, there were no funds available to do the kinds of experimentation that Head Start has brought forward until we had the Federal funding.

So Gramm-Rudman will cut Head Start. Gramm-Rudman will cut Head Start dramatically. Gramm-Rudman will cut funds that are provided for college students who would never be able to go to college, unless they had the Federal assistance. That will be cut dramatically. And because of the fact that the goals must be met, the $36 billion or whatever additional goals are set, they must be met, and it means that people who are entitled, people who qualify, will also be cut. It does not matter that you need it.

Means-tested programs are included. One of the major amendments offered in the other body to the Gramm-Rudman bill, was an amendment to exempt means-tested programs, or programs where people have to prove that they are in need before they can get the service. I think it was a very intelligent amendment. Gramm-Rudman in general I think is a disaster, but if you have to have Gramm-Rudman, it certainly could be made more humane if we had an amendment which exempted the means-tested programs.

That was voted down. It was voted down and had to be voted down, because the philosophy, the ideology of this administration, is to eliminate these programs. That is the target. The last thing they want to do is exempt those programs which are ultimately the target of this effort.

More important than balancing the budget is the elimination of certain social and educational programs that are disliked for ideological reasons, not because they have such an overwhelming percentage of the Federal budget. When you look at the budget and you count up the domestic programs that we are talking about eliminating, those are not the ones that have the overwhelming percentage of the Federal budget. But because they are ideologically and philosophically unacceptable, because they are the reason we have Gramm-Rudman in the first place, the last thing that will be accepted is an exemption of these particular programs.

So Gramm-Rudman is bad for all of these reasons. It is bad for the country. It is constitutionally questionable and for a number of reasons it is a disaster, but my primary concern is that it is the final abandonment of the black people of this country. The black people of this country have been under attack since this administration came into power. The black people of this country have to endure an attempt to roll back the clock in areas not related to fiscal or budgetary matters. In areas related to civil rights, we have a situation now where the Attorney General of the United States is proposing to eliminate an affirmative-action order that we have lived with

for a number of years that has achieved a number of dramatic successes that I think most American people are ready to accept. But for ideological and philosophical reasons, an assault will now be attempted to roll back the affirmative action Executive order. That does not relate directly to budget and fiscal matters, but it does relate to the assault on the black community. It relates to the fact that those same people who have no jobs being provided by Federal employment programs, who have no jobs being provided by training programs, who are struggling and now have to struggle even more to get an education than they did before, those same people who are up against discrimination and always have been up against discrimination as a major factor, they will now have no protection in terms of law with respect to affirmative action.

A recent study done by the Community Service Society of New York City demonstrated the fact that large numbers of jobs were created in New York City over a 5-year period, and those jobs were not necessarily high technology jobs. Many of the jobs were entry level jobs, clerical jobs, secretarial jobs, jobs which the young black people of New York City could qualify for. But they found a pattern of discrimination which froze those people out, and most of the jobs that happened to be located in New York City went to people who came in from the suburbs, who happened to be white.

There are numerous reasons for this. One of them is the old pattern that all of us know so well, the old-boy, old-girl network, and now we have the young-boy, young-girl network. But anyway, if you know somebody who works somewhere, they have connections with the boss, if they are already in, then they reach out and they get other people that they know. So it is a social pattern. If there are no obligations to interview people and allow them to have an opportunity to objectively qualify for the jobs, then you have a problem.

So we have jobs being created. We have large numbers of people unemployed, and yet the jobs are going to people who live in the suburbs, while people who live close to those jobs are not able to get them, mostly for reasons related to discrimination.

The assault of Mr. Meese, the Attorney General, is therefore, a very deadly one in the black community. When you add to the fact that this administration has in various ways attempted to turn back the clock, with respect to the black community in matters of civil rights, in matters of employment and affirmative action, when you add to that Gramm-Rudman, which finishes them off in terms of budget and fiscal policy, then you have a concentration of this poison. This evil that Gramm-Rudman represents is concentrated and focused on the black community as nowhere else, and that is the reason I am here. We must sound the alarm and understand what we are doing to the population in the black community.

□ 1755

First of all, we must understand what we are doing to all of the poor people, and second and finally, we must understand that particularly the concentration of the impact of Gramm-Rudman will be in minority communities, black, Hispanics are just as bad off, but I am focusing on black communities because my district happens to be one of them. I am speaking primarily from that which I know best in my own constituency.

I think that Gramm-Rudman again, to return to my earlier statement, I think that Gramm-Rudman ought to be a discussion which has a much larger scope than the present narrow attempt to balance the budget with gimmicks. I think that Gramm-Rudman should be a discussion of the mismanaged economy and how we got where we are, and beyond that, Gramm-Rudman should be a discussion of priorities.

What is this Nation all about? What are our priorities? How do we deal with the long-term struggle that we are involved in? How do we first of all stay true to our own values in the budget decisions that we make?

For that reason, I would like to turn for a moment to a document which has been ignored, certainly in this House, certainly by the media, just for a few background statements. I would like to talk for a minute about the Catholic Bishops Pastoral Letter entitled "Catholic Social Teaching on the U.S. Economy." I am going to read just a few portions from that, because I think it undergirds what I am about to say.

We have a responsibility that is moral, idealogical, philosophic, and beyond that, I think we also have a responsibility to see what we are doing to our own national security, to our own population, and what the impact of that is going to be in the long run. Certainly the Catholic bishops are on target when they state that employment, above all employment is a moral concern, and ought to be an urgent concern in U.S. policy.

Let me just read a portion of that section on employment. I quote from the document:

> The most urgent priority for U.S. domestic economic policy is the creation of new jobs with adequate pay and decent working conditions. The prime goal must be to make it possible for everyone who is seeking a job to find employment which befits human dignity. By almost any measure for individuals, social, economic or political, the costs of unemployment are enormous. Current levels of unemployment are morally unjustified. Several criteria presented which can help shape an effective response to unemployment, efforts to generate employment should be aimed specifically at bringing marginalized persons into the labor force.

Marginalized persons, Mr. Speaker, are a large percentage of the unemployed in my district. They can be categorized as marginalized persons.

> It should give priority to long-term jobs. It should produce jobs and services needed by society. It should be as economically efficient as possible, and it should include both the private and the public sectors.

Then they have under a section called policy objectives:

> The Nation should make a major new policy commitment to achieve full employment, to reduce unemployment to the range of 3 percent or 4 percent.

And in this policy objective that the Catholic bishops are stating, they follow closely the existing Humphrey-Hawkins full employment bill which calls for our Government, our President to take certain actions when unemployment reaches 4 percent. Of course, unemployment is far above 4 percent. And most important of all, in certain areas which are impacted heavily by unemployment, in my district, the 12th Congressional District in Brooklyn, unemployment for adults is close to 20 percent, and unemployment for teenagers is close to 50 percent.

The policy objectives statement of the Catholic bishops continues:

> The Government should increase support for direct job creation programs targeted on the structurally unemployed.
>
> Three, job training and apprenticeship programs in the private sector supported jointly by business, labor and Government should be expanded.
>
> Four, local, State and national coalitions to press for job creation should be formed.
>
> Five, job placement services should be improved and expanded.

It goes on to discuss unemployment and poverty.

In other words, nothing is more central to both the improvement of our economy and also the improvement of the lives of individuals, the saving of the lives of individuals and family than employment, job creation.

In the most practical and specific terms, every economist argues that every increase in the number of employed people produces revenue which decreases or has the potential of decreasing the deficit.

Why do we not discuss unemployment, why do we not discuss a full-employment policy, or a policy that gets us as close to full employment as possible? Why do we not discuss that at the same time we are discussing ways to get ourselves out of the current mess that we are in with our mismanaged economy.

Gramm-Rudman is too narrow in scope. Gramm-Rudman might be helped a great deal, or the goals of

Gramm-Rudman to reduce the deficit and to help balance the budget might be helped a great deal if employment is increased, if job creation programs are increased. But this administration, for ideological and philosophical reasons refuses to expand programs for employment and programs for job training.

In another section of the Catholic bishops letter, they talk about employment further.

The most urgent priority of U.S. domestic economic policy is the creation of new jobs with adequate pay and decent working conditions. The prime goal must be to make it possible for everyone who is seeking a job to find employment which benefits human dignity.

As noted above, Pope John Paul II has written that human work is a key to the whole social question. There are many forms of work which express human dignity and contribute to society, not all of them in the formal job market. Homemakers, students, artists, and those whose lives are devoted to enhancing the spiritual life of the community deserve respect and support. Nevertheless, a job with adequate pay should be available to all who seek one, and a job with adequate pay produces taxes, it produces revenue for the Government. It eliminates and lessens the number of people who are in need of special help, the number of families that are in need of special help. It keep families together.

This is only one example of the numerous policies that should be discussed at the same time we are considering Gramm-Rudman.

I mention jobs because they are the cornerstone of any economic policy. We have sat by in this administration and watched jobs flow out of the country at an ever-increasing rate. We have seen plants closing down, manufacturing plants closing down at an ever-increasing rate. We have allowed our competitors to swindle us at the same time that they put enormous barriers up before American products and do not allow American products to be received as imports and sold widely in their own markets.

We allow them to swindle us and we keep the barriers down here in the name of free trade. Free trade should not be a swindle, and for its own reasons, and those reasons might relate to the fact that there are so many people that have left the Government and are on the payroll of some of these foreign exporters, the people who are sending products here and who know very well how to deal with our Government, and they have a large number of lobbyists, and large numbers of advisers who are on their payroll, some of them who recently came out of the present White House. So the mystery that exists around why we allow ourselves to be swindled by other governments and other economies that refuse to accept our products while they flood our markets, some of that mystery can be solved by taking a close look at the employment policies as relates to some former high-level officials in our own Government. They influence our policies and they keep us parroting a line which says that it is bad for our economy to have any policies which seek to protect the American workers. It is bad, it is unholy in the litany of free trade and the free economy, it is unholy, and for their own various reasons, they have sold us this bill of goods, and we are the victims of an ongoing swindle.

If we had a policy, if we were more concerned about employment, if we had a policy of full employment, some of this camouflage, some of this smokescreen that we have been forced to accept with respect to our own export and import policies, the fact that our balance of trade, you know, the money, we are hemorrhaging in terms of the amount of money that is flowing out of the country because we have a lopsided balance of trade. With Japan alone, I think the surplus on their side is $80 billion. That is, we are buying $80 billion more from the Japanese than we are selling to them because they are smart enough to put up barriers and keep our products out, while we let their lobbyists, the people that they pay to lobby for them tell us that we cannot put up any barriers here.

So numerous issues fold into this bigger issue of employment, and the inability or the refusal of our own Government to have an employment policy which addresses the basic problems in this economy. It you give people jobs, you eliminate a large part of the necessity of Government participation. If you give people a job, you eliminate a large number of problems. And if you give people jobs, you also increase revenue, and you will go on to eliminate a large part of the deficit.

The black community, the black people of the United States of America who are the primary victims of the policies of this administration so far, and who will be the victims of Gramm-Rudman, Gramm-Rudman will finish off that population that is already suffering so greatly, they would greatly benefit from a discussion and an implementation, development and implementation of a full-employment policy.

If we were to create jobs at the same time we are talking about Gramm-Rudman and talk about the improvement of our economy and the better management of our economy, we would instead of victimizing the black population of America, we would restore the kind of help that Government should give and is best able to give, and that is the help of having individuals develop a meaningful life because they are employed, they are able to make a contribution, and they are also able to take their fair share of providing revenue for this economy.

Mr. WALKER. Mr. Speaker, will the gentleman yield for some questions on the facts that he has stated during his speech?

Mr. OWENS. I will yield in just a moment. I just want to conclude, and then I will yield to questions.

I cannot stress too much the fact that Gramm-Rudman is a dangerous adventure. Gramm-Rudman is an attempt to stampede legislators who ought to know better. Gramm-Rudman is being developed in secrecy. It is an extraordinary process that is anti-Democratic, that is non-Democratic. The American people have no opportunity to participate in that, and because of that, instead of discussing what should be discussed, and that is the mismanagement of the American economy by this administration, and what steps we could take to correct the mismanagement of the economy, we are discussing merely how to make cuts. The only solution to the deficit problem we see is how to make cuts, and those cuts, in the final analysis, we are going to wire the situation, we are going to rig the game in a way which guarantees that most of those cuts are going to be made in ways which hurt the poor people of this Nation the most, which hurt the black communities, the black populace of this Nation the most.

For that reason, Gramm-Rudman should be opposed. Gramm-Rudman should not be passed. Gramm-Rudman should be seen for what it is: An attempt to stampede people who should know better, and we should withdraw it and develop an alternative plan within a timetable.

Why are we in such a hurry? Let us have a timetable that allows full participation of the American people.

I will support a balanced budget, a policy which calls for a balanced budget. I would be happy to support it. A lot of Democrats would support a balanced budget. A lot of Democrats from communities and districts like mine would support a policy which called for a balanced budget, because the abuses of the budget in the past certainly have not been in the area of social programs.

If a dime is appropriated for any social program, or any educational program on this floor, that appropriation of that dime will have the maximum discussion. We will come in with a rule which is an open rule allowing endless amendments whenever social programs are discussed on this floor, whenever they are discussed, either in terms of authorizing or in terms of appropriating, and they always have maximum discussion. Never is anything done in secret, and for that reason, there are very few abuses that have taken place with respect to social programs.

I know the myth the social programs had dollars thrown at them, and they took a great part of it, they sucked money out of the economy, et cetera. It is a myth. When you look at the facts, when you look at the proportions, the dollars that were appropriated, the small proportion of the total Federal budget that was taken by these programs, you see that that is all it is, is a myth, and social programs have not hurt the economy that much, social programs are not the cause of the deficit.

□ 1810

On the other hand, when certain other kinds of programs are discussed, we come with closed rules. With the prerogatives of certain committees, you find items added so that you have pork barrel projects appearing in the districts of the most powerful committee chairpersons, and the ranking members in their districts.

So the kinds of things that have gone on which have abused the budget, have not helped at all in my community, in my constituency; so I have no problem with a balanced budget policy, a process which would achieve a balanced budget; an open process where the American people can see what the priorities are, an open process where we move to correct the mismanagement of the economy. I welcome that. That would be a great alternative, a worthy alternative to the Gramm-Rudman stampede process that is now under way.

Let us deal with a deliberative process which takes into consideration the total problem. The problem of mismanagement of the economy, and lay aside the Gramm-Rudman proposal as a centerpiece for the discussion. It is a dangerous centerpiece, and will only lead us down the path to making disasterous decisions.

I yield to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. I thank the gentleman for yielding. He has made a number of statements that I just would like to raise some questions about, and I have a whole series of them here, and I do not think probably in the time left that we may get to all of them; I am hopeful maybe the gentleman will stick around.

I have some time and I would like to pose some of these questions, and I do not want to do it in a way that the gentleman would not have a chance to to respond.

Mr. OWENS. Reclaiming my time, I will take the gentleman's most significant questions, by his priority.

Mr. WALKER. There are a number of them.

First of all, the gentleman has said that the process is going forward in secret. Now, does the gentleman have information that I do not? It is my understanding that the conference is wholly open; that today there were some 250 people in there, some 15 television cameras, a number of radio stations, major newspapers; that in fact the conference is going on in full view of the public.

Does the gentleman have information different than that?

Mr. OWENS. Yes; when will they have the first hearing?

Mr. WALKER. Well, they have already held hearings. There have been a number of hearings already. The gentleman stated that——

Mr. OWENS. No; Gramm-Rudman has not had a single public hearing.

Mr. WALKER. The gentleman is wrong on that point. The Government Operations Committee has held hearings on Gramm-Rudman. Some of the statements coming from your side——

Mr. OWENS. No, no; the Government Operations Committee has not had hearings on Gramm-Rudman.

Mr. WALKER. The Legislation and National Security Subcommittee the other day held a hearing on this; they brought people in to talk about the Gramm-Rudman approach; the conference committee itself has held hearings, brought people in.

The fact is——

Mr. OWENS. What day did they have hearings? The conference committee?

Mr. WALKER. The conference committee has been bringing people in to listen to them. As a matter of fact, some of the people on your side have been delighting here recently in quoting the Nobel Prize winner who called the Gramm-Rudman plan a mickey-mouse plan or something like that——

Mr. OWENS. He did not do that at a hearing?

Mr. WALKER. Yes; he did. He said that at a hearing—I am not certain which committee hearing that was——

Mr. OWENS. A Gramm-Rudman hearing?

Mr. WALKER. But it was said in the course of a congressional hearing.

Mr. OWENS. If the gentleman would give us a schedule of those hearings, we could let the American people know when the hearings are taking place, and——

Mr. WALKER. This gentleman does not happen to serve on the conference committee; he is simply telling the gentleman from New York——

Mr. OWENS. The gentleman seems to be quite knowledgeable about what is going on, so why does he not share the information, and we can all go to the hearing?

Mr. WALKER. I am telling the gentleman where some of these are being held, and I would say to the gentleman, I just want to make certain that when he makes these statements that he in fact is factual. It is not proceeding in secret; it is proceeding in the open and there are hearings taking place.

Mr. OWENS. As far as I know, what I said is factual.

What I said was factual; I have heard nothing to the contrary yet.

Mr. WALKER. Well, I am telling the gentleman something to the contrary, and I hope the gentleman will go back and check his facts.

Mr. OWENS. What date and what time are the hearings being held?

Mr. WALKER. Well, I would ask the gentleman to go back and check his facts, because indeed hearings have been held over the last few days, and indeed they are being held by the conference committee; the conference committee has split up into task forces at the present time in order to hear a whole variety of witnesses dealing with some of the criticisms of the proposals so in fact there is a process going forward that at least comes up.

I would also say to the gentleman——

Mr. OWENS. I welcome the gentleman's information. I hope the process will go forward. I have a lot of suggestions about where hearings should be held, and I hope that they will honor some of those suggestions.

Mr. WALKER. I would also say to the gentleman that he ought not raise the question of the hearings process with the people on this side of the aisle who are the supporters of Gramm-Rudman.

The fact is that it is the Democratic leadership who made the decision to go to conference rather than take the procedure which would allow them to take this bill to the Rules Committee, and in the Rules Committee they could have certainly held hearings.

But instead, the decision was made to proceed directly to conference rather than give the House the opportunity of going through the regular processes that the gentleman seems to endorse.

Mr. OWENS. The gentleman is misinformed.

Mr. WALKER. I would suggest the gentleman may want to take that up with his own leadership.

Mr. OWENS. I reclaim my time. The gentleman is misinformed. I did not criticize the people on that side of the aisle; I did not single out any side of the aisle for criticism.

I say the whole process is extraordinary, antidemocratic; it should not be going forward, whoever bears the blame for it should accept it.

Mr. WALKER. Well, once again, it was the people who tend, though, now to be opposing this approach who were the people who decided on the direction that we go. So to hear, then, the opponents then say that the process is a wrong process having determined the process themselves, it seems to me is somewhat disingenuous.

Mr. OWENS. Has the gentleman asked me to yield for questions? Do you have a question?

Mr. WALKER. Yes; I have another question. The gentleman said that the President has not submitted a series of statements, or a balanced budget; he has not submitted any programs for reductions; the President——

Mr. OWENS. No; I did not say that. I said the President has never submitted a balanced budget.

Mr. WALKER. Well, that is wrong. The President in his very first budget——

Mr. OWENS. He submitted a balanced budget?

Mr. WALKER. Yes; the very first budget.

Mr. OWENS. When did he submit one?

Mr. WALKER. The very first budget the President sent up here was a balanced budget, which was rejected out-of-hand by the Congress. The very first one, soon after he came into office was rejected out-of-hand by the Congress.

Mr. OWENS. He was hurt, and since then all the budgets he has sent, he refused to have them in balance?

Mr. WALKER. The President has not submitted a balanced budget since then, although the President has submitted budgets since then that have called for dramatic program cuts, none of which the Congress has decided to take.

This year, for example, the President submitted 20 program eliminations; eliminations of programs like Amtrak and some of these kinds of things, that serve basically people who make $30,000 and $40,000 a year. Not one of those program eliminations was agreed to by this Congress.

It seems to me that once again Congress has not——

Mr. OWENS. Reclaiming my time. The gentleman was correcting me on the issue of the President submitting a balanced budget. The gentleman says he submitted one.

Mr. WALKER. Yes; that is correct.

Mr. OWENS. I will accept that. How many budgets has the present President submitted, and has he ever submitted a budget that did not have a deficit over $100 billion? Except for the first one.

Mr. WALKER. Well, if the gentleman will yield further, as I said to the gentleman in his earliest budget submission, that was rejected out-of-hand by the Congress——

Mr. OWENS. I will accept that as fact even though I will have to check it, if the gentleman says so.

How many budgets has he submitted since then, and has he submitted one that did not have a deficit of under $100 billion?

Mr. WALKER. And the gentleman is absolutely correct; the President's budget deficits have come up, but let me——

Mr. OWENS. They have been above $100 billion, have they not?

Mr. WALKER. That is exactly right.

Mr. OWENS. The President has submitted budgets with deficits above $100 billion.

Mr. WALKER. And Congress has never yet cut back on what the President submitted. The Congress has the authority to do something—we do not have to accept the President's figures; we do not have to accept his deficit figures.

Mr. OWENS. Was there ever another President who submitted such enormous deficits to the Congress? In peacetime? Nonwar?

Mr. WALKER. In terms of percentage of gross national product, the answer to your question is yes.

Mr. OWENS. I did not say in terms of percentage of gross national product.

Mr. WALKER. Well, that is a major——

Mr. OWENS. Because the gross national product is not helping us to reduce the deficit. We have an enormous debt, enormous interest on that debt——

Mr. WALKER. Oh, sure it is.

Mr. OWENS. And the gross national product is not relevant, obviously, because it does not bring that down. So why introduce a factor like gross national product?

Mr. WALKER. If the gentleman would yield, one of the reasons why we have major deficits today is because we had a declining gross national product in the early eighties.

The fact is that we had an economy that was in decline; that obviously produces major dislocations in terms of Government revenues, in terms of the ability of the economy to sustain any kind of Government spending.

Mr. OWENS. The gentleman is saying that the President should not have reduced revenues so drastically?

Mr. WALKER. Oh, I think the President needed to reduce revenues drastically in order to get the economy growing again. When we were taxing at the rate that the gentleman wants to tax, evidently, we had an economy that was in an absolute decline.

Mr. OWENS. Did the President achieve his goal of getting the economy going again to the point where it generated the revenues that would balance off the deficit?

Mr. WALKER. Well, if the gentleman would yield, if the gentleman would yield, instead of having a decling GNP at the present time, we have an advancing GNP. We are growing again instead of declining, as an economy. That certainly is a success.

Mr. OWENS. And how is that reducing the deficit?

Mr. WALKER. Well, for one thing, we have generated, I would say to the gentleman, 25 percent more revenues in just the last 2 years than we were generating before.

Mr. OWENS. And how is that reducing the deficit?

Mr. WALKER. Well, more revenues coming into the Federal Government as a result of economic growth has certainly helped reduce deficits.

The problem is——

Mr. OWENS. Why is the deficit going down then?

Mr. WALKER. Well, because Congress continues to spend at a greater rate than the increased revenues. Last year, for example, I would say to the gentleman, between March and March, you had an 11-percent increase in revenues to the Federal Government. That is a rate almost three times the rate of inflation.

So in fact we had revenues coming in at a very, very large rate. The problem is that Congress was spending at a rate of 12 percent, and so we are spending at a greater rate out of this Congress than we are collecting revenues, even though revenues are at three times the rate of the growth of the economy.

Mr. OWENS. Did I hear the gentleman say——

Mr. WALKER. Rate of inflation.

Mr. OWENS. Did I hear the gentleman say that we had an increase of $25 billion in revenue?

Mr. WALKER. No; we have an increase of 25 percent. Revenues have gone up during the period of time from 1983 through fiscal year 1985 by 25 percent, in a 2-year period. That is a tremendous amount of growth of revenue for one——

Mr. OWENS. From what to what? From 1980——

Mr. WALKER. No; from 1983——

Mr. OWENS. Reduced it drastically, and now the gentleman is telling me that we have a tremendous growth.

Mr. WALKER. Yes.

Mr. OWENS. After reducing it.

Now we have gotten back to where we were?

Mr. WALKER. Absolutely.

Mr. OWENS. Before the reduction, and——

Mr. WALKER. We are way over the revenues that we were collection in 1980, I would say to the gentleman.

□ 1820

In fact, we are collecting the same percentage of revenues when you compare it to GNP as we were in that period of time. We used to collect, under the old system, about 18 percent of our gross national product in Federal revenues. That is what we are getting today. The revenue base of this country has not declined. The problem is that in spending, instead of being at a 20-percent level where it was just a few years ago, spending has gone up to a 25-percent level. So that the problem

in our deficits is the fact that spending has increased from 20 percent of GNP up to 25 percent of GNP while the revenue base has remained relatively stable. But the revenue base is not declining, I would say to the gentleman, it has been expanding in terms of dollars coming into the Federal Government.

Mr. OWENS. The spending has increased, I would agree. I am all in favor of decreasing the spending in the areas where it has so dramatically increased. It has increased mostly in the area of defense. The gentleman is criticizing the President's program to drastically increase the defense expenditures.

Mr. WALKER. If the gentleman would yield again, in this particular budget year of course we have frozen defense spending.

Does the gentleman——

Mr. OWENS. Finally frozen it, but not the President, he did not freeze it, we froze it.

Mr. WALKER. Exactly. The President eventually agreed to that.

Mr. OWENS. But a responsible Congress had to freeze it.

Mr. WALKER. Does the gentleman contend that we ought to cut defense more than that, that we ought to have real cuts in defense spending instead of just freezing? Is the gentleman advocating that we ought to take and now go in and cut, in absolute terms, the defense budget?

Mr. OWENS. If I may reclaim my time, absolutely, we should cut the defense budget. That is the place where you have the largest amount of money. We should have weapons that are defunct or weapon systems that are questionable like the Sergeant York gun cut out.

Mr. WALKER. We already cut that out.

Mr. OWENS. We should give up on the MX missile, which has been agreed by military experts does not add to our defense, certainly not in proportion to its tremendous cost. We should listen to the gentleman from the other body that our defense apparatus and establishment is mismanaged. We should look to making managerial changes, changes in the way the services operate, changes in the amount of money and resources we commit to modernization. There are a number of things that can be done that do not cost as much as some of the systems we have under contract and underway at this point.

We do not need to spend as much money as rapidly as possible, even if you accept the necessity for a strategic defense initiative. You know, the Congressional Black Caucus budget, its alternative budget, recognized that here is an area where certainly research should go forward, but we do not need to put as much in the budget as we have put in. We cut it because we know you cannot spend money that rapidly and spend it wisely. The history of the Defense Department under this administration is that they have been throwing dollars at problems and not getting the kind of results that we have paid for. So we should spend at a slower rate, we should set our priorities more carefully, and we can realize considerable savings in the area of defense where the great expenditures are being made.

It has been interesting to talk to the gentleman. He always has lots of words and lots of statements. I assume most of them are factual. But I would like to conclude at this time, Mr. Speaker, and say that Gramm-Rudman is a disaster and it should be defeated if ever it comes back to the floor.

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

ORDER OF BUSINESS

Mr. HUNTER. Mr. Speaker, I ask unanimous consent that my special order may be called at this time.

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

There was no objection.

STRATEGIC DEFENSE INITIATIVE IS TRULY A REAGAN INITIATIVE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. HUNTER] is recognized for 60 minutes.

Mr. HUNTER. Mr. Speaker, "isn't it better to save lives than to avenge them?" President Reagan made these remarks, made this statement, in opening his strategic defense initiative speech on March 23, 1983, and with that speech gave new hope not only to the United States but to all of the democracies of the world for a chance to escape the situation that we have lived in for some 30 to 40 years, that situation in which we relied on a mutual terror, that is, mutual assured destruction, to preserve the peace.

You know, it has been said by a lot of defense experts that President Reagan has not really come up with any new defense programs. They have pointed out that the MX missile was Jimmy Carter's program, the B-1 bomber development initially started under the administration of Richard Nixon, and on a number of other weapon systems that we are producing at this time, they really began under other administrations and have evolved to the point where we are just now producing them under the Reagan administration.

But, Mr. President, it can truly be said that this in fact is your program, this very meaningful program that has great import to the Western World, the strategic defense initiative, it is a chance for us to utilize the one ace in the hole the Western World has had for the last 30 or 40 years, and that is their technology to defend their freedoms.

You have been the leader in this, and by bringing forth this program you have been able to do something that other Presidents have not been able to do for many years, and that is to really get the attention of the Soviet Union.

Mr. President, we are worried that you may make some concessions before the summit conference, during the summit conference or afterward that may, to some degree, give away or surrender some of the advantages that the United States can find under the strategic defense initiative. We want to talk about a few of those tonight. We want to talk about some of the important elements of the strategic defense initiative.

I would like to yield at this time to my friend from Arizona to see if he has any statements he would like to make to start off with.

Mr. RUDD. I thank my friend and colleague from California for yielding. I have a lot to say about this, but I will keep it very brief. We are involved in a last-ditch operation to preserve freedom in our country, in my estimation, and it all relates to the strategic defense initiative at the moment. So, Mr. Speaker, I would ask the President of the United States to hold firm. I recognize that the flames of pressure are singeing him constantly in an effort to try to put this, the strategic defense initiative, in as a bargaining chip or as a part of the negotiations with the Soviet Union with regard to arms reduction.

I plead with you, Mr. President, not to use this in any way along those lines. The only reason we are at the bargaining table today is because this strategic defense initiative has been brought forth as something that we intend to do on behalf of our country and in defense of our country, and I ask you not to do that.

So let me enumerate some of the actions for the benefit of the people, some of the actions that are involved and surround the strategic defense initiative.

First of all, what has happened here in Congress? The President initially asked for a strategic defense initiative in 1984, his initial request was cut by $1 billion, from $3.72 billion to $2.75 billion. The heavy pressure continues in the House and in the Senate to cut that funding even further. I hope that the public will become aware of the very meritorious actions that the strategic defense initiative has brought forth and will help the President and insist on the Congress providing suffi-

cient funds for this. Let me tell you what the Soviets have done.

The Soviets are launching an all-out propaganda campaign to stop the SDI Program, and it is estimated and indicated that the Soviets will spend more time and money trying to derail SDI than they did in trying to undermine the deployment of the Pershing and cruise missiles in Europe back in 1983.

The Soviets are working on their own SDI development and have been for perhaps a dozen years. So they are well ahead of us in this order.

While the Soviets continue to denounce America's continuous militarization of space, in their words, they are simultaneously upgrading their Moscow antiballistic missile system, deploying antiballistic missiles, surface-to-air missiles, constructing phased array radars in violation, I might say, of the SALT I Treaty, and investing many billions of dollars, perhaps more than $2 billion annually, in laser research alone.

Now, with regard to what has happened on the domestic scene here, Mr. Speaker, and I relay this to my colleague and friend from California, a number in the so-called peace movement organizations are opposing SDI. SDI opponents are having a lot of difficulty justifying their opposition to this initiative since they argue against a defensive system which, in essence, means a continuation of the status quo of the mutually assured destruction, or MAD, theme, if they would destroy SDI.

These contradictions are undermining the own positions of the so-called peace movement organizations and even undermining public support of their freeze movement.

With regard to the media, let me say this: There are segments of the media which have praised the Soviet leader Gorbachev's recent offering of reducing nuclear weapons on both sides by 50 percent as a bold, new initiative. Conveniently, they forget at the same time that President Reagan made a similar offer 3 years ago which the Soviets flatly rejected in order for them to continue their offensive, nuclear modernization.

This is another reason why they are at the bargaining table today, because they ignored that and they now are concerned about anything we might be doing in SDI.

Certain segments of the media have refused to acknowledge that the Soviets are violating the ABM Treaty and that we are strategically no better off today than we were in 1972 when the ABM Treaty was ratified. Because of technological advances, ABM could not possibly apply to the offensive nuclear missile capabilities which exist today. With regard to public awareness, let me just quickly enumerate for the benefit of the people of this country what SDI is all about and the positive side of it.

SDI is purely defensive, and it is our constitutional mandate to protect you, the citizens, the citizens of this country.

Second, SDI kills Soviet missiles and in the postlaunch or boost phase with nonnuclear methods.

Another reason, and I will just clock these off, Mr. Speaker, SDI saves lives. It does not avenge them as under the MAD theory. SDI is a defensive reaction to the Soviet offensive buildup after the ABM Treaty was signed by the Soviets who declared the world would be a safer place, and yet today they have three times the arsenal that they had back in 1972 when the treaty was signed.

So we do not live in a safer world.

SDI research and development does not legally violate any of the terms of the ABM Treaty. Discussion of SDI has already contributed to the arms negotiations, as I previously stated, because it is SDI which brought the Soviets back to the arms talks and negotiations and brought them back in a serious vein for negotiations.

SDI does not help fight a better war; it helps build a better peace. Unless we commit ourselves to defense against the real Soviet offensive threat and take the necessary steps to push forward with SDI research and development, we do not deserve to continue as a free nation.

Let me tell you that we will not continue as a free nation. Public opinion shows that in 1985 the indication was that 90 percent of the people of this country support deployment of SDI and its systems as a shield against Soviet long-range offensive weaponry; 76 percent of the people feel that committing 2 percent of the entire defense budget to SDI is fiscally responsible and therefore acceptable.

□ 1835

This is for the benefit of the people and, hopefully, for the benefit of the Members of Congress who will vote on this initiative from this moment forward.

I thank the gentleman from California for taking this special order. It is a tribute to him and his concern for this, and his concerns, and my concerns, and the concerns of a number of other Members of Congress that the President might be pushed into negotiating a part or putting this SDI initiative on the table as a part of the negotiating. It does not belong there; it was not agreed to in the original arms control setup, and it is the only reason we are there with the Soviets today, so it should not be a part of this negotiation. Mr. President, I plead with you not to use this as a part of the negotiations.

Mr. HUNTER. I thank the gentleman for his statement and I thank him for his participation in this special order.

Let me just say there are a number of reasons why we should hang tough with our SDI Program and the President should not be interested in surrendering any parts of that program to the Soviet Union at this time.

No. 1, we should not adopt an interpretation of the ABM Treaty that is more conservative than the interpretation that the Soviets have adopted.

Let me just explain that. The Soviet Union has built a radar at Krasnoyarsk that most of our experts say, because it is located in the interior of the country and it is in a situation where it can be used for battle management, it has been deemed to be a violation by most experts, not just those who support the SDI Treaty but those who oppose the SDI Program. It has been deemed to be a violation of the ABM Treaty. The Soviets have done that. They have not apologized for it. They have not indicated that they are going to stop work on it, that they are going to dismantle it, or anything else. And yet, apparently, over the last several weeks this country has become involved in an exercise of torturing ourselves over the limitations of the ABM Treaty and in fact we have now two interpretations that have been offered, one by an analyst who was asked to do an analysis of the ABM Treaty by the Department of Defense. After his analysis, the Secretary of State asked another expert to analyze the treaty. Both analyses came to the conclusion that in fact some of the more exotic equipment that could be used for strategic defense initiatives—and we are talking about lasers, particle beam weapons, and things of that sort—in fact could be developed and could be deployed, at least according to one interpretation, under the treaty as it stands. They claim that in reading the record of the ABM Treaty our negotiators back in the early 1970's tried to convince the Soviet negotiators that we should lock out even futuristic types of weaponry, and the Soviets refused to go that far. So the Soviets built in this exclusion in the treaty. But now we have people in the administration and people who are urging this administration to adopt a more constrictive interpretation of the treaty than the Soviet Union has adopted itself. We cannot have an adoption of the ABM Treaty that is going to give us tighter constraints that the Soviet Union gives itself under the treaty.

I yield to my friend, the gentleman from Arizona.

Mr. RUDD. I thank the gentleman for yielding. What the gentleman is saying is: Let's face reality, let's face facts.

I know the gentleman is an admirer of the very distinguished scientist, Dr.

Edward Teller. I just remind my colleague that Dr. Teller has faced facts throughout his life, throughout his career. An example of this is the development of the hydrogen bomb. Dr. Teller was a lone voice in the development of the bomb. Everyone else said, "We don't dare develop this bomb," and the other scientists were all opposed to him, saying, "We should not develop this because it will encourage the Soviets to develop it." But Dr. Teller professed reason, projected reason, and the hydrogen bomb was built. Then we found out that the Soviets really had that hydroben bomb concomitantly and at the same time that we developed it. They were with us or either very shortly behind us on the hydrogen bomb. Dr. Teller today is a proponent of SDI. Again in the scientific world he becomes a lone voice. Thank God for Dr. Teller.

I just want to remind my colleague of his admiration for Dr. Teller, which I know he has.

Mr. HUNTER. I thank the gentleman. I think the debate that he is referring to in the early 1950's is the Oppenheimer-Teller debate, when Dr. Oppenheimer said that we should not develop the hydrogen bomb because it would provoke the Russians into developing their own. Dr. Teller retorted that he thought that they were already developing their own and, sure enough, shortly after we tested, they tested.

Mr. RUDD. The gentleman is correct.

Mr. HUNTER. And that goes to another point. In January 1985, speaking in Madrid, a Soviet scientist, Bashov asserted: "Moscow would have no difficulty in duplicating the American Star Wars Program."

Dr. Teller says, "I suspect that Bashov's confidence arises from his knowledge that the so-called duplication is already completed."

Let me give another reason why the United States should hang tough with SDI and why we should not surrender any parts of our SDI Program.

No. 1, it puts the security of the free world back into our own hands. Even though we have a policy now of mutually assured destruction, that policy is based on the rationality, the presumed rationality of Soviet leaders. We are hoping, we are praying that we are not going to be faced with Soviet leaders who would be willing to take enormous casualties in their country in return for devastating the United States of America. And we hope that that will never occur. But if we have a defensive system, if we are able to knock those missiles out before they can arrive in the United States, then our security is not in their hands and it is not dependent on the Soviet Union having a succession of very stable leaders, something that I do not think we can depend upon.

Another thing we have to remember is that SDI is inspiring our European allies to investigate the issues and the questions of their own self-defense. Under the ABM agreement, ATBM's are allowed, that is, antitheater ballistic missile systems. That means right now they can develop SDI systems or defense systems against slow-moving theater ballistic missiles, and that is the main type of missile that faces Western Europe right now. For example, the SS-20's. They can do that.

I think that for that reason an SDI Program, a sharing of information and going forward with the entire Western World, moving forward together, is going to bring the allies together, not drive them apart.

I yield to my friend from Texas.

Mr. BARTON of Texas. I thank my colleague from California for yielding. I want to commend him for conducting this special order. This is a very important subject, especially considering the President will soon be meeting with Gorbachev in Geneva.

Although I am an engineer, I am not a real technical person, and I do not pretend to know all of the technical reasons for and against the strategic defense initiative. But I look at this in a little more simplistic fashion. What we have today, we have a situation called mutual assured destruction, where the Soviet Union has got an offensive nuclear arsenal, the United States has got an offensive nuclear arsenal, and we depend on the ability to annihilate each other to keep either side from pulling the trigger, so to speak.

Mr. HUNTER. That is right. We called it mutual terror.

Mr. BARTON of Texas. Mutual terror. And so far that has worked. But it is beginning to get to the point where there are those who believe that the Soviet Union, because they have moved ahead with their own strategic defense program, has the ability to negate our offensive capability. As President Reagan said in 1983, when he announced the strategic defense initiative, if we have the ability to make offensive nuclear weapons obsolete, we have an obligation to do that. I support the strategic defense initiative. I voted for full funding. I consider this not to be a bargaining chip. I consider it to be the most important defensive program that we are currently pursuing. Let me state why.

Right now, when I go to bed each night and I tuck my children into bed, the only thing that I have that I feel comfortable with is knowing that I am going to wake up the next morning, and my children are going to wake up the next morning, and we still have this mutual terror. But if we had the ability to make sure that even if the Soviets decided to pull the trigger it would not work, why should we not do that? I think we should. I would encourage the President, if he were in this Chamber this evening, to say, "Mr. Chairman, do not use this as a bargaining chip, because this is so important." We have, possibly, if research proves that we can implement this system, we have the ability to once and for all render nuclear war obsolete. Let us go ahead and do it.

To use a football analogy—and in my State, football is very important.

Mr. HUNTER. It used to be.

Mr. BARTON of Texas. It still is. But right now we have two offensive teams on the field. Both teams, since there is no defense, has the ability to score touchdowns. Consequently, neither team tries to score touchdowns, but if the Soviet Union puts a defensive team on the field, they may decide to go ahead and begin to score touchdowns because they know they can keep us from scoring touchdowns.

Now, in the history of warfare, to every offensive action there has at some point in time been an equal and opposite defensive reaction, whether you are talking about building moats around castles or walls around cities. We have at least the potential to research a defensive system that would prohibit the Soviet Union from even contemplating a first strike.

I do not think it has to be 100 percent effective. If it is 80 percent effective or 70 percent effective, if it is in any way a high degree of probability that it will be effective, then we ought to build it. We are not yet at that stage to know whether we should build it. We need, as I understand it, 2 or 3 more years of research. But we should certainly go ahead and do that research. And until we have done it and until we know whether it is implementable, whether it is effective, we should not even consider it as a bargaining chip. It is so important.

So I would tell the President, if I could, "Mr. President, go to Geneva, try to get the Soviets to negotiate a meaningful arms reduction, try to get the Soviets to negotiate in good faith, but, for heavens sake, do not negotiate away the only thing that we have that may actually be able, in the long run, to prevent nuclear war."

I know my colleague from California is of that opinion, my colleague from Arizona is of that opinion. I think the American people are of that opinion. In my district, strategic defense initiative has got an 85-percent approval rating right now, because where I come from people realize that you cannot always trust the other guy. You have to have the ability to defend yourself. And we should not negotiate this away until we know whether it will work or not and until we know that the Soviet Union will trust us and work with us to reduce their nuclear arms.

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Mr. HUNTER. I thank the gentleman for his remarks, and I think his observations are very good. In reflecting upon what we have to rely on in the Soviet leadership, while we have some new style and a few new suits in the wardrobe of the Soviet leader, we still have a system that resulted in Major Nicholson lying in East Germany, suffocating on his own blood, while the East German officers refused to allow anybody to give him medical help. That type of a system I think holds little promise for Americans who are relying on the mercy of the Soviet Union in preventing a nuclear war.

I want to yield in a second to my good friend from Ohio, Mr. KASICH, but I want to say just one thing before I do that, and that is that any American President, when he negotiates with a foreign power, really has two negotiating sessions. The Soviet leader only has one negotiating session. That is when he negotiates with the President of the United States. But the President of the United States has two negotiating sessions. The first negotiating session takes many months. It precedes the summit, it always precedes the summit, and it takes maybe 4, 5, or 6 months. In that negotiating session he negotiates with the press, he negotiates with Congress, and he negotiates with our allies. He is forced to talk with them and to talk about them and to talk to their concerns. If the Soviets are lucky, during that first negotiating session he gives up valuable things that they then do not even have to deal with in the second negotiating session when he meets them face to face. I know a lot of people predicted that there would be pressure on this President, before he even got to the summit with Mr. Gorbachev, to start giving up things. And I thought, "Well, that is not going to happen." And, sure enough, last week, when we had an interpretation of the ABM agreement, which looks to me to be absolutely accurate, to the effect that we did not agree with the Soviets, in fact, they did not agree with us in the early 1970's to ban futuristic systems, at least the development, if not the deployment, of futuristic systems, and the President, after being pressured by the State Department, allowed that even though that was not the law under ABM, as matter of Presidential policy he would allow himself to be constrained, already taking on constraints that the Soviet Union has no intention of taking on for themselves.

□ 1850

Mr. Speaker, I now yield to the gentleman from Ohio [Mr. KASICH].

Mr. KASICH. I thank the gentleman for yielding.

Mr. Speaker, I want to commend the gentleman for his work on SDI. He really has had a futuristic look at SDI. In fact, it was not long ago I remember him telling me how he wanted me to sit down with his brother who is one of the fine scientists in this country who is familiar with the kind of technological capabilities that we have in this country, and I have got to tell the gentleman that I had the great pleasure of having Jim Abramson in my district. He was able to attend Batell, which is in my district, one of the Nation's great research institutes.

He was able to attend the session at Ohio State University with people from the strategic studies area of Merchon, and these are people who are thinkers in defense policy. I was able to make a speech to the Columbus Council on World Affairs where he took a number of questions from people in the audience who were trying to gain an understanding of what SDI is all about. I had an opportunity to meet with a variety of people who really want to know can SDI work.

Now, I happened to catch the very beginning of the gentleman's special order where he talks about our current policy of MAD—mutual assured destruction. That of course being the idea that you will not blow us up if we can blow you up, so therefore, if we have enough weapons to blow you up, you will not think about blowing us up.

Let me say this to the gentleman. I an sure he finds this interesting. In 1972, when we negotiated the ABM Treaty, it was negotiated under the philosophy that if we limit the amount of defenses that we have in the country to one site; the Soviet Union has decided to deploy an ABM system around Moscow and we limited ourselves of course to one under that treaty, if you only have very limited defenses and only affecting one site, there would be no incentive to build a great number and stockpile or develop new nuclear weapons, would there? Because it would only take the bare minimum of these weapons to destroy the other nation.

Mr. HUNTER. The gentleman is absolutly right. A number of our so-called far thinkers thought that if we signed the ABM Treaty there would be no proliferation of nuclear weapons.

Mr. KASICH. Absolutely. And since that time of course we have seen a deployment of the SS-17, the SS-18, the SS-19, which are the most accurate and powerful weapons that we have in the world and I know the gentleman is familiar because he used these same numbers in the same arguments, and then beyond that of course, in just recent times they have deployed the SX-24, which is their new system under the SALT Treaty, that they get to deploy one new system, and today, on the front page of the New York Times, and on the front page of the Wall Street Journal; I have not seen the Post today; the Secretary of Defense announced that the Soviets are again violating our agreement with the deployment of the SX-25, which is the second long-range missile clearly in violation of our treaty. That is the second time they have violated the treaty that we clearly can charge, one, on the deployment of the SX-25, of the numbers of them, and there are more than two, but in recent times the two cases we have been talking about lately is the SX-25 and, of course, the deployment of the radar, the Krasnoyarsk radar which is located in the country. Under this ABM Treaty, you can have radars but only if they are located on the periphery of the country. Krasnoyarsk radar is located in the middle of the country. It gives them battle management capability with this new radar.

It is clearly a violation; there is no one in any of the intelligence communities, either here or around the world, that will dispute this. But back to what I was saying about this 1972 treaty, the philosophy perhaps was a good one at the time that if we have very limited defenses there will not be a deployment of additional systems, and yet, we have got the 17, the 18, the 19, the 24, the 25 on their side. We have pretty much stuck to it with only modernizing the Minuteman III. Now, of course talking about MX, but we have not pursued that line but we still see a need to modernize, and even the need to deploy a new system when we talk about MX.

So obviously the idea that they limited defenses will mean that people will have no need to deploy new systems has not turned out to be a very effective argument. So what we are talking about now is rather than permitting the continued proliferation of systems, the President says in light of the political problems you have on trying to build consensuses for more new systems, in light of the resource probem you have, not having the kind of money that you need to deploy systems, and in light of the fact of this policy that you blow us up and we blow you up is really a "MAD" policy; it has worked well since World War II. We have not had a war like that. We have not used the weapons; deterence has worked.

I think there is a sense in our minds, a sense in the view of the President and his military advisers that we ought to change strategies; that we ought to shift away from this idea of destruction on each other, raining destruction on one another, and move into an area of survival. Let us put a giant "catcher's mitt" or a safety net, but a more effective description perhaps would be a "shelled defense," a variety of nets that could catch these systems. A system that could render these weapons of destruction impotent

on the boost phase. Of course that is an important point because in that boost phase that weapon, that 17, 18, 19, 24, or 25, those 5 separate kinds of missiles are armed with 10 warheads. If you can take that missile out in the boost phase, and it is not an explosive thing, you do not rain nuclear destruction on people if you can take it out with a laser system or some effective system in the boost phase, you will prevent those warheads from ever being able to separate from that missile and pose a great technical problem on us, the ability to distinguish which warheads are real and which of these objects are decoys. But the bottom line here is you set it up, you get something that can take it out in the boost phase or in the intermediate range or when it is up in space or when it begins to reenter the atmosphere.

If in fact we can develop the kind of technology that the experts, many, many, many experts, brilliant scientists say that we can, then in fact we do change the strategies of the United States and of the Soviet Union away from policies of MAD and into the policies of mutual assured survival, and then you do not need to build another generation of missiles. You do not need to keep stockpiling more weapons because your system of defense will mean these systems simply will not work, will not be effective, and I think frankly like the President says, it is the great hope for mankind to take and rid ourselves of these weapons.

Let me just say this to the gentleman, because I think one of the questions in the minds of people all across this country, your district, my district, is, "Great idea, John, but can it work?" You listen to the scientists who are involved in the project, first of all, the scientists who were opposed to it said, well, we have got to have x amount of objects in space. They have now cut their predictions literally three-quarters, saying now that we were wrong in our estimates about how many different systems and computers we need. Now they are changing their minds on that.

As General Abramson points out, and I remember back, it was not too long ago, whoever dreamt we would put a man on the Moon? Whoever thought that beyond putting a man on the Moon we would be up there in space literally catching satellites and repairing them so that they would work. The ability of people in this country to develop technology that can save man can never be underestimated. I do not care whether we are talking about the science of space or the science of medicine, boy, we need to take a chance. This is a research program. We are attempting to find out which of the technologies can work the best. I would say to the gentleman from California that we have got to be very careful in this body and in the other body that we do not engage in a wholesale stoppage of programs in SDI, because the research phase is allowing us to try to determine which of those programs really can work.

What you do, if you limit the ability of these people to investigate and to determine which of these programs makes the most sense, is you cut off the research into a technology that really might work.

□ 1900

So I would urge us to fund SDI at the level that can give us the kind of research we need, that we follow forward with this research program and do all the investigations, the checks, the counterchecks into what kind of systems will be, how effective this thing can be, and then somewhere down the road we will let a future Congress or a future President decide if this thing really can happen.

But let us not sell it short. They talked about Fulton's folly, they talked about so many things and laughed at the Wright brothers. People would have said, "Buck Rogers, that is a cartoon. We can't land anybody on the Moon or fix satellites." I think we can do these kinds of things. Or give a man an artificial heart, we can do it. We can make this technology work for all of mankind.

I appreciate the gentleman's leadership because I believe he is one of the first people in this Congress that recognized the value of SDI. I certainly appreciate the gentleman taking this special order.

Mr. HUNTER. I thank my friend from Ohio.

Let me read a brief speech by Dr. Teller. I am going to read just a few pages of it and try to insert the rest of it in the RECORD, because I think it explains part of the evolution from our thinking during the ABM Treaty to the situation as it exists today. It is entitled "Better a Shield Than a Sword." This is Dr. Teller's speech:

BETTER A SHIELD THAN A SWORD

(By Edward Teller)

(EDITOR'S NOTE.—Edward Teller is a senior research fellow at the Hoover Institution, Stanford, and associate director emeritus of the Lawrence Livermore National Laboratory. A recipient of the National Medal of Science, Dr. Teller serves on the White House Science Council.)

ABM

In the spring of 1969 my friend, Henry Kissinger, telephoned; "Edward, you argued for the anti-ballistic missile (ABM). We are supporting it, but we know there will be objections. You must go on the road and explain it." So I did.

In June of that year, I was invited to speak at a conference of the media at Glacier National Park. I arrived on a beautiful, sunny morning and went for a walk with some other members of the conference. That afternoon, my talk was introduced by one of my companions on that hike who told an anecdote: "A hundred yards from the lodge, Teller picked up a large dead branch. I asked him what it was for. He replied, 'For protection against grizzly bears.' I protested, 'That stick isn't an effective weapon!' He answered, 'I know, but I hope the grizzly bears don't.' Edward Teller will now talk about ABM defense."

This was, at that time, a justified introduction. Neither plans nor ideas suggested that a cost effective, comprehensive defense system could be produced in the foreseeable future. Why then was I arguing for it?

The basis of my support remains unchanged today. The balance of terror, aside from its ill effects on international cooperation and trust, is an unstable means of securing peace. The balance depends on current technology remaining unchanged. But in fact technology is changing at an accelerating pace. Deterrence by retaliation becomes ineffective if defense is possible. Defense, even if incomplete, has more reliability in deterring aggression because it makes the outcome of an attack dubious.

Defense is also a much more humane form of deterrence. I find it hard to argue the justice of 'an eye for an eye, a tooth for a tooth,' much less for the morality of millions of lives in exchange for millions of lives.

The 1968 ABM debate ended with approval by the margin of a single vote in the Senate. But work was barely underway when the United States signed an agreement that limited the Soviet Union and the United States to protecting a single site. At that time (1972), I was not sure enough of my arguments to lodge a protest.

The Soviets decided to protect Moscow; we chose to defend one of our missile sites. Subsequently, the American authorities abandoned this site defense; the Russians have continued for more than a decade to improve their missile defense of Moscow. Indeed, defense is very much of a reality in the Soviet Union. The uncounted billions of rubles that they have devoted to it may not be in a hard currency, but the extensive Soviet defense effort is a hard fact.

THE SOVIET DEFENSES

"I think that a defensive system which prevents attack is not a cause of the arms race. . . . Perhaps an anti-missile system is more expensive than an offensive system, but its purpose is not to kill people, but to save human lives."

This statement is one with which I wholeheartedly agree. It was made in London on February 9, 1967 by Aleksei N. Kosygin, then Premier of the Soviet Union, when he was asked by western newsmen about limiting ABM defenses.[1]

For twenty years the Soviets have developed and deployed defenses and the leaders argued for their necessity. On March 23, 1983, President Reagan changed the minds of some Americans with his strategic defense proposal; but even more clearly, he changed the statements coming from the Soviet Union.

Within three days, Secretary Andropov had denounced defense. After eighteen days, 244 members of the Soviet Academy of Sciences—led by Evgenii Velikhov—issued a statement about the Strategic Defense Initiative that bears little resemblance to earlier Soviet pronouncements on defense:[2]

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[1] *Pravda*, February 11, 1967.

[2] Appeal to All Scientists of the World, *Pravda*, April 10, 1983.

"The initiative . . . is clearly oriented toward a destabilization of the existing strategic balance. By his statement, the President is creating a more dangerous illusion which may cause an even more threatening spiral of the arms race."

Many other Academicians who signed the statement have been involved in the development of Russian defenses. Nikolai Basov and Alexander Prokhorov who were among them, shared the 1967 Nobel Prize for their work on lasers together with Charles Townes. At present, Townes is working in Berkeley on some problems of the highest scientific interest connected with the center of our galaxy. One question is whether our galaxy contains a black hole a million times more massive than our sun. By contrast, Basov and Prokhorov have been working on practical problems including national defense.

In January 1985 speaking in Madrid, Basov asserted that "Moscow would have no difficulty in duplicating the American Star Wars program." [3] I suspect that Basov's confidence arises from his knowledge that the "duplication" is already completed.

For instance, recently some information about the large Soviet directed-energy research center at Sary Shagan was made public. High intensity ground-based lasers such as theirs are effective in destroying satellites. It is probable that they also can provide defense against ballistic missiles. The deployment of lasers at the weapons testing center suggests that Russians consider lasers useful in defense.

The Soviets have focused the attention of their best scientists on questions pertinent to military affairs for a very long time. In 1951, the greatest and most respected of them, Andrei Sakharov, suggested the use of an explosive to compress a strong magnetic field and generate an even stronger field.[4] In 1966 he, together with his associates, reported that they had produced a magnetic field so strong (25 million gauss) that only the use of a nuclear explosive could have produced it.[5] The technique in question may be used to transform the energy of a nuclear explosion into electricity and eventually produce microwaves that could be employed against electronic devices. Such electromagnetic pulses have been studied by the Russian scientists more thoroughly than by the Americans. One of the obvious uses of these pulses is to destroy or confuse the electronics of missiles used in an attack. The experiment performed by Sakharov anticipated similar American activities by nearly two decades.

These are just examples of the large, diverse and continuing Russian effort in defense.

During the last thirteen years, the ABM system deployed around Moscow has been twice upgraded. This installation gave their military the opportunity to train scientists and technicians on an operational ballistic missile defense system. Such defense requires appropriately placed, high performance radars. These cannot be built in a hurry, but it is generally known that the Soviets have built at Krasnoyarsk at least one such radar which violates the ABM Treaty of 1972. With parts prepared in advance, the system deployed around Moscow could be duplicated in other cities and military facilities in a very short time.

In five or ten years Russian defenses, more perfect versions of those at Sary Shagan and Moscow, may have the capability of stopping a retaliatory blow, for instance one launched from our submarines, even if the submarines remain practically undetectable. In that case, the danger of a Soviet first strike will have increased sharply. The effectiveness of such a strike could be overwhelming—provided we are still without a defense. This situation may be one reason for their protests.

Directed energy weapons, important in American defense plans, work as precisely as surgical instruments. They are not a means of producing mass destruction, but a means of preventing it. Lasers are one example of such weapons; particle beam accelerators are another hopeful prospect; and x-ray lasers, if successfully developed, may become the most effective of all. In all these cases, the pioneering work has appeared in the open Soviet scientific literature. As the scientific aims have been approached, the publications stopped. The significance of this work has been recognized in the United States only recently.

An hour after President Reagan proposed that Americans attend to defense, headlines appeared dubbing his suggestion "Star Wars". Reagan's speech included no reference to space, satellites or stars. The purpose of SDI, Reagan announced, was "to provide a long-term research and development program to begin to achieve our ultimate goal of eliminating the threat posed by strategic nuclear missiles." He mentioned no specific lines of research. Secretary Andropov did not answer in terms of what Reagan had said, but in terms of "Star Wars".

The strong Soviet reaction to President Reagan's defense proposal makes no sense unless the Soviets believe that we may succeed. They have decades of experience in this field. Their opinion, not the one expressed by rhetoric but the one made evident by their action, is, indeed, relevant.

THE UMBRELLA

Shortly before 6:00 in the evening of March 23, 1983, I arrived at the White House. I had received a cryptic message a few days earlier that I should be there for dinner, but it was only just before dinner that I learned of the approximate content of the President's speech.

"Isn't it better to save human lives than to avenge them?" This is Reagan's sentence which I shall never forget. In a few words it summarized all my worries and all my hopes. The purpose is to make weapons of mass destruction impotent and obsolete. After some 30 months of hard work this goal appears to be nearer.

Minutes after the President finished his talk, Secretary Shultz, with whom I worked for many years, asked me: Could we stop 99.9% of the incoming missiles? The question is most important.

A 99.9% defense can not be attained soon. It may not be attained ever. Even if it is attained, it will not be attained with complete certainty.

How complete can the defense be? No amount of war damage is "acceptable": War must be avoided. Defense happens to be the best deterrent for aggression. Defense does not need to be a tight umbrella. It suffices if it makes the sucesss of an attack uncertain.

It has been said to the horrible concept of mutually assured destruction that it has kept peace for forty years. I believe that what has kept the peace are the memories of two world wars. These memories are deeply embedded in the consciousness of all people of the advanced world. In the democracies, they are the ones who ultimately make the decision.

The real danger of war comes from the dictatorships, and particularly from the most powerful military power in the world.

In the first half of the twentieth century, the Russians fought the Russo-Japanese War, the First World War, the Russian Civil War, the Russo-Finnish War, and the Second World War. Tens of millions of Russians died. The men in the Kremlin are fully aware of the horrors of war. They too want to avoid war. But they also want power and ever more power. They are not paranoid; their planning is consistent and logical. Since great power is in the grasp of only a few Soviet leaders, it will be difficult to predict the ways in which they may try to attain their goals.

A defense of America and the free world which is not complete but which makes the outcome of an attack dubious would have great persuasive power to deter aggression. To my mind, and I believe to anyone's mind in a democracy, a third world war is not winnable. I believe that for a Soviet leader it is winnable only if it results in complete world domination—in the annihilation of the United States. That is why even an imperfect and uncertain defense would be an excellent deterrent. Gorbachev could not count on an absolute victory. The grizzly bears in the Kremlin don't like to take chances.

In the long run we should try to get an excellent defense. The atomic bomb took less than seven years. What we could develop by the year 2000 may come remarkably close to a satisfactory unbrella. But in the foreseeable future the umbrella probably will be leaky; it's primary purpose is to deter war. It also has a second military purpose: If we should not succeed in deterring war, SDI will diminish human suffering. This suffering will remain at a level which is entirely unacceptable, but the difference between having or not having active defense, as between having or not having civil defense, could amount to many millions of lives.

On the basis of their terrible experience, the Russians have realized this truth. Why should so many in the democratic countries doubt it?

THE ARMS RACE AND SAKHAROV

Won't defense fuel the arms race?

The answer is no. The Russian tortoise has been plodding ahead for years. The American hare has been sleeping behind the hedge.

I do not blame the Russians for their effort. If we vigorously support SDI, we shall develop a defense that will create a valuable deterrent. Rivalry in protective defense is far more acceptable than our present situation. Ultimately, if could lead to a political climate that would have the potential for rational discussion and cooperation. But in view of the international discussion on defense one must still consider the arms race. Defense will not be the final answer. Any defense may be defeated by more ingenuity. Also, any attack can be stopped by a better defense. Indeed, for

[3] Chalfont, Alun, "Moscow's Star Wars Plan: Keeping Facts Under Wraps," Toronto Globe and Mail, April 23, 1985, p. 7.

[4] Sakharov, Andrei D., "The Danger of Thermonuclear War: An Open Letter to Dr. Sidney Drell," *Foreign Affairs*, Summer 1983, p. 1010.

[5] A.D. Sakharov, R.Z. Lyudaev, E.N. Smirnov, Yurui Plyushchev, A.I. Pavlovski, U.K. Chernyshev, E.A. Feoktistova, E.I. Zharinov, Yu. A. Zysin, Sov. Phys.—Doklady English Translation, *10*, 1045, 1966; Magnetic Cumulation. A.D. Sakharov, Sov. Phys.—U. Spekhi, English Translation, 9, 294, 1966, Magneto Impulsive Generators.

every system of defense there can and will be a countermeasure, probably even more than one. For defense to be effective in the long run it must cost less—if possible much less—than the cost of replacing the weapons that it stopped. Similarly, defense must be designed so that destroying it will be more expensive than deploying it. Defense in itself does not mean progress toward stability. Such progress is accomplished only if defense has a sufficiently low price.

I believe that this goal can be reached. Great ingenuity will be required. This is one more reason to take steps toward an obvious goal: we should try to bring about greater cooperation among free world nations. There is no insurance against a higher quality of offense. The only thing that will help in defense is even more ingenuity.

The question should be asked in a different way. What is an arms race? Why must it be avoided? The conventional concept suggests that an arms race is a quantitiative race; more men under arms, more guns, more battleships, more bombs which can be used for war alone. What is happening today would be named more appropriately a race in technology, rather than an arms race. This cannot be compared with arms races of the past.

Unfortunately, the emphasis in U.S. weapons research has not been on defense; but neither has it been on larger, more powerful weapons of mass destruction. Emphasis has been given to weapons that are more accurate, lighter and less expensive to deliver.

Because of the current excessively restrictive classification rules, the number of megatons in our stockpile remains a secret. The published data show only how the stockpile has changed. In 1960, our total megatonnage was four times greater than it is at present. We are accomplishing the same military purpose with less unintended and unwanted destructive power. This unilateral fourfold reduction is the result of American weapons research and testing. The reduction of the American stockpile would not have occurred without testing.

While the American stockpile was becoming more effective and less indiscriminately destructive, the Soviet stockpile continued to increase in megatonnage as well as in quality and accuracy.

Much of our work in developing defensive arms can be used with little or no modification in the civilian economy. One essential new development is to enhance accuracy. This had the effect in the past of reducing our stockpile. Accuracy is even more essential in all defensive weapons. The same technique has made it possible to locate objects anywhere on earth to a 10-foot accuracy. This technology is beginning to be applied in transportation; no vehicle will be lost on land, sea, or air unless the people in it want to be lost.

A perfected x-ray laser, besides being an effective anti-missile device, could have an important application in science. One may make three-dimensional holographs of such biological phenomena as a virus attacking a cell, or a normal cell in the process of dividing. The resolution would be a hundred times finer than that of three dimensional microscopic pictures of the present.

Energy storage will be required to power lasers if an extensive defensive system is to be deployed. Such devices would also benefit the energy economy.

New computer technology is essential for defense. This is a small portion of the use of these computers. The major application of the computers is in industry, science, even in our cultural life and the games of our children.

According to conventional wisdom, any arms can be misused and the only way toward peace and stability is through negotiations and treaties. Actually, negotiations and agreements can also be misused and this, indeed, has been the case in recent history.

The USSR signed the Helsinki Accords, thereby pledging to guarantee certain human "rights" to its peoples. Most unhappily, the only visible change was that Yuri Orlov and Anatoly Shcharansky were sent to prison for asking that the Accords be put into practice.

Andrei Sakharov, the Russian physicist instrumental in the development of the Soviet hydrogen bomb and the scientist who has outdone Galileo in resisting authoritarian control, gave us some insight how the Soviet leaders consider negotiations.[6] In early 1961, he together with some of his colleagues were called by Khrushchev to a secret Soviet meeting which, it turned out, was "to prepare for a series of tests that would bolster up the new policy of the USSR on the German question [the Berlin Wall]." I wrote a note to Khrushchev, saying "to resume tests after a three-year moratorium would undermine the talks on banning tests and on disarmament, and would lead to a new round in the armaments race—especially in the sphere of intercontinental missiles and anti-missile defense." I passed it up the line. Khrushchev put the note in his breast pocket and invited all present to dine. At the dinner table he made an off-the-cuff speech that I remember for its frankness and that did not reflect merely his personal position. He said more or less the following: Sakharov is a good scientist. But leave it to us, who are specialists in this tricky business, to make foreign policy. Only force—only the disorientation of the enemy. We can't say aloud that we are carrying out our policy from a position of strength, but that's the way it must be. I would be a slob, and not chairman of the Council of Ministers, if I listened to the like of Sakharov.

The essential words "force—only the disorientation of the enemy"—refer back to foreign policy.

The moratorium was actually broken on a one day notice.

For thirty years, or for sixty if one counts disarmament treaties prior to the Second World War, we have tried to negotiate for peace. No one has ever asked whether an agreement can offer a 99.9 percent guarantee against war. The past three decades have seen Soviet military power become dominant in the world. The result is "stability" of the Soviet variety as seen in Afghanistan, Africa, and Central America.

In response to the nuclear freeze movement, Sakharov wrote a letter which was published in 1983.[7]

"The restoration of strategic parity is only possible by investing large resources and by an essential change in the psychological atmosphere in the West. There must be a readiness to make certain limited economic sacrifices and, most important, an understanding of the seriousness of the situation and of the necessity for some restructuring. In the final analysis, this is necessary to prevent nuclear war, and war in general . . . If the probability of such an outcome could be reduced at the cost of another ten or fifteen years of the arms race, then perhaps that price must be paid."

THE OBVIOUS DEFENSE

The defender always had the advantage that he did not need to cover great distances. He could stay at home. In rocket warfare the main expense is to hurl an object over a distance of several thousand miles. For the defender 100 miles suffice.

The most simple defense is to destroy an incoming warhead shortly before it reaches its target. One such defensive measure was demonstrated by the United States in 1984. A short-range, inexpensive device, assisted by radar, tracked and intercepted an approaching rocket at an altitude of 100 miles with remarkable accuracy. This accuracy was not even necessary because the defensive missile opened up like an umbrella to cover a considerable area. The velocity of the two approaching objects was so great that the incoming rocket would have been destroyed if any portion of the umbrella had touched it.

Against a massive attack, this demonstrated defense would not suffice. The attacking rocket would be accompanied by decoys. When the rockets reenter the atmosphere, the cheap and light decoys will be slowed down and burned up. Now it is possible to concentrate on the rockets, but only a minute or two remain in which they can be destroyed.

A further difficulty is that maneuverable warheads can be used. During reentry, the rocket can sprout stubby wings that steer the rocket on an erratic path to a predetermined target. The demonstrated American device would miss such a rocket by a considerable margin. An additional problem is that a nuclear missile can be triggered to explode with full force if it is merely touched. Such bombs, even if they do not reach their target, could do much damage. The explosion would also make it much more difficult to track the rockets that follow.

It is more effective to arm the defensive rocket with a very small nuclear explosive. This would work even if the attacking rocket maneuvers. It also prevents the nuclear explosion of the attacker. While the incoming warhead might have several million tons of explosive force, the nuclear explosive of the defensive rocket would be roughly equivalent to a thousand tons.

Still, the non-nuclear rocket interceptor has some important uses. It sufficies to stop a small attack, such as Colonel Khadafy could launch. It also could prevent the catastrophe that would be caused by the accidental, unintentional firing of a missile. The probability of such an event is quite low. Yet it remains worrisome. Deployment of interceptors would make it probable that the consequences will not be dreadful.

These rocket interceptors could provide some protection before the end of this decade. But this system is inadequate as the only national protection against a large scale attack.

Mr. Speaker, I ask unanimous consent that the remainder of the extraneous material be placed in the RECORD at this point.

SHORT-RANGE LASER DEFENSE

Progress in directed energy weapons was the main reason why, six years ago, I became confident about the feasibility of defense. Today, a limited but significant

[6] *Sakharov Speaks*, by Andrei D. Sakharov (Knopf, New York, 1974), p. 33.

[7] Sakharov, Andrei D., "The Danger of Thermonuclear War: An Open Letter to Dr. Sidney Drell," *Foreign Affairs*, Summer 1983, p. 1010.

success of defense is not a mere possibility; it is a high probability.

Lasers are most familiar as visible light of great regularity, sharp direction and remarkable intensity. In technical terms, they have a sharply defined phase. They have already made great contributions in medicine, manufacturing, and scientific instruments. One military application for lasers is to increase the effectiveness of radar in tracking incoming missiles.

Today, lasers are also the most promising directed-energy defensive weapons against missiles. Science fiction fans may call them death rays. But they are not weapons of mass destruction. They are not to be used against humans but against missiles of attack. They are anti-weapons.

Lasers become increasingly effective as the wavelength gets shorter. Microwaves are about an inch long. Infrared wavelength is shorter by a factor thousand and the wavelength decreases through infrared, visible light, and ultraviolet to x-rays whose wavelength is once again a thousand times shorter.

To destroy satellites in space is the least difficult military application of lasers. This is an important reason why predeployed battle stations in space are not apt to survive. Ground-based lasers may play an important role in providing direct defense against short-range missiles (fired from 100 miles away) in less than ten years.

Defense against short-range missiles is much easier to accomplish than defense against long-range missiles for several reasons. For instance, much of the path of the short-range missile is in full sight of the attacked position; decoys are usually not a problem.

Lasers of the necessary energy are being developed rapidly and effectively. Ground-based lasers can be supplied with power directly from the civilian electric grid. Since the laser would need great amounts of energy for short periods, energy storage devices would be advantageous.

However, the beam of a ground-based laser must be transmitted through the atmosphere without distorting its favorable regular properties. Turbulent air causes density changes that deflect light, as one can see in the apparent twinkling of stars. Such diffusion of a laser beam makes the beam far less effective. The problem is not insoluble. Astronomers have recognized for years that irregularities in atmospheric density can be compensated if one replaces big curved mirrors by an array of many small mirrors, which can be oriented in a fraction of a second to eliminate the twinkling. Rapid progress in solving this problem in a practical manner is currently being made.

Unfortunately, clouds stop laser beams, though high intensity light can bore a hole through thin clouds for the requisite short time. Still, duplication of laser installations at various locations will be needed to ensure that at least one of the beams will get through. This, incidentally, is also an insurance against attempts on the part of the attacker to put the defense out of action.

While short-range missile defense is important to the United States as a protection against missiles launched from offshore submarines, such a defense system is most interesting for our allies in Europe, Japan and particularly Israel.

Laser defense does not use any nuclear devices, is not connected with any deployment of battle stations or anything else in space, and does not violate any treaties because such defenses are purely tactical. None of the current objections apply to it. Therefore, laser defense against short-range missiles is likely to be the defense first deployed.

LONG-RANGE LASER DEFENSE

The lasers described above would not be effective against missiles whose range is much more than 100 miles. The range can be extended by the use of mirrors. Such mirrors would be deployed on the ground but would be popped up out of the atmosphere at the time of an enemy attack. The longer the distance the higher the needed pop up and the greater the difficulty.

The mirrors required become smaller and easier to handle as the wavelength of the defense laser becomes shorter. Short wavelength lasers are also more efficient in destroying enemy rockets.

The existence of an x-ray laser has been demonstrated. This in itself is a remarkable accomplishment. If a usable x-ray laser can be produced, we will have made an immense step forward in our ability to defend ourselves. These lasers would be the most effective; they are also the most difficult to develop.

It should be noted that x-ray lasers will not penetrate the atmosphere. They together with their power sources, have to be lofted outside the atmosphere. The only power source that can be popped up is a nuclear explosive. The effects of powering an x-ray laser with a nuclear device would have no serious effect on the ground.

It should be mentioned that our work on the x-ray laser was based on publications from the Soviet Union. These publications essentially stopped in the late 1970s, a fact that suggests that the Soviets consider this information of not purely scientific interest.

MORE DIRECTED ENERGY WEAPONS

One radically different directed-energy weapon probably capable of destroying missiles in flight is an electron beam device. This instrument could be used in the moderately high atmosphere, though not outside the atmosphere. One would require first a well-directed but relatively weak laser to ionize a path along a narrow channel which becomes positively charged; then a high-intensity electron beam can be sent along this path. In this way the electron beam will not be deflected by the earth's magnetic field which is neither constant nor sufficiently predictable. All this was first discussed in the Soviet Union, for scientific uses.

Lasers and other rapid-fire directed-energy weapons may be used for the more modest but important purpose to find which, among the approaching objects are the dangerous rockets and which are mere decoys.

Another possiblity is to use a beam of neutral atoms. This can be done by accelerating atoms that carry an extra electron, and then, just before use, stripping off this electron. The beam of atoms would be specifically useful in discriminating decoys from real rockets outside the atmosphere. It seems best to pop up the apparatus which produces the beam.

DEFENSE IN SPACE

Reagan did not speak of stars, space, satellites, only about defense. There are advantages in deploying defense in space. There are also great disadvantages. The deployed defenses can be attacked over many months, even years. Space defense may not be impossible—it is certainly difficult.

In one case we should try to use space deployment.

A rocket-launching is accompanied by the sudden, characteristic appearance of a powerful infrared radiation burst. This can be easily detected from space, for instance from a synchronous satellite. Even now, we have such observation satellites. It is possible but difficult to protect these early warning systems. One may make them "hard," or may make them easily replaceable, and one also may have inconspicuous "sleeping detectors" which will unfold and become active only when the functioning detector is incapacitated. These sleepers in turn may be protected by decoys.

All this can be done. Whether it can be done cheaply enough to be really effective is an open question. It will help to make the detecting system as simple as possible.

Detectors in space may, in turn, be backed up by earth-based radars. Against short-range rockets, these radars will be highly effective. If the radars work at long wavelengths, ionization in the high layers of the atmosphere will confine the propagation of these waves to the neighborhood of the earth's surface so that the radar will follow the curvature of the earth over long distances. This is called over-the-horizon (OTH) radar.

The OTH radar will locate the launching of a rocket over any distance, because the launching emits plenty of electromagnetic waves of long wavelength. Thus we can know when to pop-up our defense systems, particularly in the case of a massive attack. However, the problem of detection needs much more attention.

Space deployment—Star Wars if you please—has many purposes. The Russians are working on this problem. We must be aware of the possibilities. But we should not follow suit until we know that the system is effective and survivable. The most hopeful, though not mandatory approach, is to use stations in space for early warning.

Not battle stations, but observation posts!

COMPUTERS

Computers are important for defense. Indeed, without computers, defense against a massive attack hardly could work. Computers may make it possible to keep track of thousands of rockets and many more decoys. Does this mean that vital decisions must be turned over to computers? When one understands the root of the problem, the answer becomes obvious.

One real danger of nuclear conflict is connected with the fact that the crisis may occur fast and it may be over—with a tragic ending—in practically no time.

Decisions must be made in minutes. Some must be made in seconds. Whom can one trust with fast decisions? I would not trust myself. I would not trust anyone. There is no perfect solution. We must be satisfied with an imperfect solution. After careful consideration, the best alternative seems to be the computer.

It has been claimed that the computer system that must be deployed is beyond our capabilities. In particular, to write a program that will function under battle conditions is an unprecedented challenge.

But anyone who gives up at this point has forgotten that a tenfold improvement in computer technology has occurred regularly in every decade since 1945. The needs for defense will further stimulate this rapid development. The latest design of supercomputers utilizes numerous parallel computers. This often results in redundancy, and redundancy is precisely what is required when one in under attack. The parallel computers

could be widely dispersed and still in almost instant communication. Thus the attack is apt to result in nothing more serious than a reduction of the redundancy. The programming for several connected computers is a tremendous task. Plans call for the programming to be performed by the computer itself in a redundant manner.

The program of a computer may fail, even in a catastrophic way. It should be possible to plan self-surveillance by the computer. When there is a serious failure, the computer should be programmed to fall back to a simpler, less effective procedure that it still can handle.

Neither the defender nor the attacker can know fully how much a computer can achieve. Given the excellence of our computer technology, the result may well be sufficient to serve as a powerful deterrent to the Soviets. They may fear our computers more than our bombs.

REAGAN

Around November 1, 1939, President Franklin D. Roosevelt received a letter from Albert Einstein. I was present when this letter was signed. The letter stated that fission had been discovered in Berlin, that atomic explosives of unprecedented power were now possible, that Nazi Germany had taken control of the Czechoslovakian mines from which the bomb's raw material could be obtained, and that the United States should initiate a program to try to develop such an explosive. On receiving this letter Roosevelt called for urgent action.

In 1967, the newly elected Governor of California visited the weapons laboratory at Livermore. Reagan was the first California governor to visit the national laboratory in his state. This was his first chance to hear about defensive weapons. During his presidential campaign in 1980, Reagan visited the National Defense Center, located deep within Cheyenne Mountain, not far from Colorado Springs. He was told that Russian missile launch could be detected and ascertained minutes after launch. "And what can we do about it?" Reagan asked. The answer was: "Nothing."

This is the background of the present discussions on defense of which I have personal knowledge. After two years in office, Reagan challenged American scientists to replace the balance of terror by real defense. He clearly indicated that success in such a huge undertaking cannot be expected in his lifetime. But he did set a new direction for our work. Comments about President Reagan's lack of forethought in proposing SDI need to be assessed by comparison with the Presidential decision that began the atomic age. The threat to our national survival today is comparably greater than it was in 1939.

In arriving at this decision, Reagan consulted numerous individuals: scientists, politicians, and his official advisors on national defense—the Joint Chiefs of Staff. The President did not ask some of the long-time advocates of disarmament negotiations who have exercised great influence on our nuclear arms policy during the past decades. The latter were invited to the White House when the President make his statement on March 23, 1983. Their reaction, having considered the problem for a very short time, was adversarial.

What will happen if Gorbachev offers a real reduction of Soviet arms in exchange for a bilateral cessation of defense preparedness? Such an agreement would make the Republicans enormously popular and would amply justify our meager efforts on SDI. Yet, no agreement can stop research in a verifiable manner. We would stop. The Russians would not.

Recently, Gorbachev offered a unilateral test moratorium for the remainder of 1985. This was a clever step in a campaign that may prove disastrous to our fledgling defense effort and to our future. The test moratorium broken by the Russians in 1961 marked the beginning of a Soviet advantage in nuclear research that we have not been able to repair. Today, we need leadership and wisdom as badly as during the horrors of civil war in the 1860's; perhaps more so. We need to ensure the ability of our children and grandchildren to live in peace and freedom.

We cannot hope that the policy of the balance of terror, where the terror is more certain than the balance, can deter war much longer.

Our present administration differs sharply from the previous one. Indeed, it has been the most innovative in decades. Reagan's epochal proposal has not borne fruit as yet. It may be seen by posterity to be as important as the liberation of slaves by Lincoln.

WHAT IF WE REALLY SUCCEED?

After two years of discussion, I thought that I had heard all possible questions about SDI. Recently, however, the editor of the New York Times asked a novel question in a private conversation: "What if we succeed completely? Suppose we destroy all the weapons coming at us in a massive attack. Should we retaliate?"

I responded instinctively and spontaneously: "Certainly not!" The editor was not satisfied. He wanted a complete answer, a measured answer. He was right. After careful consideration, I am convinced that my first reaction was correct. Here are my reasons.

If we succeeded in a complete manner, if a Soviet attack killed not one single person, retaliation would be wrong. Indeed, it would be a crime to test the efficacy of Soviet defenses; such an act might result in the deaths of innumerable innocent people. Furthermore, completely stopping a nuclear attack would be a victory. Not only would this be crushing for the aggressor, it would be a victory for peace that would lift a nightmare from mankind. If we can achieve it, we must not introduce another nightmare by attempting to retaliate.

Our greatest achievement in the Second World War came after 1945 when we helped our former enemies, Germany and Japan, to recover. This possibility of acting out the values of this nation is the goal to which Ronald Reagan opened the door on March 23, 1983.

THE GENIE AND THE BOTTLE

The atomic genie existed during the unmeasured depth of time in the dark bottle of ignorance. Neither through technology nor through our fervent wishes can we put the genie back into that bottle.

But technology can provide a better situation. The Genie should contribute to the shield, stronger than the sword.

Will this be a final solution to international problems? In human affairs, there is never a final solution. Man is a problem-solving animal. Even more, he is a problem-creating animal. As long as people live, they will have problems. But these problems need not include the menace of sudden massive destruction by human agency. To set limits to that destruction is possible and necessary.

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

Mr. HUNTER. I yield to my friend from Ohio.

Mr. KASICH. Mr. Speaker, let me ask the gentleman a question, what the gentleman's thinking would be if we assume that the Soviets are engaged—I mean, we look at the facts and we recognize the escalation of the numbers of systems that they have deployed, offensive nuclear systems.

Let me ask the gentleman what his view is when we take a look at the fact that the Soviets are in the process and really have a functional ABM system that surrounds Moscow, and I will put the second generation of interceptors in there; they have got their key command in control operations underground, developing a tremendous number of air interceptors, and some people say can use some of their surface-to-air missiles in an ABM mode. What are the consequences of a country that can develop both offensive and defensive systems in absence of our being able to develop or refusing or deciding not to develop a system and really being very limited in the offensive systems that we deploy?

I wonder what the gentleman's view would be of the consequences of that.

Mr. HUNTER. I think the gentleman has pointed out a major problem that a lot of Americans do not want to address, and that is the fact that the Soviets have embarked on their own SDI program in a fairly uninhibited fashion.

As Dr. Teller said when one Soviet scientist, "We can duplicate the Star Wars system," he said that he thinks that that so-called capability of duplicating that, that confidence is generated by the fact that perhaps much of that system is already in place in the Soviet Union.

But to answer the question, if the Soviets can acquire a defensive capability before we do and acquire an offensive capability and do not combine that with the same policy changes that the President has offered to make defensive available perhaps even to our adversaries, then it would be a critical situation for the United States.

There are a number of scientists who feel in fact that we may be reaching that situation in Europe very shortly, because the Europeans are faced with short-range ballistic missiles. They could legally under the ABM Treaty build short-range ballistic missile defense right now.

The Soviets are building an SA-12, which is an ATBM, an antitheater ballistic missile defense system.

Mr. KASICH. That would be a mobile system, too, would it not?

Mr. HUNTER. That is right. It would be a mobile system and the radar would be mobile.

Mr. KASICH. That would be in violation of the treaty.

Mr. HUNTER. Absolutely.

One problem is it is very difficult to tell where ATBM leaves off and ABM begins.

But again to go back to the concern many scientists have raised in the West, it is a concern that we are going to be in the same position that we were with regard to theater nuclear weapons. All of a sudden we found out that we had a great many SS-20 nuclear weapons facing our allies in the West and we had nothing. We are running to play catchup with our Pershing II's and our ground-launched cruise missiles.

And we may be in the same situation if we do not act and act expediently and actively effectively. We may be in the same situation with regard to SDI. We may find that they have developed a defensive system and we have not developed a defensive system, and we may find that that is not going to accrue to our benefit.

Mr. KASICH. I think the gentleman would comment on the fact that the Soviets have not just been experimenting and in fact, of course, deployed a system that would utilize a missile or a projectile against an incoming missile. That is somewhat of a capability that we could deploy literally today.

But they have moved in the area of directed energy, something that we really do not think the Soviets do not have the view all too often, the Soviets have the capability to develop. Is not that in fact true that they are directed energy weapons, in fact have done a lot of research on those?

Mr. HUNTER. That is right. In fact, they had a great many publications and references to directed energy research in their own scientific publications. But as they became more adept and made bigger and bigger advances, all of the information disappeared from their open publications, which indicates that they are making some headway in that area.

□ 1910

Mr. Speaker, at this time I yield to my friend, the gentleman from Ohio [Mr. KASICH].

Mr. KASICH. Mr. Speaker, I just appreciate the gentleman taking the time to discuss this issue. I hope we are going to do it a number of times as the program develops, because I think we need to talk about developments as they occur. The successful test that occurred on the use of the laser not long ago, I think we need to come out and to talk about the succeses, because it is not magic. It is hard work and it is the use of the kind of technologies that we have to make it clear that there is no magic, but in fact we can do these kinds of things. We can make in the minds of the Soviet military planner, we can tremendously increase doubt about the success of an attack and that is one of the obviously vital elements of the SDI proposal.

The ultimate goal, however, is not just to make it worth anything to keep developing these weapons, but rather in fact to rely on a system that can provide survival, rather than destruction.

Mr. HUNTER. Mr. Speaker, I thank the gentleman. I think he has made a good point, because we live in a horribly imperfect world and yet those who would be against this system and who would criticize it say that we cannot attempt to defend ourselves against nuclear weapons because we do not have a guarantee that we will have a perfect system. That makes no sense.

In fact, I think it makes good sense and I think it is a good moral judgment to go ahead with a system that would save at least in the event of nuclear war, God forbid, millions of American lives.

There is a good chance that we can develop a system that will be very, very close to leakproof.

Mr. Speaker, I thank the gentleman for his contribution. I wish I could read the entire speech into the RECORD that was given by Dr. Teller, but I think it lays out, it puts the ABM Treaty in perspective, and I think it puts our development and our evolution of the decisionmaking process in Washington, our decision to move ahead with SDI in perspective also.

The Soviets like the idea of defense and they like to rationalize its use to European leaders because they were developing the SA-5, the SA-10, the SA-12 until they saw the United States of America developing defense and their speeches changed overnight, from a good thing; in fact, you could have taken Mr. Kosygin's words about defense being such a great thing, you could have put that in the President's speech. Instead of defense being such a good thing, all of a sudden it was a bad thing.

I hope the gentleman, who is a member of the Armed Services Committee and a very active member of the committee, will work with me with regard to the strategic defense initiative and with our other leaders over the next 6 or 7 months.

I hope that this President will hang tough and not surrender any part of the initiative in his coming talks with Mr. Gorbachev.

DOMESTIC TERRORISM AND NATIONAL POLICY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. DYMALLY] is recognized for 60 minutes.

Mr. DYMALLY. Mr. Speaker, I have asked for time tonight because in the past 2 weeks an Arab American and a Jewish American have been murdered in terrorist incidents. As representatives of both the Arab American and the Jewish American communities, it is our responsibility to look carefully and objectively at why these two decent and innocent Americans were deprived of life. It is our responsibility to search for the means by which to stop terrorism. With that sense of responsibility in mind, I want to begin a careful and objective discussion of terrorism. And I want to pay special attention to terrorism in the United States because although the national consciousness is most often captured by acts of terrorism against Americans abroad, domestic acts of terrorism have occurred much more often.

A recent article in the Washington Post recounted an interview several years ago with Mohammad Abbas. The reporter noted that Abbas was clearly moved by the deaths of Palestinian Commandos and, in fact, kept pictures of these people on his wall. In many instances these Commandos were killed when they were staging attacks against innocent Israeli civilians. The reporter marvelled that Abbas was intensely aware of the death of each Palestinian but seemed hardly aware that Israelis had died as well.

Similarly when Alex Odeh, an Arab American, was murdered in Santa Ana, CA, on October 11, 1985, the reaction of the chairman of Jewish Defense League, Irv Rubin, was, "I have no tears for Mr. Odeh. he got exactly what he deserves." The FBI has linked the Jewish Defense League with at least 15 terrorist acts in the United States resulting in at least one death and seven injuries since 1981.

Common to the reaction of both Mohammed Abbas and Irvin Rubin is a depersonalization of the victims of terrorism. Black Americans are not unfamiliar with the effects of depersonalization. We have known it by many names: bigotry, stereotyping, prejudice, racism, discrimination. In all cases, whatever its name, the effect of depersonalization is to make it permissible to carry out inhumane acts against the depersonalized individual. The mental replacement of a human being with a stereotype makes it alright to commit atrocities. Why? Because the human victims become merely symbols. Leon Klinghoffer was not seen by his murderers as a person. Through his Americanism, he became a symbol of America. Alex Odeh was not seen by his murderer or murderers as a person. Through his Palestinian ancestry he became a symbol of the Arab community.

If we are to stop terrorism, then as leaders and as representatives we must ourselves not resort to the mental

shorthand of stereotyping, of depersonalizing as a base for action. I want to attempt to personalize one of these acts of terrorism for you. I knew Alex Odeh, and I grieve personally for him and for the young family he leaves behind. Alex was a member of the Los Angeles Human Rights Commission, and was known in Southern California for his efforts to gain equality for the disadvantaged. As head of the Southern California regional office of the American Arab Anti-Discrimination Committee he worked tirelessly to promote friendly dialog among Semites.

That term Semites is not one we hear often. We usually accentuate the difference between Jews and Arabs. Semite is a term that applies to all those with their roots in the Middle East. It connotes a commonality of origin that is all too often ignored by opinion makers. Denial of that common human bond allows depersonalization.

And only hours before his murder Alex was on television characteristically speaking out against stereotyping, against lumping everyone in a complex group under one summary designation. In that interview he condemned all forms of terrorism. He went on to point out that there is a difference between the Palestine Liberation Front which carried out the *Achille Lauro* hijacking and the Palestine Liberation Organization which played an important role in bringing the hijacking to an end without further loss of life. I regret that the television station in Los Angeles choose to edit out Alex's condemnation of terrorism and broadcast only his drawing of a distinction between Palestinian groups. They too should weep for his death because of their journalistic manipulation.

Alex was a teacher at Coastline Community College. He taught Arabic and Middle Eastern cultures. You can see that through his civic activities, through his teaching, and through his life he tried to bring about an end to depersonalization.

Alex was a poet as well. He had published one book of poetry and a second book was at the typesetter when he was killed. Here is a part of one of his poems which I think says something about his approach to his work and to those whose lives he touched deeply in his own brief life:

Lies are like still ashes.
When the wind of truth blows
The lies are dispersed like dust and disappear.
At least we all owe thanks
To the one who tries to speak write or paint
An honest thought to the world.

I share with Alex one thing that many of my colleagues will understand. He and I both fathers of daughters. My daughter, Lynn, is grown now. And I cannot tell you how much we have shared. But those of my colleagues who are fathers of daughters know that special bond of affection between father and child. Alex was the father of three daughters. Suzanne is only two; Samia is five, and Helena is seven. I am so saddened when I think that Alex's daughters will grow up without that very special affection. Alex was at his happiest moment when he was just walking through the park with his wife Norma and their three daughters. He spent every free moment with them often taking pictures the way young fathers do.

To me, and I hope now to you also, Alex is much more than a symbol. He was a warm and gentle person, a man full of intelligence, full of humor, and motivated in his actions by the need to bring his fellow human beings to treat one another humanely.

If we are to stop terrorism, then we must not only resist the efforts of terrorists to depersonalize the victims, we must also resist our own tendency to depersonalize the terrorists. And we in Congress have been as guilty as anyone of such depersonalization. We are the elected leaders of this country. We do a disservice to those who elected us when we fail to make critical distinctions. Moreover, we should not expect our constituents, who may be remote from the debate on terrorism, to make distinctions if we do not make them ourselves.

When I say we fail to make distinctions I mean we are all too prone to allowing the hateful act of an individual or even a group of individuals to color our approach to the whole of the group the terrorists purport to represent. We know from our own political process that no one group speaks for all Americans. The Republican Party does not speak for Democrats. The Democratic Party does not speak for Republicans. If we recognize diversity among ourselves it should take no great leap of the imagination to realize that no terrorist group should be taken as the surrogate of the whole group from which it springs. The Jewish Defense League is not the Jewish people. The Palestine Liberation Front is not the Palestinian people. It is not even the Palestine Liberation Organization. And it is certainly not Arabs broadly defined.

If we succumb to the tendency to generalize the acts of terrorists to the whole group from which they spring, then it is ourselves who will be most damaged. Why? Because in generalizing we obscure the range of our own options not only in dealing with the terrorists but in our relationship with the large group from which they spring. And there is a second subtle but crucial effect of our failure to make distinctions. By failing to do so we invite the citizens of our own country to be superficial as well. We invite them to think the Arabs killed Leon Klinghoffer, or the Jews killed Alex Odeh. All of us know we are swayed by public opinion and we know also that by our public statements and our deeds we help to form public opinion. Let us not participate in the formation of public opinion that might lead us to make very wrong, very unfair public policy decisions.

Let me illustrate my point with an example. FBI Chief William Webster announced shortly after Alex was killed that the FBI intends to step up surveillance on all pro-PLO groups in the country. Now, potentially, that could include every Arab American group in the country. I expect that this stepped up surveillance is meant to stop PLO terrorism within the United States. The superficial reaction is to say, "Great, the FBI is protecting the public." But wait a minute! When was the last time a PLO group committed an act of terrorism within our borders? I obtained the FBI analyses of terrorist incidents in the United States for the years 1981 through 1984, the last date for which a published report is available. Our FBI reports show no PLO terrorist acts in the United States. And with the exception of two terrorist incidents in which Libyans terrorized other Libyans, there is no mention of any domestic terrorist activity by an Arab group whatsoever including the PLO during those years. A Moslem group held a sit-in at the Saudi Arabian Embassy in Washington in 1982. That is the closest that non-Libyan Arabs have come to terrorism in the United States and as I said earlier that action was a sit-in.

If we are to be responsible policymakers, then we must ask why the surveillance is being stepped up. Is it because of past Arab terrorism in the United States? No, it cannot be. Such terrorism has not occurred here. Is it because the PLO hijacked the *Achille Lauro* off the coast of Egypt? But wait. Wasn't that the Palestine Liberation Front, not the PLO? Has the FBI committed the depersonalizing error of over generalization? Will that over generalization encourage the American people to think all Arab Americans are potential terrorists? Will that encourage prejudice against Arab Americans? Will that public opinion continue to make it expedient for public officials like you and me to downplay or, even worse, ignore, domestic terrorism when it is perpetrated against Arab Americans? The fact of the matter is that Arab Americans have shown themselves to be peaceful, law abiding citizens in our society. The fact of the matter is that Arab Americans have been the victims, not the perpetrators of terrorism. They live in fear of discrimination. They live literally in fear for their lives. Alex Odeh received so many death threats that as a precaution his incoming mail was x-rayed before he received it. Fear of

terrorist activity has prompted our former Senate colleague Jim Abourezk, chairman of the American Arab Anti-Discrimination Committee, to request repeatedly and in writing that the FBI investigate the alarming number of terrorist threats and terrorist acts against Arab Americans. If we are responsible representatives of our constituents then far from condoning the surveillance of Arab Americans, we should be asking clearly and forcefully that our Arab American citizens be protected from terrorism in this land of the free. Mr. Speaker, keep in mind we are talking here about Americans, not foreigners, or visitors.

If we are to be responsible representatives, then we should know what groups are terrorizing our citizens. A look at the FBI reports for the past 4 years in enlightening. Let me summarize for you the findings which cover the years 1977 through 1984. There were 395 terrorist incidents in the United States over those 8 years. Terrorism, by the way, is defined by the FBI as "The unlawful use of force or violence against persons or property to intimidate or coerce government, the civilian population, or any segment thereof, in furtherance of political or social objectives." Interestingly enough the FBI does not consider bombings of health clinics as terroristic and does not include these incidents in its statistics. How strange! How very strange! Jurisdiction over these incidents rests with the Bureau of Tobacco, Alcohol and Firearms rather than the FBI.

Of those 395 incidents of terrorism, 161 or nearly 41 percent were perpetrated by groups related to Puerto Rican politics. Many of these groups are dedicated to making Puerto Rico an independent country through revolution. The next most frequent perpetrators are members of the well known category "other." The FBI divides "other" into "domestic other", and simply "other." "Domestic other" is the most active with 98 incidents. These incidents are divided among a hodge podge of domestic groups ranging from the Aryan Nation, which has been responsible for much of the terrorist activity against Jewish citizens and property, to various remnants of 1960's radical groups. No single group has acted often enough to have a distinct category within the statistics. Next most active with 57 incidents are Cuban groups dedicated to the overthrow of Fidel Castro. The fourth most active group in the FBI list is called Jewish groups. They have been responsible for 39 incidents. At least five Jewish groups have been named: Jewish Direct Action, Jewish Defenders, The Jewish Defense League, and the United Jewish Underground and the American Revenge Committee. The FBI describes the latter two as affiliates or offshoots of the Jewish Defense League. The FBI reports for 1981 through 1984 show that in those years the groups have claimed responsibility for nine attacks on Russians or Russian property, five attacks on Arabs or Arab property, and one attack each on Germans, French, Iranian, and Austrian persons or property.

After the Jewish groups, Armenian groups have been next most active with 14 incidents. The major group is the Armenian Secret Army for the Liberation of Armenia. Other groups appear to be offshoots of this main group. The terrorism is aimed at achieving two goals: avenging the genocide of Armenians by Turks at the beginning of this century and reconstituting Armenia as a state free of Turkish control.

Croation groups are next most active with 12 incidents. The goal of the Croation Freedom Fighters is to remove the historically Croation region from Yugoslavian control.

Next most active is the catch all group "other" with nine incidents. The "other" category, like "other domestic" contains an array of groups. The list includes Salvadoran, Haitian, South African, Liberian, and Philippine groups as well as one opposed to the Sierra Leone Government and an antinuclear group.

Iranian and Libyan groups are tied for next most active with three incidents each out of the total of 395. The Iranian incidents have involved attacks against the government of the Ayatollah Khomeini, while the Libyan attacks have involved terrorism against Libyans who are opposed to the rule of Colonel Mu'ammar Qadhafi.

Finally, there are two incidents recorded involving Middle Eastern groups outside of Libya. In 1982 a group of Moslems held a sit in at the Saudi Arabian Embassy in Washington to protest the Saudi Arabian Government. And in 1978 a terrorist act was also accredited to a "Middle Eastern Group." Because the detailed FBI analyses of terrorist activities were published for the first time in 1981, I have not yet been able to determine the nature of the 1978 incident. FBI officials are checking their files for me to determine what occurred.

I think, however, that the facts speak for themselves. If we count Libyan terrorist activities against other Libyans as Middle Eastern group terrorist activities, then Arabic groups have perpetrated 5 of the 395 acts of United States domestic terrorism since 1977. That is about one tenth of 1 percent. If Libyan terrorism is not counted, then Arabs or Arab Americans are responsible for two cases in 395 acts committed since 1977.

I want to reflect on the statistics for a moment because they are important in helping us determine how we should respond to domestic terrorism. It appears that domestic terrorism may be divided into two broad groups: those that perform single terrorist acts and those that perform repeated terrorist acts over time. More than 65 percent of the terrorist acts since 1977 have been singular acts. The other roughly 35 percent have been perpetrated by groups that have struck repeatedly. The obvious approach to minimizing the effect of groups that repeatedly terrorize others is to identify the leadership of the groups and make every effort to bring those leaders to justice. To the credit of the FBI, it appears that they have been doing just that. In 1977 there were 111 terrorist incidents. In 1984 there were 13. Of those 13 incidents in 1984, 6 were committed by the Aryan Nation group or its apparent offshoot the Aryan Resistance Movement. Five were committed by Puerto Rican groups, 1 by Jewish Direct Action, and 1 was committed by a Marxist group.

It is in identifying new groups or single act groups that the greatest difficulty lies. And it is in this area that policy makers must exercise the greatest sensitivity. Many of you remember that during the Nixon Presidency it was proposed that children be given a test to determine whether they were prone to become criminals. The idea was met with outrage and was quickly dropped. The FBI in the case of new or single act terrorists is faced with a dilemma like Richard Nixon's. The American people are best protected from terrorist attacks when those attacks can be stopped before they happen. But to accomplish such a task, it would appear that our law enforcement agencies would need to intrude in the lives of those who might be prone to commit terrorist acts. The critical public policy question is "where should the line be drawn between protecting the public from terrorism and undue government intrusion in the activities of individuals or groups?"

I think the Government, and I include the Congress here, has gone too far if its activities invite the general public to form prejudicial attitudes toward all members of a group. The prejudice itself will breed violence as it did in the case of Alex Odeh. I think repeated threats of violence either by a potentially terrorist group or by the potential victims of terrorism must be taken extremely seriously. Again referring to Arab victims, it is undeniable that Arab American organizations have received and reported a large number of terrorist threats in the past year. So far this year the threats have resulted in at least two incidents of deliberate destruction of property and three terrorist bombings, the latest of which killed Alex Odeh.

When terrorists are apprehended they must be prosecuted to the fullest extent of the law. These criminals are in a special category. They do much more than destroy property or take life. Through the fear they generate they are attempting to undermine the civil and constitutional rights of whole groups of citizens. Their targets are not just individuals but all members of a racial, ethnic, religious, or social group. They are attempting to undermine freedom. And it is that attempt to undermine the basic principles of democracy that compels me to call for severe penalties for terrorism.

In the same breath, however, I want to emphasize that individuals, even if they hide behind the cloak of an organizational name, are the perpetrators of terrorism. Individuals, therefore, must be punished, not groups. Individuals may by their activities invite surveillance. But the specter of surveillance should not be held over the heads of an entire group of people.

Moreover, public figures must exercise the greatest caution in commenting about acts of terrorism lest they invite the public to engage in an escalation of terrorism. Lawmakers, the President, as well as Jewish-American and Arab-American public figures and public figures representing any group that has experienced terrorism, should be united in condemning individuals who engage in terrorism or who advocate terrorism. But no public figure should fuel the fire of hatred by generalizing the acts of the few to the many; to an entire national group.

I believe terrorism can be stopped in the United States through responsible action. I would call on my colleagues to join in that responsible action by helping to form an enlightened public attitude toward terrorism. All Americans should be concerned that an Arab-American, Alex Odeh, was killed by individuals engaging in terrorism. All Americans should be concerned that four people participated in the terroristic kidnaping and murder of Leon Klinghoffer, a Jew. All Americans should desire that those individuals responsible for these acts be brought to justice. But no Americans should be led to mistrust Arab-Americans or Jewish-Americans or Armenian-Americans or Cuban-Americans or Puerto Rican-Americans because individuals from these groups take it upon themselves to undermine the liberties of all Americans.

I would end by pointing out that I am proud of Jewish-American leaders in southern California who set an example for the Nation in the wake of Alex Odeh's murder. Their condemnation of the act and their call for justice was immediate and ringing. They knew that the life of a good man was taken cruelly and senselessly. While they did not always agree with Alex's views, they recognized his right to hold them. Let us hope that in their act of solidarity with Arab-American leaders in condemning this act of terrorism against democracy we may find the seeds of friendship and a beginning to the end of conflict between these two groups of Americans.

Mr. Speaker and Members of Congress, I thank you for the opportunity to bring this important message to you, and wish to emphasize, in conclusion, that I have attempted to be very objective in my analysis of domestic terrorism in the United States, by using data supplied to me by the FBI, without fear, favor, or prejudice. Again I thank you.

□ 1950

ORDER OF BUSINESS

Mr. WALKER. Mr. Speaker, I ask unanimous consent to proceed out of order on the special order previously ordered.

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

There was no objection.

THE CASE FOR THE GRAMM-MACK PROPOSAL TO BALANCE THE BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. WALKER] is recognized for 60 minutes.

Mr. WALKER. Mr. Speaker, let me begin by saying I have been reminded by the Chair of the World Series game, and I will try to take that into account, but I do want to talk a little bit on the Gramm-Mack proposal for balancing the budget, because we had a fairly extensive discussion out here earlier this evening in opposition, which raised a number of questions which I think deserve to be addressed; and I am disappointed that the gentleman from California [Mr. DYMALLY] who talked earlier, was not able to stay around and respond to some of the things I am going to raise, because I think there were a number of cases of misinformation in what he had to say, and I would like to correct the record, and hopefully make the case for the Gramm-Mack proposal as a device that should help us move toward the balanced budget that large numbers of Americans across the country say that they want.

The problem that we hear so often defined on the House floor that is brought up with regard to the Gramm-Mack proposal is the fact that somehow we are going to get away from what is Congress' responsibility to do budgeting.

Congress has had the responsibility under the Budget Act here since 1974. The fact is the budget process has failed miserably. It is coming apart at the seams; we have consistently, over the last several weeks, had rules out on this floor that were aimed not at enhancing the budget process but destroying the budget process.

Every bill that comes to the floor under a rule recently, it seems, has a waiver in it of the Budget Act. Simply throwing the Budget Act and saying that we do not need that Budget Act any longer.

The reconciliation bill that we brought to the floor today is going to be voted on tomorrow, came out under a rule that waived the Budget Act. It seems to me that it is awfully strange to have a bill that is supposedly enforcing the Budget Act that has to come out here with a Budget Act waiver in it; there is something awfully strange happening in this House—and we all know what it is; it is a strange system of spending, spending, spending.

In fact, in the last 5 years we have overspent our own budgets by $150 billion. That is a system out of control; it is a system that has to be dramatically modified. The dramatic modification that is now before us is the Gramm-Mack proposal, and we ought to move ahead with that particular proposal.

I will be glad to yield to one of the authors of that proposal, the gentleman from Florida [Mr. MACK].

Mr. MACK. I just want to raise the question, you mentioned that over the last 5 years that we have overspent our own budgets by $150 billion?

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Mr. WALKER. That is correct. If you analyze what we said we were going to spend and then the actual spending by the end of the year, you will find out that with the supplementals and the add-ons that we have done over that period of time that we took our budget resolutions and overspent them by $150 billion. So in fact we have added $150 billion to the national debt over and above what we ourselves said was going to be our spending pattern.

Mr. MACK. It would be helpful, I think, if we would determine how in the world we could establish a budget and then turn around and overspend it in a 5-year period by $150 billion. The gentleman mentioned the term "supplementals." By that, does the gentleman mean there are other methods, that, in essence, you could circumvent the budget process?

Mr. WALKER. Oh, sure. The appropriations process has become an atrocity. For example, we actually bring appropriations to the floor with the knowledge that they are not going to be the whole appropriations for the year but later on in the year we are going to come back with another appropriation to spend more than what that appropriation bill calls for.

The original appropriation bill comes to the floor supposedly under budget or at budget. We are told that during the debate. What you find, though, is that they have buried down in the bill little devices aimed at bringing about additional spending later on in the year. I will give the gentleman an example:

In the Food Stamp Program we are now consistently bringing the appropriations for the Food Stamp Program to the floor funded for only 9 months, meaning that at some point during the fiscal year we have to come back and fund the other 3 months. That bill is under budget when it first comes to the floor, but then when you do the add-on for the last 3 months of the year for the Food Stamp Program, it throws it over. So that supplemental then leads to additional spending in the program. We do that with appropriation bill after appropriation bill after appropriation bill with the knowledge that the administration then will come back and ask for a supplemental. And that is another phony thing that goes on around here. We hear the gentleman on the other side continually talk about the fact that these supplementals are those the President asked for. Sure, he has to ask for it. What is he going to do? Say for the last 3 months of the Food Stamp Program that we are not going to issue them? He has a choice of either not issuing the food stamps or coming up here and asking for a supplemental because we did phony budgeting in the first place. That is one device.

The other device I would say to the gentleman that is prominently used on the House floor is the budget waiver. We consistently, with rules that we bring to the House floor, simply say that the Budget Act does not matter, for one purpose or another we are going to waive the Budget Act. So, therefore, we specifically say that we are going to get around those mandates that we impose upon ourselves in the Budget Act. That is a consistent pattern on this floor.

Nearly every rule since we have come back from the August recess has had a budget waiver in it.

I yield to the gentleman.

Mr. MACK. I think the gentleman has brought up a good point in the sense of how we should approach this to the proposal of the Gramm-Rudman in the Senate and the Mack-Cheney bill in the House. Basically, it says that there must be circumstances under which supplementals that are not really done deviously, there are times when there are needs for additional spending. So we have not in this proposal said that an individual or a committee could not request supplemental spending. But what we have said is that if you do come to the floor with a supplemental that you must, in essence, make it neutral. That is, that you cannot break the target that has been established. So you have to do one of two things when a supplemental is brought to the floor. You have got to show where spending has been reduced in another area of the budget to allow this spending to take place or simply state the revenue source, the tax increase necessary, to provide for that supplemental.

Again, one might argue whether it is a good policy or a bad policy to have supplementals. One might argue whether it is a good policy or a bad policy about the particular funds and program that you want to spend it for. That is debatable. But all we are saying is that people have to live within the targets that we have established. Therefore, supplementals would be allowed but there would have to be offsetting reductions in the spending in other places to make it in order.

Mr. WALKER. The gentleman is absolutely right. We do have time when you have emergencies arise, that you have emergency supplementals. But I think what the gentleman's program would end up doing is, it would stop the planned supplementals, it would stop the process around here that uses supplementals as a way of subterfuging additional spending. So people who come to the floor knowing that they have to bring a supplemental later on, knowing that it would not be neutral then but would throw the budget out of constraints, would therefore have an impact that is dramatically different than the impact today.

Mr. MACK. This goes right to the point we have been making for several years now, that what we need to do, we ought to be labeling this thing "Truth-in-Budgeting," that no longer can you phony up assumptions, no longer can you phony up spending proposals, no longer can you hide future spending plans until after the budget goes through and say, "Here, by the way, is an emergency situation that has come up that should be taken care of."

Again we have allowed for supplementals in this particular procedure, but there must be offsetting receipts, there must be an offsetting spending reduction. The second point I would like to raise has to do with the budget waivers. I would assume that that is an area where we really do get into trouble in the sense of being able to overspend the budgets that we have passed. And what we have done in this proposal is to say there are still times when there may be ligitimate reasons for a budget waiver. But we have said in this particular case you have to have three-fifths votes of the House in order to take care of that. So we have allowed again budget waivers. But the other thing to keep in mind is, if you do breach that or if you do pass a waiver, if the overall spending is going to breach the target, then the automatic spending reduction, reduction in spending across the broad takes place. So we have added, you might say, some consequences to the responsibilities of the actions around here.

Mr. WALKER. The final point the gentleman makes is what is driving the spenders in this body up the wall. it is not that they do think they can muster the three-fifths vote from time to time in order to pass a budget waiver, although it would make it more difficult, but the fact is that now, if that budget waiver puts us over the amount that we have as our overall budget target, then all of a sudden the President is given the power to sequester the funds and they lose their ability to really spend that money without the discipline. That is what they are really screaming about. That is what all the talk is about. When you have them coming to the floor, they are talking almost wholly about the sequestering process because they realize that that is ultimately the real control here.

I think the gentleman would agree with me, the fact is, you never have to get to sequestering. You never have to give the President the authority to make these onerous cuts that we keep hearing about. If the Congress does its job and does the budgeting within the constraints imposed upon us, namely, that you have deficits consistently going down, the President is never given the power to sequester. If the Congress lives within the budgets that it develops that meet those constraints, the President is never given the power to sequester.

So that what you really have is the President sitting there as a disciplinary tool that never has to be used.

It is a little like when I was in school and you had the paddle hanging on the wall. The fact is that the teacher did not use it very often or at all. In many instances I remember the teacher, in my going through school, the teacher never had to use the paddle because it was hanging there as a symbol of what could happen.

That is precisely the kind of way that this can operate. If we do our job, do it right, do it within our constitutional prerogatives, we never have to have the discipline of sequestering imposed.

The point of the spenders is, they do not think they can live with that and they do not want anything in the way of their spending just as they have not allowed the budget process that we have now in place, which was a very elaborate document, to get in the way of their spending.

Let me ask the gentleman: In the discussion we had a little bit ago with the gentleman from New York, he mentioned the fact that the great

problem with the Gramm-Rudman-Mack proposal is the fact that it is being hammered out in secret, that there are some kind of secret sessions going on, hammering out this process, in fact it has been subject to no hearings, and we do not have a process that is meeting the legislative need to have an open process. Am I correct that the conference is totally open to the public?

Mr. MACK. Well, if I may just kind of expand on that a little, that is the reason I smile, because last evening I raised a point that was mentioned here that one of our colleagues was concerned because they just did not have time to study the proposal and know what was in it. I was chastised for reminding that gentleman that anyone who is really serious should really not use an excuse about not knowning what is in it or it is a closed session kind of situation. Anybody who knows the workings of this place knows full well that there virtually are no secrets, No. 1. No. 2, the hearings, I think we can go back to the other body where in September there were rather lengthy discussions and debate about what was proposed as far as the Gramm-Rudman-Hollings proposal was concerned. Since then we have gone to conference; which, by the way, there are 48 Members of the House in that conference. Those meetings have all been open. We have had hearings, we have had people come in and testify as to what they believe is in the proposal; those things have been excluded; suggestions they have made about problems; suggestions they have made about cleaning it up.

So I would say that, again, if there was a real interest in knowing what was in there——

Mr. WALKER. My understanding is that right in the conference committee you have about 15 television cameras in there and a couple of hundred people sitting around. Is that correct?

Mr. MACK. I would certainly say the first day there were quite a few members of the press, TV cameras, and so forth.

Mr. WALKER. So this is happening right out in the open. The gentleman mentioned hearings. Now, what the gentleman from New York told us in his opposition is that there have been no hearings on this bill.

Mr. MACK. By the way, I have just been referring to what has happened in the conference committee. I think the gentleman knows there have been several committees of the Congress in the past few weeks that have been holding hearings. I know the Budget Committee has held several meetings.

Mr. WALKER. The Budget Committee held hearings on this?

Mr. MACK. They certainly have.

Mr. WALKER. And the conference committee held hearings on it?

Mr. MACK. They certainly have.

Mr. WALKER. The Government Operations Committee, on which I serve and, by the way, on which the gentleman from New York serves on, the gentleman who was talking about this, that committee, I know, has held hearings. Has not the Joint Economic Committee held hearings on this, too?

Mr. MACK. They may have held a hearing today, I am not sure about that.

Mr. WALKER. I am pretty certain there have been a whole series of hearings held on this process. Once again, there is nothing going on in secret.

Mr. MACK. I think it is interesting in this relatively short period of time that there have been all these hearings on what is referred to as the Balanced Budget Emergency Deficit Reduction Act. You know, as the gentleman from Pennsylvania knows, I have been here now for about 3 years, and one of the things that I feel strongly about when I ran for the Congress and that I feel more strongly about now was the need to pass an amendment to the Constitution requiring a balanced budget. But it is interesting, at least again as far as my knowledge is concerned, I do not believe that in the entire 3 years that I have been here that there ever were any hearings about the balanced budget amendment.

Mr. WALKER. In this body I do not think there have been; I think the gentleman is absolutely correct.

Mr. MACK. Until the crisis was at hand, when we have been able to say that those people who say they are serious about reducing spending, balancing the budget, have an opportunity to come and step forward and support this proposal. It is interesting that most of the hearings seem to be directed at trying to find ways to undermine the proposal as opposed to a real open hearing of presenting both sides of the issue.

Mr. WALKER. The gentleman, I think, makes a key point that has been made a number of times on this House floor. There is a real attempt around here to bottle up things that the majority party does not want to deal with. Balanced budget has been one of those. However, all of a sudden they were presented with a fait accompli, the Senate-passed balanced budget language, and all of a sudden there is panic in the House of Representatives. The spenders have become apoplectic about the fact that they actually have to face up to this issue. So the gentleman is correct; we have had a whole series of hearings, but it is not, as was portrayed out here earlier this evening, a case where there have been no hearings.

That is certainly not a case that can be made in reality.

Another point raised, and I would bring it up to the gentleman, was that we are changing basic constitutional principles in the amendment or in the bill that the gentleman has drafted. It seems to me that those kind of things are also being addressed by the conference committee. Is there not a task force specifically set up to look at those particular questions?

Mr. MACK. There is a separate task force to deal with the question of the constitutionality. And I would assume that the question of constitutionality comes up on almost any piece of legislation that the Congress is going to deal with. I would suspect in many cases the question of constitutionality is a smokescreen and is not the real issue that people are concerned with.

Mr. WALKER. If the gentleman would yield back to me just a minute, I would tell the gentleman that on a couple of occasions we have had bills brought to the House floor by the majority party that I would have regarded as being constitutionally dangerous.

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On a couple of those occasions, I have brought the issue to the floor, suggesting that there might be constitutional problems with this. The ruling of the Chair at that point has been that constitutional arguments against the bill are not admissible as a part of points of order, and so on, out here. So the fact is—and this gentleman knows it, too—when we bring up constitutional points, those are ultimately going to have to be resolved by the courts. That is not something which is admissible in legislative consideration other than as a debating point. Certainly, people can get up and call it unconstitutional, but we do not decide constitutional questions here. That is something that is left to the court.

Mr. MACK. If the gentleman will yield further, I think one of the points that has been raised under the guise of a constitutional question has to do with the transfer, the supposed transfer of power from the legislative branch to the executive branch.

Mr. WALKER. I think that is the main thing.

Mr. MACK. A moment ago you used the term, though, that the President is empowered to execute the sequester order. I think, frankly, there is a better way of saying that. The President really is an executor of the law. He is required to sign the sequester order. Not empowered. He is required to sign the sequester order.

Mr. WALKER. He does not have discretion, in other words.

Mr. MACK. That is absolutely right. He has no choice. He must sign the order.

And the second point of it is, he cannot pick and choose as to where the sequester order is going to hit. He

must follow it according to the law that is being established.

Mr. WALKER. Would the gentleman specify for us precisely what that particular requirement is, because we have heard a lot of talk, again, from the critics of the bill out here on the floor that somehow some programs were going to be hit much harder than other programs.

Is it not true that under the formula that there is an attempt to protect programs even during a sequestering process?

Mr. MACK. What we have tried to do, even though many of us may disagree with present policy as it is exemplified by expenditures of the Federal budget, while many of us may disagree with those, what we have said is our desire is to try to maintain as close as possible the present policy so that we want to touch programs across the board in equal percentages.

Now, there is truth to the argument that there have been some exemptions. One exemption that has been given is Social Security. People may grin and say, "Well, gee, that is strange." Well, the reality, the political reality, the reality of this place, is that there is no way to put forward any meaningful deficit reduction plan that includes Social Security.

Mr. WALKER. There is one other point, too, and that is that there does exist a separate trust fund for Social Security, which is in fact a solvent trust fund, given what we did a couple years ago. So you are dealing with a little bit different economic reality than the general-fund budget at that point; is that not the case?

Mr. MACK. That is true. And let me mention the second area. The feeling was that if we have contracts that the Government has entered into in the private sector, in which the person that we have contracted with can, in essence, come back and sue us for specific performance, it is misleading for us to say that we can reduce the expenditures under those contracts when we know we are going to have to, in essence, pay more as a result of that suit.

So we have exempted long-term or multiyear contracts, where we believe there is a higher cost to us for sequestering.

Again, the strawman that has been raised is that that whole thing was designed for the purpose of protecting defense.

Mr. WALKER. That is precisely the point raised by the gentleman earlier today. He said that that particular device is in there in order to protect one-half of the defense budget and emasculate the domestic programs.

Mr. MACK. Well, let me tell you where I think they have gotten the idea that that was occurring. Frankly, when the whole plan was first discussed, when people heard that there was this contract provision in there, there was a natural kind of reaction saying, "Wait a minute, that really is done for the purpose of protecting something. We really need to find out what that is."

During the process of the discussion, there were also some numbers and some figures that came out as to what contracts in dollar amounts would be exempt. And a figure was generated of roughly $92 to $109 billion on the defense side and some $74 or $76 billion on the domestic side. The point I am raising there is that even under the first run, there was the belief on both sides, that is, the domestic and the defense, would be affected by some kind of an exemption for contracts.

As we worked through this and we began to look closer at the makeup of the contracts and the wording of those contracts, we found that in most of the Defense Department contracts there was an option that, in essence, said at the convenience of the Government there could be some changes in performance. As a result of that, those contracts would be included in the overall sequester order.

So what really has happened now is that the greater dollar amount of contracts that are going to be exempt actually occurs on the domestic side, not on the defense side.

Mr. WALKER. Well, now, wait a minute. That is precisely opposite of what we heard out here earlier this evening. You are claiming that in the hearing process that you have gone through, in the study process that you have gone through, it has now been developed that the contract provision in the proposal will result in more domestic set-asides than defense set-asides?

Mr. MACK. That is absolutely correct. Let me go further and say that that information I believe was available either last Thursday or Friday in one of the open conference sessions that we had.

Mr. WALKER. So in other words, in one of these open meetings that we had heard were not taking place, in one of these open public meetings it has been in fact explained at this point that under the proposal you would have more discretionary set-asides, or, I should say, set-asides for domestic programs under the contracting authority than you would the defense programs.

Mr. MACK. The gentleman is correct.

Mr. WALKER. I think that is an important refutation of the explanation that we had in opposition to this bill earlier on this evening.

We also heard earlier this evening that absolutely this program is going to cut education, it is going to cut Head Start, it is going to cut college grant programs.

Is there any way that that particular point of view can be sustained based upon the reality of the program?

Mr. MACK. Let me respond to that and say that, yes, that could occur, but I would remind you that that would only occur either because Congress decided to do it, No. 1, or No. 2, that Congress failed to carry out any kind of significant deficit reduction that would get us within the targets.

The point is, if we do not put together a plan that sets other priorities that gets us below the target number, then sequestering would take place, that is, the reduction in spending across the board, and, therefore, the program that you mentioned would be hit on a percentage basis, the same way as, say, the defense number, or any other particular spending in the makeup of the Federal budget.

Mr. WALKER. So in other words, the way we would get there is if we ourselves spent our way into the problem, that is we found that we were not able to discipline ourselves to the point of meeting the target, the only way we could get to those kinds of cuts would be that the spenders win up here and we do not get to a responsible level of reduced deficit.

Mr. MACK. If there is a failure on the part of the Congress to meet the targets as established in this proposal, then there would be a sequester across the board, which would impact the programs that you just mentioned. That is one way.

The second way would be, as the gentleman knows, that, while we have established targets here, and sequestering would take place at some point, the Congress still has the responsibility of developing its own budget resolution that meet those specific targets. If the Congress should happen to decide that education or the other programs that you mentioned should be cut, that is a second way. But a way of protecting those programs is for those people who feel strongly about that to put their proposal together as to how they think the priorities of the Federal expenditures ought to be arranged. And then the Congress can debate which of those should take place.

Mr. WALKER. I thank the gentleman. Of course, the point being made by some of the opponents of your proposal is the fact that this would hit particularly hard at domestic policies, and the statement was made that that is irresponsible because it is a known fact that there has been no real social program waste, that there is a myth of social program waste. The fact is that we do have in the Defense Department, we do have waste in the social programs, as well. To cite one, just to let people know that that is not a myth, the Food Stamp Program, for example, was examined by GAO just a couple years ago, and they found a 20-

percent waste, fraud and abuse rate in that social program. That is a pretty significant waste, fraud and abuse rate and one which I think we might want to address as a part of a budget-reduction scenario.

Mr. MACK. I think one of the interesting things that is developing on this particular proposal is that those who are concerned about the domestic side of the budget have made the claims that that is where all the cuts are going to occur. Those people who feel very protective of the defense numbers make the claim that that is where all of the cuts are going to be made, or a good portion of it.

And it is also interesting that those of us who feel strongly about no tax increases have heard several say, "Well, this is just the kind of system that is going to force increases in taxes," and we have heard just the opposite point of view about taxes from other people; the point is that this proposal is about as even and as straight across and as neutral approach as you can come up with to, as you said, provide the paddle necessary to make Congress carry out its responsibility.

Mr. WALKER. Well, the final point that was made by the gentleman that was discussing here this morning—and there were a number of other points, too, that can be refuted—was that the Democrats and liberals would in fact support a policy calling for a balanced budget.

Our question to them is: What? What policy is it that you are willing to support?

Last night we had a discussion out here on the floor of the alternative budget that they would propose. Earlier in the evening I went through the alternative budget and found that if you totally did away with all agricultural programs, which was one of the things they discussed, all foreign aid programs, which is one of the things they discussed, all water projects, which is one of the things they discussed, emasculated the entire strategic Defense Program of this country, they would come up with $70 billion in savings, and that included some increases in taxes. They would come up with $70 billion in deficit reduction. That leaves them $130 billion short.

So the question becomes: What are they really willing to do?

They are willing to criticize your proposal, they are willing to talk about balancing the budget, they are willing to try to blame deficits on Ronald Reagan, but they are not willing to come up with a proposal, and they are willing to do anything to destroy a proposal that is now before us.

I think it is an appalling episode. I think it demonstrates once again why we have a dichotomy in the economy today between spenders and builders, and it seems to me that, clearly, those who are spenders are fighting the Gramm-Mack proposal, those who are the builders of our society, trying to build an economy for the future, are those defending it.

The American people need to choose between the two. Are you with the spenders, who want to continue to spend us into debt and into oblivion, as we have spent for the last decade or more? Or are you with the builders who want to rebuild the economy, build toward the future, lower the debt load on the American people and begin the process of strengthening ourselves going into the 21st century?

Those are the choices. It is a choice that has become very clear in the Gramm-Mack proposal, and I think that the opposition voices that we hear on the floor are those people who want to continue the spending.

I congratulate the gentleman for being in the forefront of the builders.

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

COMMEMORATING THE 40TH ANNIVERSARY OF THE UNITED NATIONS

(Mr. LEACH of Iowa asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. LEACH of Iowa. Mr. Speaker, tomorrow, October 24, 1985, marks the 40th anniversary of the founding of the United Nations. President Reagan, who has on various occasions reaffirmed a U.S. commitment to the principles and ideals on which the United Nations was founded, will be addressing a special commemorative session of the General Assembly on that occasion. I believe it appropriate for the Congress likewise to observe this 40th anniversary by reflecting on the past four decades of post-World War II experience with the United Nations.

It was not far from this Chamber, in 1944, that meetings were convened at Dumbarton Oaks to begin the preliminary work on what was to become the new United Nations organization. The following year, delegates from 50 nations gathered in San Francisco and on June 25, 1945, adopted the Charter of the United Nations. In the post-World War II era, the United States played the dominant role in the United Nations and most other international bodies. Not only did we never veto a Security Council measure, but for 20 years, we never voted on the losing side of a U.N. resolution. As the world's preeminent military and economic power the United States exerted unrivaled influence.

However, as the decolonization process unfolded and the membership of the United Nations tripled, Americans have had to come to grips with the fact that the character of the United Nations has changed as the world has changed. The United States does not now, nor will it ever again claim as great a percentage of the world's economic and military might as it did at the end of the last world war. Hence, in a very practical sense, our national security today requires a greater subtlety be applied to our diplomacy as it effects international institutions.

Apart from arms control, the most fundamental issue of world politics is the advancement of international law and international institutions. In a world which Pope John Paul has suggested has shifted from a "post-war" to a "pre-war" mentality, political leaders in Congress and the executive branch have a responsibility to appeal to the highest rather than the lowest instincts of the body politic in approaching issues of multilateral diplomacy.

This is not to suggest that criticism of the United Nations should be stifled. Rather it should be channeled constructively. Many, for instance, have suggested that the United Nations has degenerated into a world debating society. Citizens of the world had higher hopes for the United Nations than to see country after country use the podium of New York for political diatribe, much of it directed against the United States. As a former delegate to the United Nations General Assembly, I have witnessed firsthand the corruption in rhetoric that plagues the U.N. system today. Still, all in all, words are cheaper than bullets and who knows how much conflict such open discussion of issues prevents.

American representatives, confronted with such situations, have a responsibility to stand up, not only for American national interests, but for the principle of rational dialog. In diplomacy, as in sports, it does matter how you play the game. Verbal joustings, however, must be measured. It is simply counterproductive to suggest, as one of our representatives recently did, that the United Nations should meet half time in Moscow and that he would cheerfully stand at the wharf and wave goodbye to delegates. It is even more mischievous to gratuitously call the United Nations a "cesspool" as the mayor of New York recently has done. Beyond the realm of rhetoric, the burden of proof would seem to be on the administration to show how abandoning UNESCO advances our national interest, how empty chair diplomacy is more effective than U.S. participation. Likewise, torpedoing the Law of the Sea negotiations and abandoning compulsory jurisdiction of the World Court would for all intents and purposes appear to shrink the scope of international law. How does this lead to a safer world?

We may not like all that the United Nations or its individual members do,

but we no longer have the capacity, even if we so desired, to successfully go it alone. We simply cannot reject the world as it is the 1980's and return to the world as it once was or as we would like it to be. The economic and military might we were once able to exercise at the end of World War II is history. Now, Japan and several of the European nations devastated by the war and assisted by the United States in their recovery are heavy contenders for rival economic and political influence and many smaller nations of Asia and Latin America have developed to the point too where they can claim a significant share of the world's economic resources and influence. The reordering of power in the world implies that the United States must work cooperatively with other nations in the promotion of our own interests and ideals, not only bilaterally, but in international organizations such as the United Nations.

Ironically, the American people often seem to understand better than American politicians that isolationism has no place in the world today. If there is any hope of diminishing intolerance and hostility among nations, it must come through a greater international commitment to mutual understanding and cooperative problem solving. Those who demand that the United States get out of the United Nations must realize that going it alone may be psychologically satisfying, but strategically it is a prescription for disaster for the United States. Existing international institutions may be flawed, but the case for retreat from international dialog is nonexistent. Multilateral cooperation is a prerequisite for establishing a safer if not saner world.

While the United Nations more frequently earns headlines through its failures and shortcomings, the success stories of the United Nations go on largely without public notice. During the last four decades, the United Nations Children's Fund [UNICEF] has made a major contribution to the health of the world's children; the World Health Organization [WHO] played a crucial role in eradicating smallpox from the face of the Earth; the International Civil Aviation Organization [ICAO] has helped to assure the safety of the world's commercial air travelers; the International Atomic Energy Agency [IAEA] has, through its inspections and related activities, contributed to global efforts to protect against the proliferation of nuclear weapons; the United Nations Development Program [UNDP] has assisted in the basic task of economic development in many of the world's poorest countries, the U.N. High Commissioner for Refugees earned the Nobel Peace Prize for caring for millions of refugees, and United Nations Educational, Scientific and Cultural Organization [UNESCO] has made a signficant contribution to worldwide problems of literacy and preservation of cultural heritage.

The world has witnessed significant progress in the development of international law under the auspices of the U.N. system, particularly in such areas as maritime law and in the development of human rights conventions.

While these kinds of activities and accomplishments may not relate directly to the peacekeeping initiatives on which we tend to focus such enormous attention, they are, nevertheless, indispensable to the creation of the conditions for a lasting world peace. As a Member of this body, I am proud of the historical leadership role which the United States has played in these areas through the U.N. system.

This is not to say that the United Nations has not been a deep disappointment at times and that the conduct of some of its members has not from time to time been deplorable. But the occasion of the 40th anniversary of the United Nations offers the 159 member states of the United Nations an opportunity to rededicate themselves to the original purposes and principles embodied in the charter and to undertake new initiatives to improve the United Nations itself. As U.S. Ambassador to the United Nations, Vernon A. Walters, said in testifying before two House subcommittees on September 18, 1985, "The United Nations is essential to us. But if the United Nations is to function as it should, if it is to play the role it should play, it must become a more effective institution."

I agree with Ambassador Walters' assessment and have recently introduced legislation which I hope will provide an appropriate format for a constructive review of the United Nations. This legislation (H.J. Res. 417) proposes the establishment of a "United States Commission on Improving the Effectiveness of the United Nations," to consist of 18 members, with the House, the Senate, and the President each selecting six. Former U.S. Permanent Representatives to the United Nations would also be invited to serve as advisors to the Commission. In carrying out its mandate to report back to Congress and the President in 1 year's time its recommendations, the Commission would be charged with giving special attention to such issues as: "weighted" voting, assessed contributions from member states, potential nongovernmental sources of revenue for the United Nations, staff salaries and contracts, peacekeeping functions, the use of the International Court of Justice, potential creation of new mechanisms such as a U.N. Mediation and Conciliation Service and professional antiterrorism units, a possible verification and inspection service to assist in enforcing compliance with arms control agreements, the implementation of international human rights standards, the possible creation of a new U.N. High Commissioner for Human Rights, the role of the United States in the United Nations and a variety of other subjects. The Commission would be mandated to examine such ideas as with a view toward developing concrete practical recommendations for reform in the United Nations. It would also be charged with developing strategies for promoting appropriate reforms at the United Nations itself.

The proliferation in the last couple of years of House and Senate amendments dealing with U.S. policy toward the United Nations reflects a great degree of frustration with the United Nations as it presently operates. The Commission described above is neither intended to be liberal nor conservative, but instead to be, above all, practical. Without a constructive forum for multilateral international discourse, managing global problems will become far more difficult in the years to come.

It is time for the United States to lead, rather than simply denigrate the United Nations. There is no better occasion than on this, the 40th anniversary of the United Nations, to engage the American people in the quest for a better, more effective United Nations for the next 40 years.

I would like to submit for the record the text of House Joint Resolution 417 and to urge my colleagues in supporting this initiative.

H.J. RES. 417

Joint resolution to establish a United States Commission on Improving the Effectiveness of the United Nations

Whereas October 24, 1985, marks the fortieth anniversary of the entry into force of the Charter of the United Nations;

Whereas the United Nations was established for the purposes, as enunciated in the Charter, of maintaining international peace and security, developing friendly relations among nations based on respect for equal rights and self-determination, achieving international cooperation in solving economic, social, cultural, and humanitarian problems, and promoting respect for human rights;

Whereas the purposes and principles of the United Nations Charter and founders remain as relevant today as they were forty years ago;

Whereas the United Nations system is a necessary universal and democratic institution in our interdependent world and has made significant contributions in such areas as the development of international law, peacekeeping, decolonization, nuclear nonproliferation, child health, refugee relief, economic development, and human rights;

Whereas in spite of its achievements, the United Nations has been unable to bring an end to war or human suffering;

Whereas the United Nations has also, on occasion, strayed from its original purposes and has served as a forum for irresponsible rhetoric and politicization, such as the adoption by the General Assembly in 1975 of

Resolution 3379 equating Zionism with racism;

Whereas in spite of such grave lapses, the United States remains committed to the United Nations and the purposes of the Charter, not only as a member of the United Nations and one of its earliest leaders and supporters, but also as host to the United Nations headquarters;

Whereas the fortieth anniversary of the United Nations provides a special opportunity for the United States not only to reaffirm its support for the United Nations but to reappraise the potential of the United Nations and recommend means of making that institution more effective and responsible, consistent with the national interests of the United States; and

Whereas the Secretary General of the United Nations has, on this fortieth anniversary, called for renewed commitment to the Charter and an effort to appraise and improve the functioning of the United Nations: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ESTABLISHMENT OF COMMISSION.

The United States Commission on Improving the Effectiveness of the United Nations (hereafter in this joint resolution referred to as the "Commission") is hereby established.

SEC. 2. PURPOSES OF THE COMMISSION.

(a) PURPOSES.—The purposes of the Commission shall be to—

(1) examine the forty years of the United Nations and identify and evalute the strengths and weaknesses in the organization and its work; and

(2) prepare and submit to the President and to the Congress recommendations on ways to improve the effectiveness of the United Nations and the role of the United States in the United Nations, including the feasibility of and means for implementing such recommendations.

(b) SPECIAL ATTENTION.—In carrying out its responsibilities under subsection (a), the Commission shall pay special attention to the following:

(1) The mechanisms and procedures within the United Nations system for peacekeeping and conflict-resolution and ways in which they may be expanded or improved, examining in particulr the functions of the Secretary General, the role of the Security Council, the use of the International Court of Justice, potential third-party dispute-solving mechanisms (as in the establishment of a United Nations Mediation and Conciliation Service), the possible creation of standing United Nations peacekeeping forces or anti-terrorism units, the role of United Nations institutions in fact-finding, and potential verification and inspection services to assist in enforcing compliance with international arms control agreements.

(2) Formal and informal decisionmaking procedures in the United Nations, its agencies and programs, and recommendations to modify those procedures which have emerged from various interested parties, examining in particular the role of consensus decisionmaking, the feasibility and advisability of weighted voting (including the so-called "binding triad" formula requiring multiple concurrent majorities based on one-nation-one-vote along with population and contributions), the possible modification of the Security Council veto, and the relationship of the principles of universality and democracy to decision-making procedures.

(3) The cost-effectiveness and administrative efficiency of the United Nations, examining in particular budgetary reform (including the role of the major donors in budget decision-making), the prioritization of programs, adjustments in assessments, potential alternative non-governmental sources of revenue, salaries, benefits, hiring of consultants, contracts for goods and services, and appointment of staff in the Secretariat.

(4) The economic, social, and humanitarian role of the United Nations system, examining in particular the optimum coordination of economic development programs, the United Nations' short-term and long-term response to crises and natural disasters, population and health issues, refugee relief, the protection of the environment, the implementation of international human rights law, and the potential creation of a United Nations High Commissioner for Human Rights.

(5) United States participation in the United Nations, examining in particular the strengths and weaknesses of United States performance, United States policy toward the International Court of Justice and international law, provisions in United States law relating to the United Nations, ways in which the United States can better use the United Nations to advance its national interests, the state of public opinion with regard to the United States role in the United Nations, United States voluntary and assessed contributions to the United Nations, and the hiring of United States citizens in the United Nations system.

(6) Strategies and actions for promoting the implementation of recommended reforms in the United Nations and the United States role in the United Nations.

SEC. 3. MEMBERSHIP OF THE COMMISSION.

(a) MEMBERS.—The Commission shall be composed of 18 members, appointed as follows:

(1) Two Members of the Senate, one appointed by the President pro tempore of the Senate and one appointed by the minority leader of the Senate.

(2) Two Members of the House of Representatives, one appointed by the Speaker of the House and one appointed by the minority leader of the House.

(3) Eight individuals from the private sector, two appointed by the President pro tempore of the Senate, two appointed by the minority leader of the Senate, two appointed by the Speaker of the House, and two appointed by the minority leader of the House.

(4) Six individuals appointed by the President, such appointees to be representative, to the maximum extent possible, of the full range of American society. Not more than three of the members of the Commission appointed pursuant to this paragraph may be from the same political party.

All such appointments shall be made no later than 60 days after the date of enactment of this joint resolution. Any vacancy in the membership of the Commission shall be filled in the same manner as the original appointment was made.

(b) ADVISORS.—Former United States Permanent Representatives to the United Nations who are not appointed to the Commission shall be invited by the Commission to serve as Advisors to the Commission.

(c) COMPENSATION AND TRAVEL EXPENSES.—(1) Except as provided in paragraph (2), each member of the Commission shall be entitled to receive the daily equivalent of the annual rate of basic pay in effect for grade GS-18 of the General Schedule (5 U.S.C. 5332) for each day during which that member is engaged in the actual performance of the duties of the Commission.

(2) Members of the Commission who are full-time officers or employees of the United States or Members of the Congress shall receive no additional pay on account of their service on the Commission.

(3) While away from their homes or regular places of business in the performance of services for the Commission, members of the Commission, and Advisors serving pursuant to subsection (b), shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703(b) of title 5, United States Code.

(d) CHAIRMAN AND VICE CHAIRMAN.—The Chairman and Vice Chairman shall be elected by the Commission from among the members of the Commission.

(e) QUORUM.—Ten members of the Commission shall constitute a quorum for purposes of transacting business, except that four members shall constitute a quorum for holding public hearings.

SEC. 4. POWERS OF THE COMMISSION.

(a) IN GENERAL.—For the purpose of carrying out this joint resolution, the Commission may hold such hearings (subject to the requirements of subsection (b)) and sit and act at such times and places, take such testimony, and receive such evidence as the Commission considers necessary to fulfill the purposes specified in section 2. The Commission may administer oaths and affirmations to witnesses appearing before the Commission.

(b) MEETINGS.—

(1) MINIMUM NUMBER OF PUBLIC HEARINGS.—The Commission shall hold a minimum of 5 public hearings.

(2) OPEN MEETINGS.—Section 552b of title 5 of the United States Code shall apply with respect to the Commission.

(3) CALLING MEETINGS.—The Commission shall meet at the call of the Chairman or a majority of its members.

(c) DELEGATION OF AUTHORITY.—When so authorized by the Commission, any member or agent of the Commission may take any action which the Commission is authorized to take by this section.

(d) INFORMATION FROM FEDERAL AGENCIES.—The Commission may secure directly from any Federal agency information necessary to enable it to carry out this joint resolution. Upon request of the Chairman of the Commission, the head of any such Federal agency shall furnish such information to the Commission.

SEC. 5. STAFF.

(a) STAFF MEMBERS AND CONSULTANTS.—Subject to such rules as may be adopted by the Commission, the Chairman of the Commission, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classifications and General Schedule pay rates, may—

(1) appoint a Director who shall be paid at a rate not to exceed the rate of basic pay in effect for level V of the Executive Schedule (5 U.S.C. 5316);

(2) appoint and fix the compensation of such other staff personnel as the Chairman considers necessary; and

(3) procure temporary and intermittent services to the same extent as is authorized by section 3109(b) of title 5, United States Code.

(b) DETAILING OF GOVERNMENT PERSONNEL.—Upon request of the Commission, the head of any Federal agency may detail, on a reimbursable basis, any of the personnel of that agency to the Commission to assist it in carrying out this joint resolution.

SEC. 6. REPORT.

The Commission shall transmit to the President and to the Congress a report containing a detailed statement of the findings, conclusions, and recommendations of the Commission. This report shall be transmitted not later than one year after—

(1) the date on which appropriations first become available to the Commission, or

(2) the first date on which all members of the Commission have been appointed,

whichever date is later.

SEC. 7. FUNDING FOR THE COMMISSION.

(a) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $250,000 to carry out this joint resolution.

(b) PRIVATE CONTRIBUTIONS.—The Commission may accept contributions from private sources to carry out the purposes of this joint resolution. The source and amount of each such contribution shall be listed in the report submitted pursuant to section 6.

SEC. 8. TERMINATION OF THE COMMISSION.

The Commission shall cease to exist 60 days after submitting its report pursuant to section 6.

CONFERENCE REPORT ON H.R. 2942

Mr. FAZIO submitted the following conference report and statement on the bill (H.R. 2942) making appropriations for the legislation branch for the fiscal year ending September 30, 1986, and for other purposes:

CONFERENCE REPORT (H. REPT. 99-321)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2942) making appropriations for the legislative branch for the fiscal year ending September 30, 1986, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 4, 15, 18, 19, 20, 23, 24, and 25.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 5, 6, 7, and 21, and agree to the same.

Amendment numbered 3:

That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$919,000*; and the Senate agree to the same.

Amendment numbered 8:

That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$16,886,000*; and the Senate agree to the same.

Amendment numbered 9:

That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows:

Restore the matter stricken by said amendment, amended as follows:

In lieu of the sum named in said amendment insert: *$100,000*; and the Senate agree to the same.

Amendment numbered 10:

That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$10,880,000*; and the Senate agree to the same.

Amendment numbered 16:

That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows:

Restore the matter stricken and inserted by said amendment, amended as follows: *$2,188,000: Provided, That appropriations under this head shall be available for Bartholdi Fountain repairs without regard to section 3709 of the Revised Statutes, as amended*; and the Senate agree to the same.

Amendment numbered 17:

That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$138,047,000*; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 1, 11, 12, 13, 14, 22, and 26.

VIC FAZIO,
DAVID R. OBEY,
BILL ALEXANDER,
JOHN P. MURTHA,
BOB TRAXLER,
LINDY BOGGS,
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JOHN T. MYERS,
JOHN EDWARD PORTER,
Managers on the Part of the House.

ALFONSE D'AMATO,
MARK O. HATFIELD,
TED STEVENS,
DALE BUMPERS,
TOM HARKIN,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2942) making appropriations for the Legislative Branch for the fiscal year ending September 30, 1986, and for other purposes, submit the following joint statement to the House and Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

TITLE I—CONGRESSIONAL OPERATIONS

SENATE

Amendment No. 1: Reported in technical disagreement. Inasmuch as the amendment relates solely to the Senate and in accord with long practice, under which each body determines its own housekeeping requirements and the other concurs without intervention, the managers on the part of the House will offer a motion to recede and concur in the Senate amendment.

JOINT ITEMS

CONTINGENT EXPENSES OF THE SENATE

JOINT ECONOMIC COMMITTEE

Amendment No. 2: Appropriates $2,644,000 as proposed by the Senate instead of $2,670,000 as proposed by the House.

JOINT COMMITTEE ON PRINTING

Amendment No. 3: Appropriates $919,000 instead of $910,000 as proposed by the House and $935,000 as proposed by the Senate.

OFFICE OF THE ATTENDING PHYSICIAN

Amendment No. 4: Appropriates $1,056,000 as proposed by the House instead of $1,036,000 as proposed by the Senate.

CAPITOL POLICE

General expenses

Amendment No. 5: Appropriates $1,336,000 as proposed by the Senate instead of $1,361,000 as proposed by the House.

Official mail costs

Amendment No. 6: Appropriates $100,000,000 as proposed by the Senate instead of the $104,211,000 as proposed by the House.

Statement of appropriations

Amendment No. 7: Appropriates $13,000 as proposed by the Senate instead of $11,000 as proposed by the House.

CONGRESSIONAL BUDGET OFFICE

Salaries and expenses

Amendment No. 8: Appropriates $16,886,000 instead of $16,609,000 as proposed by the House and $17,541,000 as proposed by the Senate. The additional $277,000 provided over the House bill is allocated as follows: $127,000 for computer time sharing, including $27,000 for the personnel system; $115,000 for administrative costs; and $35,000 for the summer intern program.

ARCHITECT OF THE CAPITOL

OFFICE OF THE ARCHITECT OF THE CAPITOL

Contingent expenses

Amendment No. 9: Appropriates $100,000 instead of $235,000 as proposed by the House.

CAPITOL BUILDINGS AND GROUNDS

Capitol buildings

Amendment No 10: Appropriates $10,880,000 instead of $11,405,000 as proposed by the House and $10,590,000 as proposed by the Senate. This level provides $290,000 for the conservation, including the necessary scaffolding, of the frescoed frieze in the Capitol Rotunda. With respect to the frescoed canopy, "The Apotheosis of George Washington," which also requires extensive conservation treatment, the conferees believe that alternatives to the plan for masking the joints between the giornate should be considered. There is a concern that the aesthetics of the giornate will be altered because the proposal presented to the Committees will eliminate the effects of the variations in the painting created by the artist, Constantino Brumidi, in his day-to-day progress on this masterpiece frescoe. Consequently, the conferees direct that an alternative conservation program be developed for the canopy which then can be considered together with the current plan. Funding for the elevator traffic analyzer is not provided.

Amendment No. 11: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which extends the availability of $109,000 appropriated in P.L. 98-367, until September 30, 1986, as proposed by the Senate.

Capitol grounds

Amendment No. 12: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the sum stricken and inserted by said amendment, insert the following:

"$3,510,000, of which $495,000 shall be available until expended for the procurement and installation of hydraulic security barriers at vehicular entrances to the Capitol grounds, subject to the approval of the design development drawings by the House and Senate Committee on Appropriations

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The managers have approved the front end loader and resurfacing of square 639; funds for a dump truck are not provided. The managers have included funding and approve the reprogramming for the construction of hydraulic barriers at the East Plaza vehicle entrances to increase the security of the Capitol, its inhabitants, and the visiting public. The East Plaza funds are provided subject to approval of the design development drawings by the Committees on Appropriations. Authorization legislation (H.R. 3066) reported to the House on October 11, 1985 also requires that the Architect of the Capitol will proceed with the project under the direction of the House Office Building Commission and the Committee on Rules and Administration of the Senate.

Senate office buildings

Amendment Nos. 13-14: Reported in technical disagreement. Inasmuch as the amendments relate solely to the Senate and in accord with long practice, under which each body determines its own housekeeping requirements and the other concurs without intervention, the managers on the part of the House will offer motions to recede and concur in the Senate amendments 13 and 14.

LIBRARY OF CONGRESS

CONGRESSIONAL RESEARCH SERVICE

Salaries and expenses

Amendment No. 15: Appropriates $38,963,000 as proposed by the House instead of $40,333,000 as proposed by the Senate. The managers realize that this level of funding will require very tight financial management at CRS and urge the agency to seek reprogramming authority if that becomes necessary in meeting Congressional workload requirements.

TITLE II—OTHER AGENCIES

BOTANIC GARDEN

SALARIES AND EXPENSES

Amendment No. 16: Appropriates $2,188,000 instead of $2,197,000 as proposed by the House and $2,113,000 as proposed by the Senate. The conferees have allowed $75,000 for repairs to the Bartholdi Fountain, without regard to section 3709 of the Revised Statutes. Funding for a delivery truck is not provided.

LIBRARY OF CONGRESS

SALARIES AND EXPENSES

Amendment No. 17: Provides $138,047,000 in direct appropriations and receipts instead of $136,569,000 as proposed by the House and $139,325,000 as proposed by the Senate. The conferees have allowed $1,478,000 over the House bill, to be allocated as follows: $675,000 for preservation, including $250,000 for continued experimentation with the diethyl zinc deacidification process; $303,000 for automated systems, including $96,000 for personnel expenses for three existing staff positions to assist in the Congressional Research Service automation program; and $500,000 for relocation expenses.

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SALARIES AND EXPENSES

Amendment No. 18: Provides $17,631,000 in direct appropriations and collection receipts as proposed by the House instead of $18,081,000 as proposed by the Senate. The conferees are aware that recent semiconductor chip legislation has generated additional registration workload, which the Copyright Office has been able to absorb through reassignment of existing resources. The Office should continue to monitor this situation closely, and report the status of this workload during the next appropriation hearings.

Amendment No. 19: Provides a limitation of $6,000,000 in collections under 17 USC 708(c) which may be credited to this appropriation as proposed by the House instead of $6,500,000 as proposed by the Senate.

Amendment No. 20: Provides that the total amount available for obligation shall be reduced by the amount by which collections are less than $6,750,000 as proposed by the House instead of $7,250,000 as proposed by the Senate.

GOVERNMENT PRINTING OFFICE

PRINTING AND BINDING

Amendment No. 21: Appropriates $11,555,000 as proposed by the Senate instead of $11,655,000 as proposed by the House.

OFFICE OF SUPERINTENDENT OF DOCUMENTS

SALARIES AND EXPENSES

Amendment No. 22: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which provides that $3,000,000 of the amount available for fiscal year 1986 shall be derived from excess receipts from the sales of publications as proposed by the Senate.

GOVERNMENT PRINTING OFFICE REVOLVING FUND

Amendment No. 23: Restores language proposed by the House and stricken by the Senate which imposed a limitation of 5,480 employees at the Government Printing Office. In applying this employment cap, the managers direct that it be applied equitably, and with due regard to the efforts at GPO to provide equal employment opportunities to women and minority groups.

GENERAL ACCOUNTING OFFICE

SALARIES AND EXPENSES

Amendment No. 24: Appropriates $300,992,000 as proposed by the House instead of $299,726,000 as proposed by the Senate. The conferees expect that this level of funding will provide necessary training for GS-14's and above, and that the GAO will maintain an employment level of 5,100. The managers also note the increasing use of staff at the General Accounting Office as detailees to the Committees of Congress on a non-reimburseable basis. This practice should not be allowed to further burden the resources available to the General Accounting Office, which are severely limited as they are for all Legislative Branch agencies due to fiscal constraint and increasing workloads. The Comptroller General is asked to review this situation and to make appropriate recommendations in the fiscal year 1987 appropriations requests.

Amendment No. 25: Restores language proposed by the House and stricken by the Senate amending section 7(b) of Public Law 90-545 to authorize the use of the claims and judgments fund for final partial payments and compromise settlement of claims after certification by the Attorney General to the Comptroller General that it is in the interest of the United States to do so.

TITLE III—GENERAL PROVISIONS

Amendment No. 26: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter proposed by said amendment, insert the following:

SEC. 306. (a) Notwithstanding the provisions of this or any other Act, the United States International Narcotics Control Commission, established by section 814 of the Foreign Relations Authorization Act, Fiscal Years 1986 and 1987, is hereby redesignated and shall hereafter be known as the United States Senate Caucus on International Narcotics Control.

(b) Any reference to the United States International Narcotics Control Commission in any law, regulation, document, record, or other official paper of the United States shall be deemed to be a reference to the United States Senate Caucus on International Narcotics Control.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees believe that H.R. 2942 contains sufficient authority in the language under the Office of the Superintendent of Documents to make available for salaries and expenses excess receipts from the sales of publications, in the amount specified. With respect to the narcotics commission, the conferees have inserted language which will clear up an ambiguity created in the conference agreement on H.R. 2068, the Foreign Relations Authorization (P.L. 99-93). This commission, originally approved in the Senate bill to be comprised of members of the House and Senate, as a result of conference agreement consists of only members of the Senate and the public. The amendment redesignates the title of the commission as the "United States Senate Caucus on International Narcotics Control", thus making it a more appropriate reflection of its actual membership.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1986 recommended by the Committee of Conference, with comparisons to the fiscal year 1985 amount, the 1986 budget estimates, and the House and Senate bills for 1986 follow:

New budget (obligational) authority, fiscal year 1985	$1,599,977,138
Budget estimates of new (obligational) authority, fiscal year 1986	1,783,255,000
House bill, fiscal year 1986	1,294,473,000
Senate bill, fiscal year 1986	1,599,663,800
Conference agreement, fiscal year 1986	1,598,293,800

Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1985	−1,683,338
Budget estimates of new (obligational) authority, fiscal year 1986	−184,961,200
House bill, fiscal year 1986	+303,820,800
Senate bill, fiscal year 1986	−1,370,000

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Managers on the Part of the House.

ALPHONSE D'AMATO
MARK O. HATFIELD,
TED STEVENS,
DALE BUMPERS,
TOM HARKIN,
Managers on the Part of the Senate.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative programs and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. BOULTER) to revise and extend their remarks and include extraneous material:)

Mr. PARRIS, for 60 minutes, on October 24.

Mr. SMITH of New Hampshire, for 60 minutes, on October 30.

Mr. LEACH of Iowa, for 30 minutes, today.

Mr. RUDD, for 5 minutes, today.

Mr. KASICH, for 5 minutes, today.

Mr. WALKER, for 60 minutes, today.

Mr. MACK, for 60 minutes, today.

Mr. WEBER, for 60 minutes, today.

Mr. PARRIS, for 60 minutes, on October 28.

Mr. PARRIS, for 60 minutes, on October 29.

(The following Members (at the request of Mr. DERRICK) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. NELSON of Florida, for 5 minutes, today.

Mr. GEJDENSON, for 5 minutes, today.

Mr. GRAY of Pennsylvania, for 5 minutes, today.

Ms. OAKAR, for 5 minutes, today.

Mrs. COLLINS, for 30 minutes, today.

Mr. NEAL, for 60 minutes, today.

Mr. BRYANT, for 5 minutes, today.

Mr. LIPINSKI, for 5 minutes, on October 24.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. FORD of Tennessee, prior to the vote on the conference report on H.R. 2409, in the House, today.

(The following Members (at the request of Mr. BOULTER) and to include extraneous matter:)

Mr. GUNDERSON in two instances.

Mr. VANDER JAGT.

Mr. SHUMWAY.

Mr. MOLINARI.

Mr. WORTLEY.

Mr. STRANG.

Mr. LEWIS of California.

Mr. GILMAN in three instances.

Mr. YOUNG of Alaska.

Mrs. BENTLEY in two instances.

Mr. O'BRIEN.

Mr. BATEMAN.

Mr. CRANE.

Mr. KEMP.

Mr. SCHUETTE in two instances.

(The following Members (at the request of Mr. DERRICK) and to include extraneous matter:)

Mr. ROE.

Mr. DINGELL.

Mr. KOLTER.

Mr. MRAZEK.

Mr. FRANK.

Mr. O'NEILL.

Mr. HAMILTON.

Mr. SOLARZ.

Mr. GEJDENSON.

Mr. ATKINS.

Mr. LANTOS in two instances.

Mr. DORGAN of North Dakota in two instances.

Mr. MONTGOMERY.

Mr. GARCIA in two instances.

Mr. KASTENMEIER.

Mr. MILLER of California.

Mr. CLAY.

Mr. SHARP.

Mr. MICA.

Mrs. BYRON.

Mr. LELAND.

Mr. ECKART of Ohio.

ENROLLED JOINT RESOLUTION SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H.J. Res. 407. Joint resolution designating the 12-month period ending on October 20, 1986, as the "Centennial Year of Liberty in the United States."

SENATE ENROLLED JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S.J. Res. 104. Joint resolution to proclaim October 23, 1985, as "A Time of Remembrance" for all victims of terrorism throughout the world.

BILL AND JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill and joint resolutions of the House of the following title:

H.R. 2959. An act making appropriations for energy and water development for the fiscal year ending September 30, 1986, and for other purposes;

H.J. Res. 79. Joint resolution to designate the week beginning October 6, 1985, as "National Children's Week"; and

H.J. Res. 407. Joint resolution designating the 12-month period ending on October 28, 1986, as the "Centennial Year of Liberty in the United States."

ADJOURNMENT

Mr. WALKER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 27 minutes p.m.) the House adjourned until tomorrow, Thursday, October 24, 1985, 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:

2174. A letter from the Chairman, Council of the District of Columbia, transmitting D.C. Act 6-96, "Closing of a Portion of Davenport Street, N.W., adjacent to Squares 1672 and 1673, S.O. 84-313, Act of 1985", and report, pursuant to Public Law 93-198, section 602(c), to the Committee on the District of Columbia.

2175. A letter from the Chairman, Council of the District of Columbia, transmitting D.C. Act 6-94, "The Sibley Memorial Hospital Revenue Bond Act of 1985", and report, pursuant to Public Law 93-198, section 602(c), to the Committee on the District of Columbia.

2176. A letter from the Chairman, Council of the District of Columbia, transmitting D.C. Act 6-97, "Mandatory Use of Seat Belts Act of 1985", and report, pursuant to Public Law 93-198, section 602(c), to the Committee on the District of Columbia.

2177. A letter from the Chairman, Council of the District of Columbia, transmitting D.C. Act 6-95, "Business Incubator Facilitation Act of 1985", and report, pursuant to Public Law 93-198, section 602(c), to the Committee on the District of Columbia.

2178. A letter from the Director, Defense Security Assistance Agency, transmitting notification of the Department of the Navy's proposed lease of defense articles to Israel (Transmittal No. 4-86), pursuant to 22 U.S.C. 2796(a); to the Committee on Foreign Affairs.

2179. A letter from the Director, Defense Security Assistance Agency, transmitting notification of the Department of the Navy's proposed lease of defense articles to the Dominican Republic (Transmittal No. 1-

86), pursuant to 22 U.S.C. 2796(a); to the Committee on Foreign Affairs.

2180. A letter from the Secretary of Energy, transmitting the seventh annual report on the Automotive Technology Development Program—fiscal year 1985, pursuant to Public Law 93-577, section 15, 19(1), and 20 (92 Stat. 61, 69, 70 and 85); Public Law 95-238, section 310(a); to the Committee on Science and Technology.

2181. A communication from the President of the United States, transmitting notification of the intent to remove Portugal from the list of beneficiary developing countries under the Generalized System of Preferences (GSP) Program, pursuant to 19 U.S.C. 2462(a) (H. Doc. No. 99-177); to the Committee on Ways and Means and ordered to be printed.

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. FAZIO. Committee of conference. Conference report on H.R. 2942 (Rept. 99-321). Ordered to be printed.

Mr. FUQUA. Committee on Science and Technology. H.R. 3235. A bill to authorize the Administrator of the National Aeronautics and Space Administration to accept title to the Mississippi Technology Transfer Center to be constructed by the State of Mississippi at the National Space Technologies Laboratories in Hancock County, Mississippi; with an amendment (Rept. 99-322). Referred to the Committee of the Whole House on the State of the Union.

Mr. DELLUMS. Committee on the District of Columbia. H.R. 2050. A bill to give to the Board of Parole for the District of Columbia exclusive power and authority to make parole determinations concerning prisoners convicted of violating any law of the District of Columbia, or any law of the United States applicable exclusively to the District (Rept. 99-323). Referred to the Committee of the Whole House on the State of the Union.

Mr. DELLUMS. Committee on the District of Columbia. H.R. 2946. A bill to establish an independent jury system for the Superior Court of the District of Columbia. (Rept. 99-324). Referred to the Committee of the Whole House on the State of the Union.

Mr. DELLUMS. Committee on the District of Columbia. H.R. 3592. A bill to provide permanent authority for hearing commissioners in the District of Columbia courts, to modify certain procedures of the District of Columbia Judicial Nomination Commission and the District of Columbia Commission on Judicial Disabilities and Tenure, and for other purposes (Rept. 99-325). Referred to the Committee of the Whole House on the State of the Union.

Mr. DELLUMS. Committee on the District of Columbia. H.R. 3578. A bill to provide permanent authority for hearing commissioners in the District of Columbia courts, to modify certain procedures of the District of Columbia Judicial Nomination Commission and the District of Columbia Commission on Judicial Disabilities and Tenure, and for other purposes with amendments (Rept. 99-326). Referred to the Committee of the Whole House on the State of the Union.

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. ACKERMAN:

H.R. 3605. A bill to provide that the authority to establish and administer flexible and compressed work schedules for Federal Government employees be extended through December 31, 1985; to the Committee on Post Office and Civil Service.

By Mr. ASPIN (for himself and Mrs. BOXER):

H.R. 3606. A bill to clarify the application of section 2406 of title 10, United States Code, relating to cost and price management, and to delay the effective date of such provision; to the Committee on Armed Services.

By Mr. HUNTER (for himself and Mr. PACKARD):

H.R. 3607. A bill to declare that certain lands located in California and held by the Secretary of the Interior are lands held in trust for the benefit of certain bands of Indians and to declare such lands to be part of the reservation with which they are contiguous; to the Committee on Interior and Insular Affairs.

By Mr. MITCHELL:

H.R. 3608. A bill to amend the Small Business Investment Act of 1958; to the Committee on Small Business.

By Mr. SILJANDER:

H.R. 3609. A bill to authorize the furnishing of military assistance to the National Union for the Total Independence of Angola (UNITA); to the Committee on Foreign Affairs.

By Mr. YOUNG of Alaska:

H.R. 3610. A bill to equalize the duties on canned tuna; to the Committee on Ways and Means.

By Mr. GUNDERSON:

H.R. 3611. A bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to clarify the liability of the United States Government for hazardous substances released during the manufacture of munitions or ordnance parts using equipment owned by the Department of Defense or any subdivision thereof; jointly, to the Committees on Energy and Commerce, Public Works and Transportation, and Armed Services.

By Mr. LEVIN of Michigan:

H.J. Res. 426. Joint resolution to designate the week of April 6, 1986, through April 12, 1986, as "World Health Week" and to designate April 7, 1986, as "World Health Day"; to the Committee on Post Office and Civil Service.

By Mr. O'BRIEN (for himself, Mr. ANDREWS, Mr. ANNUNZIO, Mr. BARNES, Mr. CHAPPIE, Mr. CLINGER, Mr. CROCKETT, Mr. DURBIN, Mr. DWYER of New Jersey, Mr. DYMALLY, Mr. EMERSON, Mr. FAZIO, Mr. FISH, Mr. GRAY of Illinois, Mr. GROTBERG, Mr. GUARINI, Mr. HAYES, Mrs. HOLT, Mr. HORTON, Mr. HOYER, Mr. KOSTMAYER, Mr. LAFALCE, Mr. MADIGAN, Mr. MAZZOLI, Mr. MINETA, Mr. MONTGOMERY, Mr. OWENS, Mr. RAHALL, Mr. REID, Mr. RODINO, Mr. ROE, Mr. SHAW, Mr. VALENTINE, Mr. WEISS, Mr. WOLF, and Mr. WORTLEY):

H.J. Res. 427. Joint resolution designating the week beginning on May 11, 1986, as "National Asthma and Allergy Awareness Week"; to the Committee on Post Office and Civil Service.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. PASHAYAN:

H.R. 3613. A bill for the relief of Wesley P. and Lois R. Kliewer; to the Committee on Judiciary.

H.R. 3612. A bill for the relief of Rodney E. Hoover; 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. 264: Mr. BONIOR of Michigan.

H.R. 347: Mr. RAY and Mrs. MEYERS of Kansas.

H.R. 604: Mr. RICHARDSON.

H.R. 1229: Mr. EVANS of Illinois.

H.R. 1482: Mr. SUNIA.

H.R. 1616: Mr. PEPPER, Mr. BOSCO, Mr. LANTOS, Mr. COELHO, Mr. GONZALEZ, Mr. MOLLOHAN, Mr. VOLKMER, Mr. DYSON, Mr. LUKEN, Mr. DASCHLE, Mr. GARCIA, and Mr. BROOKS.

H.R. 1662: Mr. ANDERSON.

H.R. 1809: Mr. GRAY of Illinois.

H.R. 1877: Mr. FLORIO and Mr. FOGLIETTA.

H.R. 1920: Mr. FAZIO.

H.R. 2280: Mr. GONZALEZ and Mr. BENNETT.

H.R. 2382: Mr. STALLINGS.

H.R. 2543: Mr. BERMAN, Mr. CROCKETT, Mr. TOWNS, and Mr. MORRISON of Connecticut.

H.R. 2589: Mr. DOWNEY of New York and Mr. LOWRY of Washington.

H.R. 2686: Mr. MARTINEZ, Mr. ANTHONY, Mr. CONYERS, and Mr. SIKORSKI.

H.R. 2691: Mr. NEAL

H.R. 2768: Mr. DEWINE.

H.R. 2793: Mr. BLILEY.

H.R. 2951: Mr. GINGRICH and Mr. RIDGE.

H.R. 3024: Mr. DE LUGO, Mr. DE LA GARZA, Mr. GONZALEZ, Mr. BUSTAMANTE, Ms. SNOWE, Mr. ANDREWS, Mr. WILSON, Mr. FRANK, Mr. EVANS of Illinois, Mr. DOWDY of Mississippi, Mr. ENGLISH, Mr. BENNETT, Mr. HARTNETT, Mr. PENNY, Mr. WOLF, Mr. HEFNER, Mr. HALL of Ohio, Mr. HOWARD, Mr. DYMALLY, Mr. LOTT, Mr. DAUB, Mr. BURTON of Indiana, Mr. WORTLEY, Mr. LAGOMARSINO, Mr. HUCKABY, Mr. BONIOR of Michigan, Mr. CHAPPIE, Mr. DARDEN, Mr. OBERSTAR, Mrs. BENTLEY, Mr. WILLIAMS, Mr. RAHALL, Mr. ANTHONY, Mr. FAZIO, Mr. MCCAIN, Mrs. BOXER, Mr. GRAY of Illinois, Mr. MCKERNAN, Mr. DYSON, Mr. CHANDLER, Mr. ROWLAND of Georgia, Ms. KAPTUR, Mr. MANTON, Mr. CARNEY, Mr. HENDON, Mr. MOLLOHAN, Mr. MCGRATH, Mr. ROSE, Mr. LIGHTFOOT, Mr. APPLEGATE, Mr. BEVILL, Mr. O'BRIEN, Mr. ROE, Mr. SOLOMON, Mr. STUMP, Mr. SUNIA, Mr. SHUMWAY, Mr. LIVINGSTON, Mr. BONER of Tennessee, Mr. GROTBERG, Mr. COLEMAN of Texas, Mr. SCHEUER, Mr. STENHOLM, Mr. PICKLE, Mr. SKEEN, Mr. TORRES, Mr. MRAZEK, Mr. MILLER of Ohio, Mr. MARTINEZ, Mr. CHAPMAN, Mr. PARRIS, and Mr. DASCHLE.

H.R. 3032: Mr. LOWRY of Washington.

H.R. 3086: Mr. CONYERS.

H.R. 3204: Mr. HAYES, Mr. GARCIA, Mr. GUNDERSON, Mr. STOKES, Mr. SABO, Mr. TORRICELLI, Mr. FAZIO, Mrs. LLOYD, Mr. DE LA GARZA, Ms. KAPTUR, Mrs. BENTLEY, Mr.

WEISS, Mr. SCHEUER, Mr. CROCKETT, Mrs. BURTON of California, Mr. SUNIA, and Mr. KASTENMEIER.

H.R. 3232: Mr. CLINGER.

H.R. 3369: Mrs. BENTLEY, Mr. BURTON of Indiana, Mr. GINGRICH, Mr. LEWIS of California, Mr. KEMP, and Mr. SHUMWAY.

H.R. 3448: Mr. SWINDALL, Mr. MURPHY, Mr. SLATTERY, and Mr. BARTON of Texas.

H.R. 3487: Mr. RANGEL and Mr. MITCHELL.

H.R. 3505: Mr. BLILEY, Mr. SWINDALL, Mrs. COLLINS, and Mr. PORTER.

H.R. 3513: Mr. MILLER of California, Mr. LEVIN of Michigan, Mr. MORRISON of Connecticut, Mr. BONER of Tennessee, Mr. MURPHY, Mr. MARKEY, Mr. HOYER, Mr. MATSUI, Mr. DYSON, Mr. EDWARDS of California, Mr. RANGEL, Mr. DE LA GARZA, Mr. FUSTER, Mr. THOMAS of Georgia, Mr. MOAKLEY, Mr. FAZIO, Mr. COELHO, Mrs. BURTON of California, Mr. LELAND, Mr. ACKERMAN, Mr. WILSON, Mr. EVANS of Illinois, Mrs. BOXER, Mr. WEISS, and Mr. DONNELLY.

H.R. 3525: Mr. BATES, Mr. BEREUTER, Mr. BIAGGI, Mrs. BOXER, and Mr. GUARINI.

H.R. 3530: Ms. SNOWE, Mr. GUARINI, Mr. DELLUMS, Mr. FUQUA, and Mr. KASTENMEIER.

H.R. 3555: Mr. MURPHY, Mr. DYMALLY, Mr. CROCKETT, Mr. FRANK, Mr. UDALL, and Mr. FAZIO.

H.J. Res. 126: Mr. MOORE, Mr. MORRISON of Connecticut, Mr. PRICE, Mr. RINALDO, Mr. SKELTON, Mr. SNYDER, Mr. TALLON, Mr. THOMAS of Georgia, Mr. WOLPE, Mrs. LONG, Mr. PEPPER, Mr. RICHARDSON, Mrs. BURTON of California, Mr. KOSTMAYER, Mr. BROOMFIELD, and Ms. OAKAR.

H.J. Res. 127: Mr. SYNAR, Mr. DONNELLY, Mr. WEISS, Mr. GINGRICH, Mr. OWENS, Mrs. BOXER, Mr. ST GERMAIN, and Mr. GEJDENSON.

H.J. Res. 231: Mr. GORDON.

H.J. Res. 254: Mr. YOUNG of Missouri, Mr. DAUB, Mr. KOSTMAYER, Mr. COYNE, Mr. BROOKS, Mr. WAXMAN, Mrs. LONG, Mr. COLEMAN of Missouri, Mr. RANGEL, Mr. WALGREN, Mr. BENNETT, Mr. SWINDALL, Mr. JENKINS, and Mr. KEMP.

H.J. Res. 275: Mr. HOWARD, Mr. YATRON, Mrs. BOXER, Mr. MCGRATH, Mr. ECKERT of New York, and Mr. FUQUA.

H.J. Res. 297: Mr. EVANS of Illinois, Mr. JACOBS, Mr. DIOGUARDI, Mr. SPRATT, Mr. KOSTMAYER, Mr. GONZALEZ, Mr. SUNIA, Mr. BOEHLERT, Mr. MARKEY, Mr. TRAFICANT, Mr. VOLKMER, Mr. MONSON, Mr. LEWIS of California, Mr. SNYDER, and Mr. CHANDLER.

H.J. Res. 314: Mr. GREEN, Mr. JONES of North Carolina, Mr. MINETA, Mr. COOPER, Mr. BOUCHER, Mr. SMITH of Iowa, Mr. MCCAIN, Mr. DIOGUARDI, Mr. HENRY, Mr. CARPER, Mr. EVANS of Iowa, Mrs. BENTLEY, Mr. SKEEN, Mr. EVANS of Illinois, Mr. WOLPE, Mr. SILJANDER, Mr. MATSUI, Mr. NEAL, Mr. MAVROULES, Mr. COURTER, Mr. CONYERS, Mr. YOUNG of Missouri, Mr. WAXMAN, Mr. RODINO, Mr. LEHMAN of Florida, Mr. CRANE, Mr. WHITTEN, Mr. GEJDENSON, Mr. PURSELL, Mrs. KENNELLY, Mr. TORRICELLI, Mr. CALLAHAN, Mr. HEFNER, Mr. OBERSTAR, Mr. COBLE, Mr. ROBERTS, and Mr. PERKINS.

H.J. Res. 381: Mr. WIRTH.

H.J. Res. 397: Mr. PASHAYAN, Mr. WISE, Ms. KAPTUR, Mr. LAGOMARSINO, Mr. ROE, Mr. NIELSON of Utah, Mr. BUSTAMANTE, Mr. DORNAN of California, Mr. DAUB, Mr. WORTLEY, Mr. HORTON, Mr. GINGRICH, Mr. RALPH M. HALL Mr. MOORHEAD, Mr. SHUMWAY, Mr. RUDD, Mr. EMERSON, Mr. MONTGOMERY, Mr. FROST, Mr. STRATTON, Mr. PRICE, Mr. MAVROULES, Mr. DYSON, Mrs. Lloyd, Mr. HUNTER, Mr. HARTNETT, Mr. FOGLIETTA, Mr. DARDEN, and Mr. CARNEY.

H. Con. Res. 129: Mr. GUARINI.

H. Con. Res. 202: Mr. STARK and Mr. ECKART of Ohio.

H. Con. Res. 213: Mr. DYSON, Mr. FRANK, Mr. BRYANT, Mr. BARTON of Texas, Mr. FAZIO, Mr. MATSUI, Mr. MORRISON of Connecticut, Mr. MRAZEK, Mr. BENNETT, Mr. STRATTON, Mr. THOMAS of Georgia, Mr. COELHO, Mr. LIPINSKI, Ms. KAPTUR, Mr. WIRTH, Mr. WHITEHURST, Mr. BUSTAMANTE, Mr. CLINGER, Mr. NICHOLS, Mr. HUCKABY, Mr. BEDELL, Mr. SMITH of Florida, Mr. TALLON, Mr. DARDEN, Mr. HOWARD, and Mrs. BOXER.

H. Res. 74: Mr. RICHARDSON.

H. Res. 99: Mr. GRAY of Pennsylvania.

H. Res. 268: Mr. MCHUGH, and Mr. MONSON.

H. Res. 270: Mrs. BOXER, Mr. LEVINE of California, Mr. RANGEL, and Mr. TOWNS.

H. Res. 295: Mr. DELLUMS.

PETITIONS, ETC.

Under clause 1 of rule XXII,

239. The SPEAKER presented a petition of the Knights of Peter Claver, Lake Charles, LA, relative to apartheid; which was referred to the Committee on Foreign Affairs.